

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

Form 10-Q

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

For the quarterly period ended June 30, 2007

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. 1-10308

Avis Budget Group, Inc.

(Exact name of registrant as specified in its charter)

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)

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

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 103,769,313 shares as of July 31, 2007.

[Table of Contents](#)

Table of Contents

	<u>Page</u>
PART I	Financial Information (Unaudited)
Item 1.	Financial Statements
	Consolidated Condensed Statements of Operations for the Three and Six Months Ended June 30, 2007 and 2006 (restated)
	3
	Consolidated Condensed Balance Sheets as of June 30, 2007 and December 31, 2006
	4
	Consolidated Condensed Statements of Cash Flows for the Six Months Ended June 30, 2007 and 2006 (restated)
	5
	Notes to Consolidated Condensed Financial Statements
	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
	29
Item 3.	Quantitative and Qualitative Disclosures about Market Risk
	38
Item 4.	Controls and Procedures
	38
PART II	Other Information
Item 1.	Legal Proceedings
	38
Item 4.	Submission of Matters to a Vote of Security Holders
	38
Item 6.	Exhibits
	39
	Signatures
	40

FORWARD-LOOKING STATEMENTS

The forward-looking statements contained herein are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on various facts and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements include the information concerning our future financial performance, business strategy, projected plans and objectives. Statements preceded by, followed by or that otherwise include the words “believes”, “expects”, “anticipates”, “intends”, “projects”, “estimates”, “plans”, “may increase”, “may fluctuate” and similar expressions or future or conditional verbs such as “will”, “should”, “would”, “may” and “could” are generally forward-looking in nature and not historical facts. You should understand that 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;
- an increase in the cost of new vehicles;
- a decrease in our ability to acquire or dispose of cars generally through repurchase or guaranteed depreciation programs and/or dispose of vehicles through sales of vehicles in the used car market;
- a decline in the results of operations or financial condition of the manufacturers of our cars;
- a downturn in airline passenger traffic in the United States or in the other international locations in which we operate;
- an occurrence or threat of terrorism, pandemic disease, natural disasters or military conflict in the markets in which we operate;
- our dependence on third-party distribution channels;
- a disruption or decline in rental activity, particularly during our peak season or in key market segments;
- a disruption in our ability to obtain financing for our operations, including the funding of our vehicle fleet via the asset-backed securities and lending market;
- a significant increase in interest rates or in borrowing costs;
- our failure to increase or decrease appropriately the size of our fleet due to the seasonal nature of our business;
- our ability to accurately estimate our future results;
- our ability to implement our strategy for growth;
- a major disruption in our communication or centralized information networks;
- our failure or inability to comply with regulations or any changes in regulations;
- our failure or inability to make the changes necessary to operate effectively now that we operate independently from the former real estate, hospitality and travel distribution businesses following the separation of those businesses from us during third quarter 2006, when we were known as Cendant Corporation;
- other business, economic, competitive, governmental, regulatory, political or technological factors affecting our operations, pricing or services;
- risks inherent in the restructuring of the operations of Budget Truck Rental;

[Table of Contents](#)

- risks inherent in the separation and related transactions, including risks related to our April 2006 borrowings, and costs of the separation; and
- the terms of agreements among the separated companies, including the allocations of assets and liabilities, including contingent liabilities and guarantees, commercial arrangements and the performance of each of the separated companies' obligations under these agreements.

Other factors and assumptions not identified above, including those described under "Risk Factors" set forth in Item 1A of our 2006 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. Most of these factors are difficult to predict accurately and are generally beyond our control.

You should consider the areas of risk described above, as well as those described under "Risk Factors" set forth in Item 1A of our 2006 Annual Report on Form 10-K, in connection with any forward-looking statements that may be made by us and our businesses generally. Except for our ongoing obligations to disclose material information 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 unless required by law. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
		Restated		Restated
Revenues				
Vehicle rental	\$ 1,175	\$ 1,150	\$ 2,252	\$ 2,215
Other	341	304	629	576
Net revenues	<u>1,516</u>	<u>1,454</u>	<u>2,881</u>	<u>2,791</u>
Expenses				
Operating	785	729	1,496	1,425
Vehicle depreciation and lease charges, net	402	364	764	694
Selling, general and administrative	168	240	327	446
Vehicle interest, net	71	75	142	166
Non-vehicle related depreciation and amortization	20	28	43	55
Interest expense related to corporate debt, net	32	97	65	157
Separation costs, net	3	31	(3)	56
Total expenses	<u>1,481</u>	<u>1,564</u>	<u>2,834</u>	<u>2,999</u>
Income (loss) before income taxes	35	(110)	47	(208)
Provision (benefit) from income taxes	<u>12</u>	<u>(46)</u>	<u>12</u>	<u>(78)</u>
Income (loss) from continuing operations	23	(64)	35	(130)
Income from discontinued operations, net of tax	—	317	—	532
Gain (loss) on disposal of discontinued operations, net of tax	<u>1</u>	<u>(1,307)</u>	<u>1</u>	<u>(1,322)</u>
Income (loss) before cumulative effect of accounting changes	24	(1,054)	36	(920)
Cumulative effect of accounting changes, net of tax	<u>—</u>	<u>—</u>	<u>—</u>	<u>(64)</u>
Net income (loss)	<u>\$ 24</u>	<u>\$ (1,054)</u>	<u>\$ 36</u>	<u>\$ (984)</u>
Earnings per share				
Basic				
Income (loss) from continuing operations	\$ 0.22	\$ (0.64)	\$ 0.34	\$ (1.30)
Net income (loss)	0.23	(10.52)	0.35	(9.80)
Diluted				
Income (loss) from continuing operations	\$ 0.22	\$ (0.64)	\$ 0.34	\$ (1.30)
Net income (loss)	0.23	(10.52)	0.35	(9.80)

See Notes to Consolidated Condensed Financial Statements.

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

	<u>June 30,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 227	\$ 172
Receivables, net	436	363
Deferred income taxes	6	7
Other current assets	540	1,264
Total current assets	1,209	1,806
Property and equipment, net	497	486
Deferred income taxes	169	226
Goodwill	2,194	2,193
Other intangibles, net	745	739
Other non-current assets	728	121
Total assets exclusive of assets under vehicle programs	5,542	5,571
Assets under vehicle programs:		
Program cash	18	14
Vehicles, net	9,299	7,049
Receivables from vehicle manufacturers and other	142	276
Investment in Avis Budget Rental Car Funding (AESOP), LLC – related party	375	361
	9,834	7,700
Total assets	<u>\$ 15,376</u>	<u>\$ 13,271</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and other current liabilities	\$ 1,110	\$ 1,855
Current portion of long-term debt	11	29
Total current liabilities	1,121	1,884
Long-term debt	1,792	1,813
Other non-current liabilities	959	452
Total liabilities exclusive of liabilities under vehicle programs	3,872	4,149
Liabilities under vehicle programs:		
Debt	1,043	759
Debt due to Avis Budget Rental Car Funding (AESOP), LLC—related party	6,321	4,511
Deferred income taxes	1,311	1,206
Other	299	203
	8,974	6,679
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, \$.01 par value—authorized 1 million shares; none issued and outstanding	—	—
Common stock, \$.01 par value—authorized 250 million shares; issued 136,810,549 and 135,498,121 shares	1	1
Additional paid-in capital	9,327	9,664
Retained earnings (accumulated deficit)	(568)	(586)
Accumulated other comprehensive income	117	68
Treasury stock, at cost— 32,605,466 and 34,306,694 shares	(6,347)	(6,704)
Total stockholders' equity	2,530	2,443
Total liabilities and stockholders' equity	<u>\$ 15,376</u>	<u>\$ 13,271</u>

See Notes to Consolidated Condensed Financial Statements.

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

	Six Months Ended	
	June 30,	
	2007	2006
		Restated
Operating Activities		
Net income (loss)	\$ 36	\$ (984)
Adjustments to arrive at income (loss) from continuing operations	(1)	854
Income (loss) from continuing operations	<u>35</u>	<u>(130)</u>
Adjustments to reconcile income (loss) from continuing operations to net cash provided by (used in) operating activities exclusive of vehicle programs:		
Non-vehicle related depreciation and amortization	43	55
Net change in assets and liabilities, excluding the impact of acquisitions and dispositions:		
Receivables	(14)	—
Income taxes and deferred income taxes	12	(309)
Accounts payable and other current liabilities	(53)	(37)
Other, net	(11)	(92)
Net cash provided by (used in) continuing operating activities exclusive of vehicle programs	<u>12</u>	<u>(513)</u>
<i>Vehicle programs:</i>		
Vehicle depreciation	759	663
	<u>759</u>	<u>663</u>
Net cash provided by continuing operating activities	<u>771</u>	<u>150</u>
Investing Activities		
Property and equipment additions	(51)	(46)
Net assets acquired, net of cash acquired, and acquisition-related payments	(1)	(113)
Proceeds received on asset sales	8	10
Proceeds from sale of investment	106	—
Payments made to Realogy and Wyndham, net	(88)	—
Proceeds from dispositions of businesses, net of transaction-related payments	(1)	(28)
Other, net	(8)	6
Net cash used in investing activities exclusive of vehicle programs	<u>(35)</u>	<u>(171)</u>
<i>Vehicle programs:</i>		
Increase in program cash	(4)	(49)
Investment in vehicles	(6,480)	(6,936)
Payments received on investment in vehicles	3,752	5,404
Other, net	—	(6)
	<u>(2,732)</u>	<u>(1,587)</u>
Net cash used in investing activities	<u>(2,767)</u>	<u>(1,758)</u>

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

	Six Months Ended	
	June 30,	
	2007	2006
	Restated	Restated
Financing Activities		
Proceeds from borrowings	—	1,875
Principal payments on borrowings	(39)	—
Net short-term borrowings	—	192
Issuances of common stock	39	36
Repurchases of common stock	—	(243)
Payment of dividends	—	(113)
Other, net	—	(25)
Net cash provided by financing activities exclusive of vehicle programs	—	1,722
<i>Vehicle programs:</i>		
Proceeds from borrowings	6,287	6,441
Principal payments on borrowings	(4,362)	(7,322)
Net change in short-term borrowings	129	104
Other, net	(6)	(22)
Net cash provided by financing activities	2,048	(799)
	2,048	923
Effect of changes in exchange rates on cash and cash equivalents	3	(1)
Cash provided by (used in) discontinued operations		
Operating activities	—	1,059
Investing activities	—	(526)
Financing activities	—	(282)
Effect of exchange rate changes	—	10
Cash provided by discontinued operations	—	261
Net increase (decrease) in cash and cash equivalents	55	(425)
Cash and cash equivalents, beginning of period	172	546
Cash and cash equivalents, end of period	\$ 227	\$ 121

See Notes to Consolidated Condensed Financial Statements.

Avis Budget Group, Inc.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unless otherwise noted, all amounts 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 in the United States and internationally. 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 in the following business segments:

- **Domestic Car Rental**— provides car rentals and ancillary products and services in the United States.
- **International Car Rental**— provides car rentals and ancillary products and services primarily in Canada, Argentina, Australia, New Zealand, Puerto Rico and the U.S. Virgin Islands.
- **Truck Rental**— provides truck rentals and related services to consumers and light commercial users in the United States.

In presenting the Consolidated Condensed Financial Statements in accordance with accounting principals generally accepted in the United States (U.S. GAAP), management makes estimates and assumptions that affect the amounts reported and related disclosures. Estimates, by their nature, are based on judgments 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 2006 Annual Report on Form 10-K filed on March 1, 2007.

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, asset-backed funding or other similar arrangements which are 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 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.

Discontinued Operations. In connection with the separation of Cendant into four independent companies, 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. Pursuant to Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"), the account balances and activities of Realogy, Wyndham and Travelport have been segregated and reported as discontinued operations for the three and six months ended June 30, 2006. Summarized financial data for the aforementioned businesses are provided in Note 2—Discontinued Operations.

Separation. During the three and six months ended June 30, 2007, the Company incurred costs (credits) of \$3 million and \$(3) million, respectively, in connection with the separation of Cendant into four independent companies. Such costs consisted primarily of professional and consulting fees and the six months ended June 30, 2007 amount includes a \$14 million credit for tax-related receivables from Realogy and Wyndham recognized in connection with the adoption of the Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), discussed below. For the three and six months ended June 30, 2006, the Company incurred costs of \$31 million and \$56 million, respectively, in connection with the separation. Such costs were primarily related to the accelerated vesting of stock-based compensation awards, severance and retention and professional and consulting fees.

Restatement. In 2006, the Company restated second quarter 2006 income (loss) from disposal of discontinued operations for an error in the determination of the impairment charge related to the sale of Travelport. The effect of this correction was to recognize an additional loss of \$300 million on the sale of Travelport in the second quarter 2006. This restatement was disclosed in the Company's September 30, 2006 Quarterly Report on Form 10-Q, filed on November 21, 2006.

[Table of Contents](#)

The following table presents certain of the Company's previously reported income statement and cash flow data and revisions to such data resulting from the restatement and corresponding amounts currently reported.

	<u>As Previously Reported as Cendant</u>	<u>Effect of Discontinued Operations</u>	<u>Effect of Restatement</u>	<u>As Restated</u>
<i>For the three months ended June 30, 2006:</i>				
<u>Consolidated condensed statement of operations</u>				
Gain (loss) on disposal of discontinued operations, net of tax	\$ (981)	(26)	(300)	\$ (1,307)
Net income (loss)	(754)	—	(300)	(1,054)
Per share information (*)				
Basic:				
Gain (loss) on disposal of discontinued operations	(9.79)	(0.26)	(3.00)	(13.05)
Net income (loss)	(7.52)	—	(3.00)	(10.52)
<i>For the six months ended June 30, 2006:</i>				
<u>Consolidated condensed statement of operations</u>				
Gain (loss) on disposal of discontinued operations, net of tax	\$ (981)	(41)	(300)	\$ (1,322)
Income (loss) before cumulative effect of accounting changes	(620)	—	(300)	(920)
Net income (loss)	(684)	—	(300)	(984)
Per share information (*)				
Basic:				
Gain (loss) on disposal of discontinued operations	(9.78)	(0.40)	(2.99)	(13.17)
Net income (loss)	(6.81)	—	(2.99)	(9.80)
<u>Consolidated condensed statement of cash flow</u>				
Adjustments to arrive at income (loss) from continuing operations	939	(385)	300	854

(*) Adjusted for the 1-for-10 reverse stock split which became effective September 5, 2006.

This restatement did not affect the Company's income from continuing operations. There was a corresponding decrease of \$300 million to the assets of discontinued operations on the Company's balance sheet at June 30, 2006.

Changes in Accounting Policies during 2007

Accounting for Uncertainty in Income Taxes. In June 2006, the FASB issued FIN 48, which is an interpretation of SFAS No. 109, "Accounting for Income Taxes." FIN 48 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. The Company adopted the provisions of FIN 48 effective January 1, 2007, as required, and recorded an after tax charge to stockholders' equity of \$18 million, which represents the recognition of \$10 million of accrued interest and an increase of \$8 million in the liability for unrecognized tax benefits. The Company has been indemnified by Realogy and Wyndham for additional tax related liabilities of \$14 million recognized as a result of the adoption of FIN 48. Accordingly, the Company recorded a \$14 million credit, within the separation costs, net line item on the accompanying Consolidated Condensed Statement of Operations for first quarter 2007, reflecting the recognition of receivables from Wyndham and Realogy for such tax related matters. At June 30, 2007, certain income tax payable balances have been classified as long term liabilities and certain receivables from Realogy and Wyndham have been classified as non-current assets (see Note 8 – Other Current Assets and Note 9 – Accounts Payable and Other Current Liabilities).

[Table of Contents](#)

Including the impact of the adoption of FIN 48 discussed above, the Company's unrecognized tax benefits totaled \$559 million and were reclassified to long-term income taxes payable as of January 1, 2007. If recognized, substantially all would affect the annual effective income tax rate. In connection with the Company's adoption of FIN 48, the Company reduced alternative minimum tax credit and net operating loss carryforwards in the amount of \$94 million and \$60 million, respectively.

During the six months ended June 30, 2007, the Company's unrecognized tax benefits did not significantly change. As of June 30, 2007, the unrecognized tax benefits in the long-term income taxes payable were \$404 million. The Company does not anticipate that total unrecognized tax benefits will significantly change due to the settlement of audits or the expiration of statute of limitations within twelve months.

Including the impact of the adoption of FIN 48 discussed above, the Company's accrual for the payment of potential interest associated with uncertain tax positions was \$26 million as of January 1, 2007. During the six months ended June 30, 2007, the Company recorded additional liabilities of \$12 million for the payment of interest, which had minimal impact on the Company's results of operations as the Company is substantially indemnified for such liabilities and recognized corresponding receivables from Realogy and Wyndham. The Company recognizes potential interest related to unrecognized tax benefits within interest expense related to corporate debt, net on the accompanying Consolidated Condensed Statements of Operations. Penalties incurred during the six months ended June 30, 2007, were not significant and recognized as a component of income taxes.

Recently Issued Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115," ("SFAS No. 159"). SFAS No. 159 permits a company to irrevocably elect fair value as the initial and subsequent measurement attribute for certain financial assets and financial liabilities on a contract-by-contract basis, with changes in fair value recognized in earnings. The Company will adopt SFAS No. 159 on January 1, 2008, as required, and is currently evaluating the impact of such adoption on its financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157") which defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. The Company will adopt SFAS No. 157 on January 1, 2008, as required, and is currently evaluating the impact of such adoption on its financial statements.

2. Discontinued Operations

The \$1 million gain on disposal of discontinued operations, net of tax in the three and six months ended June 30, 2007 represents reserve adjustments related to the disposition of certain discontinued operations.

[Table of Contents](#)

Summarized statement of operations data for discontinued operations for the three and six months ended June 30, 2006 is as follows:

Three Months Ended June 30, 2006

	Wright Express^(a)	Marketing Services Division^(b)	Realogy^(c)	Wyndham^(c)
Net revenues	\$ —	\$ —	\$ 1,904	\$ 899
Income before income taxes	\$ —	\$ —	\$ 277	\$ 127
Provision for income taxes	—	—	108	44
Income from discontinued operations, net of tax	\$ —	\$ —	\$ 169	\$ 83
Gain (loss) on disposal of discontinued operations	\$ 9	\$ (8)	\$ (9)	\$ (8)
Provision (benefit) from income taxes	3	(2)	(2)	(2)
Gain (loss) on disposal of discontinued operations, net of tax	\$ 6	\$ (6)	\$ (7)	\$ (6)
			Travelport^(d)	Total
Net revenues			\$ 687	\$ 3,490
Income before income taxes			\$ 80	\$ 484
Provision for income taxes			15	167
Income from discontinued operations, net of tax			\$ 65	\$ 317
Gain (loss) on disposal of discontinued operations			\$ (1,321)	\$ (1,337)
Provision (benefit) from income taxes			(27)	(30)
Gain (loss) on disposal of discontinued operations, net of tax			\$ (1,294)	\$ (1,307)

- (a) Represents payments received from Wright Express in connection with a tax receivable agreement pursuant to which Wright Express is obligated to make payments to the Company over a 15 year term. Pursuant to the Separation Agreement, the Company began to distribute all such payments received from Wright Express to Realogy and Wyndham following the separation.
(b) Represents payments in connection with a guarantee obligation made to the Company's former Marketing Services division.
(c) Loss on disposal of discontinued operations represents costs incurred by Realogy and Wyndham in connection with their separation from Cendant, which was completed on July 31, 2006.
(d) Loss on disposal of discontinued operations includes a \$1.3 billion impairment charge reflecting the difference between Travelport's carrying value and its estimated fair value.

Six Months Ended June 30, 2006

	Wright Express^(a)	Marketing Services Division^(b)	Realogy^(c)	Wyndham^(c)
Net revenues	\$ —	\$ —	\$ 3,329	\$ 1,714
Income before income taxes	\$ —	\$ —	\$ 368	\$ 288
Provision for income taxes	—	—	140	106
Income from discontinued operations, net of tax	\$ —	\$ —	\$ 228	\$ 182
Gain (loss) on disposal of discontinued operations	\$ 9	\$ (10)	\$ (14)	\$ (15)
Provision (benefit) from income taxes	3	(4)	(2)	(3)
Gain (loss) on disposal of discontinued operations, net of tax	\$ 6	\$ (6)	\$ (12)	\$ (12)
			Travelport^(d)	Total
Net revenues			\$ 1,327	\$ 6,370
Income before income taxes			\$ 136	\$ 792
Provision for income taxes			14	260
Income from discontinued operations, net of tax			\$ 122	\$ 532
Gain (loss) on disposal of discontinued operations			\$ (1,327)	\$ (1,357)
Provision (benefit) from income taxes			(29)	(35)
Gain (loss) on disposal of discontinued operations, net of tax			\$ (1,298)	\$ (1,322)

- (a) Represents payments received from Wright Express in connection with a tax receivable agreement pursuant to which Wright Express is obligated to make payments to the Company over a 15 year term. Pursuant to the Separation Agreement, the Company began to distribute all such payments received from Wright Express to Realogy and Wyndham following the separation.
(b) Represents payments in connection with a guarantee obligation made to the Company's former Marketing Services division.
(c) Loss on disposal of discontinued operations represents costs incurred by Realogy and Wyndham in connection with their separation from Cendant, which was completed on July 31, 2006.
(d) Loss on disposal of discontinued operations includes a \$1.3 billion impairment charge reflecting the difference between Travelport's carrying value and its estimated fair value.

[Table of Contents](#)

3. Earnings Per Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Income (loss) from continuing operations	\$ 23	\$ (64)	\$ 35	\$ (130)
Income from discontinued operations, net of tax	—	317	—	532
Gain (loss) on disposal of discontinued operations, net of tax	1	(1,307)	1	(1,322)
Cumulative effect of accounting changes, net of tax	—	—	—	(64)
Net income (loss)	<u>\$ 24</u>	<u>\$ (1,054)</u>	<u>\$ 36</u>	<u>\$ (984)</u>
Basic weighted average shares outstanding ^(a)	103.4	100.1	102.5	100.4
Stock options, warrants and restricted stock units ^(b)	1.4	—	1.2	—
Diluted weighted average shares outstanding ^(a)	<u>104.8</u>	<u>100.1</u>	<u>103.7</u>	<u>100.4</u>
<i>Earnings per share:</i>				
Basic				
Income (loss) from continuing operations	\$ 0.22	\$ (0.64)	\$ 0.34	\$ (1.30)
Income from discontinued operations	—	3.17	—	5.30
Gain (loss) on disposal of discontinued operations	0.01	(13.05)	0.01	(13.17)
Cumulative effect of accounting changes	—	—	—	(0.63)
Net income (loss)	<u>\$ 0.23</u>	<u>\$ (10.52)</u>	<u>\$ 0.35</u>	<u>\$ (9.80)</u>
Diluted				
Income (loss) from continuing operations	\$ 0.22	\$ (0.64)	\$ 0.34	\$ (1.30)
Income from discontinued operations	—	3.17	—	5.30
Gain (loss) on disposal of discontinued operations	0.01	(13.05)	0.01	(13.17)
Cumulative effect of accounting changes	—	—	—	(0.63)
Net income (loss)	<u>\$ 0.23</u>	<u>\$ (10.52)</u>	<u>\$ 0.35</u>	<u>\$ (9.80)</u>

(a) Because the Company incurred a loss from continuing operations in 2006, all outstanding stock options, restricted stock units and warrants are anti-dilutive. Accordingly, basic and diluted weighted average shares outstanding are equal for such period.

(b) Excludes restricted stock units for which performance-based vesting criteria have not been achieved.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Options ^(a)	3.0	12.0	4.6	12.0
Warrants	0.2	0.2	0.2	0.2

(a) The weighted average exercise price for anti-dilutive options for the three and six months ended June 30, 2007 was \$39.32 and \$35.25, respectively. At June 30, 2006, all outstanding stock options were anti-dilutive, as the Company incurred a loss from continuing operations.

4. Intangible Assets

As of June 30, 2007 and December 31, 2006, intangible assets consisted of:

	As of June 30, 2007			As of December 31, 2006		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<i>Amortized Intangible Assets</i>						
Franchise agreements	\$ 75	\$ 17	\$ 58	\$ 75	\$ 16	\$ 59
Customer lists	19	6	13	19	6	13
Other	2	1	1	2	1	1
	<u>\$ 96</u>	<u>\$ 24</u>	<u>\$ 72</u>	<u>\$ 96</u>	<u>\$ 23</u>	<u>\$ 73</u>
<i>Unamortized Intangible Assets</i>						
Goodwill	<u>\$ 2,194</u>			<u>\$ 2,193</u>		
Trademarks	<u>\$ 673</u>			<u>\$ 666</u>		

Amortization expense relating to all intangible assets was less than \$1 million during both second quarter 2007 and 2006.

For the six month periods ended June 30, 2007 and 2006, amortization expense was less than \$2 million.

Based on the Company's amortizable intangible assets at June 30, 2007, the Company expects amortization expense of approximately \$1 million for the remainder of 2007 and approximately \$3 million for each of the five fiscal years thereafter.

5. Restructuring Charges

During fourth quarter 2006, the Company recorded \$10 million of restructuring charges, of which \$8 million was incurred in connection with current restructuring initiatives within the Company's Truck Rental and Domestic Car Rental operations and \$2 million represented a revision to an estimated charge recorded in connection with restructuring actions undertaken in first quarter 2005. The remaining liability relating to the 2005 actions was \$3 million at June 30, 2007 and primarily relates to obligations under terminated leases.

2006 Restructuring

During fourth quarter 2006, the Company committed to various strategic initiatives targeted principally at reducing costs, enhancing organizational efficiency and consolidating and rationalizing existing processes and facilities within its Budget Truck Rental and Domestic Car Rental operations. The more significant areas of cost reduction include the closure of the Budget Truck Rental headquarters and other facilities and reductions in staff.

The initial recognition of the restructuring charge and the corresponding utilization for the 2006 Truck Rental and Domestic Car Rental operations restructuring initiative are summarized by category from inception as follows:

	Personnel Related ^(a)	Facility Related ^(b)	Total
Initial charge	\$ 4	\$ 4	\$ 8
Cash payments	—	(1)	(1)
Balance at December 31, 2006	4	3	7
Cash payments	(4)	(2)	(6)
Balance at June 30, 2007	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 1</u>

(a) The initial charge primarily represents severance benefits resulting from reductions in staff. Prior to December 31, 2006, the Company formally communicated the termination of employment to approximately 180 employees, representing a wide range of employee groups. As of June 30, 2007, the Company had terminated substantially all of these employees.

(b) The initial charge principally represents costs incurred in connection with facility closures and lease obligations resulting from the closure of the Truck Rental headquarters, consolidation of Truck Rental operations and the closure of other facilities within the Company's Domestic Car Rental operations.

6. Vehicle Rental Activities

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

	As of June 30, 2007	As of December 31, 2006
Rental vehicles	\$ 10,305	\$ 7,738
Less: Accumulated depreciation	<u>(1,124)</u>	<u>(993)</u>
	9,181	6,745
Vehicles held for sale	<u>118</u>	<u>304</u>
	<u>\$ 9,299</u>	<u>\$ 7,049</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Depreciation expense	\$ 407	\$ 346	\$ 759	\$ 663
Lease charges	12	12	26	29
(Gain) loss on sales of vehicles, net	<u>(17)</u>	<u>6</u>	<u>(21)</u>	<u>2</u>
	<u>\$ 402</u>	<u>\$ 364</u>	<u>\$ 764</u>	<u>\$ 694</u>

During the three and six months ended June 30, 2007, vehicle interest, net on the accompanying Consolidated Condensed Statements of Operations excludes \$35 million and \$71 million, respectively, of interest expense related to the fixed and floating rate borrowings of the Company's Avis Budget Car Rental, LLC ("Avis Budget Car Rental") subsidiary. Such interest is recorded within interest expense related to corporate debt, net on the accompanying Consolidated Condensed Statements of Operations.

7. Income Taxes

The Company's effective tax rate from continuing operations for the six months ended June 30, 2007 is a provision of 25.5%. Such rate differs from the Federal statutory rate of 35.0% primarily due to an increase in the receivables due from Realogy and Wyndham in connection with the adoption of FIN 48 with a corresponding credit to the separation costs which is not subject to income taxes; and a decrease for changes in New York State and Canadian tax law.

8. Other Current Assets

Other current assets consisted of:

	As of June 30, 2007	As of December 31, 2006
Receivables from Realogy ^(a)	\$ 137	\$ 572
Receivables from Wyndham ^(a)	106	393
Prepaid expenses	145	144
Other	<u>152</u>	<u>155</u>
	<u>\$ 540</u>	<u>\$ 1,264</u>

^(a) Represents amounts due for certain contingent and other corporate liabilities assumed by Realogy and Wyndham in connection with the separation and services performed under the Transition Services Agreement. These amounts are due from Realogy and Wyndham on demand upon the Company's settlement of the related liability. At June 30, 2007 and December 31, 2006, there are corresponding liabilities recorded within accounts payable and other current liabilities. In connection with the Company's adoption of FIN 48, receivables from Realogy and Wyndham related to income taxes were classified as non-current assets. At June 30, 2007, receivables related to tax items included in non-current assets were \$623 million.

[Table of Contents](#)

9. Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities consisted of:

	As of June 30, 2007	As of December 31, 2006
Income taxes payable ^(a)	\$ —	\$ 520
Accounts payable	209	223
Accrued payroll and related	180	244
Accrued disposition costs	141	152
Public liability and property damage insurance liabilities ^(b)	117	116
Accrued legal settlements	36	71
Other	427	529
	<u>\$ 1,110</u>	<u>\$ 1,855</u>

(a) Income taxes payable have been classified as long-term liabilities as of January 1, 2007, in connection with the adoption of FIN 48. At June 30, 2007, the non-current liability related to long-term income taxes payable was \$404 million.

(b) The non-current liability related to public liability and property damage insurance was \$266 million and \$260 million at June 30, 2007 and December 31, 2006, respectively.

10. Long-term Debt and Borrowing Arrangements

Long-term debt consisted of:

	Maturity Date	As of June 30, 2007	As of December 31, 2006
Floating rate term loan	April 2012	\$ 800	\$ 838
Floating rate notes	May 2014	250	250
7 ³ / ₈ % notes	May 2014	375	375
7 ³ / ₄ % notes	May 2016	375	375
		<u>1,800</u>	<u>1,838</u>
Other		3	4
Total long-term debt		<u>1,803</u>	<u>1,842</u>
Less: Current portion ^(a)		11	29
Long-term debt		<u>\$ 1,792</u>	<u>\$ 1,813</u>

(a) Primarily represents borrowings under the Company's floating rate term loan as of June 30, 2007 and December 31, 2006.

Committed Credit Facilities and Available Funding Arrangements

At June 30, 2007, the committed credit facilities available to the Company and/or its subsidiaries at the corporate or Avis Budget Car Rental level were as follows:

	Total Capacity	Outstanding Borrowings	Letters of Credit Issued	Available Capacity
\$1.5 billion revolving credit facility ^(a)	\$ 1,500	\$ —	\$ 441	\$ 1,059
Letter of credit facility ^(b)	303	—	303	—

(a) This secured revolving credit facility was entered into by Avis Budget Car Rental in April 2006, has a five year term and currently bears interest at one month LIBOR plus 125 basis points.

(b) Final maturity date is July 2010.

On February 9, 2007, the Company agreed to guarantee (the "Guarantee") the payment of principal, premium, if any, and interest on the \$1.0 billion aggregate principal amount of senior notes issued by Avis Budget Car Rental in April 2006 (the "Notes"). The Notes consist of Avis Budget Car Rental's 7.625% Senior Notes due 2014, 7.75% Senior Notes due 2016 and Floating Rate Senior Notes due 2014. The Company executed a Supplemental Indenture, dated February 9, 2007, to provide the Guarantee in accordance with the terms and limitations of the Notes and the indenture governing the Notes.

Table of Contents

In consideration for providing the Guarantee, the Company received \$14 million, before fees and expenses, from certain institutional investors. The \$14 million consideration has been deferred and is being amortized over the life of the debt.

The Company's debt agreements contain restrictive covenants, including restrictions on dividends paid to the Company by certain of its subsidiaries, the incurrence of indebtedness by the Company and certain of its subsidiaries, mergers, liquidations, and sale and leaseback transactions. The credit facility also requires the maintenance of certain financial ratios. As of June 30, 2007, the Company is not aware of any instances of non-compliance with such financial or restrictive covenants.

11. Debt Under Vehicle Programs and Borrowing Arrangements

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

	As of June 30, 2007	As of December 31, 2006
Debt due to Avis Budget Rental Car Funding ^(a)	\$ 6,321	\$ 4,511
Budget Truck financing:		
Budget Truck Funding program ^(b)	247	135
Capital leases	231	257
Other ^(c)	565	367
	<u>\$ 7,364</u>	<u>\$ 5,270</u>

(a) The change in the balance at June 30, 2007 principally reflects (i) increased borrowings under the Company's extendible commercial paper program and conduit facility during the six months ended June 30, 2007 and (ii) the issuance of vehicle-backed floating rate notes at various interest rates during the second quarter 2007 to support the acquisition of rental vehicles within the Company's domestic car rental operations.

(b) The change in the balance at June 30, 2007 primarily reflects incremental borrowings during second quarter 2007 to support the acquisition of rental vehicles within the Budget Truck rental fleet.

(c) The change in the balance at June 30, 2007 primarily reflects incremental borrowings under the Company's bank loan and commercial paper conduit facilities to support the acquisition of vehicles in its international operations.

Avis Budget Rental Car Funding (AESOP), LLC. Avis Budget Rental Car Funding, an unconsolidated bankruptcy remote qualifying special purpose limited liability company, issues private placement notes that are typically "AAA" rated generally with principal and interest payments guaranteed by independent insurance companies. Avis Budget Rental Car Funding then uses the proceeds from such issuances to make loans to a wholly-owned subsidiary of the Company, AESOP Leasing LP ("AESOP Leasing") on a continuing basis. By issuing debt through the AESOP program, Avis Budget pays a lower rate of interest than if the Company had issued debt directly to third parties. AESOP Leasing is then required to use these proceeds to acquire or finance the acquisition of vehicles used in the Company's rental car operations. As a result, AESOP Leasing's obligation to Avis Budget Rental Car Funding is reflected as related party debt on the Company's Consolidated Condensed Balance Sheets as of June 30, 2007 and December 31, 2006. The Company also recorded an asset within assets under vehicle programs on its Consolidated Condensed Balance Sheets at June 30, 2007 and December 31, 2006, which represented the equity issued to the Company by Avis Budget Rental Car Funding. The vehicles purchased by AESOP Leasing remain on the Company's Consolidated Condensed Balance Sheet as AESOP Leasing is consolidated by the Company. Such vehicles and related assets, which approximate \$8.3 billion and the majority of which are subject to manufacturer repurchase and guaranteed depreciation agreements, collateralize the debt issued by Avis Budget Rental Car Funding and are not available to pay the obligations of the Company.

The business activities of Avis Budget Rental Car Funding are limited primarily to issuing indebtedness and using the proceeds thereof to make loans to AESOP Leasing for the purpose of acquiring or financing the acquisition of vehicles to be leased to the Company's rental car subsidiaries and pledging its assets to secure the indebtedness. Because Avis Budget Rental Car Funding is not consolidated by the Company, its results of operations and cash flows are not reflected within the Company's Consolidated Condensed Financial Statements. Borrowings under the Avis Budget Rental Car Funding program primarily represent floating rate term notes.

Truck financing. Budget Truck financing consists of debt outstanding under the Budget Truck Funding program and capital leases. The Budget Truck Funding program constitutes debt facilities established by the Company to finance the acquisition of the Budget truck rental fleet. The borrowings under the Budget Truck Funding program floating rate term loans are collateralized by \$275 million of corresponding assets. The Company has also obtained a portion of its truck rental fleet under capital lease arrangements for which there are corresponding gross assets of \$385 million and \$381 million with accumulated amortization of \$144 million and \$129 million classified within vehicles, net on the Company's Consolidated Condensed Balance Sheets as of June 30, 2007 and December 31, 2006, respectively.

[Table of Contents](#)

Other. Borrowings under the Company's other vehicle rental programs represent amounts issued under financing facilities that provide for the issuance of notes to support the acquisition of vehicles used in the Company's international vehicle rental operations. The debt issued is collateralized by \$1.1 billion of vehicles and related assets and primarily represents floating rate bank loans and commercial paper.

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 June 30, 2007:

	Vehicle- Backed Debt	Capital Leases	Total
Within 1 year	\$ 2,469	\$ 89	\$ 2,558
Between 1 and 2 years	1,422	116	1,538
Between 2 and 3 years	400	26	426
Between 3 and 4 years	1,468	—	1,468
Between 4 and 5 years	250	—	250
Thereafter	1,124	—	1,124
Total	<u>\$ 7,133</u>	<u>\$ 231</u>	<u>\$ 7,364</u>

As of June 30, 2007, available funding under the Company's vehicle programs (including related party debt due to Avis Budget Rental Car Funding) consisted of:

	Total Capacity ^(a)	Outstanding Borrowings	Available Capacity
Debt due to Avis Budget Rental Car Funding	\$ 7,266	\$ 6,321	\$ 945
Budget Truck financing:			
Budget Truck Funding program	400	247	153
Capital leases	231	231	—
Other	1,203	565	638
	<u>\$ 9,100</u>	<u>\$ 7,364</u>	<u>\$ 1,736</u>

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

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 indebtedness of material subsidiaries, mergers, liens, liquidations, and sale and leaseback transactions, and also require the maintenance of certain financial ratios. As of June 30, 2007, the Company is not aware of any instances of non-compliance with such financial or restrictive covenants.

12. Commitments and Contingencies

Contingencies

The Company and the Internal Revenue Service ("IRS") have settled the IRS examination for the federal consolidated income tax group's taxable years 1998 through 2002. The Company was adequately reserved for this audit cycle and has reflected the results of that examination in the accompanying Consolidated Condensed Financial Statements. The IRS has begun to examine the Company's taxable years 2003 through 2006. Although the Company believes there is appropriate support for the positions taken on its tax returns, the Company has recorded liabilities representing the best estimates of the probable loss on certain positions. The Company believes that the accruals for tax liabilities are adequate for all open years, based on assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter. Although the Company believes the recorded assets and liabilities are reasonable, tax regulations are subject to interpretation and tax litigation is inherently uncertain; therefore, the Company's assessments can involve both a series of complex judgments about future events and rely heavily on estimates and assumptions. While the Company believes that the estimates and assumptions supporting the assessments are reasonable, the final determination of tax audits and any other related litigation could be materially different than that which is reflected in historical income tax provisions and recorded assets and liabilities.

The results of an audit or litigation related to these matters include a range of potential outcomes, which may involve material amounts. However, the Company is entitled to indemnification for pre-separation matters by Realogy and Wyndham and, therefore, does not expect such resolution to have a significant impact on its earnings, financial position or cash flows.

On March 19, 2007, the IRS and the U.S. Department of the Treasury issued final regulations addressing the treatment of dual consolidated losses generated by entities that are tax residents in the United States and one or more foreign jurisdictions. Certain elements of these regulations can be applied retroactively and may affect the Company. The Company is currently evaluating what impact, if any, these regulations may have on its tax accounts.

The Company is involved in litigation asserting claims associated with accounting irregularities discovered in 1998 at former CUC business units outside of the principal common stockholder class action litigation. While the Company has an accrued liability of approximately \$15 million recorded on its Consolidated Condensed Balance Sheet as of June 30, 2007 for these claims based upon its best estimates, it does not believe that it is feasible to predict or determine the final outcome or resolution of any unresolved proceedings. Pursuant to the Separation Agreement, Realogy and Wyndham have assumed all liabilities related to this litigation, as described below.

In connection with the spin-offs of Realogy and Wyndham, the Company entered into the 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, Travelport and/or the Company's vehicle rental operations, in each case incurred or allegedly incurred on or prior to the separation of Travelport from the Company ("Assumed Liabilities"). Realogy is entitled to receive 62.5% and Wyndham is entitled to receive 37.5% of the proceeds (or, in certain cases, a portion thereof) 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 of Travelport from the Company ("Assumed Assets"). Additionally, if Realogy or Wyndham were to default on its payment of costs or expenses to the Company related to any Assumed Liability, 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. Realogy and Wyndham have also agreed to guarantee each other's as well as the Company's obligation under each entity's deferred compensation plans for amounts deferred in respect of 2005 and earlier years.

The Company does not believe that the impact of any unresolved proceedings constituting an Assumed Liability related to the CUC accounting irregularities 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 as well as other liabilities related to the Company's litigation that is not related to its vehicle rental operations. Such litigation assumed by Realogy and Wyndham includes litigation which was retained by the Company in connection with the sale of its former Marketing Services division.

On April 10, 2007, Realogy was acquired by an affiliate of Apollo Management VI, L.P. and no longer is listed as an independent public company. The acquisition does not affect Realogy's obligation to satisfy 62.5% of the contingent and other corporate liabilities of the Company or its subsidiaries pursuant to the terms of the Separation Agreement. As a result of the acquisition, Realogy has greater debt obligations and its ability to satisfy its portion of the contingent and other corporate liabilities may be adversely impacted. In accordance with the terms of the Separation Agreement, Realogy posted a letter of credit for the benefit of the Company to cover its estimated share of the Assumed Liabilities discussed above although there can be no assurance that such letter of credit will be sufficient to cover Realogy's actual obligations if and when they arise.

In addition to the matters discussed above, the Company is also involved in claims and legal proceedings related to its vehicle rental operations, including contract disputes, business practices, intellectual property, environmental issues and other commercial, employment and tax matters, including patent claims, wage and hour claims 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 they will not have a material adverse effect 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 have a material adverse effect on 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 which require the Company to purchase approximately \$7.1 billion of vehicles from these manufacturers over the next year. These commitments are subject to the vehicle manufacturers' satisfying their obligations to repurchase vehicles from the Company under the relevant repurchase and guaranteed depreciation agreements. The Company's featured suppliers for the Avis and Budget brands are General Motors Corporation and Ford Motor Company, respectively, although the Company purchases vehicles produced by numerous other manufacturers. 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 under repurchase and guaranteed depreciation programs.

Concentrations

Concentrations of credit risk at June 30, 2007 include (i) risks related to the Company's repurchase and guaranteed depreciation agreements with General Motors Corporation and Ford Motor Company with respect to receivables for program cars that have been returned to the car manufacturers and (ii) receivables from Realogy and Wyndham of \$527 million and \$339 million, respectively, related to certain contingent, income tax and other corporate liabilities assumed by Realogy and Wyndham in connection with the separation.

Activity with Realogy and Wyndham

During the six months ended June 30, 2007, the following transactions occurred between the Company and Realogy and Wyndham: (i) the Company realized a portion of a preferred stock investment in cash and transferred \$106 million to Realogy and Wyndham representing the proceeds received; (ii) the Company transferred its remaining preferred stock investment of \$26 million to Realogy and Wyndham through the assignment of such investment; (iii) the Company resolved a litigation matter for \$32 million, which was paid by Realogy and Wyndham; and (iv) the Company, settled other reimbursable transactions between the Company and Realogy and Wyndham resulting in net cash inflows of \$18 million.

13. Stockholders' Equity**Dividends**

During the six months ended June 30, 2006, the Company paid cash dividends of \$113 million (\$1.10 per share). For the six months ended June 30, 2007, the Company has not paid cash dividends.

Share Repurchases

During the six months ended June 30, 2007, the Company has not repurchased its common stock. During the six months ended June 30, 2006, the Company used \$221 million of available cash and \$22 million of proceeds primarily received in connection with option exercises to repurchase \$243 million of its common stock.

Accumulated Other Comprehensive Income

The after-tax components of accumulated other comprehensive income are as follows:

	Currency Translation Adjustments	Gains on Cash Flow Hedges	Minimum Pension Liability Adjustment	Accumulated Other Comprehensive Income
Balance, January 1, 2007	\$ 67	\$ 30	\$ (29)	\$ 68
Current period change	34	15	—	49
Balance, June 30, 2007	<u>\$ 101</u>	<u>\$ 45</u>	<u>\$ (29)</u>	<u>\$ 117</u>

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

Total Comprehensive Income

For the six months ended June 30, 2007, the Company's total comprehensive income was \$85 million, which includes net income of \$36 million and other comprehensive income of \$49 million.

14. Stock-Based Compensation

The Company recorded pretax stock-based compensation expense of \$5 million and \$3 million (\$3 million and \$2 million, after tax) during second quarter 2007 and 2006, respectively, and \$9 million and \$11 million (\$5 million after tax and \$7 million, after tax) during the six months ended June 30, 2007 and 2006, respectively, related to employee stock awards that were granted or modified by the Company. The expense recorded in the six months ended June 30, 2006 includes a pretax charge of \$7 million relating to the extension of the exercisable life of certain stock options.

The Company also recorded pretax stock-based compensation expense of \$11 million (\$7 million, after tax) and \$27 million (\$17 million, after tax) during the three and six months ended June 30, 2006, respectively, within discontinued operations.

[Table of Contents](#)

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 2007 exercises of stock-based awards did not generate a cash benefit. Approximately \$28 million of tax benefits will be recorded in additional paid-in capital when realized in these jurisdictions.

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

	Six Months Ended June 30, 2007			
	RSUs		Options	
	Number of RSUs	Weighted Average Grant Price	Number of Options ^(c)	Weighted Average Exercise Price
Balance at January 1, 2007	1,774	\$ 24.33	11,037	\$ 27.22
Granted at fair market value	1,149	25.88	—	—
Vested/exercised ^(a)	(398)	24.54	(2,368)	19.85
Cancelled	(71)	24.53	(750)	30.81
Balance at June 30, 2007 ^(b)	<u>2,454</u>	25.04	<u>7,919</u>	29.09

(a) Stock options exercised during the six months ended June 30, 2007 had an intrinsic value of \$20 million.

(b) As of June 30, 2007, the Company's outstanding "in-the-money" stock options and RSUs had aggregate intrinsic value of \$27 million and \$70 million, respectively. Aggregate unrecognized compensation expense related to outstanding stock options and RSUs amounted to \$56 million as of June 30, 2007.

(c) All options outstanding as of June 30, 2007 are exercisable and have a weighted average remaining contractual life of 3 years.

The table below summarizes information regarding the Company's outstanding and exercisable stock options as of June 30, 2007 (in thousands of shares):

Range of Exercise Prices	Number of Options ^(*)
Less than \$20.00	1,576
\$20.01 to \$25.00	233
\$25.01 to \$30.00	3,240
\$30.01 to \$35.00	1,269
\$35.01 and above	1,601
	<u>7,919</u>

(*) All outstanding stock options vested in connection with the completion of the separation.

As of June 30, 2007, the Company also had approximately 0.5 million outstanding stock appreciation rights with a weighted average exercise price of \$24.40, a weighted average remaining contractual life of 6 years and unrecognized compensation expense of \$3 million.

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 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 “EBITDA,” which is defined as income from continuing operations before non-vehicle related depreciation and amortization, non-vehicle related interest and income taxes. The Company’s presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

	Three Months Ended June 30,			
	2007		2006	
	Revenues	EBITDA	Revenues	EBITDA
Domestic Car Rental	\$ 1,195	\$ 59	\$ 1,132	\$ 74
International Car Rental	202	21	178	19
Truck Rental	114	10	129	18
Corporate and Other ^(a)	5	(3)	15	(96)
Total Company	<u>\$ 1,516</u>	<u>87</u>	<u>\$ 1,454</u>	<u>15</u>
Less: Non-vehicle related depreciation and amortization		20		28
Interest expense related to corporate debt, net		32		97
Income (loss) before income taxes		<u>\$ 35</u>		<u>\$ (110)</u>

	Six Months Ended June 30,			
	2007		2006	
	Revenues	EBITDA	Revenues	EBITDA
Domestic Car Rental	\$ 2,279	\$ 110	\$ 2,176	\$ 105
International Car Rental	393	45	352	42
Truck Rental	197	(1)	230	19
Corporate and Other ^(a)	12	1	33	(162)
Total Company	<u>\$ 2,881</u>	<u>155</u>	<u>\$ 2,791</u>	<u>4</u>
Less: Non-vehicle related depreciation and amortization		43		55
Interest expense related to corporate debt, net		65		157
Income (loss) before income taxes		<u>\$ 47</u>		<u>\$ (208)</u>

^(a) Includes unallocated corporate overhead, the elimination of transactions between segments and the results of operations of certain non-strategic businesses.

Since December 31, 2006, there have been no significant changes in segment assets with the exception of the Company’s Domestic Car Rental segment, for which assets under vehicle programs amounted to approximately \$8.2 billion and approximately \$6.4 billion at June 30, 2007 and December 31, 2006, respectively.

16. Guarantor and Non-Guarantor Consolidating Financial Statements

The following consolidating financial information presents Consolidating Condensed Balance Sheets as of June 30, 2007 and December 31, 2006, Consolidating Condensed Statements of Operations for the three months and six months ended June 30, 2007 and 2006 and Consolidating Condensed Statements of Cash Flows for the six months ended June 30, 2007 and 2006 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, 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.

Investments in subsidiaries are accounted for using the equity method of accounting for purposes of the consolidating presentation. The principal elimination entries relate to investments in subsidiaries and intercompany balances and transactions. For purposes of the accompanying Consolidating Condensed Statements of Operations, certain expenses incurred by the Subsidiary Issuers are allocated to the guarantor and non-guarantor subsidiaries. The results of operations of discontinued operations are included in the non-guarantor subsidiaries column. Income from discontinued operations, net of tax within the parent column includes the equity in earnings from discontinued operations and gain (loss) on disposal of discontinued operations.

[Table of Contents](#)**Consolidating Condensed Statements of Operations**

Three Months Ended June 30, 2007

	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
Revenues						
Vehicle rental	\$ —	\$ —	\$ 1,033	\$ 142	\$ —	\$ 1,175
Other	3	—	257	566	(485)	341
Net revenues	<u>3</u>	<u>—</u>	<u>1,290</u>	<u>708</u>	<u>(485)</u>	<u>1,516</u>
Expenses						
Operating	3	—	665	117	—	785
Vehicle depreciation and lease charges, net	—	—	352	404	(354)	402
Selling, general and administrative	1	—	145	22	—	168
Vehicle interest, net	—	—	67	85	(81)	71
Non-vehicle related depreciation and amortization	—	—	18	2	—	20
Interest expense related to corporate debt, net:						
Interest expense	(1)	33	—	—	—	32
Intercompany interest expense (income)	—	(33)	33	—	—	—
Separation costs, net	1	2	—	—	—	3
Total expenses	<u>4</u>	<u>2</u>	<u>1,280</u>	<u>630</u>	<u>(435)</u>	<u>1,481</u>
Income (loss) before income taxes and equity in earnings of subsidiaries	(1)	(2)	10	78	(50)	35
Provision (benefit) for income taxes	(1)	(1)	4	10	—	12
Equity in earnings of subsidiaries	23	75	69	—	(167)	—
Income from continuing operations	<u>23</u>	<u>74</u>	<u>75</u>	<u>68</u>	<u>(217)</u>	<u>23</u>
Income from discontinued operations, net of tax	1	—	—	—	—	1
Net income	<u>\$ 24</u>	<u>\$ 74</u>	<u>\$ 75</u>	<u>\$ 68</u>	<u>\$ (217)</u>	<u>\$ 24</u>

[Table of Contents](#)

Six Months Ended June 30, 2007

	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
Revenues						
Vehicle rental	\$ —	\$ —	\$ 1,970	\$ 282	\$ —	\$2,252
Other	5	—	462	1,062	(900)	629
Net revenues	<u>5</u>	<u>—</u>	<u>2,432</u>	<u>1,344</u>	<u>(900)</u>	<u>2,881</u>
Expenses						
Operating	2	—	1,263	231	—	1,496
Vehicle depreciation and lease charges, net	—	—	671	750	(657)	764
Selling, general and administrative	7	—	277	43	—	327
Vehicle interest, net	—	—	134	154	(146)	142
Non-vehicle related depreciation and amortization	1	—	39	3	—	43
Interest expense related to corporate debt, net:						
Interest expense	(2)	67	—	—	—	65
Intercompany interest expense (income)	—	(67)	67	—	—	—
Separation costs, net	(6)	3	—	—	—	(3)
Total expenses	<u>2</u>	<u>3</u>	<u>2,451</u>	<u>1,181</u>	<u>(803)</u>	<u>2,834</u>
Income (loss) before income taxes and equity in earnings of subsidiaries	3	(3)	(19)	163	(97)	47
Provision (benefit) for income taxes	(4)	(2)	(4)	22	—	12
Equity in earnings of subsidiaries	28	127	142	—	(297)	—
Income from continuing operations	<u>35</u>	<u>126</u>	<u>127</u>	<u>141</u>	<u>(394)</u>	<u>35</u>
Income from discontinued operations, net of tax	1	—	—	—	—	1
Net income	<u>\$ 36</u>	<u>\$ 126</u>	<u>\$ 127</u>	<u>\$ 141</u>	<u>\$ (394)</u>	<u>\$ 36</u>

[Table of Contents](#)

Three Months Ended June 30, 2006

	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
Revenues						
Vehicle rental	\$ —	\$ —	\$ 1,024	\$ 126	\$ —	\$ 1,150
Other	10	—	215	526	(447)	304
Net revenues	<u>10</u>	<u>—</u>	<u>1,239</u>	<u>652</u>	<u>(447)</u>	<u>1,454</u>
Expenses						
Operating	2	—	632	95	—	729
Vehicle depreciation and lease charges, net	—	—	322	399	(357)	364
Selling, general and administrative	77	—	148	21	(6)	240
Vehicle interest, net	—	—	72	78	(75)	75
Non-vehicle related depreciation and amortization	2	—	21	5	—	28
Interest expense related to corporate debt, net:						
Interest expense	81	30	(9)	—	(5)	97
Intercompany interest expense (income)	—	(30)	30	—	—	—
Separation costs, net	29	2	—	—	—	31
Total expenses	<u>191</u>	<u>2</u>	<u>1,216</u>	<u>598</u>	<u>(443)</u>	<u>1,564</u>
Income (loss) before income taxes and equity in earnings of subsidiaries	(181)	(2)	23	54	(4)	(110)
Provision (benefit) for income taxes	(73)	—	10	13	4	(46)
Equity in earnings of subsidiaries	44	54	41	—	(139)	—
Income (loss) from continuing operations	(64)	52	54	41	(147)	(64)
Income (loss) from discontinued operations, net of tax	(990)	—	—	317	(317)	(990)
Net income (loss)	<u>\$(1,054)</u>	<u>\$ 52</u>	<u>\$ 54</u>	<u>\$ 358</u>	<u>\$ (464)</u>	<u>\$(1,054)</u>

[Table of Contents](#)

Six Months Ended June 30, 2006

	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
Revenues						
Vehicle rental	\$ —	\$ —	\$ 1,961	\$ 254	\$ —	\$2,215
Other	24	—	398	1,021	(867)	576
Net revenues	<u>24</u>	<u>—</u>	<u>2,359</u>	<u>1,275</u>	<u>(867)</u>	<u>2,791</u>
Expenses						
Operating	2	—	1,226	197	—	1,425
Vehicle depreciation and lease charges, net	—	—	608	769	(683)	694
Selling, general and administrative	125	—	290	42	(11)	446
Vehicle interest, net	—	—	160	160	(154)	166
Non-vehicle related depreciation and amortization	5	—	37	13	—	55
Interest expense related to corporate debt, net:						
Interest expense	160	30	(22)	(1)	(10)	157
Intercompany interest expense (income)	—	(30)	30	—	—	—
Separation costs, net	54	2	—	—	—	56
Total expenses	<u>346</u>	<u>2</u>	<u>2,329</u>	<u>1,180</u>	<u>(858)</u>	<u>2,999</u>
Income (loss) before income taxes and equity in earnings of subsidiaries	(322)	(2)	30	95	(9)	(208)
Provision (benefit) for income taxes	(122)	—	13	23	8	(78)
Equity in earnings of subsidiaries	70	92	75	—	(237)	—
Income (loss) from continuing operations	(130)	90	92	72	(254)	(130)
Income (loss) from discontinued operations, net of tax	(790)	—	—	532	(532)	(790)
Income (loss) before cumulative effect of accounting changes	(920)	90	92	604	(786)	(920)
Cumulative effect of accounting changes, net of tax	(64)	—	—	(65)	65	(64)
Net income (loss)	<u>\$(984)</u>	<u>\$ 90</u>	<u>\$ 92</u>	<u>\$ 539</u>	<u>\$ (721)</u>	<u>\$ (984)</u>

[Table of Contents](#)
Consolidating Condensed Balance Sheets

As of June 30, 2007

	Parent	Subsidiary Issuers	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 88	\$ 59	\$ 18	\$ 62	\$ —	\$ 227
Receivables, net	2	110	230	94	—	436
Deferred income taxes	4	—	10	7	(15)	6
Other current assets	304	107	69	66	(6)	540
Total current assets	<u>398</u>	<u>276</u>	<u>327</u>	<u>229</u>	<u>(21)</u>	<u>1,209</u>
Property and equipment, net	5	127	317	48	—	497
Deferred income taxes	34	81	—	72	(18)	169
Goodwill	—	7	2,165	22	—	2,194
Other intangibles, net	—	17	639	89	—	745
Other non-current assets	656	50	17	5	—	728
Intercompany receivables (payables)	377	675	(1,065)	13	—	—
Investment in subsidiaries	1,931	3,184	2,685	—	(7,800)	—
Total assets exclusive of assets under vehicle programs	<u>3,401</u>	<u>4,417</u>	<u>5,085</u>	<u>478</u>	<u>(7,839)</u>	<u>5,542</u>
Assets under vehicle programs:						
Program cash	—	—	—	18	—	18
Vehicles, net	—	—	241	9,058	—	9,299
Receivables from vehicle manufacturers and others	—	—	3	139	—	142
Investment in Avis Budget Rental Car Funding (AESOP) LLC-related party	—	—	—	375	—	375
	<u>—</u>	<u>—</u>	<u>244</u>	<u>9,590</u>	<u>—</u>	<u>9,834</u>
Total assets	<u>\$3,401</u>	<u>\$ 4,417</u>	<u>\$ 5,329</u>	<u>\$ 10,068</u>	<u>\$ (7,839)</u>	<u>\$15,376</u>
Liabilities and stockholders' equity						
Current liabilities:						
Accounts payable and other current liabilities	\$ 326	\$ 190	\$ 508	\$ 107	\$ (21)	\$ 1,110
Current portion of long-term debt	3	8	—	—	—	11
Total current liabilities	<u>329</u>	<u>198</u>	<u>508</u>	<u>107</u>	<u>(21)</u>	<u>1,121</u>
Long-term debt	—	1,792	—	—	—	1,792
Other non-current liabilities	542	41	205	189	(18)	959
Total liabilities exclusive of liabilities under vehicle programs	<u>871</u>	<u>2,031</u>	<u>713</u>	<u>296</u>	<u>(39)</u>	<u>3,872</u>
Liabilities under vehicle programs:						
Debt	—	—	247	796	—	1,043
Due to Avis Budget Rental Car Funding (AESOP) LLC-related party	—	—	—	6,321	—	6,321
Deferred income taxes	—	—	1,180	131	—	1,311
Other	—	—	5	294	—	299
	<u>—</u>	<u>—</u>	<u>1,432</u>	<u>7,542</u>	<u>—</u>	<u>8,974</u>
Total stockholders' equity	<u>2,530</u>	<u>2,386</u>	<u>3,184</u>	<u>2,230</u>	<u>(7,800)</u>	<u>2,530</u>
Total liabilities and stockholders' equity	<u>\$3,401</u>	<u>\$ 4,417</u>	<u>\$ 5,329</u>	<u>\$ 10,068</u>	<u>\$ (7,839)</u>	<u>\$15,376</u>

[Table of Contents](#)

As of December 31, 2006

	<u>Parent</u>	<u>Subsidiary Issuers</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
Assets						
Current assets:						
Cash and cash equivalents	\$ 35	\$ 75	\$ 29	\$ 33	\$ —	\$ 172
Receivables, net	2	54	217	90	—	363
Deferred income taxes	5	—	10	7	(15)	7
Other current assets	<u>1,070</u>	<u>49</u>	<u>84</u>	<u>62</u>	<u>(1)</u>	<u>1,264</u>
Total current assets	1,112	178	340	192	(16)	1,806
Property and equipment, net	—	115	326	45	—	486
Deferred income taxes	41	153	—	68	(36)	226
Goodwill	—	7	2,165	21	—	2,193
Other intangibles, net	1	17	639	82	—	739
Other non-current assets	59	48	10	4	—	121
Intercompany receivables (payables)	627	627	(1,209)	(45)	—	—
Investment in subsidiaries	<u>1,854</u>	<u>3,109</u>	<u>2,603</u>	<u>—</u>	<u>(7,566)</u>	<u>—</u>
Total assets exclusive of assets under vehicle programs	<u>3,694</u>	<u>4,254</u>	<u>4,874</u>	<u>367</u>	<u>(7,618)</u>	<u>5,571</u>
Assets under vehicle programs:						
Program cash	—	—	—	14	—	14
Vehicles, net	—	—	299	6,750	—	7,049
Receivables from vehicle manufacturers and others	—	—	13	263	—	276
Investment in Avis Budget Rental Car Funding (AESOP) LLC-related party	<u>—</u>	<u>—</u>	<u>—</u>	<u>361</u>	<u>—</u>	<u>361</u>
	<u>—</u>	<u>—</u>	<u>312</u>	<u>7,388</u>	<u>—</u>	<u>7,700</u>
Total assets	<u>\$3,694</u>	<u>\$ 4,254</u>	<u>\$ 5,186</u>	<u>\$ 7,755</u>	<u>\$ (7,618)</u>	<u>\$13,271</u>
Liabilities and stockholders' equity						
Current liabilities:						
Accounts payable and other current liabilities	\$1,185	\$ 81	\$ 490	\$ 115	\$ (16)	\$ 1,855
Current portion of long-term debt	<u>4</u>	<u>25</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>29</u>
Total current liabilities	1,189	106	490	115	(16)	1,884
Long-term debt	—	1,813	—	—	—	1,813
Other non-current liabilities	<u>62</u>	<u>24</u>	<u>226</u>	<u>176</u>	<u>(36)</u>	<u>452</u>
Total liabilities exclusive of liabilities under vehicle programs	<u>1,251</u>	<u>1,943</u>	<u>716</u>	<u>291</u>	<u>(52)</u>	<u>4,149</u>
Liabilities under vehicle programs:						
Debt	—	—	271	488	—	759
Due to Avis Budget Rental Car Funding (AESOP) LLC-related party	—	—	—	4,511	—	4,511
Deferred income taxes	—	—	1,077	129	—	1,206
Other	<u>—</u>	<u>—</u>	<u>13</u>	<u>190</u>	<u>—</u>	<u>203</u>
	<u>—</u>	<u>—</u>	<u>1,361</u>	<u>5,318</u>	<u>—</u>	<u>6,679</u>
Total stockholders' equity	<u>2,443</u>	<u>2,311</u>	<u>3,109</u>	<u>2,146</u>	<u>(7,566)</u>	<u>2,443</u>
Total liabilities and stockholders' equity	<u>\$3,694</u>	<u>\$ 4,254</u>	<u>\$ 5,186</u>	<u>\$ 7,755</u>	<u>\$ (7,618)</u>	<u>\$13,271</u>

[Table of Contents](#)
Consolidating Condensed Statements of Cash Flows

Six Months Ended June 30, 2007

	<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 operating activities	\$ 1	\$ 14	\$ 47	\$ 799	\$ (90)	\$ 771
Investing activities						
Property and equipment additions	—	(25)	(20)	(6)	—	(51)
Net assets acquired, net of cash acquired, and acquisition-related payments	—	—	(1)	—	—	(1)
Proceeds received on asset sales	—	6	—	2	—	8
Proceeds from sale of investment	106	—	—	—	—	106
Payments made to Realogy and Wyndham, net	(88)	—	—	—	—	(88)
Proceeds from dispositions of businesses, net of transaction-related payments	(1)	—	—	—	—	(1)
Other, net	—	(4)	(4)	—	—	(8)
Net cash provided by (used in) investing activities exclusive of vehicle programs	<u>17</u>	<u>(23)</u>	<u>(25)</u>	<u>(4)</u>	<u>—</u>	<u>(35)</u>
<i>Vehicle programs:</i>						
Increase in program cash	—	—	—	(4)	—	(4)
Investment in vehicles	—	(57)	(58)	(6,365)	—	(6,480)
Payments received on investment in vehicles	—	128	46	3,578	—	3,752
	<u>—</u>	<u>71</u>	<u>(12)</u>	<u>(2,791)</u>	<u>—</u>	<u>(2,732)</u>
Net cash provided by (used in) investing activities	<u>17</u>	<u>48</u>	<u>(37)</u>	<u>(2,795)</u>	<u>—</u>	<u>(2,767)</u>
Financing activities						
Principal payments on borrowings	(1)	(38)	—	—	—	(39)
Issuances of common stock	39	—	—	—	—	39
Net intercompany transactions	(2)	(36)	6	(58)	90	—
Net cash provided by (used in) financing activities exclusive of vehicle programs	<u>36</u>	<u>(74)</u>	<u>6</u>	<u>(58)</u>	<u>90</u>	<u>—</u>
<i>Vehicle programs:</i>						
Proceeds from borrowings	—	—	—	6,287	—	6,287
Principal payments on borrowings	—	—	(26)	(4,336)	—	(4,362)
Net change in short-term borrowings	—	—	—	129	—	129
Other, net	(1)	(4)	(1)	—	—	(6)
	<u>(1)</u>	<u>(4)</u>	<u>(27)</u>	<u>2,080</u>	<u>—</u>	<u>2,048</u>
Net cash provided by (used in) financing activities	<u>35</u>	<u>(78)</u>	<u>(21)</u>	<u>2,022</u>	<u>90</u>	<u>2,048</u>
Effect of changes in exchange rates on cash and cash equivalents	—	—	—	3	—	3
Net increase (decrease) in cash and cash equivalents	53	(16)	(11)	29	—	55
Cash and cash equivalents, beginning of period	35	75	29	33	—	172
Cash and cash equivalents, end of period	<u>\$ 88</u>	<u>\$ 59</u>	<u>\$ 18</u>	<u>\$ 62</u>	<u>\$ —</u>	<u>\$ 227</u>

[Table of Contents](#)

Six Months Ended June 30, 2006

	<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	\$(633)	\$ 188	\$ (58)	\$ 653	\$ —	\$ 150
Investing activities						
Property and equipment additions	(9)	(5)	(20)	(12)	—	(46)
Net assets acquired, net of cash acquired, and acquisition-related payments	—	(95)	(7)	(11)	—	(113)
Proceeds received on asset sales	—	7	—	3	—	10
Proceeds from dispositions of businesses, net of transaction-related payments	(28)	—	—	—	—	(28)
Other, net	6	—	1	(1)	—	6
Net cash used in investing activities exclusive of vehicle programs	<u>(31)</u>	<u>(93)</u>	<u>(26)</u>	<u>(21)</u>	<u>—</u>	<u>(171)</u>
<i>Vehicle programs:</i>						
Decrease (increase) in program cash	—	14	—	(63)	—	(49)
Investment in vehicles	—	(84)	(163)	(6,689)	—	(6,936)
Payments received on investment in vehicles	—	193	6	5,205	—	5,404
Other, net	—	—	—	(6)	—	(6)
	—	123	(157)	(1,553)	—	(1,587)
Net cash provided by (used in) investing activities	<u>(31)</u>	<u>30</u>	<u>(183)</u>	<u>(1,574)</u>	<u>—</u>	<u>(1,758)</u>
Financing activities						
Proceeds from borrowings	—	1,875	—	—	—	1,875
Net short-term borrowings	192	—	—	—	—	192
Issuances of common stock	36	—	—	—	—	36
Repurchases of common stock	(243)	—	—	—	—	(243)
Payment of dividends	(113)	—	—	—	—	(113)
Net intercompany transactions	(70)	(1,939)	295	1,693	21	—
Other, net	(4)	(21)	—	—	—	(25)
Net cash provided by (used in) financing activities exclusive of vehicle programs	<u>(202)</u>	<u>(85)</u>	<u>295</u>	<u>1,693</u>	<u>21</u>	<u>1,722</u>
<i>Vehicle programs:</i>						
Proceeds from borrowings	—	—	—	6,441	—	6,441
Principal payments on borrowings	—	—	(31)	(7,291)	—	(7,322)
Net change in short-term borrowings	—	—	—	104	—	104
Other, net	—	(22)	—	—	—	(22)
	—	(22)	(31)	(746)	—	(799)
Net cash provided by (used in) financing activities	<u>(202)</u>	<u>(107)</u>	<u>264</u>	<u>947</u>	<u>21</u>	<u>923</u>
Effect of changes in exchange rates on cash and cash equivalents	—	—	—	(1)	—	(1)
Cash provided by discontinued operations ^(a)	261	—	—	—	—	261
Net increase (decrease) in cash and cash equivalents	(605)	111	23	25	21	(425)
Cash and cash equivalents, beginning of period	638	1	13	46	(152)	546
Cash and cash equivalents, end of period	<u>\$ 33</u>	<u>\$ 112</u>	<u>\$ 36</u>	<u>\$ 71</u>	<u>\$ (131)</u>	<u>\$ 121</u>

(a) See Consolidated Condensed Statements of Cash Flows for cash provided by discontinued operations from operating, investing and financing activities and effect of exchange rates.

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 2006 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2007. Unless otherwise noted, all dollar amounts are in millions and those relating to our results of operations are presented before taxes. As discussed in Note 1 to the unaudited consolidated condensed financial statements, the Company’s financial statements for the three and six months ended June 30, 2006 have been restated. The accompanying management discussion and analysis gives effect to that restatement.

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 in the United States and internationally.

We operate in the following business segments:

- **Domestic Car Rental**— provides car rentals and ancillary products and services in the United States.
- **International Car Rental**— provides car rentals and ancillary products and services primarily in Canada, Argentina, Australia, New Zealand, Puerto Rico and the U.S. Virgin Islands.
- **Truck Rental**— provides truck rentals and related services to consumers and light 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 GPS navigation units and other items in conjunction with vehicle rentals. We also earn royalty revenue from our franchisees 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 operate primarily in the United States and 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 domestic enplanements. We have also experienced significant per-unit fleet cost increases on model-year 2006 and 2007 vehicles, which have negatively impacted our margins. Accordingly, our ability to achieve profit margins consistent with prior periods remains dependent on our ability to successfully reflect corresponding changes in our pricing programs.

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 disproportionately material adverse effect on our results of operations. We have a predominantly 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 trends, among others, may affect and/or have impacted our financial condition and results of operations:

- Domestic enplanements, which increased compared to second quarter 2006, and are expected to increase modestly throughout 2007, assuming there are no major disruptions in travel;
- Rising per-unit car fleet costs, which we began to experience in 2005 and anticipate will continue with model-year 2008 vehicles;
- Pricing increases, which we instituted throughout 2006 in response to rising fleet costs and intend to continue to pursue, where appropriate;
- Our continued expansion in off-airport, or local market segments, including insurance replacement rentals;
- Legislative changes in certain states that enable us to recover a greater percentage of airport concession and vehicle licensing fees, which will continue to favorably impact our year-over-year results throughout 2007; and
- Demand for truck rentals, which can be impacted by household moving activity.

RESULTS OF OPERATIONS

Discussed below are our consolidated results of operations and the results of operations for each of our reportable segments. In connection with the separation of Cendant into four independent companies, we completed the spin-offs of Realogy and Wyndham on July 31, 2006 and we completed the sale of Travelport on August 23, 2006. Generally accepted accounting principles require us to segregate and report as discontinued operations, for all periods presented, the account balances and activities of Realogy, Wyndham and Travelport.

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 car rental operating statistics (rental days and T&M revenue per rental day) are all calculated based on the actual usage 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.

The reportable segments presented below represent our operating segments for which separate financial information is available and is utilized on a regular basis by our chief operating decision maker to assess performance and to allocate resources. 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 "EBITDA," which we define as income from continuing operations before non-vehicle related depreciation and amortization, non-vehicle related interest and income taxes. Our presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

THREE MONTHS ENDED JUNE 30, 2007 VS. THREE MONTHS ENDED JUNE 30, 2006

Our consolidated results of operations comprised the following:

	Three Months Ended June 30,		
	2007	2006	Change
Net revenues	\$ 1,516	\$ 1,454	\$ 62
Total expenses	1,481	1,564	(83)
Income (loss) before income taxes	35	(110)	145
Provision (benefit) from income taxes	12	(46)	58
Income (loss) from continuing operations	23	(64)	87
Income from discontinued operations, net of tax	—	317	(317)
Gain (loss) on disposal of discontinued operations, net of tax	1	(1,307)	1,308
Net income (loss)	<u>\$ 24</u>	<u>\$ (1,054)</u>	<u>\$ 1,078</u>

During second quarter 2007, net revenues increased \$62 million (4%) compared to second quarter 2006. Such change principally reflects an increase in T&M revenue within our car rental operations due to a 5% increase in rental days and an increase in ancillary revenues due to counter sales of insurance, GPS navigation unit rentals, fees charged to customers and other items. These increases were partially offset by a decrease in T&M revenue within our Truck Rental segment due to decreases in rental days and T&M revenue per day of 9% and 4%, respectively.

Total expenses decreased \$83 million (5%), principally due to a \$72 million (30%) reduction in corporate, general and administrative expenses resulting from the spin-offs of Realogy and Wyndham and the sale of Travelport in third quarter 2006. The decrease in total expenses also reflected (i) \$65 million less interest expense related to corporate debt primarily resulting from the repayment of approximately \$3.5 billion of such debt in third quarter 2006, and (ii) a \$28 million reduction in separation-related costs. The separation costs related primarily to severance, retention and professional fees such as legal and accounting incurred in 2006. Operating expenses increased \$56 million (8%) largely due to the 5% increase in car rental days and vehicle depreciation and lease charges increased \$38 million (10%) resulting from growth in our fleet and higher per unit vehicle costs. As a result of these items, and offset by a \$58 million reduction in our benefit from income taxes, our income from continuing operations increased \$87 million.

Our effective tax rate for continuing operations was a provision of 34.3% and benefit of 41.8% for second quarter 2007 and 2006, respectively. The difference in our effective tax rate for 2007 was primarily due to changes in the New York State and Canadian tax laws.

Income from discontinued operations decreased \$317 million, which reflects the absence in second quarter 2007 of net income generated in second quarter 2006 by Realogy, Wyndham and Travelport. We also recorded a \$1.3 billion loss on disposal of discontinued operations in second quarter 2006, which primarily represents a loss on the disposal of Travelport and separation-related costs incurred by Realogy, Wyndham and Travelport.

[Table of Contents](#)

As a result of the above-mentioned items, net income increased approximately \$1.1 billion.

Following is a discussion of the results of each of our reportable segments during the three months ended June 30:

	Revenues			EBITDA		
	2007	2006	% Change	2007	2006	% Change
Domestic Car Rental	\$ 1,195	\$ 1,132	6%	\$ 59	\$ 74	(20)%
International Car Rental	202	178	13	21	19	11
Truck Rental	114	129	(12)	10	18	(44)
Corporate and Other ^(a)	5	15	*	(3)	(96)	*
Total Company	<u>\$ 1,516</u>	<u>\$ 1,454</u>	4	<u>87</u>	<u>15</u>	*
Less: Non-vehicle related depreciation and amortization				20	28	
Interest expense related to corporate debt, net				<u>32</u>	<u>97</u>	
Income (loss) before income taxes				<u>\$ 35</u>	<u>\$ (110)</u>	*

(*) Not meaningful.

(a) Includes unallocated corporate overhead, the elimination of transactions between segments and the results of operations of certain non-strategic businesses. EBITDA for 2007 and 2006 also reflects separation-related costs of \$3 million and \$31 million, respectively. In addition, EBITDA for 2006 reflects unallocated corporate expenses related to discontinued operations. Following the completion of the separation, we do not incur the majority of such costs.

Domestic Car Rental

Revenues increased \$63 million (6%) and EBITDA decreased \$15 million (20%), respectively, in second quarter 2007 compared with second quarter 2006. EBITDA margins were negatively impacted year-over-year by lower car rental time & mileage (“T&M”) revenue rates and increased fleet costs due to higher per unit fleet costs in 2007 as well as lower insurance costs in second quarter 2006 as favorable loss experience necessitated a reduction in insurance reserves.

The revenue increase of \$63 million was comprised of a \$24 million (3%) increase in T&M revenue and a \$39 million (18%) increase in ancillary revenues. The increase in T&M revenue was principally driven by a 6% increase in rental days, partially offset by a 3% decrease in T&M revenue rates. The favorable effect of incremental T&M revenues was offset in EBITDA by \$30 million (10%) of increased fleet depreciation and lease charges primarily resulting from increased per-unit fleet costs in 2007 and a 5% increase in average fleet size. The increase in per-unit fleet costs was limited to approximately 5% through a series of mitigating actions which included an increase in the portion of our car rental fleet that is not subject to manufacturer repurchase agreements and increasing our average hold periods. The \$39 million increase in ancillary revenues was due primarily to (i) a \$19 million increase in sales of loss damage waivers and insurance products, rentals of GPS navigation units and other items and (ii) an \$18 million increase in airport concession and vehicle licensing revenues, \$7 million of which was offset in EBITDA by higher airport concession and vehicle licensing expenses remitted to airport and other regulatory authorities.

EBITDA also reflected a \$45 million increase in operating expenses including (i) \$29 million of additional expenses primarily associated with increased car rental volume and fleet size, including maintenance and damage costs, operating commissions and other items, (ii) a \$12 million increase in insurance costs primarily due to the lower expense in 2006 as a result of favorable claims experience and of hurricane related insurance recoveries and (iii) \$8 million of incremental expenses primarily representing inflationary increases in rent, salaries and wages and other costs. These operating increases were partially offset by a \$4 million gain on our gasoline hedges.

International Car Rental

Revenues and EBITDA increased \$24 million (13%) and \$2 million (11%), respectively, in second quarter 2007 compared with second quarter 2006, primarily due to increased car rental pricing and higher demand for car rentals.

The revenue increase of \$24 million was comprised of a \$16 million (12%) increase in car rental T&M revenue and an \$8 million (16%) increase in ancillary revenues. The increase in T&M revenue was principally driven by a 9% increase in T&M revenue per day and a 3% increase in the number of days a car was rented. The total growth in revenue includes a \$13 million increase in revenue related to favorable foreign currency exchange rate fluctuations, which increased T&M revenue per day by 7% and was substantially offset in EBITDA by the opposite impact of foreign currency exchange rate fluctuations on expenses. The favorable effect of incremental T&M revenues was also offset in EBITDA by an increase of \$8 million (19%) in fleet depreciation and lease charges amid a 6% increase in the average size of our international rental fleet.

[Table of Contents](#)

The \$8 million increase in ancillary revenues was due primarily to an increase in counter sales of insurance and an increase in airport concession and vehicle licensing revenues, partially offset in EBITDA by higher airport concession and vehicle licensing expenses remitted to airport and other regulatory authorities. EBITDA also reflects higher operating expenses primarily due to increased car rental volume and fleet size, including vehicle maintenance and damage costs and, to a lesser extent, higher insurance expenses, and higher incremental expenses primarily representing inflationary increases in rent, salaries and wages and other costs.

Truck Rental

Revenues and EBITDA declined \$15 million (12%) and \$8 million (44%), respectively, for second quarter 2007 compared with second quarter 2006, primarily reflecting decreases in rental day volume and T&M revenue per day. EBITDA was also impacted by increased fleet costs.

Substantially all of the revenue decrease of \$15 million was due to a decrease in T&M revenue, which reflected a 9% reduction in rental days and a 4% decrease in T&M revenue per day. The 9% reduction in rental days resulted primarily from declines in commercial volumes and a 9% reduction in the average size of our rental fleet. We believe these decreases reflect a soft housing market, historically high gasoline prices and growing competition in the commercial segment. Despite the reduction in the average size of our truck rental fleet, we incurred \$1 million (2%) of incremental fleet depreciation, interest and lease charges primarily due to higher per-unit fleet costs. These items were offset by a \$6 million decrease in our public liability and property damage costs as a result of more favorable claims experience and a reduction in rental days and other reductions in operating and commission expenses primarily due to reduced rental volumes.

SIX MONTHS ENDED JUNE 30, 2007 VS. SIX MONTHS ENDED JUNE 30, 2006

Our consolidated results of operations comprised the following:

	Six Months Ended June 30,		
	2007	2006	Change
Net revenues	\$ 2,881	\$ 2,791	\$ 90
Total expenses	2,834	2,999	(165)
Income (loss) before income taxes	47	(208)	255
Provision (benefit) from income taxes	12	(78)	90
Income (loss) from continuing operations	35	(130)	165
Income from discontinued operations, net of tax	—	532	(532)
Gain (loss) on disposal of discontinued operations, net of tax	1	(1,322)	1,323
Cumulative effect of accounting changes, net of tax	—	(64)	64
Net income (loss)	<u>\$ 36</u>	<u>\$ (984)</u>	<u>\$ 1,020</u>

During the six months ended June 30, 2007, our total revenues increased \$90 million (3%) principally due to a 2% increase in T&M revenue reflecting a 3% increase in domestic and international car rental days, and an increase in ancillary revenues due to counter sales of insurance, GPS navigation unit rentals, fees charged to customers and other items. These increases were partially offset by a decrease in T&M revenue within our Truck Rental segment due to decreases in rental days and T&M revenue per day of 13% and 5%, respectively.

Total expenses decreased \$165 million (6%) principally due to a reduction in corporate general and administrative expenses resulting from the spin-offs of Realogy and Wyndham and the sale of Travelport in third quarter 2006. The decrease in total expenses also reflected (i) \$92 million less interest expense related to corporate debt resulting from the repayment of approximately \$3.5 billion of such debt in third quarter 2006, partially offset by interest expense related to borrowings by Avis Budget Car Rental in second quarter 2006, and (ii) a \$59 million reduction in separation-related charges. The separation charges related primarily to severance and retention and legal, accounting and other professional fees incurred in connection with the separation of Cendant into four independent companies. Operating expenses increased \$71 million (5%) largely due to the 3% increase in car rental days and vehicle depreciation and lease charges increased \$70 million (10%) resulting from higher per unit vehicle costs and growth in our fleet. Selling, general and administrative expenses decreased \$119 million (27%) mainly due to the significant reduction in corporate expenses in 2006 following the disposition of our former Realogy, Wyndham and Travelport businesses. As a result of these items, and an offsetting \$90 million reduction in our benefit from income taxes, our income from continuing operations increased \$165 million.

Our effective tax rate for continuing operations was a provision of 25.5% and benefit of 37.5% for the six months ended June 30, 2007 and 2006, respectively. The decrease in our effective tax rate for 2007 was primarily due to an increase in the receivables due from Realogy and Wyndham in connection with the adoption of FIN 48 with a corresponding credit to the separation costs which is not subject to income tax; and a decrease for changes in the New York State and Canadian tax law.

[Table of Contents](#)

Income from discontinued operations decreased \$532 million, which reflects the absence in the six months ended June 30, 2007 of net income generated in first and second quarter 2006 by Realogy, Wyndham and Travelport. We also recorded a \$1.3 billion loss on disposal of discontinued operations in second quarter 2006, which primarily represents a loss on the disposal of Travelport and separation-related costs incurred by Realogy, Wyndham and Travelport.

During first quarter 2006, we recorded non-cash charges of \$103 million (\$64 million, after tax) to reflect the cumulative effect of accounting changes as a result of our adoption of (i) SFAS No. 152, "Accounting for Real Estate Time-Sharing Transactions," and American Institute of Certified Public Accountants' Statement of Position No. 04-2, "Accounting for Real Estate Time-Sharing Transactions" on January 1, 2006, which resulted in a non-cash charge of \$65 million after tax, and (ii) SFAS No. 123R, "Share-Based Payment," on January 1, 2006, which resulted in a non-cash credit of \$1 million after tax.

As a result of the above-mentioned items, net income increased approximately \$1.0 billion.

Following is a discussion of the results of each of our reportable segments during the six months ended June 30:

	Revenues			EBITDA		
	2007	2006	% Change	2007	2006	% Change
Domestic Car Rental	\$ 2,279	\$ 2,176	5%	\$ 110	\$ 105	5%
International Car Rental	393	352	12	45	42	7
Truck Rental	197	230	(14)	(1)	19	*
Corporate and Other ^(a)	12	33	*	1	(162)	*
Total Company	<u>\$ 2,881</u>	<u>\$ 2,791</u>	3	<u>155</u>	<u>4</u>	*
Less: Non-vehicle related depreciation and amortization				43	55	
Interest expense related to corporate debt, net				65	157	
Income (loss) before income taxes				<u>\$ 47</u>	<u>\$ (208)</u>	*

(*) Not meaningful.

(a) Includes unallocated corporate overhead, the elimination of transactions between segments and the results of operations of certain non-strategic businesses. EBITDA for 2007 and 2006 also reflects separation-related costs (credits) of \$(3) million and \$56 million, respectively. In addition, EBITDA for 2006 reflects unallocated corporate expenses related to discontinued operations. Following the completion of the separation, we do not incur the majority of such costs.

Domestic Car Rental

Revenues increased \$103 million (5%) while EBITDA increased \$5 million (5%) in the six months ended June 30, 2007 compared with the same period in 2006. We experienced increased demand for car rentals throughout the period; however, EBITDA margin comparisons were negatively impacted by increased fleet costs.

The revenue increase of \$103 million was comprised of a \$41 million (2%) increase in T&M revenue and a \$62 million (15%) increase in ancillary revenues. The increase in T&M revenue was principally driven by a 3% increase in rental days while T&M revenue per day was constant year over year. The favorable effect of incremental T&M revenues was offset in EBITDA by \$57 million (10%) of increased fleet depreciation and lease charges primarily resulting from increased per-unit fleet costs in 2007 and a 2% increase in average fleet size. The increase in per-unit fleet costs was partially mitigated by an increase in the portion of our car rental fleet that is not subject to manufacturer repurchase agreements. The \$62 million increase in ancillary revenues was due primarily to (i) a \$32 million increase in sales of loss damage waivers and insurance products, rentals of GPS navigation units and other items and (ii) a \$28 million increase in airport concession and vehicle licensing revenues, which was offset in EBITDA by \$9 million of higher airport concession and vehicle licensing expenses remitted to airport and other regulatory authorities.

EBITDA also reflected a \$54 million increase in operating expenses including (i) \$39 million of additional expenses primarily associated with increased car rental volume and fleet size, including maintenance and damage costs, operating commissions and other items and (ii) \$17 million of incremental expenses primarily representing inflationary increases in rent, salaries and wages and other costs. These operating increases were partially offset by an \$8 million benefit from our gasoline hedges.

[Table of Contents](#)

International Car Rental

Revenues and EBITDA increased \$41 million (12%) and \$3 million (7%), respectively, in the six months ended June 30, 2007 compared with the same period in 2006, primarily due to increased car rental pricing and higher demand for car rentals.

The revenue increase of \$41 million was comprised of a \$28 million (11%) increase in car rental T&M revenue and a \$13 million (14%) increase in ancillary revenues. The increase in T&M revenue was principally driven by an 8% increase in T&M revenue per day and a 3% increase in the number of days a car was rented. The total growth in revenue includes a \$19 million increase in revenue related to favorable foreign currency exchange rate fluctuations, which increased T&M revenue per day by 5% and was largely offset in EBITDA by the opposite impact of foreign currency exchange rate fluctuations on expenses. The favorable effect of incremental T&M revenues was partially offset in EBITDA by \$10 million (12%) of increased fleet depreciation and lease charges principally resulting from an increase of 5% in the average size of our international rental fleet and increased per-unit fleet costs. The \$13 million increase in ancillary revenues was due primarily to (i) a \$7 million increase in counter sales of insurance and other items and (ii) a \$5 million increase in airport concession and vehicle licensing revenues, which was all offset in EBITDA by higher airport concession and vehicle licensing expenses remitted to airport and other regulatory authorities.

EBITDA also reflected \$16 million of incremental operating expenses primarily representing inflationary increases in salaries and wages, rent and other costs, and increased vehicle maintenance and damage costs and incremental commission and insurance costs related to increased car rental volumes.

Truck Rental

Revenues and EBITDA declined \$33 million (14%) and \$20 million, respectively, for the six months ended June 30, 2007 compared with the same period in 2006, primarily reflecting decreases in rental day volume and T&M revenue per day. EBITDA was also impacted by increased fleet costs.

Substantially all of the revenue decrease of \$33 million was due to a decrease in T&M revenue, which reflected a 13% reduction in rental days and a 5% decrease in T&M revenue per day. The 13% reduction in rental days resulted primarily from declines in commercial volumes and an 8% reduction in the average size of our rental fleet. We believe these decreases reflect a soft housing market, historically high gasoline prices and growing competition in the commercial segment. Despite the reduction in the average size of our truck rental fleet, we incurred \$2 million (4%) of incremental fleet depreciation, interest and lease charges primarily due to higher per-unit fleet costs. These items were offset by (i) a \$8 million reduction in our insurance costs as a result of more favorable claims experience and a reduction in rental days and (ii) a decrease of \$10 million in operating expenses primarily due to operating a smaller and more efficient fleet and reduced rental volumes.

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 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

	<u>June 30,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>	<u>Change</u>
Total assets exclusive of assets under vehicle programs	\$ 5,542	\$ 5,571	\$ (29)
Total liabilities exclusive of liabilities under vehicle programs	3,872	4,149	(277)
Assets under vehicle programs	9,834	7,700	2,134
Liabilities under vehicle programs	8,974	6,679	2,295
Stockholders' equity	2,530	2,443	87

Total assets exclusive of assets under vehicle programs decreased \$29 million principally due to a \$99 million decrease in other current assets and other non-current assets primarily as a result of the sale of our preferred stock investment in Affinion, and a \$99 million reduction in receivables due from Realogy and Wyndham which relate to certain contingent, income tax and other corporate liabilities assumed by Realogy and Wyndham in connection with the separation and to services performed under the Transition Services Agreement. These decreases were partially offset by a \$73 million increase in accounts receivable due to additional vehicle manufacturer incentives outside of our vehicle programs and a \$55 million increase in cash and cash equivalents (see "Liquidity and Capital Resources – Cash Flows" for a detailed discussion).

[Table of Contents](#)

Total liabilities exclusive of liabilities under vehicle programs decreased \$277 million primarily due to (i) a \$116 million decrease in income taxes payable, (ii) a \$99 million decrease in balances due to Realogy and Wyndham related to our preferred stock investment in Affinion, (iii) a \$64 million decrease in accrued payroll related costs, (iv) a \$39 million decrease in our corporate debt, and (v) a \$59 million reduction in liabilities for which we are indemnified by Realogy and Wyndham. These decreases were partially offset by an \$83 million increase in other liabilities primarily related to the adoption of FIN 48 for which we are entitled to indemnification by Realogy and Wyndham.

Assets under vehicle programs increased approximately \$2.1 billion as a result of approximately \$2.3 billion of net additions primarily to our Domestic and International vehicle rental fleets, primarily due to seasonal increases in demand, partially offset by a \$134 million decrease in amounts due from vehicle manufacturers.

Liabilities under vehicle programs increased approximately \$2.3 billion, primarily reflecting additional borrowings to support the growth in our vehicle rental fleet described above. See "Liquidity and Capital Resources-Debt and Financing Arrangements" for a detailed account of the change in our debt related to vehicle programs.

Stockholders' equity increased \$87 million primarily due to (i) net income of \$36 million generated during the six months ended June 30, 2007, (ii) a \$49 million increase in accumulated other comprehensive income related to unrealized gains on cash flow hedges and foreign currency translation adjustments and (iii) \$45 million related to the exercise of employee stock options. These increases were partially offset by a \$28 million transfer of funds to Realogy and Wyndham in accordance with the Separation Agreement and an \$18 million charge to stockholders' equity as a result of the adoption of FIN 48.

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.

CASH FLOWS

At June 30, 2007, we had \$227 million of cash on hand, an increase of \$55 million from \$172 million at December 31, 2006. The following table summarizes such increase:

	Six Months Ended June 30,		
	2007	2006	Change
Cash provided by (used in):			
Operating activities	\$ 771	\$ 150	621
Investing activities	(2,767)	(1,758)	(1,009)
Financing activities	2,048	923	1,125
Effect of exchange rate changes	3	(1)	4
Cash provided by discontinued operations	—	261	(261)
Net change in cash and cash equivalents	<u>\$ 55</u>	<u>\$ (425)</u>	<u>\$ 480</u>

During the six months ended June 30, 2007, we generated \$621 million more cash from operating activities in comparison to the same period in 2006. This change principally reflects (i) an increase in operating results in the six months ended June 30, 2007 primarily due to reduced separation costs, (ii) decreased interest expense and a \$321 million increase related to income taxes and deferred income taxes, and (iii) reduced capital working requirements.

We used approximately \$1 billion more cash in investing activities during the six months ended June 30, 2007 compared with the same period in 2006. This change primarily reflects the activities of our vehicle programs, which used approximately \$1.2 billion more cash in the six months ended June 30, 2007 due to timing of vehicle purchases principally within our Domestic Car Rental operations and due to current and projected increases in demand. Our capital expenditures in the six months ended June 30, 2007 were relatively consistent with the same period in 2006 and are anticipated to approximate \$90 million in 2007.

We generated approximately \$1.1 billion more cash from financing activities during the six months ended June 30, 2007 in comparison with the same period in 2006. This change primarily reflects an approximately \$2.8 billion increase in net borrowings under our vehicle programs to fund the acquisition of vehicles discussed above and a reduction in cash utilized for net repurchases of common stock and dividend payments of \$246 million and \$113 million, respectively. These incremental cash inflows were partially offset by (i) the absence of \$1,875 million of proceeds received in connection with the issuance of fixed and floating rate notes in April 2006, (ii) \$192 million of short-term borrowings in the six months ended June 30, 2006 under the Company's former \$3.0 billion revolving credit agreement and (iii) the utilization of \$39 million to repay corporate debt during the six months ended June 30, 2007.

[Table of Contents](#)

DEBT AND FINANCING ARRANGEMENTS

At June 30, 2007, we had approximately \$9.2 billion of indebtedness (including corporate indebtedness of approximately \$1.8 billion and debt under vehicle programs of approximately \$7.4 billion).

Corporate indebtedness consisted of:

	Maturity Date	As of June 30, 2007	As of December 31, 2006	Change
Floating rate term loan	April 2012	\$ 800	\$ 838	\$ (38)
Floating rate notes	May 2014	250	250	—
7 ⁵ / ₈ % notes	May 2014	375	375	—
7 ³ / ₄ % notes	May 2016	375	375	—
		<u>1,800</u>	<u>1,838</u>	<u>(38)</u>
Other		3	4	(1)
		<u>\$ 1,803</u>	<u>\$ 1,842</u>	<u>\$ (39)</u>

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):

	As of June 30, 2007	As of December 31, 2006	Change
Debt due to Avis Budget Rental Car Funding ^(a)	\$ 6,321	\$ 4,511	\$ 1,810
Budget Truck financing:			
Budget Truck Funding program ^(b)	247	135	112
Capital leases	231	257	(26)
Other ^(c)	565	367	198
	<u>\$ 7,364</u>	<u>\$ 5,270</u>	<u>\$ 2,094</u>

(a) The change in the balance at June 30, 2007 principally reflects (i) increased borrowings under our extendible commercial paper program and conduit facility during the six months ended June 30, 2007 and (ii) the issuance of vehicle-backed floating rate notes at various interest rates during second quarter 2007 to support the acquisition of rental vehicles within our domestic car rental operations.

(b) The change in the balance at June 30, 2007 primarily reflects incremental borrowings during second quarter 2007 to support the acquisition of rental vehicles within the Budget Truck rental fleet.

(c) The change in the balance at June 30, 2007 primarily reflects incremental borrowings under our bank loan and commercial paper conduit facilities to support the acquisition of vehicles in our international operations.

As of June 30, 2007, the committed credit facilities available to us and/or our subsidiaries at the corporate or Avis Budget Car Rental, LLC level were as follows:

	Total Capacity	Outstanding Borrowings	Letters of Credit Issued	Available Capacity
\$1.5 billion revolving credit facility ^(a)	\$ 1,500	\$ —	\$ 441	\$ 1,059
Letter of credit facility ^(b)	303	—	303	—

(a) This secured revolving credit facility was entered into by Avis Budget Car Rental, LLC in April 2006, has a five year term and currently bears interest at one month LIBOR plus 125 basis points.

(b) Final maturity date is July 2010.

[Table of Contents](#)

The following table presents available funding under our debt arrangements related to our vehicle programs at June 30, 2007:

	Total Capacity ^(a)	Outstanding Borrowings	Available Capacity
Debt due to Avis Budget Rental Car Funding ^(b)	\$ 7,266	\$ 6,321	\$ 945
Budget Truck financing:			
Budget Truck Funding program ^(c)	400	247	153
Capital leases ^(d)	231	231	—
Other ^(e)	1,203	565	638
	<u>\$ 9,100</u>	<u>\$ 7,364</u>	<u>\$ 1,736</u>

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

(b) The outstanding debt is collateralized by approximately \$8.3 billion of underlying vehicles (the majority of which are subject to manufacturer repurchase and guaranteed depreciation agreements) and related assets.

(c) The outstanding debt is collateralized by \$275 million of underlying vehicles and related assets.

(d) In connection with these capital leases, there are corresponding unamortized assets of \$241 million classified within vehicles, net on the Company's Consolidated Condensed Balance Sheet as of June 30, 2007.

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

LIQUIDITY RISK

We believe that access to our existing financing arrangements is sufficient to meet liquidity requirements for the foreseeable future. Our primary liquidity needs include the payment of operating expenses, corporate and vehicle related debt and the procurement of rental vehicles to be used in our operations. Our primary sources of funding are operating revenue, cash received upon the sale of vehicles under repurchase and guaranteed depreciation programs, borrowings under our vehicle-backed borrowing arrangements, and revolving credit and other corporate borrowing programs.

Our liquidity position may be negatively affected by unfavorable conditions in the vehicle rental industry. Additionally, our liquidity as it relates to vehicle programs, could be adversely affected by (i) the deterioration in the performance of the underlying assets of such programs and (ii) increased costs associated with the principal financing program for our vehicle rental operations if General Motors Corporation or Ford Motor Company is not able to honor its obligations to repurchase the related vehicles. Our liquidity may also be negatively impacted if either Realogy or Wyndham is unable to financially meet its indemnification and other obligations under the Separation Agreement and the Transition Services Agreement. Access to our credit facilities may be limited if we were to fail to meet certain financial ratios or other requirements.

Additionally, we monitor the maintenance of required financial ratios and, as of June 30, 2007, we were in compliance with all financial covenants under our credit facilities.

CONTRACTUAL OBLIGATIONS

Our future contractual obligations have not changed significantly from the amounts reported within our 2006 Annual Report on Form 10-K filed on March 1, 2007, with the exception of our commitment to purchase vehicles, which decreased by approximately \$1 billion from the amount previously disclosed to approximately \$7.1 billion at June 30, 2007. Any changes to our obligations related to corporate indebtedness and debt under vehicle programs are presented above within the section entitled "Liquidity and Capital Resources – Debt and Financing Arrangements" and also within Notes 10 and 11 to our Consolidated Condensed Financial Statements.

As of June 30, 2007, our unrecognized tax benefits totaled \$558 million including the impact of the adoption of FIN 48. A reduction in the unrecognized tax benefits may occur upon settlement with tax authorities, including the IRS. The IRS has begun to examine our taxable years 2003 through 2006. While the ultimate settlement date is uncertain, we believe it is reasonably possible that examination for the taxable years 2003 through 2006 will conclude in 2010.

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 2006 Annual Report on Form 10-K are the accounting policies (related to goodwill and other indefinite-lived intangible assets, income taxes, financial instruments, public liability, property damage and other insurance liabilities) that we believe require subjective and/or complex judgments that could potentially affect 2007 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.

Table of Contents

During the six months ended June 30, 2007, we adopted the following standard as a result of the issuance of a new accounting pronouncement:

- FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes"

We will adopt the following recently issued standards as required:

- SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities"
- SFAS No. 157, "Fair Value Measurements"

For detailed information regarding these pronouncements and the impact thereof on our business, see Note 1 – Basis of Presentation and Recently Issued Accounting Pronouncements to our Consolidated Condensed Financial Statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We assess our market risk based on changes in interest and foreign currency exchange rates utilizing a sensitivity analysis that measures the potential impact in earnings, fair values, and cash flows based on a hypothetical 10% change (increase and decrease) in interest and foreign currency rates. We used June 30, 2007 market rates to perform a sensitivity analysis separately for each of our market risk exposures. The estimates assume instantaneous, parallel shifts in interest rate yield curves and exchange rates. We have determined, through such analyses, that the impact of a 10% change in interest and foreign currency exchange rates on our earnings, fair values and cash flows would not be material.

Item 4. Controls and Procedures

- (a) *Disclosure Controls and Procedures.* Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated 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")) as of the end of the period covered by this quarterly report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.
- (b) *Internal Controls Over Financial Reporting.* There have been no changes in our internal control over financial reporting (as such term is defined in rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Previously Reported Matters

The following summarizes material developments that have occurred in our previously reported legal proceedings.

With respect to the consolidated class action *In Re Cendant Corporation Litigation*, Master File No. 98-1664 (WHW) (D.N.J.), the case, with respect to claims related to Ernst & Young, has been scheduled for trial in the District Court for the District of New Jersey on March 4, 2008. In addition, as a result of settlements in two of the lawsuits related to the April 15, 1998 announcement of the discovery of accounting irregularities in the former CUC International business units, there are now three lawsuits that remain unresolved in addition to the matter referenced above.

Item 4. Submission of Matters to a Vote of Security Holders

We held an Annual Meeting of Stockholders on May 21, 2007, pursuant to a Notice of Annual Meeting of Stockholders and Proxy Statement dated April 4, 2007, a copy of which has been filed previously with the Securities and Exchange Commission, at which our stockholders approved the election of eight directors for a term of one year, ratified the appointment of Deloitte & Touche LLP as the auditors of the financial statements for fiscal year 2007 and approved the Avis Budget Group, Inc. 2007 Equity and Incentive Plan. Set forth below are the voting results from the Annual Meeting.

[Table of Contents](#)

Proposal 1: To elect eight directors for a one-year term.

Results:

	<u>In Favor</u>	<u>Withheld</u>
Ronald L. Nelson	84,748,796	4,868,469
Mary C. Choksi	87,013,425	2,603,840
Leonard S. Coleman	85,852,955	3,764,310
Martin L. Edelman	74,239,301	15,377,964
Lynn Krominga	85,886,930	3,730,335
Sheli Z. Rosenberg	76,580,381	13,036,884
F. Robert Salerno	83,887,319	5,729,946
Stender E. Sweeney	85,874,948	3,742,317

Proposal 2: To ratify the appointment of Deloitte & Touche LLP as Avis Budget Group's Independent Auditors for the year ending December 31, 2007.

Results:

<u>For</u>	<u>Against</u>	<u>Abstain</u>
86,977,927	2,614,426	24,912

Proposal 3: To approve the Avis Budget Group, Inc. 2007 Equity and Incentive Plan.

Results:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Vote</u>
55,202,228	19,617,355	73,293	14,724,389

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.

Date: August 8, 2007

AVIS BUDGET GROUP, INC.

/s/ David B. Wyshner

David B. Wyshner
Executive Vice President,
Chief Financial Officer and Treasurer

Date: August 8, 2007

/s/ Brett Weinblatt

Brett Weinblatt
Senior Vice President and
Chief Accounting Officer

Exhibit Index

Exhibit No.	Description
2.1	Separation and Distribution Agreement by and among Cendant Corporation*, Realogy Corporation, Wyndham Worldwide Corporation and Travelport, Inc., dated as of July 27, 2006 (Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated August 1, 2006).
2.2	Letter Agreement dated August 23, 2006 relating to the Separation and Distribution Agreement by and among Realogy Corporation, Cendant Corporation*, Wyndham Worldwide Corporation and Travelport Inc. dated as of July 27, 2006.
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 By-Laws of the Company (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated October 30, 2006).
10.1	Series 2007-2 Supplement, dated as of June 6, 2007, among Avis Budget Rental Car Funding (AESOP) LLC, as issuer and The Bank of New York Trust Company, N.A., as trustee and Series 2007-2 Agent, to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 between Cendant Rental Car Funding (AESOP) LLC (now known as Avis Budget Rental Car Funding (AESOP) LLC), as issuer and The Bank of New York Trust Company, N.A., as trustee, as amended (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 8, 2007).
10.2	Avis Budget Group, Inc. 2007 Equity and Incentive Plan.
10.3	Extension Letter Related to the Series 2006-1 Supplement, dated as of May 11, 2006 among Budget Truck Funding, LLC, as Issuer, Budget Truck Rental, LLC, as Administrator, Deutsche Bank Securities, Inc., as Administrative Agent, Certain CP Conduit Purchasers, Certain Funding Agents, Certain APA Banks and The Bank of New York Trust Company, N.A., as Trustee, as Series 2006-1 Agent and Securities Intermediary, to the Base Indenture, dated as of May 11, 2006 between Budget Truck Funding, LLC, as Issuer and The Bank of New York Trust Company, N.A., as Trustee.
10.4	Amendment No. 1, dated as of May 16, 2007, to the Series 2006-1 Supplement, dated as of May 11, 2006 among Budget Truck Funding, LLC, as Issuer, Budget Truck Rental, LLC, as Administrator, Deutsche Bank Securities, Inc., as Administrative Agent, Certain CP Conduit Purchasers, Certain Funding Agents, Certain APA Banks and The Bank of New York Trust Company, N.A., as Trustee, as Series 2006-1 Agent and Securities Intermediary, to the Base Indenture, dated as of May 11, 2006 between Budget Truck Funding, LLC, as Issuer and The Bank of New York Trust Company, N.A., as Trustee.
10.5	Amendment No. 1, dated as of May 16, 2007, to the Base Indenture, dated as of May 11, 2006 between Budget Truck Funding, LLC, as Issuer and The Bank of New York Trust Company, N.A., as Trustee.
10.6	Supplemental Indenture No. 2, dated as of May 9, 2007, to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee.
10.7	Second Amendment, dated as of the May 9, 2007, to the Amended and Restated Loan Agreement, dated as of June 3, 2004, between AESOP Leasing L.P., as Borrower and Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Lender.
10.8	Second Amendment, dated as of May 9, 2007, to the Second Amended and Restated Loan Agreement, dated as of June 3, 2004, among AESOP Leasing L.P., as Borrower, PV Holding Corp., as Permitted Nominee, Quartx Fleet Management Inc., as Permitted Nominee and Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Lender.
10.9	Third Amendment, dated as of May 9, 2007, to the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004, between AESOP Leasing L.P., as Lessor and Avis Budget Car Rental, LLC (formerly known as Cendant Car Rental Group, LLC, formerly known as Cendant Car Rental Group, Inc.), individually as Lessee and as the Administrator.

[Table of Contents](#)

- 10.10 Third Amendment, dated as of May 9, 2007, to the Amended and Restated Master Motor Vehicle Operating Lease Agreement, dated as of June 3, 2004, between AESOP Leasing Corp. II, as lessor and Avis Budget Car Rental, LLC, individually as Lessee and as the Administrator.
- 10.11 Third Amendment, dated as of May 9, 2007, to the Amended and Restated Master Motor Vehicle Finance Lease Agreement, dated as of June 3, 2004, among AESOP Leasing L.P., as Lessor, Avis Budget Car Rental, LLC, as Lessee, Administrator and Finance Lease Guarantor, Avis Rent A Car System, LLC (formerly known as Avis Rent A Car System, Inc.), as Lessee and Budget Rent A Car System, Inc., as Lessee.
- 10.12 First Amendment, dated as of May 9, 2007, to the Amended and Restated Loan Agreement, dated as of June 3, 2004, among AESOP Leasing Corp. II, as Borrower, AESOP Leasing Corp., as Permitted Nominee and Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Lender.
- 10.13 Fifth Amendment, dated as of May 9, 2007, to the Amended and Restated Series 2000-2 Supplement, dated as of June 29, 2001, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer, The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2000-2 Agent, to the Base Indenture.
- 10.14 Fourth Amendment, dated as of May 9, 2007, to the Series 2002-1 Supplement, dated as of July 25, 2002, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2002-1 Agent, to the Base Indenture.
- 10.15 Ninth Amendment, dated as of May 9, 2007, to the Amended and Restated Series 2002-2 Supplement, dated as of November 22, 2002, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer, Avis Budget Car Rental, LLC, as Administrator, JPMorgan Chase Bank, N. A. (formerly known as JPMorgan Chase Bank), as Administrative Agent, the CP Conduit Purchasers, the APA Banks and the Funding Agents named therein and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2002-2 Agent, to the Base Indenture.
- 10.16 Tenth Amendment, dated as of May 9, 2007, to the Series 2002-3 Supplement, dated as of September 12, 2002, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer, Avis Budget Car Rental, LLC, as Administrator, JPMorgan Chase Bank, N.A. (formerly known as JPMorgan Chase Bank), as Administrative Agent, the CP Conduit Purchasers, the APA Banks and the Funding Agents named therein and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2002-3 Agent, to the Base Indenture.
- 10.17 Third Amendment, dated as of May 9, 2007, to the Series 2003-2 Supplement, dated as of March 6, 2003, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2003-2 Agent, to the Base Indenture.
- 10.18 Third Amendment, dated as of May 9, 2007, to the Series 2003-3 Supplement, dated as of May 6, 2003, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2003-3 Agent, to the Base Indenture.
- 10.19 Third Amendment, dated as of May 9, 2007, to the Series 2003-4 Supplement, dated as of June 19, 2003, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2003-4 Agent, to the Base Indenture.
- 10.20 Third Amendment, dated as of May 9, 2007, to the Series 2003-5 Supplement, dated as of October 9, 2003, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2003-5 Agent, to the Base Indenture.
- 10.21 First Amendment, dated as of May 9, 2007, to the Second Amended and Restated Series 2004-1 Supplement, dated as of June 27, 2006, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer, Avis Budget Car Rental, LLC, as Administrator, Mizuho Corporate Bank, Ltd., as Administrative Agent, the financial institutions named therein, as Purchasers and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2004-1 Agent, to the Base Indenture.

Table of Contents

- 10.22 Third Amendment, dated as of May 9, 2007, to the Series 2004-2 Supplement, dated as of February 18, 2004, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2004-2 Agent, to the Base Indenture.
- 10.23 Second Amendment, dated as of May 9, 2007, to the Series 2005-1 Supplement, dated as of February 25, 2005, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2005-1 Agent, to the Base Indenture.
- 10.24 Second Amendment, dated as of May 9, 2007, to the Series 2005-2 Supplement, dated as of March 22, 2005, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2005-2 Agent, to the Base Indenture.
- 10.25 Second Amendment, dated as of May 9, 2007, to the Series 2005-4 Supplement, dated as of June 1, 2005, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2005-4 Agent, to the Base Indenture.
- 10.26 First Amendment, dated as of May 9, 2007, to the Series 2006-1 Supplement, dated as of January 11, 2006, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2006-1 Agent, to the Base Indenture.
- 10.27 First Amendment, dated as of May 9, 2007, to the Series 2006-2 Supplement, dated as of June 2, 2006, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2006-2 Agent, to the Base Indenture.
- 10.28 First Amendment, dated as of May 9, 2007, to the Series 2007-1 Supplement, dated as of May 1, 2007, by and among Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), as Issuer, Avis Budget Car Rental, LLC, as Administrator, Deutsche Bank AG, New York Branch, as Administrative Agent, the CP Conduit Purchasers, the APA Banks and the Funding Agents named therein and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee and as Series 2007-1 Agent, to the Base Indenture.
- 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.
- 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.

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

LETTER AGREEMENT

August 17, 2006

Cendant Corporation
9 West 57th Street
New York, NY 10019
and
Six Sylvan Way
Parsippany, NJ 07054
Attn: General Counsel

Realogy Corporation
1 Campus Drive
Parsippany, NJ 07054
Attn: General Counsel

Travelport Inc.
339 Jefferson Road
Parsippany, NJ 07054
Attn: General Counsel

Wyndham Worldwide Corporation
Seven Sylvan Way
Parsippany, NJ 07054
Attn: General Counsel

RE: Separation and Distribution Agreement

Reference is made to the Separation and Distribution Agreement (the "Agreement"), dated as of July 27, 2006, by and among Cendant Corporation ("Cendant"), Realogy Corporation ("Realogy"), Travelport Inc. ("Travelport") and Wyndham Worldwide Corporation ("Wyndham") (each of Realogy, Travelport and Wyndham, a "Newco" and, collectively, the "Newcos"). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Agreement. This letter agreement confirms the agreement of the undersigned parties as follows with respect to any individual who was a former employee of Cendant or any of its subsidiaries on or prior to July 31, 2006 and who, at such time, was either (A) in a known dispute with the relevant employing entity relating to the circumstances surrounding the termination of such employee's employment with such entity or (B) both (1) was notified on or prior to July 31, 2006 that such individual's employment with Cendant or the applicable Newco (or their respective subsidiaries) would terminate in connection with the Distributions and (2) is in the process of negotiating the terms of his or her separation with Cendant or the applicable Newco (each such employee, a "Specified Employee"):

Notwithstanding anything in the Agreement and Schedule 1.1(15)(i) of the Agreement to the contrary, each of Cendant, Realogy and Wyndham (and Travelport in the event the Travelport Sale does not occur) hereby agrees that, if as a result of the resolution of a dispute (whether through arbitration proceedings or legal proceedings or mutual agreement between a Specified Employee, on the one hand, and Cendant or the Newco employing such Specified Employee, on the other hand) relating to the characterization of the Specified Employee's termination of employment, it is determined that the Specified Employee is entitled to retain all or a portion of his or her Cendant stock options and/or restricted stock units that were outstanding prior to July 31, 2006 (the "Retained Awards"), then each of Cendant, Realogy and Wyndham (and, if applicable, Travelport) shall (i) treat such Retained Award in the manner contemplated by Article VI of the Agreement as if such Retained Award had been outstanding on the Realogy and Wyndham Distribution Date (i.e., each option to purchase shares of Cendant common stock shall be adjusted in the same manner as adjustments made to options which were outstanding as of such Distribution Date (and, if applicable, the Travelport Distribution Date) and each restricted stock unit shall be "split" in the same manner as applicable to restricted stock units outstanding on the applicable Distribution Date) and (ii) be solely responsible for, at their own expense, the settlement of their portion of the respective Retained Award and any and all Liabilities with respect to the settlement of their portion of the respective Retained Award.

Except as expressly modified by this Letter, all of the terms, covenants, agreements, conditions and other provisions of the Agreement and schedules thereto shall remain in full force and effect in accordance with their respective terms.

This Letter may be executed in one or more counterparts, and signature pages may be delivered by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this letter agreement as of the date first written above.

CENDANT CORPORATION

By /s/ JAMES E. BUCKMAN

Name: James E. Buckman

Title: Vice Chairman and General Counsel

REALOGY CORPORATION

By /s/ C. PATTESON CARDWELL, IV

Name: C. Patteson Cardwell, IV

Title: Executive Vice President and General Counsel

TRAVELPORT INC.

By /s/ JEFF CLARKE

Name: Jeff Clarke

Title: President and Chief Executive Officer

WYNDHAM WORLDWIDE CORPORATION

By /s/ SCOTT G. MCLESTER

Name: Scott G. McLester

Title: Executive Vice President and General Counsel

AVIS BUDGET GROUP, INC.
2007 EQUITY AND INCENTIVE PLAN

Section	<u>Page</u>
1. Purpose; Types of Awards; Construction	2
2. Definitions	2
3. Administration	5
4. Eligibility	6
5. Stock Subject to the Plan	6
6. Specific Terms of Awards	6
7. Change in Control Provisions	9
8. General Provisions	10

AVIS BUDGET GROUP, INC.
2007 EQUITY AND INCENTIVE PLAN

1. Purpose; Types of Awards; Construction.

The purpose of the AVIS BUDGET GROUP, INC. 2007 Equity and Incentive Plan (the "Plan") is to promote the interests of the Company and its Subsidiaries and the stockholders of the Company by providing officers, employees, consultants and independent contractors (including non-employee directors) of the Company and its Subsidiaries with appropriate incentives and rewards to encourage them to enter into and continue in the employ or service of the Company or its Subsidiaries, to acquire a proprietary interest in the long-term success of the Company and to reward the performance of individuals in fulfilling their personal responsibilities for long-range and annual achievements. The Plan provides for the grant, in the sole discretion of the Committee, of options (including "incentive stock options" and "nonqualified stock options"), stock appreciation rights, restricted stock, restricted stock units and other stock- or cash-based awards. The Plan is designed so that Awards granted hereunder intended to comply with the requirements for "performance-based compensation" under Section 162(m) of the Code may comply with such requirements, and the Plan and Awards shall be interpreted in a manner consistent with such requirements. Notwithstanding any provision of the Plan, to the extent that any Award would be subject to Section 409A of the Code, no such Award may be granted if it would fail to comply with the requirements set forth in Section 409A of the Code and any regulations or guidance promulgated thereunder.

2. Definitions.

For purposes of the Plan, the following terms shall be defined as set forth below:

(a) "Award" means any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit or Other Stock-Based Award or Other Cash-Based Award granted under the Plan.

(b) "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award.

(c) "Board" means the Board of Directors of the Company.

(d) A "Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(1) any Person is or becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company) representing 50% or more of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (3) below; or

(2) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company's stockholders was approved or recommended by a vote of at least a majority of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended; or

(3) there is consummated a merger or consolidation of the Company with any other corporation other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by

being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company) representing 50% or more of the combined voting power of the Company's then outstanding securities; or

(4) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 75% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(e) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(f) "Committee" shall mean the Board, or a committee designated by the Board to administer the Plan. With respect to Awards granted to Covered Employees, such committee shall consist of two or more persons, each of whom, unless otherwise determined by the Board, is an "outside director" within the meaning of Section 162(m) of the Code and a "nonemployee director" within the meaning of Rule 16b-3.

(g) "Company" means Avis Budget Group, Inc., a corporation organized under the laws of the State of Delaware, or any successor corporation.

(h) "Covered Employee" shall have the meaning set forth in Section 162(m)(3) of the Code.

(i) "Effective Date" shall have the meaning set forth in Section 8(d) of the Plan.

(j) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and as now or hereafter construed, interpreted and applied by regulations, rulings and cases.

(k) "Fair Market Value" means, with respect to Stock or other property, the fair market value of such Stock or other property determined by such methods or procedures as shall be established from time to time by the Committee. Unless otherwise determined by the Committee in good faith, the per share Fair Market Value of Stock as of a particular date shall mean (i) the closing price per share of Stock on the national securities exchange on which the Stock is principally traded, for the last preceding date on which there was a sale of such Stock on such exchange, or (ii) if the shares of Stock are then traded in an over-the-counter market, the average of the closing bid and asked prices for the shares of Stock in such over-the-counter market for the last preceding date on which there was a sale of such Stock in such market, or (iii) if the shares of Stock are not then listed on a national securities exchange or traded in an over-the-counter market, such value as the Committee, in its sole discretion, shall determine.

(l) "Grantee" means an employee, consultants, or independent contractor (including non-employee director) of the Company or any Subsidiary of the Company or such other individual that performs services for or provides services to the Company or any Subsidiary of the Company that has been granted an Award under the Plan.

(m) "ISO" means any Option intended to be and designated as an incentive stock option within the meaning of Section 422 of the Code.

(n) "NQSO" means any Option that is not designated as an ISO.

(o) "Option" means a right, granted to a Grantee under Section 6(b)(i), to purchase shares of Stock. An Option may be either an ISO or an NQSO.

(p) "Other Cash-Based Award" means cash awarded under Section 6(b)(v) of the Plan, including cash awarded as a bonus or upon the attainment of Performance Goals or otherwise as permitted under the Plan.

(q) "Other Stock-Based Award" means a right or other interest granted to a Grantee under Section 6(b)(v) of the Plan that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, including but not limited to (i) unrestricted Stock awarded as a bonus or upon the attainment of Performance Goals or otherwise as permitted under the Plan, and (ii) a right granted to a Grantee to acquire Stock from the Company containing terms and conditions prescribed by the Committee.

(r) "Performance Goals" means performance goals based on the attainment by the Company or any Subsidiary of the Company (or any division or business unit of such entity) of performance goals pre-established by the Committee in its sole discretion, based on one or more of the following criteria (as determined in accordance with generally accepted accounting principles): (1) return on total stockholder equity; (2) earnings per share of Company Stock; (3) net income (before or after taxes); (4) earnings before any or all of interest, taxes, minority interest, depreciation and amortization; (5) sales or revenues; (6) return on assets, capital or investment; (7) market share; (8) cost reduction goals; (9) implementation or completion of critical projects or processes; (10) cash flow; (11) gross or net profit margin; and (12) any combination of, or a specified increase in, any of the foregoing. The performance goals may be based upon the attainment of specified levels of performance under one or more of the measures described above relative to the performance of other entities. To the extent permitted under Section 162(m) of the Code (including, without limitation, compliance with any requirements for stockholder approval) or to the extent that an Award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee in its sole discretion may designate additional business criteria on which the performance goals may be based or adjust, modify or amend the aforementioned business criteria. Performance Goals may include a threshold level of performance below which no Award will be earned, a level of performance at which the target amount of an Award will be earned and a level of performance at which the maximum amount of the Award will be earned. The Committee in its sole discretion shall have the authority to make equitable adjustments to the Performance Goals in recognition of unusual or non-recurring events affecting the Company or any Subsidiary of the Company or the financial statements of the Company or any Subsidiary of the Company, in response to changes in applicable laws or regulations, including changes in generally accepted accounting principles or practices, or to account for items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principles, as applicable.

(s) "Person" shall have the meaning set forth in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) the Company or any Subsidiary Corporation, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary Corporation, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(t) "Plan" means this Avis Budget Group, Inc. 2007 Equity and Incentive Plan, as amended from time to time.

(u) "Restricted Stock" means an Award of shares of Stock to a Grantee under Section 6(b)(iii) that may be subject to certain restrictions and to a risk of forfeiture.

(v) "Restricted Stock Unit" means a right granted to a Grantee under Section 6(b)(iv) to receive Stock or cash at the end of a specified deferral period, which right may be conditioned on the satisfaction of specified performance or other criteria.

(w) "Rule 16b-3" means Rule 16b-3, as from time to time in effect promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act, including any successor to such Rule.

(x) "Stock" means shares of the common stock, par value \$0.01 per share, of the Company.

(y) "Stock Appreciation Right" or "SAR" means the right, granted to a Grantee under Section 6(b)(ii), to be paid an amount measured by the appreciation in the Fair Market Value of Stock from the date of grant to the date of exercise of the right.

(z) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

(aa) "Substitute Awards" means Awards granted or shares of Stock issued by the Company in assumption of, or in substitution or exchange for, awards previously granted by a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines.

(bb) "Total Authorized Shares" shall have the meaning set forth in Section 5 of the Plan.

3. Administration.

The Plan shall be administered by the Committee. The Committee shall have the authority in its sole discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority to grant Awards; to determine the persons to whom and the time or times at which Awards shall be granted; to determine the type and number of Awards to be granted, the number of shares of Stock to which an Award may relate and the terms, conditions, restrictions and performance criteria relating to any Award; to determine Performance Goals no later than such time as required to ensure that an underlying Award which is intended to comply with the requirements of Section 162(m) of the Code so complies; and to determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged, or surrendered; to make adjustments in the terms and conditions of, and the Performance Goals (if any) included in, Awards; to construe and interpret the Plan and any Award; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of the Award Agreements (which need not be identical for each Grantee); and to make all other determinations deemed necessary or advisable for the administration of the Plan. Notwithstanding the foregoing, neither the Board, the Committee nor their respective delegates shall have the authority to reprice (or cancel and regrant) any Option or, if applicable, other Award at a lower exercise, base or purchase price without first obtaining the approval of the Company's stockholders.

All determinations of the Committee shall be made by a majority of its members either present in person or participating by conference telephone at a meeting or by written consent. The Committee may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan. All decisions, determinations and interpretations of the Committee shall be final and binding on all persons, including but not limited to the Company, any Subsidiary of the Company, or Grantee (or any person claiming any rights under the Plan from or through any Grantee) and any stockholder.

No member of the Board or Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Award granted hereunder.

4. Eligibility.

Awards may be granted to executive officers and other key employees, consultants and independent contractors (including non-employee directors) of the Company or its Subsidiaries, including officers and directors who are employees, to key consultants to the Company or its Subsidiaries, and to other individuals who perform services for or provide services to the Company or its Subsidiaries. In determining the persons to whom Awards shall be granted and the number of shares to be covered by each Award, the Committee shall take into account the duties of the respective persons, their present and potential contributions to the success of the Company or its Subsidiaries and such other factors as the Committee shall deem relevant in connection with accomplishing the purposes of the Plan.

5. Stock Subject to the Plan.

The maximum number of shares of Stock reserved for the grant of Awards under the Plan shall be 8,000,000 shares of Stock (all of which such shares of Stock may be granted as ISOs), subject to adjustment as provided herein ("Total Authorized Shares"). Subject to adjustment as provided herein, no more than (1) 4,000,000 shares of Stock may be awarded under the Plan in the aggregate in respect of Awards other than Options and SARs, and (2) 1,000,000 shares of Stock may be made subject to Awards granted to an individual in a single calendar year. Determinations made in respect of the limitations set forth in the immediately preceding sentence shall be made in a manner consistent with Section 162(m) of the Code. Such shares of Stock may, in whole or in part, be authorized but unissued shares or shares of Stock that shall have been or may be reacquired by the Company in the open market, in private transactions or otherwise. If any shares of Stock subject to an Award are forfeited, or cancelled or if an Award terminates or expires without a distribution of shares to the Grantee, the shares of Stock with respect to such Award shall, to the extent of any such forfeiture, cancellation, termination or expiration, again be available for Awards under the Plan. Upon the exercise of any Award granted in tandem with any Awards such related Awards shall be cancelled to the extent of the number of shares of Stock as to which the Award is exercised and, notwithstanding the foregoing, such number of shares shall no longer be available for Awards under the Plan. In addition, shares of Stock surrendered or withheld as payment of either the exercise price of an Award (including shares of Stock otherwise underlying an Award of a SAR that are retained by the Company to account for the grant price of such SAR) and/or withholding taxes in respect of an Award shall no longer be available for Awards under the Plan.

In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Stock, or other property), recapitalization, Stock split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event, affects the Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Grantees under the Plan, then the Committee shall make such equitable changes or adjustments as it deems necessary or appropriate to any or all of (i) the number and kind of shares of Stock or other property (including cash) that may thereafter be issued in connection with Awards, (ii) the number and kind of shares of Stock or other property (including cash) issued or issuable in respect of outstanding Awards, (iii) the exercise price, grant price, or purchase price relating to any Award; provided, that, with respect to ISOs, such adjustment shall be made in accordance with Section 424(h) of the Code; and (iv) the Performance Goals applicable to outstanding Awards.

6. Specific Terms of Awards.

(a) General. The term of each Award shall be for such period as may be determined by the Committee. Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Company or any Subsidiary of the Company upon the grant, maturation, or exercise of an Award may be made in such forms as the Committee shall determine at the date of grant or thereafter, including, without limitation, cash, Stock, or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis. The Committee may make rules relating to installment or deferred payments with respect to Awards, including the

rate of interest to be credited with respect to such payments. In addition to the foregoing, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter, such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine.

(b) Types of Awards. The Committee is authorized to grant the Awards described in this Section 6(b), under such terms and conditions as deemed by the Committee to be consistent with the purposes of the Plan. Such Awards may be granted with value and payment contingent upon Performance Goals. Each Award shall be evidenced by an Award Agreement containing such terms and conditions applicable to such Award as the Committee shall determine at the date of grant or thereafter.

(i) Options. The Committee is authorized to grant Options to Grantees on the following terms and conditions:

(A) Type of Award. The Award Agreement evidencing the grant of an Option under the Plan shall designate the Option as an ISO or an NQSO.

(B) Exercise Price. The exercise price per share of Stock purchasable under an Option shall be determined by the Committee, but in no event shall the exercise price of any Option be less than the Fair Market Value of a share of Stock on the date of grant of such Option. The exercise price for Stock subject to an Option may be paid in cash or by an exchange of Stock previously owned by the Grantee, through a "broker cashless exercise" procedure approved by the Committee, a combination of the above, or any other method approved the Committee, in any case in an amount having a combined value equal to such exercise price.

(C) Term and Exercisability of Options. The date on which the Committee adopts a resolution expressly granting an Option shall be considered the day on which such Option is granted unless the Committee determines that a future date is advisable. Options shall be exercisable over the exercise period (which shall not exceed ten years from the date of grant), at such times and upon such conditions as the Committee may determine, as reflected in the Award Agreement; provided, that (i) subject to clause (ii) below, no Option granted to an employee of the Company or a Subsidiary (other than Substitute Awards) shall vest prior to the first anniversary of the date on which the Option is granted and (ii) the Committee shall have the authority to accelerate the exercisability of any outstanding Option at such time and under such circumstances as it, in its sole discretion, deems appropriate. An Option may be exercised to the extent of any or all full shares of Stock as to which the Option has become exercisable, by giving written notice of such exercise to the Committee or its designated agent.

(D) Other Provisions. Options may be subject to such other conditions including, but not limited to, restrictions on transferability of the shares of Stock acquired upon exercise of such Options, as the Committee may prescribe in its discretion or as may be required by applicable law.

(ii) SARs. The Committee is authorized to grant SARs to Grantees on the following terms and conditions:

(A) In General. SARs may be granted independently or in tandem with an Option at the time of grant of the related Option. An SAR granted in tandem with an Option shall be exercisable only to the extent the underlying Option is exercisable. Unless otherwise specified in the Award Agreement, payment of an SAR shall be made in Stock.

(B) Term and Exercisability of SARs. The date on which the Committee adopts a resolution expressly granting an SAR shall be considered the day on which such SAR is granted unless the Committee determines that a future date is advisable. SARs shall be exercisable over the exercise period (which shall not exceed ten years from the date of grant), at such times and upon such conditions as the Committee may determine, as reflected in the Award Agreement; provided, (i) subject to clause (ii) below, no SAR granted to an employee of the Company or a Subsidiary (other than Substitute Awards) shall vest prior

to the first anniversary of the date on which the SAR is granted and (ii) that the Committee shall have the authority to accelerate the exercisability of any outstanding SAR at such time and under such circumstances as it, in its sole discretion, deems appropriate.

(C) Payment. An SAR shall confer on the Grantee a right to receive an amount with respect to each share of Stock subject thereto, upon exercise thereof, equal to the excess of (1) the Fair Market Value of one share of Stock on the date of exercise over (2) the grant price of the SAR (which in the case of an SAR granted in tandem with an Option shall be equal to the exercise price of the underlying Option, and which in the case of any other SAR shall be such price as the Committee may determine but in no event shall be less than the Fair Market Value of a share of Stock on the date of grant of such SAR). A SAR may be exercised by giving written notice of such exercise to the Committee or its designated agent.

(iii) Restricted Stock. The Committee is authorized to grant Restricted Stock to Grantees on the following terms and conditions:

(A) Issuance and Restrictions. Restricted Stock shall be subject to such restrictions on transferability and other restrictions, if any, as the Committee may impose at the date of grant or thereafter, which restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, or otherwise, as the Committee may determine. The Committee may place restrictions on Restricted Stock that shall lapse, in whole or in part, only upon the attainment of Performance Goals. Notwithstanding the above, (i) subject to clause (ii) below, no award of Restricted Stock granted to an employee of the Company or a Subsidiary (other than Substitute Awards) shall vest prior to the first anniversary of the date on which such award is granted, and (ii) the Committee shall have the authority to accelerate the exercisability of any outstanding award of Restricted Stock at such time and under such circumstances as it, in its sole discretion, deems appropriate. Except to the extent restricted under the Award Agreement relating to the Restricted Stock, a Grantee granted Restricted Stock shall have all of the rights of a stockholder including, without limitation, the right to vote Restricted Stock and the right to receive dividends thereon.

(B) Certificates for Stock. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the Grantee, such certificates shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company shall retain physical possession of the certificate.

(C) Dividends. Except to the extent restricted under the applicable Award Agreement, dividends paid on Restricted Stock shall be either paid at the dividend payment date in cash or in shares of unrestricted Stock having a Fair Market Value equal to the amount of such dividends. Stock distributed in connection with a stock split or stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been distributed.

(iv) Restricted Stock Units. The Committee is authorized to grant Restricted Stock Units to Grantees, subject to the following terms and conditions:

(A) Conditions to Vesting. At the time of the grant of Restricted Stock Units, the Committee may impose such restrictions or conditions to the vesting of such Awards as it, in its discretion, deems appropriate, including, but not limited to, achievement of Performance Goals. Notwithstanding the above, (i) subject to clause (ii) below, no award of Restricted Stock Units granted to an employee of the Company or a Subsidiary (other than Substitute Awards) shall vest prior to the first anniversary of the date on which such award is granted, and (ii) the Committee shall have the authority to accelerate the exercisability of any outstanding award of Restricted Stock Units at such time and under such circumstances as it, in its sole discretion, deems appropriate.

(B) Benefit Upon Vesting. Unless otherwise provided in an Award Agreement, upon the vesting of a Restricted Stock Unit, there shall be delivered to the Grantee, within 30 days of the date on which such Award (or any portion thereof) vests, the number of shares of Stock equal to the number of shares of Stock equal to the number of Restricted Stock Units becoming so vested.

(C) Dividend Equivalents. Subject to the requirements of Section 409A of the Code, an Award of Restricted Stock Units may provide the Grantee with the right to receive dividend equivalent payments with respect to Stock subject to the Award (both before and after the Stock subject to the Award is earned, vested, or acquired), which payments may be either made currently or credited to an account for the Participant, and may be settled in cash or Stock, as determined by the Committee. Any such settlements and any such crediting of dividend equivalents may be subject to such conditions, restrictions and contingencies as the Committee shall establish, including the reinvestment of such credited amounts in Stock equivalents.

(v) Other Stock- or Cash-Based Awards. The Committee is authorized to grant Awards to Grantees in the form of Other Stock-Based Awards or Other Cash-Based Awards, as deemed by the Committee to be consistent with the purposes of the Plan. Awards granted pursuant to this paragraph may be granted with value and payment contingent upon the achievement of Performance Goals, and, if so granted, such goals shall relate to periods of performance in excess of one calendar year. The Committee shall determine the terms and conditions of such Awards at the date of grant or thereafter. The maximum amount that any Grantee may receive with respect to Other Cash-Based Awards pursuant to this Section 6(b)(v) in respect of any annual performance period is three times such Grantee's annual base salary as of the beginning of the performance period and for any other performance period in excess of one year, such amount multiplied by a fraction, the numerator of which is the number of months in the performance period and the denominator of which is twelve. Payments earned hereunder may be decreased or, with respect to any Grantee who is not a Covered Employee, increased in the sole discretion of the Committee based on such factors as it deems appropriate. No payment shall be made to a Covered Employee prior to the certification by the Committee that the Performance Goals have been attained. The Committee may establish such other rules applicable to the Other Stock- or Cash-Based Awards to the extent not inconsistent with Section 162(m) of the Code.

(c) Termination of Service. Except as otherwise set forth by in the Award Agreement, each Award shall terminate immediately upon the Grantee's termination of service with the Company or any of its Subsidiaries, except that the Grantee shall have 90 days following the date of such termination of service to exercise any portion of an Option or SAR that he could have exercised on the date of such termination of service; provided, however, that such exercise must be accomplished prior to the expiration of the Award term. Notwithstanding the foregoing, except as otherwise set forth by the Committee in the Award Agreement, if the Grantee 's termination of service is due to his total and permanent disability (as defined in any agreement between the Grantee and the Company or, if no such agreement is in effect, as determined by the Committee in its good faith discretion) or death, the Grantee, or the representative of the estate of the Grantee, as the case may be, may exercise any portion of the Option or SAR which the Participant could have exercised on the date of such termination for a period of six months thereafter; provided, however, that such exercise must be accomplished prior to the expiration of the Award term. Notwithstanding the foregoing, except as set forth by the Committee in the Award Agreement, in the event of a termination of the Grantee 's service with the Company or any of its Subsidiaries for Cause, the unexercised portion of the Option or SAR shall terminate immediately and the Grantee shall have no right thereafter to exercise any part of the Award.

7. Change in Control Provisions.

(a) Unless otherwise determined by the Committee and evidenced in an Award Agreement, in the event of a Change in Control:

(i) any Award carrying a right to exercise that was not previously vested and exercisable shall become fully vested and exercisable; and

(ii) the restrictions, payment conditions, and forfeiture conditions applicable to any other Award granted under the Plan shall lapse and such Awards shall be deemed fully vested, and any performance conditions imposed with respect to Awards shall be deemed to be fully achieved.

(b) Notwithstanding any other provision of the Plan, in the event of a Change in Control in which the consideration paid to the holders of shares of Stock is solely cash, the Committee may, in its discretion, provide that each Award shall, upon the occurrence of a Change in Control, be cancelled in exchange for a payment in an amount equal to (i) the excess of the consideration paid per share of Stock in the Change in Control over the exercise or purchase price (if any) per share of Stock subject to the Award multiplied by (ii) the number of Shares granted under the Award.

8. General Provisions.

(a) Nontransferability. Awards shall not be transferable by a Grantee except by will or the laws of descent and distribution and shall be exercisable during the lifetime of a Grantee only by such Grantee or his guardian or legal representative.

(b) No Right to Continued Employment, etc. Nothing in the Plan or in any Award, any Award Agreement or other agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ or service of the Company or Subsidiary of the Company or to be entitled to any remuneration or benefits not set forth in the Plan or such Award Agreement or other agreement or to interfere with or limit in any way the right of the Company or any such Subsidiary to terminate such Grantee's employment or independent contractor relationship.

(c) Taxes. The Company or any Subsidiary of the Company is authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Stock, or any other payment to a Grantee, amounts of withholding and other taxes due in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company and Grantees to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Grantee's tax obligations. The Committee may provide in the Award Agreement that in the event that a Grantee is required to pay any amount to be withheld in connection with the issuance of shares of Stock in settlement or exercise of an Award, such withholding and other taxes shall be satisfied with shares of Stock to be received upon settlement or exercise of such Award equal to the minimum amount required to be withheld.

(d) Stockholder Approval: Amendment and Termination.

(i) The Plan shall take effect upon its adoption by the Board (the "Effective Date").

(ii) The Board may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part; provided, however, that unless otherwise determined by the Board, an amendment that requires stockholder approval in order for the Plan to continue to comply with Section 162(m) or any other law, regulation or stock exchange requirement shall not be effective unless approved by the requisite vote of stockholders. Notwithstanding the foregoing, no amendment to or termination of the Plan shall affect adversely any of the rights of any Grantee, without such Grantee's consent, under any Award theretofore granted under the Plan.

(e) Expiration of Plan. Unless earlier terminated by the Board pursuant to the provisions of the Plan, the Plan shall expire on the tenth anniversary of the date of the Plan's adoption by the Board. No Awards shall be granted under the Plan after such expiration date. The expiration of the Plan shall not affect adversely any of the rights of any Grantee, without such Grantee's consent, under any Award theretofore granted.

(f) Deferrals. The Committee shall have the authority to establish such procedures and programs that it deems appropriate to provide Grantees with the ability to defer receipt of cash, Stock or other property payable

with respect to Awards granted under the Plan; provided, however, to the extent that such deferral is subject to Section 409A of the Code, the rules and procedures established by the Committee shall comply with Section 409A of the Code.

(g) No Rights to Awards; No Stockholder Rights. No Grantee shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Grantees. Except as provided specifically herein, a Grantee or a transferee of an Award shall have no rights as a stockholder with respect to any shares of Stock covered by the Award until the date of the issuance of a Stock certificate to him for such shares or the issuance of shares to him in book-entry form.

(h) Unfunded Status of Awards. The Plan is intended to constitute an “unfunded” plan for incentive and deferred compensation. With respect to any payments not yet made to a Grantee pursuant to an Award, nothing contained in the Plan or any Award shall give any such Grantee any rights that are greater than those of a general creditor of the Company.

(i) No Fractional Shares. No fractional shares of Stock shall be required to be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares of Stock or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(j) Regulations and Other Approvals.

(i) The obligation of the Company to sell or deliver Stock with respect to any Award granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee.

(ii) Each Award is subject to the requirement that, if at any time the Committee determines, in its absolute discretion, that the listing, registration or qualification of Stock issuable pursuant to the Plan is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Award or the issuance of Stock, no such Award shall be granted or payment made or Stock issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Committee.

(iii) In the event that the disposition of Stock acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act and is not otherwise exempt from such registration, such Stock shall be restricted against transfer to the extent required by the Securities Act or regulations thereunder, and the Committee may require a Grantee receiving Stock pursuant to the Plan, as a condition precedent to receipt of such Stock, to represent to the Company in writing that the Stock acquired by such Grantee is acquired for investment only and not with a view to distribution.

(iv) The Committee may require a Grantee receiving Stock pursuant to the Plan, as a condition precedent to receipt of such Stock, to enter into a stockholder agreement or “lock-up” agreement in such form as the Committee shall determine is necessary or desirable to further the Company’s interests.

(k) Governing Law. The Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

Budget Truck Funding, LLC
6 Sylvan Way
Parsippany, NJ 07054

May 10, 2007

Riverside Funding LLC, as CP Conduit Purchaser
c/o Global Securitization Services, LLC
445 Broad Hollow Road, Suite 239
Melville, NY 11747

Deutsche Bank, AG, New York Branch, as APA Bank
60 Wall Street, 19th Floor
New York, NY 10005

Deutsche Bank Securities, Inc., as Funding Agent
60 Wall Street, 19th Floor
New York, NY 10005

Re: Budget Truck Funding, LLC Series 2006-1 Rental Truck Asset Backed Notes

Ladies and Gentlemen:

Reference is hereby made to the Series 2006-1 Supplement, dated as of May 11, 2006 (as may be amended, supplemented or modified from time to time in accordance with its terms, the "Series 2006-1 Supplement"), among Budget Truck Funding, LLC ("BTF"), as Issuer, Budget Truck Rental, LLC, as Administrator, Deutsche Bank Securities, Inc., as Administrative Agent, Certain CP Conduit Purchasers, Certain Funding Agents, Certain APA Banks and The Bank of New York Trust Company, N.A., as Trustee (in such capacity, the "Trustee"), as Series 2006-1 Agent and Securities Intermediary, to the Base Indenture, dated as of May 11, 2006 (as may be amended, supplemented or modified from time to time in accordance with its terms, the "Base Indenture"), between BTF and the Trustee. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Series 2006-1 Supplement or the Base Indenture, as applicable.

Pursuant to the Series 2006-1 Supplement, BTF hereby requests that the Series 2006-1 Commitment Termination Date be extended from the Series 2006-1 Initial Commitment Termination Date to May 8, 2008.

Each of Riverside Funding LLC, as CP Conduit Purchaser, Deutsche Bank, AG, New York Branch, as APA Bank, and Deutsche Bank Securities, Inc., as Funding Agent, by executing the appropriate signature block below, hereby agrees to the extension of the Series

2006-1 Commitment Termination Date as effected by this letter. In consideration for such extension, BTF agrees to pay a renewal fee equal to 0.05% of the Series 2006-1 Maximum Invested Amount to Deutsche Bank Securities, Inc. on the date hereto.

This letter may be executed in any number of counterparts, and by different parties hereto on separate counterparts, each of which when executed and delivered, shall be an original, but all of which shall together constitute one and the same instrument.

THIS LETTER 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.

* * * * *

Yours truly,

BUDGET TRUCK FUNDING, LLC, as Issuer

By: /s/ Rochelle Tarlowe

Name: Rochelle Tarlowe

Title: Vice President and Assistant Treasurer

ACKNOWLEDGED AND AGREED

RIVERSIDE FUNDING LLC, as CP Conduit Purchaser

By: /s/: Frank B. Bilotta
Name: Frank B. Bilotta
Title: Vice President

By: /s/: Jill A. Gordon
Name: Jill A. Gordon
Title: Vice President

DEUTSCHE BANK, AG, NEW YORK BRANCH, as APA
Bank

By: /s/: Eric Shea
Name: Eric Shea
Title: Managing Director

By: /s/: Sergey Moiseyenko
Name: Sergey Moiseyenko
Title: Vice President

DEUTSCHE BANK SECURITIES, INC., as Funding Agent

By: /s/: Eric Shea
Name: Eric Shea
Title: Managing Director

By: /s/: Sergey Moiseyenko
Name: Sergey Moiseyenko
Title: Vice President

**AMENDMENT NO. 1
TO SERIES 2006-1 SUPPLEMENT**

This **AMENDMENT NO. 1 TO SERIES 2006-1 SUPPLEMENT**, dated as of May 16, 2007 (this "Amendment") is among between Budget Truck Funding, LLC ("BTF"), Deutsche Bank Securities, Inc., ("DBSI"), Riverside Funding LLC ("Riverside Funding"), Deutsche Bank AG, New York Branch ("DBAG"), Sheffield Receivables Corporation ("Sheffield"), Barclays Bank PLC ("Barclays") and The Bank of New York Trust Company, N.A., in its capacity as Trustee.

RECITALS:

WHEREAS, BTF and the Trustee entered into that certain Base Indenture, dated as of May 11, 2006, as amended by that certain Amendment No. 1 to the Base Indenture, dated as of the date hereof (as the same may be further amended, modified, supplemented or amended and restated in accordance with its terms, the "Base Indenture");

WHEREAS, the parties hereto (other than Sheffield and Barclays) and Budget Truck Rental, LLC as administrator, entered into that certain Series 2006-1 Supplement to the Base Indenture, dated as of May 11, 2006 (the "Series Supplement");

WHEREAS, Sheffield and Barclays wish to join as parties to the Series Supplement, as amended hereby;

WHEREAS, the parties hereto wish to amend the Series Supplement as provided herein;

WHEREAS, pursuant to Section 10.11 of the Series Supplement, the Series Supplement may be modified or amended in accordance the requirements of Section 12.1 of the Base Indenture, and pursuant thereto the Requisite Investors or each affected Noteholder, as required, have consented in writing to the amendments effected by the Amendment; and

WHEREAS, this Amendment has been duly authorized by all necessary limited liability company action on the part of BTF;

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

ARTICLE I

Definitions

Section 1.1. Terms Defined in Series Supplement or Base Indenture. Capitalized terms used in this Amendment not herein defined shall have the meaning contained in the Series Supplement and, if not defined therein, in the Definitions List attached to the Base Indenture as Annex 1 or as otherwise set forth in the Base Indenture.

ARTICLE II.

Amendments

Section 2.1. Amendments to Article I - Definitions.

(a) Clause (c) of Article I of the Series Supplement is hereby deleted in its entirety.

(b) The definition of "Commitment" set forth in Article I of the Series Supplement is hereby amended and restated in its entirety to read as follows:

"Commitment" means, with respect to the APA Banks included in any Purchaser Group, the obligation of such APA Banks to purchase a Series 2006-1 Note on the Series 2006-1 Closing Date or, in the case of the Sheffield Purchaser Group, the Series 2006-1 Amendment Date and, thereafter, subject to certain conditions, increase the Purchaser Group Invested Amount with respect to such Purchaser Group, in each case, in an amount up to the Maximum Purchaser Group Invested Amount with respect to such Purchaser Group.

(c) The definition of "Commitment Percentage" set forth in Article I of the Series Supplement is hereby amended and restated in its entirety to read as follows:

"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 2006-1 Maximum Invested Amount on such date; provided that, notwithstanding the foregoing, the "Commitment Percentage" of the Sheffield Purchaser Group on and after the Series 2006-1 Amendment Date shall be deemed to be 100% (and the "Commitment Percentage" of each other Purchaser Group shall be deemed to be zero) for purposes of Article II hereof until such time as the Pro Rata Share of the Sheffield Purchaser Group is equal to the ratio, expressed as a percentage, which the Sheffield Purchaser Group's Maximum Purchaser Group Invested Amount bears to the Series 2006-1 Maximum Invested Amount and, thereafter, the Commitment Percentage of the Sheffield Purchaser Group shall be the ratio, expressed as a percentage, which the Sheffield Purchaser Group's Maximum Purchaser Group Invested Amount bears to the Series 2006-1 Maximum Invested Amount.

(d) The definition of “LIBO Rate” set forth in Article I of the Series Supplement is hereby amended and restated in its entirety to read as follows:

“LIBO Rate” means, 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.

(e) The definition of “Purchaser Group Invested Amount” set forth in Article I of the Series Supplement is hereby amended and restated in its entirety to read as follows:

“Purchaser Group Invested Amount” means, with respect to any Purchaser Group, (a) when used with respect to the Series 2006-1 Closing Date, such Purchaser Group’s Commitment Percentage of the Series 2006-1 Initial Invested Amount (or, with respect to the Sheffield Purchaser Group, when used with respect to the Series 2006-1 Amendment Date, the Series 2006-1 Amendment Date 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 3.5(b) or (e) on such date plus (iv) 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.

(f) The definition of “Series 2006-1 Interest Period” set forth in Article 1 of the Supplement is hereby amended and restated in its entirety to read as follows:

“Series 2006-1 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 2006-1 Interest Period shall commence on and include the Series 2006-1 Closing Date and end on and include May 21, 2006; provided further that, notwithstanding the foregoing proviso, the initial Series 2006-1 Interest Period for the Sheffield Purchaser Group shall commence on and include the Series 2006-1 Amendment Date and end on and include the day preceding the succeeding Distribution Date.

(g) The definition of “Series 2006-1 Revolving Period” set forth in Article 1 of the Supplement is hereby amended and restated in its entirety to read as follows:

“Series 2006-1 Revolving Period” means the period from and including the Series 2006-1 Closing Date to the earlier to occur of (a) the Series 2006-1 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 2006-1 Notes.

(h) The definition of “Structuring Fee” set forth in Article 1 of the Supplement is hereby amended and restated in its entirety to read as follows.

“Structuring Fee” has the meaning set forth in, (i) with respect to the Riverside Purchaser Group, the Original Fee Letter and (ii) with respect to the Sheffield Purchaser Group, the Barclays Structuring Fee Letter.

(i) Article I of the Series Supplement is hereby amended by adding the following definitions in proper alphabetical sequence:

“Barclays” means Barclays Bank PLC.

“Barclays Structuring Fee Letter” means the letter dated as of May 16, 2007, from Sheffield and Barclays addressed to BTF, setting forth the applicable Structuring Fee payable on the Series 2006-1 Amendment Date to the Sheffield Purchaser Group.

“Fee Letter” means the letter dated as of May 16, 2007, from BTF addressed to Riverside Funding LLC, DBSI, Sheffield and Barclays, amending and restating the Original Fee Letter, and setting forth certain fees payable from time to time to the Purchaser Groups.

“Original Fee Letter” means the letter dated as of May 11, 2006, from BTF addressed to the Riverside Purchaser Group, setting forth certain fees payable from time to time.

“Riverside Purchaser Group” means the Purchaser Group with Riverside Funding LLC as the CP Conduit Purchaser and DBSI as the APA Bank and Funding Agent with respect thereto.

“Series 2006-1 Amendment Date” means May 16, 2007.

“Series 2006-1 Amendment Date Amount” is defined in Section 2.3(a).

“Series 2006-1 Excess Letter of Credit Amount” means, as of any date of determination, the lesser of (a) the excess, if any, of (i) the sum of (x) the Series 2006-1 Letter of Credit Amount as of such date and (y) the Series 2006-1 Available Reserve Account Amount as of such date over (ii) the Series 2006-1 Required Enhancement Amount as of such date, otherwise zero and (b) the Series 2006-1 Letter of Credit Amount as of such date.

“Series 2006-1 Permitted Increase Amount” means, as of any date of determination, the excess, if any, of (a) the Series 2006-1 Excess Borrowing Base as of such date over (b) the Series 2006-1 Excess Letter of Credit Amount as of such date.

“Sheffield” means Sheffield Receivables Corporation.

“Sheffield Purchaser Group” means the Purchaser Group with Sheffield as the CP Conduit Purchaser and Barclays as the APA Bank and Funding Agent with respect thereto.

Section 2.2. Amendments to Article II – Purchases and Sale of Series 2006-1 Notes; Increases and Decreases of Series 2006-1 Invested Amount.

(a) Section 2.1(a) of the Series Supplement is hereby amended and restated in its entirety to read as follows:

(a) Series 2006-1 Closing Date; Series 2006-1 Amendment Date. Subject to the terms and conditions of this Series Supplement, including delivery of notice in accordance with Section 2.3, (i) each CP Conduit Purchaser (other than Sheffield) may, in its sole discretion, purchase a Series 2006-1 Note in an amount equal to all or a portion of its Commitment Percentage of the Series 2006-1 Initial Invested Amount on any Business Day specified by BTF in such notice provided pursuant to Section 2.3 (the “Series 2006-1 Closing Date”) and 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 2006-1 Note in an amount equal to its Commitment Percentage of the Series 2006-1 Initial Invested Amount on the Series 2006-1 Closing Date, each APA Bank with respect to such CP Conduit Purchaser shall fund on the Series 2006-1 Closing Date its APA Bank Percentage of that portion of such Series 2006-1 Note not to be funded by such CP Conduit Purchaser (and, Sheffield may, in its sole discretion, purchase a Series 2006-1 Note in an amount equal to all or a portion of its Commitment Percentage of the amount specified by BTF in such notice provided pursuant to Section 2.3 with respect to the Series 2006-1 Amendment Date and if Sheffield shall have notified the Administrative Agent and its Funding Agent that it has elected not to fund a Series 2006-1 Note in an amount equal to its Commitment Percentage of the amount so specified by BTF in respect of the Series 2006-1 Amendment Date, each APA Bank with respect to Sheffield shall fund on the Series 2006-1 Amendment Date its APA Bank Percentage of that portion of such Series 2006-1 Note not to be funded by such Sheffield) and (ii) thereafter, (A) if a CP Conduit Purchaser shall have purchased a Series 2006-1 Note on the Series 2006-1 Closing Date (or, with respect to Sheffield, the Series 2006-1 Amendment Date), such CP Conduit Purchaser may, in its sole discretion, increase the outstanding principal amount of its Series 2006-1 Note during the Series 2006-1 Revolving Period in accordance with the provisions of this Series Supplement and (B) the APA Banks with respect to such CP Conduit Purchaser shall increase their respective APA Bank Percentages of the outstanding principal amount of the Series 2006-1 Note with respect to such Purchaser Group during the Series 2006-1 Revolving Period in accordance with the provisions of this Series Supplement. 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 2006-1 Closing Date to the Funding Agent with respect to such CP Conduit Purchaser for remittance to the Trust for deposit into the Series 2006-1 Collection Account.

(b) The following sentence is hereby added to the end of Section 2.2(a) of the Series Supplement:

On the Series 2006-1 Amendment Date, BTF 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 2006-1 Note in the name of the Funding Agent with respect to the Sheffield Purchaser Group in an amount equal to the Maximum Purchaser Group Invested Amount with respect to such Sheffield Purchaser Group and deliver such Series 2006-1 Note to such Funding Agent in accordance with such written directions.

(c) Section 2.3 of the Series Supplement is hereby amended and restated in its entirety to read as follows:

Section 2.3 Procedure for Issuance of the Series 2006-1 Initial Invested Amount and Series 2006-1 Amendment Date Amount and for Increasing the Series 2006-1 Invested Amount.

(a) Subject to Section 2.3(c), (i) on the Series 2006-1 Closing Date, each CP Conduit Purchaser (other than Sheffield) may agree, in its sole discretion, to purchase, and the APA Banks with respect to such CP Conduit Purchaser shall purchase, a Series 2006-1 Note in accordance with Section 2.1 and on the Series 2006-1 Amendment Date, Sheffield may agree, in its sole discretion, to purchase, and the APA Banks with respect to Sheffield shall purchase, a Series 2006-1 Note in accordance with Section 2.1; and (ii) on any Business Day during the Series 2006-1 Revolving Period, each CP Conduit Purchaser 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 and each APA Bank with respect to such CP Conduit Purchaser 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 BTF (each date upon which an Increase occurs hereunder being referred to as the "Increase Date" applicable to such Increase); provided, however, that BTF shall have given the Administrative Agent (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 2006-1 Closing Date, the Series 2006-1 Amendment Date or such Increase Date, as the case may be. Such notice shall state (x) the Series 2006-1 Closing Date, the Series 2006-1 Amendment Date or the Increase Date, as the case may be, and (y) the initial aggregate principal amount of the Series 2006-1 Note (the "Series 2006-1 Initial Invested Amount"), the amount to be funded on the Series 2006-1 Amendment Date (the "Series 2006-1 Amendment Date Amount") or the proposed amount of the Increase (an "Increase Amount"), as the case may be.

(b) If a CP Conduit Purchaser elects not to fund the full amount of its Commitment Percentage of the Series 2006-1 Initial Invested Amount (or, in the case of Sheffield, the Series 2006-1 Amendment Date 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 2006-1 Initial Invested Amount, the Series 2006-1 Amendment Date 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 2006-1 Note on the Series 2006-1 Closing Date or the Series 2006-1 Amendment 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 2006-1 Initial Invested Amount or the Series 2006-1 Amendment Date Amount, as the case may be, 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 2006-1 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 2006-1 Invested Amount would not exceed the Series 2006-1 Maximum Invested Amount;

(iii) after giving effect to the initial purchase of the Series 2006-1 Notes or such Increase, as the case may be, no Series 2006-1 Enhancement Deficiency would occur and be continuing;

(iv) no Amortization Event with respect to the Series 2006-1 Notes or Potential Amortization Event with respect to the Series 2006-1 Notes would occur and be continuing prior to or after giving effect to the issuance of the Series 2006-1 Notes or such Increase, as the case may be;

(v) in the case of an Increase, the Increase Amount shall not be greater than the Series 2006-1 Permitted Increase Amount as of such date; and

(vi) all of the representations and warranties made by each of BTF, the Lessee, the Guarantor and the Administrator in the Base Indenture, this Series Supplement and the Related Documents to which each is a party are true and correct on and as of the Series 2006-1 Closing Date, the Series 2006-1 Amendment 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).

BTF's acceptance of funds in connection with (x) the initial purchase of Series 2006-1 Notes on the Series 2006-1 Closing Date and the Series 2006-1 Amendment Date and (y) each Increase occurring on any Increase Date shall constitute a representation and warranty by BTF to the Purchaser Groups as of the Series 2006-1 Closing Date, the Series 2006-1 Amendment 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 2.3(c) have been satisfied.

(d) Upon receipt of any notice required by Section 2.3(a) from BTF, 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 5:00 p.m. (New York City time) on the day received. After receipt by any Funding Agent with respect to a Purchaser Group of such notice from the Administrative Agent, such Funding Agent shall, so long as the conditions set forth in Sections 2.3(a) and (c) are satisfied, promptly provide telephonic notice to the related CP Conduit Purchaser and the related APA Banks of the Series 2006-1 Closing Date, the Series 2006-1 Amendment Date or Increase Date, as the case may be, and of such Purchaser Group's Commitment Percentage of the Series 2006-1 Initial Invested Amount, the Series 2006-1 Amendment Date 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 2006-1 Initial Invested Amount, the Series 2006-1 Amendment Date 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 2006-1 Initial Invested Amount, Series 2006-1 Amendment Date Amount or such Increase on the Series 2006-1 Closing Date, the Series 2006-1 Amendment Date or such Increase Date, as the case may be, to the Funding Agent with respect to such Purchaser Group for deposit into the Series 2006-1 Collection Account. If such CP Conduit Purchaser does not fund the full amount of its Commitment Percentage of the Series 2006-1 Initial Invested Amount, the Series 2006-1 Amendment Date 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 2006-1 Closing Date, the Series 2006-1 Amendment Date or such Increase Date to the Funding Agent with respect to such Purchaser Group for deposit in the Series 2006-1 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 2.3(d) to the Trustee for deposit into the Series 2006-1 Collection Account.

(c) Section 2.6(e) of the Series Supplement is hereby amended and restated in its entirety to read as follows:

(e) BTF shall pay with funds available pursuant to Section 3.3(a) to the Administrative Agent, for the account of each Purchaser Group, on each Distribution Date, a commitment fee with respect to the Series 2006-1 Interest Period ending on the

day preceding such Distribution Date (the "Commitment Fee") during the Series 2006-1 Revolving Period equal to the Commitment Fee Rate times the Maximum Purchaser Group Invested Amount with respect to such Purchaser Group during such Series 2006-1 Interest Period less the average daily Purchaser Group Invested Amount with respect to such Purchaser Group during such Series 2006-1 Interest Period; provided that the Commitment Fee payable to the Sheffield Purchaser Group for the first Series 2006-1 Interest Period with respect thereto shall be pro rated for the actual number of days elapsed in such Series 2006-1 Interest Period. The Commitment Fees shall be due and payable monthly in arrears on each Distribution Date and on the date the Series 2006-1 Revolving Period terminates.

Section 2.3. Amendments to Article VII – Representations, Warranties and Covenants.

(a) Section 7.1(a) of the Series Supplement is hereby amended and restated in its entirety to read as follows:

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

(i) each and every of their respective representations and warranties contained in the Related Documents is true and correct as of the Series 2006-1 Closing Date, as of the Series 2006-1 Initial Funding Date and as of the Series 2006-1 Amendment Date and true and correct in all material respects as of each Increase Date; provided, however, that, with respect to the representation of BTF 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 BTF Truck as of the Series 2006-1 Closing Date, such representation shall be deemed to be true and correct as of any such date on or before June 25, 2006 so long as the Titling Procedures with respect to such BTF Truck have been satisfied;

(ii) as of the Series 2006-1 Closing Date and as of the Series 2006-1 Amendment Date, they have not engaged, in connection with the offering of the Series 2006-1 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 Related Documents; and

(b) Section 7.1(d) of the Series Supplement is hereby amended and restated in its entirety to read as follows:

(d) BTF hereby represents and warrants to the Trustee, the Administrative Agent, each Funding Agent, each CP Conduit Purchaser and each APA Bank, as of the Series 2006-1 Closing Date, the Series 2006-1 Initial Funding Date and each Increase Date, that with respect to each BTF Truck included in the Borrowing Base, the Titling Procedures have been satisfied for such BTF Truck and, as of any such date on or after June 25, 2006, (other than as set forth in the proviso to clause (a) of the definition of "Eligible Truck" in the Base Indenture provided the conditions set forth therein regarding the Titling Procedures and the Titling Certification Requirements have been satisfied with respect to each applicable BTF Truck) the Oklahoma Certificate of Title has been issued for such BTF Truck.

(c) Section 7.2(c) of the Series Supplement is hereby amended and restated in its entirety to read as follows:

(c) no later than 45 days after the Series 2006-1 Closing Date, they shall provide to 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 BTF Trucks (the "Agreed Upon Procedures Letter"); provided that they shall provide the Agreed Upon Procedures Letter to the Funding Agent for the Sheffield Purchaser Group on or before the Series 2006-1 Amendment Date;

Section 2.4. Amendments to Schedule I – CP Conduit Purchasers. Schedule I to the Series Supplement is hereby amended and restated in its entirety by the replacement thereof with the Schedule I attached as Annex A hereto.

Section 2.5. Amendments to Schedule II – Enhancement Percentages. Schedule II to the Series Supplement is hereby amended and restated in its entirety by the replacement thereof with the Schedule II attached as Annex B hereto.

Section 2.6. Amendments to Exhibit A – Form of Variable Funding Note. Exhibit A to the Series Supplement is hereby amended and restated in its entirety by the replacement thereof with the Exhibit A attached as Annex C hereto.

Section 2.7. Addition of Parties.

By their signature hereto, each of Sheffield and Barclays agree, as of the date hereof, to be considered a party to the Series 2006-1 Supplement for all purposes, as if an original signatory to the Series 2006-1 Supplement, and to be bound by the terms of the Series 2006-1 Supplement.

ARTICLE III.

Miscellaneous

Section 3.1. Effect of Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of any of the parties hereto under the Series Supplement, nor alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Series Supplement, all of which are hereby ratified and affirmed

in all respects by each of the parties hereto and shall continue in full force and effect. This Amendment shall apply and be effective only with respect to the provisions of the Series Supplement specifically referred to herein, and any references in the Base Indenture to the provisions of the Series Supplement specifically referred to herein shall be to such provisions as amended by this Amendment.

Section 3.2. Waiver of Notice. Each of the parties hereto waives any prior notice and any notice period that may be required by any other agreement or document in connection with the execution of this Amendment.

Section 3.3. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 3.4. Governing Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE PROVISIONS THEREOF REGARDING CONFLICTS OF LAWS), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HERETO SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 3.5. Counterparts. This Amendment may be executed in any number of counterparts and by different parties herein in separate counterparts, each of which when executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

[SIGNATURE PAGES FOLLOW]

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

BUDGET TRUCK FUNDING LLC, as Issuer

By: /s/ Rochelle Tarlowe

Name: Rochelle Tarlowe

Title: Vice President and Assistant Treasurer

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

**THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee**

By: /s/ Marian Onischak

Name: Marian Onischak

Title: Vice President

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

DEUTSCHE BANK SECURITIES, INC., as a Funding Agent

By: /s/: Eric Shea
Name: Eric Shea
Title: Managing Director

By: /s/: Sergey Moiseyenko
Name: Sergey Moiseyenko
Title: Vice President

DEUTSCHE BANK SECURITIES, INC., as Administrative Agent

By: /s/: Eric Shea
Name: Eric Shea
Title: Managing Director

By: /s/: Sergey Moiseyenko
Name: Sergey Moiseyenko
Title: Vice President

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

RIVERSIDE FUNDING LLC, as a CP Conduit Purchaser

By: /s/: Kevin P. Burns
Name: Kevin P. Burns
Title: Vice President

**DEUTSCHE BANK AG, NEW YORK BRANCH, as an
APA Bank**

By: /s/: Eric Shea
Name: Eric Shea
Title: Managing Director

By: /s/: Sergey Moiseyenko
Name: Sergey Moiseyenko
Title: Vice President

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

**SHEFFIELD RECEIVABLES CORPORATION, as a CP
Conduit Purchaser**

By: /s/: Janette Lieu

Name: Janette Lieu

Title: Director

BARCLAYS BANK PLC, as an APA Bank

By: /s/: Jeffrey Goldberg

Name: Jeffrey Goldberg

Title: Associate Director

BARCLAYS BANK PLC, as a Funding Agent

By: /s/: Jeffrey Goldberg

Name: Jeffrey Goldberg

Title: Associate Director

Annex A

SCHEDULE I TO SERIES 2006-1 SUPPLEMENT

<u>CP Conduit</u>	<u>APA Bank</u>	<u>Funding Agent</u>	<u>APA Bank Percentage</u>	<u>Maximum Purchaser Group Invested Amount</u>
Riverside Funding LLC	Deutsche Bank, AG, New York Branch	Deutsche Bank Securities, Inc.	100%	\$200,000,000
Sheffield Receivables Corporation	Barclays Bank PLC	Barclays Bank PLC	100%	\$200,000,000

Annex B

Schedule II

(On File with the Trustee)

B-1

Annex C

Form of Variable Funding Note

BUDGET TRUCK FUNDING, LLC

FORM OF SERIES 2006-1 NOTE

VARIABLE FUNDING RENTAL CAR ASSET
BACKED NOTES SERIES 2006-1

BUDGET TRUCK FUNDING, LLC, a Delaware limited liability company (herein referred to as the "Company"), for value received, hereby promises to pay to [Riverside Funding LLC][Sheffield Receivables Corporation]¹, as the CP Conduit Purchaser, or registered assigns, the principal sum of TWO HUNDRED MILLION DOLLARS, or, if less, the aggregate unpaid principal amount hereof shown on the records of the Administrative Agent pursuant to Section 2.2(b) of the Series 2006-1 Supplement, which amount shall be payable in the amounts and at the times set forth in the Indenture, provided, however, that the entire unpaid principal amount of this Series 2006-1 Note shall be due on the Series 2006-1 Termination Date. The Company shall pay interest on this Series 2006-1 Note as provided in Sections 3.4 and 3.5 of the Series 2006-1 Supplement. Such interest shall be payable on each Distribution Date until the principal of this Series 2006-1 Note is paid or made available for payment, to the extent funds will be available from Interest Collections allocable to the Series 2006-1 Notes processed from but not including the preceding Distribution Date through each such Distribution Date. The principal amount of this Series 2006-1 Note shall be subject to Increases and Decreases on any Business Day, and accordingly, such principal amount is subject to prepayment at any time. In addition, the principal of this Series 2006-1 Note shall be paid in installments on each Distribution Date to the extent of funds available for payment therefor pursuant to the Indenture, and shall be subject to scheduled amortization commencing on the initial Series 2006-1 Scheduled Amortization Distribution Date. Such principal of and interest on this Series 2006-1 Note shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Series 2006-1 Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Company with respect to this Series 2006-1 Note shall be applied first to interest due and payable on this Series 2006-1 Note as provided above and then to the unpaid principal of this Series 2006-1 Note.

Reference is made to the further provisions of this Series 2006-1 Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2006-1 Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2006-1 Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Company and the Trustee. A copy of the Indenture may be requested from the Trustee by writing to the Trustee at: The Bank of New York Trust Company, N.A., 2 North LaSalle Street, Suite 1020, Chicago, Illinois 60602. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture.

¹ Insert applicable CP Conduit Purchaser.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Series 2006-1 Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

Date: _____

BUDGET TRUCK FUNDING, LLC

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Series 2006-1 Notes of a series issued under the within-mentioned Indenture.

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee

By: _____
Authorized Signature

REVERSE OF VARIABLE FUNDING NOTE

This Series 2006-1 Note is one of a duly authorized issue of Series 2006-1 Notes of the Company, designated as its Variable Funding Rental Truck Asset Backed Notes (herein called the “Series 2006-1 Notes”), all issued under (i) a Base Indenture, dated as of May 11, 2006 (such Base Indenture, as amended or modified (exclusive of any Supplements thereto creating a new Series of Notes), is herein called the “Base Indenture”), between the Company and The Bank of New York Trust Company, N.A., as trustee (the “Trustee”, which term includes any successor Trustee under the Base Indenture) and (ii) a Series 2006-1 Supplement dated as of May 11, 2006 (such supplement, as may be amended or modified, is herein called the “Series 2006-1 Supplement”), among the Company, Budget Truck Rental, LLC, as Administrator, Deutsche Bank Securities, Inc., as Administrative Agent, the CP Conduit Purchasers, the Funding Agents and APA Banks named therein, the Trustee and The Bank of New York Trust Company, N.A., as Series 2006-1 Agent. The Base Indenture and the Series 2006-1 Supplement are referred to herein as the “Indenture”. The Series 2006-1 Notes are subject to all terms of the Indenture. All terms used in this Series 2006-1 Note that are defined in the Indenture, shall have the meanings assigned to them in or pursuant to the Indenture.

The Series 2006-1 Notes are and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Indenture and the Series 2006-1 Supplement.

“Distribution Date” means the 20th day of each month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing May 22, 2006.

As described above, principal of this Series 2006-1 Note shall be payable in the amounts and at the times set forth in the Indenture, provided, however, the entire unpaid principal amount of this Series 2006-1 Note shall be due and payable on the Series 2006-1 Termination Date. All principal payments on the Series 2006-1 Notes shall be made pro rata to the Noteholders entitled thereto.

Payments of interest on this Series 2006-1 Note due and payable on each Distribution Date, together with the installment of principal then due, and any payments of principal made on any Business Day in respect of any Decreases, to the extent not in full payment of this Series 2006-1 Note, shall be made by wire transfer to the Administrative Agent for the accounts of the Purchaser Groups. Any reduction in the principal amount of this Series 2006-1 Note (or any one or more predecessor Series 2006-1 Notes) effected by any payments made in accordance with the terms hereof and of the Indenture shall be binding upon all future Holders of this Series 2006-1 Note and of any Series 2006-1 Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted thereon.

The Company shall pay interest on overdue installments of interest at a rate per annum equal to the Alternate Base Rate, plus 2% per annum, to the extent lawful.

This Series 2006-1 Note is nontransferable except in accordance with the Series 2006-1 Supplement.

Each Noteholder, by acceptance of a Series 2006-1 Note, covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Company, the Administrator or the Trustee on the Series 2006-1 Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Trustee or the

Administrator in its individual capacity, (ii) any owner of a beneficial interest in the Company or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Trustee or the Administrator in its individual capacity, any holder of a beneficial interest in the Company or the Trustee or of any successor or assign of the Trustee in its individual capacity, except (a) as any such Person may have expressly agreed and (b) any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Company for any and all liabilities, obligations and undertakings contained in the Indenture or in this Series 2006-1 Note, subject to Section 13.18 of the Base Indenture.

Each Noteholder, by acceptance of a Note, covenants and agrees that by accepting the benefits of the Indenture that such Noteholder will not, for a period of one year and one day following payment in full of all Notes institute against the Company, or join in any institution against the Company of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under any United States Federal or state bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Related Documents.

Prior to the due presentment for registration of transfer of this Series 2006-1 Note, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Series 2006-1 Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Series 2006-1 Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

It is the intent of the Company and each Noteholder that, for Federal, state and local income and franchise tax purposes, the Series 2006-1 Notes will evidence indebtedness of the Company secured by the Series 2006-1 Collateral. Each Noteholder, by the acceptance of this Series 2006-1 Note, agrees to treat this Series 2006-1 Note for Federal, state and local income and franchise tax purposes as indebtedness of the Company.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Series 2006-1 Notes under the Indenture at any time by the Company with the consent of Purchaser Groups having in the aggregate Commitment Percentages in excess of 50%. The Indenture also contains provisions permitting the Holders of Series 2006-1 Notes representing specified percentages of the aggregate outstanding amount of the Series 2006-1 Notes, on behalf of the Holders of all the Series 2006-1 Notes, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Series 2006-1 Note (or any one or more predecessor Series 2006-1 Notes) shall be conclusive and binding upon such Holder and upon all future Holders of this Series 2006-1 Note and of any Series 2006-1 Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2006-1 Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Series 2006-1 Notes issued thereunder.

The term "Company" as used in this Series 2006-1 Note includes any successor to the Company under the Indenture.

The Series 2006-1 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

This Series 2006-1 Note and the Indenture shall be construed in accordance with the law of the State of New York, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such law.

No reference herein to the Indenture and no provision of this Series 2006-1 Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Series 2006-1 Note at the times, place, and rate, and in the coin or currency herein prescribed, subject to any duty of the Company to deduct or withhold any amounts as required by law, including any applicable U.S. withholding taxes.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto _____
(name and address of assignee)

the within Series 2006-1 Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Series 2006-1 Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: *

* NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

**AMENDMENT NO. 1
TO THE BASE INDENTURE**

This **AMENDMENT NO. 1 TO THE BASE INDENTURE**, dated as of May 16, 2007 (this "Amendment") is between Budget Truck Funding, LLC, as issuer ("BTF") and The Bank of New York Trust Company, N.A., in its capacity as trustee (the "Trustee").

RECITALS:

WHEREAS, BTF and the Trustee entered into that certain Base Indenture dated as of May 11, 2006 (the "Base Indenture");

WHEREAS, the parties hereto wish to amend the Base Indenture as provided herein;

WHEREAS, pursuant to the requirements of Section 12.1 of the Base Indenture, the Requisite Investors or each affected Noteholder, as required, have consented in writing to the amendments effected by the Amendment; and

WHEREAS, this Amendment has been duly authorized by all necessary limited liability company action on the part of BTF;

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

ARTICLE I

Definitions

Section 1.1. Terms Defined in Base Indenture. Capitalized terms used in this Amendment not herein defined shall have the meaning contained in the Definitions List attached to the Base Indenture as Annex 1 or as otherwise set forth in the Base Indenture.

ARTICLE II

AMENDMENTS

Section 2.1. Amendments to the Annex 1: Definitions List.

(a) The definition of "Eligible Truck" set forth in the Annex I to the Base Indenture is hereby amended and restated in its entirety to read as follows:

"Eligible Truck" means a truck that (a) on the applicable date of determination (i) is owned by BTF, free and clear of all Liens other than Permitted Liens, (ii) is titled in the name of BTF, (iii) with respect to which a 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 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 BTF 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 day following the date any applicable Truck was acquired by BTF, the requirements of the foregoing clauses (ii) and (iii) shall be deemed to be satisfied with respect to such truck if the Titling Procedures and the Titling Certification Requirements for such truck have been satisfied, and (b) satisfied the Eligibility Requirements at the time it was purchased by BTF and leased under the BTF Lease.

(b) The definition of “Eligible Truck Appendix” set forth in the Annex I to the Base Indenture is hereby amended and restated in its entirety to read as follows:

“Eligible Truck Appendix” means Attachment A attached to the BTF Lease; provided that the Eligible Truck Appendix may be amended by BTF in accordance with Section 12.1, subject to (i) the calculation of the Termination Value Curve for each newly-added Truck, as determined by Deutsche Bank Securities, Inc., (which Termination Value Curve shall be subject to the consent of BTF), (ii) as applicable, the calculation of the credit enhancement percentages for each newly-added Truck, as determined by the Required Noteholders for each outstanding Series of Notes (which enhancement percentages shall be subject to the consent of BTF) and (iii) the prior written consent of Moody’s.

(c) The definition of “Eligible Truck Manufacturers” set forth in the Annex I to the Base Indenture is hereby amended and restated in its entirety to read as follows:

“Eligible Truck Manufacturers” means General Motors Corporation, Ford Motor Company and International Truck and Engine Corporation and any other manufacturer approved in writing by the Requisite Investors and Moody’s.

(d) The definition of “Officer’s Certificate” set forth in the Annex I to the Base Indenture is hereby amended and restated in its entirety to read as follows:

“Officer’s Certificate” means a certificate signed by an Authorized Officer of ABCR, BTF, the Administrator or the Lessee, as the case may be.

(e) Annex I of the Base Indenture is hereby amended by adding the following definitions in the proper alphabetical sequence:

“License Agent” has the meaning specified in the definition of “Titling Procedures”.

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

“OTC” has the meaning specified in the definition of “Titling Procedures”.

“**Titling Certification Requirements**” means, with respect to any Truck for which an Oklahoma Certificate of Title has not been issued, the following: (a) copies of the items described in clauses (a)(i)(w), (x), (y) and (z) of the definition of “Titling Procedures” have been delivered to the Trustee; (b) an Officer’s Certificate of the Administrator confirming the proper completion and filing with the OTC or any License Agent of the items described in clauses (a)(i)(w), (x), (y) and (z) of the definition of “Titling Procedures”; and (c) if a filing agent has been used to make the filings described in clauses (a)(i)(w), (x), (y) and (z) of the definition of “Titling Procedures”, a certificate from an Authorized Officer of such filing agent confirming the proper filing with the OTC or any License Agent of the items described in clauses (a)(i)(w), (x), (y) and (z) of the definition of “Titling Procedures”.

Section 2.2. Amendments to Article 7: Representations and Warranties.

(a) Section 7.14(c) of the Base Indenture is hereby amended and restated in its entirety to read as follows:

(c) Other than the security interest granted to the Trustee hereunder, BTF has not pledged, assigned, sold or granted a security interest in the Collateral. All action necessary (including the filing of UCC-1 financing statements and, other than as set forth in the proviso to clause (a) of the definition of “Eligible Truck” provided the conditions set forth therein regarding the Titling Procedures and the Titling Certification Requirements have been satisfied with respect to each applicable BTF Truck, the notation on the Certificates of Title for all BTF Trucks of the Trustee’s Lien (or, if applicable, the Lien of a Nominee Lienholder on behalf of the Trustee), for the benefit of the Secured Parties) to protect and perfect the Trustee’s security interest in the Collateral has been duly and effectively taken. No security agreement, financing statement, equivalent security or lien instrument or continuation statement listing BTF as debtor covering all or any part of the Collateral is on file or of record in any jurisdiction, except such as may have been filed, recorded or made by BTF in favor of the Trustee on behalf of the Secured Parties in connection with this Indenture, and BTF has not authorized any such filing.

Section 2.3. Amendments to the Schedule I. Schedule I to the Base Indenture is hereby amended and restated in its entirety by the replacement thereof with the Schedule I attached as Annex A hereto.

ARTICLE III.

Miscellaneous

Section 3.1. Effect of Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of any of the parties hereto under the Base Indenture, nor alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Base Indenture, all of which are hereby ratified and affirmed in all respects by each of the parties hereto and shall continue in full force and effect. This

Amendment shall apply and be effective only with respect to the provisions of the Base Indenture specifically referred to herein, and any references in the Base Indenture to the provisions of the Base Indenture specifically referred to herein shall be to such provisions as amended by this Amendment.

Section 3.2. Condition to Effectiveness. The Amendment shall become effective as of the date hereof only upon delivery to the Trustee of an Opinion of Counsel, in form and substance reasonably satisfactory to each Noteholder, relating to the perfection of the Trustee's Lien on the BTF Trucks upon compliance with the applicable Titling Procedures; provided that a letter in form and substance reasonably satisfactory to each Noteholder from the law firm Hall, Estill confirming, as of the date hereof, the conclusions in the opinion delivered to the Trustee on May 11, 2006 relating to such perfection procedures shall be deemed to satisfy the foregoing condition precedent.

Section 3.3. Waiver of Notice. Each of the parties hereto waives any prior notice and any notice period that may be required by any other agreement or document in connection with the execution of this Amendment.

Section 3.4. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 3.5. Governing Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE PROVISIONS THEREOF REGARDING CONFLICTS OF LAWS), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HERETO SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 3.6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties herein in separate counterparts, each of which when executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

[SIGNATURE PAGES FOLLOW]

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

BUDGET TRUCK FUNDING LLC, as Issuer

By: /s/: Rochelle Tarlowe

Name: Rochelle Tarlowe

Title: Vice President and Assistant Treasurer

**THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee**

By: /s/: Marian Onischak

Name: Marian Onischak

Title: Vice President

Annex A

Schedule I

(On File with the Trustee)

AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC

as Issuer

and

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee

SUPPLEMENTAL INDENTURE No. 2

Dated as of May 9, 2007

to

SECOND AMENDED AND RESTATED
BASE INDENTURE

Dated as of June 3, 2004

Rental Car Asset Backed Notes
(Issuable in Series)

SUPPLEMENTAL INDENTURE No. 2, dated as of May 9, 2007 (“Supplemental Indenture”), to the SECOND AMENDED AND RESTATED BASE INDENTURE, dated as of June 3, 2004 (the “Base Indenture”), between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose, limited liability company established under the laws of Delaware, as issuer (“ABRCF”), and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the “Trustee”).

WITNESSETH:

WHEREAS, ABRCF and the Trustee are parties to the Base Indenture;

WHEREAS, ABRCF desires to (i) amend certain definitions and to insert certain definitions into Schedule I to the Base Indenture and (ii) to make conforming changes to certain sections of the Base Indenture;

WHEREAS, ABRCF has duly authorized the execution and delivery of this Supplemental Indenture;

WHEREAS, pursuant to Section 12.2 of the Base Indenture, an amendment to certain definitions in the Definitions List in Schedule I to the Base Indenture requires the consent of each affected Noteholder; and

WHEREAS, ABRCF has received the consent of each affected Noteholder in accordance with the terms and conditions of the applicable Supplement in connection with the execution of this Supplemental Indenture;

NOW, THEREFORE, for and in consideration of the premises, and other good and valuable consideration the receipt and sufficiency of which are acknowledged, it is mutually covenanted and agreed, that the Base Indenture be amended and supplemented as follows:

SECTION 1: AMENDMENT TO SECTION 7.14

Section 1.1 Amendment to Section 7.14(e). Section 7.14(e) is hereby amended by deleting the last sentence in its entirety.

SECTION 2: AMENDMENT TO SCHEDULE I

Section 2.1 Additional Definitions. The Definitions List in Schedule I to the Base Indenture is hereby amended by adding the following definitions in the appropriate alphabetical order:

“ABCR” means Avis Budget Car Rental, LLC, formerly known as Cendant Car Rental Group, LLC, a Delaware limited liability company.

“ABRCF” means Avis Budget Rental Car Funding (AESOP) LLC, formerly known as Cendant Rental Car Funding (AESOP) LLC, a Delaware limited liability company.

“GM Guaranteed Depreciation Program” means the General Motors Corporation Daily Rental Guaranteed Residual Program, as amended or replaced from time to time, and pursuant to which the guaranteed payment amount is calculated based upon a specified percentage of the Capitalized Cost of such Vehicle, the model year of such Vehicle and the month during which the Turnback Date for such Vehicle occurred as set forth in such program.

“Specified Eligible Non-Program Manufacturer” means Subaru, Mitsubishi, Kia, Hyundai, Isuzu, Suzuki and any other Manufacturer that the Rating Agency Consent Condition has been satisfied with respect to the inclusion of such Manufacturer as a Specified Eligible Non-Program Manufacturer; provided, that, in each case, a Manufacturer shall not be a “Specified Eligible Non-Program Manufacturer” unless it has a long-term senior unsecured debt rating of at least “BBB-” from Standard & Poor’s and at least “Baa3” from Moody’s.

Section 2.2 Amended and Restated Definitions. The Definitions List in Schedule I to the Base Indenture is hereby amended by deleting the definitions of “Depreciation Charge,” “Designated Period,” “Eligible Manufacturer Program” and “Non-Program Vehicle Amount” and the following are hereby inserted in place thereof:

“Depreciation Charge” means, with respect to (a) any Program Vehicle subject to the GM Guaranteed Depreciation Program or the GM Repurchase Program, the rate determined by dividing (x) 100% minus the guaranteed payment amount percentage or repurchase price percentage, as applicable, specified in respect of such Vehicle pursuant to the terms of the GM Guaranteed Depreciation Program or the GM Repurchase Program, as applicable, for the Designated Period applicable to such Vehicle by (y) the number of days in such Designated Period (or, if such Vehicle is held past the Designated Period set forth in the Loan Request relating to the Loan in respect of such Vehicle, the applicable depreciation charge set forth in the GM Guaranteed Depreciation Program or the GM Repurchase Program, as applicable, for such Vehicle calculated on a daily basis), (b) any Program Vehicle subject to an Eligible Manufacturer Program other than the GM Guaranteed Depreciation Program or the GM Repurchase Program, as applicable, (but including any other Eligible Manufacturer Program provided by GM), the applicable depreciation charge set forth in the related Manufacturer Program for such Vehicle with respect to such Vehicle calculated on a daily basis and (c) any Non-Program Vehicle, the scheduled daily depreciation charge for such Vehicle set forth by AESOP Leasing in the Depreciation Schedule for such Vehicle. If such charge is expressed as a percentage, the daily Depreciation Charge for such Vehicle shall be such percentage multiplied by the Capitalized Cost for such Vehicle calculated on a daily basis. For Vehicles not held for a full month in the month of acquisition, the Depreciation Charges shall be prorated by multiplying the applicable depreciation amount by a fraction, the numerator of which is the number of days from the date depreciation related to such Vehicle begins to the first day of the next month and the denominator of which is the number of days in such month. For the month in which a Program Vehicle is turned back to the applicable Manufacturer, the Depreciation Charge shall be prorated by multiplying the applicable depreciation amount by a fraction, the numerator of which is the number of days from the first day of such month to the Turnback Date for such Vehicle and the denominator of

which is the number of days in such month. In the event a Vehicle is sold (other than pursuant to the Manufacturer Program of a Manufacturer), the Depreciation Charge shall be prorated by multiplying the applicable depreciation amount by a fraction, the numerator of which is the number of days from the first day of such month to the date proceeds from the sale of such Vehicle were deposited in the Collection Account and the denominator of which is the number of days in such month.

“Designated Period” shall mean, with respect to any Program Vehicle subject to GM’s Guaranteed Depreciation Program or the GM Repurchase Program, as applicable, the period designated by AESOP Leasing or AESOP Leasing II, as the case may be, in the applicable Loan Request relating to the Loan used to finance such Vehicle as the period of time for which AESOP Leasing or AESOP Leasing II, as applicable, expects such Vehicle to be subject to the related Loan.

“Eligible Manufacturer Program” means, at any time, a Manufacturer Program that is in full force and effect with an Eligible Program Manufacturer (i) pursuant to which the repurchase price or guaranteed auction sale price is at least equal to (a) with respect to the GM Guaranteed Depreciation Program or the GM Repurchase Program, as applicable, a specified percentage of the Capitalized Cost of each Vehicle, such percentage being determined for each Vehicle based upon the model year of such Vehicle and the calendar month in which such Vehicle is returned to the Manufacturer, minus Excess Mileage Charges, minus Excess Damage Charges, or (b) with respect to any Manufacturer Program other than the GM Guaranteed Depreciation Program or the GM Repurchase Program (but including any other Eligible Manufacturer Program provided by GM), the Capitalized Cost of each Vehicle, minus all Depreciation Charges accrued with respect to such Vehicle prior to the date that the Vehicle is submitted for repurchase, minus Excess Mileage Charges, minus Excess Damage Charges, (ii) that cannot be amended or terminated with respect to any Vehicle after the purchase of that Vehicle, and (iii) the assignment of the benefits of which to ABRCF and to the Trustee for the benefit of the Secured Parties has been acknowledged in writing by the related Manufacturer pursuant to an Assignment Agreement; provided that (a) with respect to any new Manufacturer Program (including a new model year Manufacturer Program of an Eligible Program Manufacturer and a Manufacturer Program of a new Eligible Program Manufacturer) that is proposed for consideration after the date hereof as an Eligible Manufacturer Program, prior to such new Manufacturer Program constituting an “Eligible Manufacturer Program” hereunder, the Rating Agencies have been given 30 days’ notice (or such shorter period of time as shall be acceptable to the Rating Agencies) of a draft of such new Manufacturer Program as it then exists at the time of such notice (and shall be provided a final copy of such Manufacturer Program promptly upon its being available) and the inclusion of such new Manufacturer Program as an “Eligible Manufacturer Program” hereunder shall be conditioned on satisfaction of the Rating Agency Consent Condition, and (b) with respect to any change (other than as specified in clause (a) above) in the terms of any existing Eligible Manufacturer Program, prior to such Manufacturer Program constituting an “Eligible Manufacturer Program hereunder, the Rating Agencies shall have been notified of such change and such change shall be conditioned on satisfaction of the Rating Agency Consent Condition; provided, further, that in either case described in clause (a) or (b) above, if such new Manufacturer Program

or such change in the terms of an existing Manufacturer Program would have a material adverse effect on the interests of the Secured Parties, prior to any such Manufacturer Program constituting an “Eligible Manufacturer Program”, ABRCF shall have obtained the written consent of the Trustee thereto.

“Non-Program Vehicle Amount” means, as of any date of determination, the aggregate Net Book Value of all Non-Program Vehicles leased under the Leases on such day, excluding, however, (i) any Unaccepted Program Vehicle and (ii) any Vehicle subject to a Manufacturer Program with a Specified Eligible Non-Program Manufacturer; provided that the aggregate Net Book Value of Vehicles subject to Manufacturer Programs with Specified Eligible Non-Program Manufacturers having a long-term senior unsecured debt rating of “BBB-” from Standard & Poor’s or “Baa3” from Moody’s that are excluded from this definition of “Non-Program Vehicle Amount” may not exceed 10% of the Net Book Value of all Vehicles leased under the Leases.

Section 2.3 Deleted and Replaced Definitions.

Each of the Base Indenture, each exhibit thereto and the Definitions List in Schedule I thereto is hereby amended by (i) deleting the term “Cendant Rental Car Funding (AESOP) LLC” and replacing it with “Avis Budget Rental Car Funding (AESOP) LLC” in each place such term appears therein, (ii) deleting the term “Cendant Car Rental Group, Inc.” and replacing it with “Avis Budget Car Rental, LLC” in each place such term appears therein, (iii) deleting the term “CRCF” and replacing it with “ABRCF” in each place such term appears therein and (iv) deleting the term “CCRG” and replacing it with “ABCR” in each place such term appears therein.

SECTION 3: REPRESENTATIONS AND WARRANTIES

In order to induce the Trustee to agree to this Supplemental Indenture, ABRCF hereby represents and warrants as follows for the benefit of the Trustee and the Secured Parties, as of the date hereof:

Section 3.1 Affirmation of Representations and Warranties.

Each representation and warranty of ABRCF set forth in the Base Indenture and in each other Related Document to which it is a party is true and correct as of the date of this Supplemental Indenture in all material respects (except for representations and warranties which are limited as to materiality by their terms, which representations and warranties shall be true and correct as of the date of this Supplemental Indenture) as though such representation or warranty were being made on and as of the date hereof and is hereby deemed repeated as though fully set forth herein.

Section 3.2 Limited Liability Company and Governmental Authorization.

The execution, delivery and performance by ABRCF of this Supplemental Indenture (a) is within ABRCF’s limited liability company powers and has been duly authorized by all necessary limited liability company action, (b) requires no action by or in respect of, or filing with, any governmental body, agency or official which has not been obtained, and (c) does

not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of formation or limited liability company agreement of ABRCF or of any law or governmental regulation, rule, contract, agreement, judgment, injunction, order, decree or other instrument binding upon ABRCF or any of its Assets or result in the creation or imposition of any Lien on any Asset of ABRCF, except for Liens created by this Supplemental Indenture or the other Related Documents. This Supplemental Indenture has been executed and delivered by a duly authorized officer of ABRCF.

Section 3.3 Binding Effect.

This Supplemental Indenture is a legal, valid and binding obligation of ABRCF enforceable against ABRCF in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing).

Section 3.4 No Consent.

No consent or action by or in respect of, approval or other authorization of, or registration, declaration or filing with, any Governmental Authority or other Person is required for the valid execution and delivery of this Supplemental Indenture or for the performance of any of ABRCF's obligations hereunder other than such consents, approvals, authorizations, registrations, declarations or filings as were obtained by ABRCF prior to the Initial Closing Date, or the date hereof, as applicable.

SECTION 4: CONDITIONS PRECEDENT

This Supplemental Indenture shall become effective and shall be binding on each of the parties hereto upon the satisfaction or due waiver of each of the following conditions precedent:

1. The consent of each affected Noteholder shall have been given in accordance with the terms of the applicable Supplement and a copy thereof provided to the Trustee.
2. The Rating Agency Consent Condition shall have been satisfied.
3. The Trustee shall have received an Officer's Certificate of ABRCF dated as of the date hereof to the effect that (i) no Amortization Event, Aggregate Asset Amount Deficiency, Enhancement Agreement Event of Default, Enhancement Deficiency, Loan Event of Default, AESOP I Operating Lease Vehicle Deficiency, Manufacturer Event of Default, Lease Event of Default, Potential Amortization Event, Potential Enhancement Agreement Event of Default, Potential Loan Event of Default, Potential Lease Event of Default, or Potential Manufacturer Event of Default is continuing or will occur as a result of the execution and delivery of this Supplemental Indenture, and (ii) the execution and

delivery of this Supplemental Indenture will not result in any breach of any of the terms, conditions or provisions of or constitute a default under any indenture, mortgage, deed of trust or other agreement or instrument, including, without limitation, any Related Document, to which ABRCF is a party or by which it or its property is bound or any order of any court or administrative agency entered in the suit, action or other judicial or administrative proceeding to which ABRCF is a party or by which it or its property may be bound or to which it or its property may be subject,

4. The Trustee shall have received one or more Opinions of Counsel, subject to the assumptions and qualifications stated therein and an Officer's Certificate of ABRCF, in each case, in a form substantially acceptable to the Trustee, dated the date hereof, substantially to the effect that all conditions precedent provided for in the Base Indenture with respect to the execution and delivery of this Supplemental Indenture have been complied with in all material respects.

SECTION 5: MISCELLANEOUS

Section 5.1 Counterpart Originals.

The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 5.2 Ratification and Effect.

The Base Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects ratified and confirmed, shall continue to be in full force and effect, and shall be read, taken and construed as one and the same instrument.

Section 5.3 Effect of Supplemental Indenture.

This Supplemental Indenture is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Base Indenture.

Section 5.4 Headings, etc.

The headings of the Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

Section 5.5 Choice of Law.

THIS SUPPLEMENTAL INDENTURE SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the Trustee and ABRCF have caused this Supplemental Indenture to be duly executed by their respective duly authorized officers as of the day and year first written above.

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

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee

By: /s/ Marian Onischak

Name: Marian Onischak

Title: Vice President

SECOND AMENDMENT TO AMENDED AND RESTATED LOAN AGREEMENT

This SECOND AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Amended and Restated Loan Agreement, dated as of June 3, 2004 (the "AESOP I Finance Lease Loan Agreement"), between AESOP LEASING L.P., a Delaware limited partnership ("AESOP Leasing" or the "Borrower"), and AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a Delaware limited liability company ("ABRCF" or the "Lender"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, as amended (the "Base Indenture"), between ABRCF, as issuer, and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture or the AESOP I Finance Lease Loan Agreement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 13.1 of the AESOP I Finance Lease Loan Agreement, the AESOP I Finance Lease Loan Agreement may be amended with an agreement in writing and signed and delivered by the Lender and AESOP Leasing and consented to in writing by the Trustee;

WHEREAS, pursuant to Section 12.2 of the Base Indenture, the AESOP I Finance Lease Loan Agreement may be amended with the written consent of ABRCF, the Trustee, any applicable Enhancement Provider, and the Requisite Investors;

WHEREAS, the parties desire to amend the AESOP I Finance Lease Loan Agreement to reflect (i) a change in Original AESOP's ability to make or declare certain dividends, distributions, purchases and acquisitions, (ii) to reflect ABCR's entrance into a Guaranteed Depreciation Program with each of GM and Ford and (iii) name changes of certain entities; and

WHEREAS, ABRCF has requested the Trustee, each applicable Enhancement Provider and the Requisite Investors to, and the Trustee, each applicable Enhancement Provider and the Requisite Investors have consented to, the amendment of certain provisions of the AESOP I Finance Lease Loan Agreement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The AESOP II Loan Agreement is hereby amended by (i) deleting the term "Cendant Car Rental Group, LLC" and replacing it with "Avis Budget Car Rental, LLC" in each place such term appears, (ii) deleting the term "CCRG" and replacing it with "ABCR" in each place such term appears, (iii) deleting the term "Cendant Rental Car Funding (AESOP) LLC" and replacing it with "Avis Budget Rental Car Funding (AESOP) LLC" in each place such term appears, (iv) deleting the term "CRCF" and replacing it with "ABRCF" in each place such term appears and (v) deleting the term "Avis Rent A Car System, Inc." and replacing it with "Avis Rent A Car System, LLC" in each place such term appears.

2. Section 3.2 and Annex I (*Vehicle Acquisition Schedule and Related Information*) to Exhibit B-1 to the AESOP I Finance Lease Loan Agreement are hereby amended such that all references therein to “GM Repurchase Program” shall hereby be replaced with “GM Guaranteed Depreciation Program or the GM Repurchase Program, as applicable.”

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the AESOP I Finance Lease Loan Agreement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Requisite Investors, the Trustee, the Lender and, for any applicable Series of Notes, each applicable Enhancement Provider, shall have consented hereto.

5. From and after the Amendment Effective Date, all references to the AESOP I Finance Lease Loan Agreement shall be deemed to be references to the AESOP I Finance Lease Loan Agreement as amended hereby.

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

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

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

AESOP LEASING L.P.

By: AESOP LEASING CORP., its general partner

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

Acknowledged and consented to:

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee

By: /s/ Marian Onischak

Name: Marian Onischak

Title: Vice President

SECOND AMENDMENT TO SECOND AMENDED AND RESTATED LOAN
AGREEMENT

This SECOND AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Second Amended and Restated Loan Agreement, dated as of June 3, 2004 (the "AESOP I Operating Lease Loan Agreement"), among AESOP LEASING L.P., a Delaware limited partnership ("AESOP Leasing" or the "Borrower"), PV HOLDING CORP., a Delaware corporation ("PVHC"), as a Permitted Nominee of the Borrower, QUARTX FLEET MANAGEMENT, INC., a Delaware corporation ("Quartx"), as a Permitted Nominee of the Borrower, and AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a Delaware limited liability company ("ABRCF" or the "Lender"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, as amended (the "Base Indenture"), between ABRCF, as issuer, and The Bank of New York Trust Company, N.A. (formerly known as The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture or the AESOP I Operating Lease Loan Agreement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 13.1 of the AESOP I Operating Lease Loan Agreement, the AESOP I Operating Lease Loan Agreement may be amended with an agreement in writing and signed and delivered by the Lender, AESOP Leasing, PVHC and Quartx and consented to in writing by the Trustee;

WHEREAS, pursuant to Section 12.2 of the Base Indenture, the AESOP I Operating Lease Loan Agreement may be amended with the written consent of ABRCF, the Trustee, any applicable Enhancement Provider, and the Requisite Investors;

WHEREAS, the parties desire to amend the AESOP I Operating Lease Loan Agreement to reflect (i) a change in Original AESOP's ability to make or declare certain dividends, distributions, purchases and acquisitions, (ii) to reflect ABCR's entrance into a Guaranteed Depreciation Program with each of GM and Ford and (iii) name changes of certain entities; and

WHEREAS, ABRCF has requested the Trustee, each applicable Enhancement Provider and the Requisite Investors to, and the Trustee, each applicable Enhancement Provider and the Requisite Investors have consented to, the amendment of certain provisions of the AESOP I Operating Lease Loan Agreement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The AESOP I Operating Lease Loan Agreement is hereby amended by (i) deleting the term "Cendant Car Rental Group, LLC" and replacing it with "Avis Budget Car Rental, LLC" in each place such term appears, (ii) deleting the term "CCRG" and replacing it

with "ABCR" in each place such term appears, (iii) deleting the term "Cendant Rental Car Funding (AESOP) LLC" and replacing it with "Avis Budget Rental Car Funding (AESOP) LLC" in each place such term appears, (iv) deleting the term "CRCF" and replacing it with "ABRCF" in each place such term appears and (v) deleting the term "Avis Rent A Car System, Inc." and replacing it with "Avis Rent A Car System, LLC" in each place such term appears.

2. Section 3.2 and Annex I (*Vehicle Acquisition Schedule and Related Information*) to Exhibit B-1 to the AESOP I Operating Lease Loan Agreement are hereby amended such that all references therein to "GM Repurchase Program" shall hereby be replaced with "GM Guaranteed Depreciation Program or GM Repurchase Program, as applicable."

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the AESOP I Operating Lease Loan Agreement.

4. This Amendment shall become effective as of the date (the "Amendment Effective Date") on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Requisite Investors, the Trustee, the Lender and, for any applicable Series of Notes, each applicable Enhancement Provider, shall have consented hereto.

5. From and after the Amendment Effective Date, all references to the AESOP I Operating Lease Loan Agreement shall be deemed to be references to the AESOP I Operating Lease Loan Agreement as amended hereby.

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

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

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

AESOP LEASING L.P.

By: AESOP LEASING CORP. its general partner

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

PV HOLDING CORP.

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

QUARTX FLEET MANAGEMENT, INC.

By: /s/ Rochelle Tarlowe

Name: Rochelle Tarlowe

Title: Vice President and Assistant Treasurer

AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

Acknowledged and consented to:

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee

By: /s/ Marian Onischak

Name: Marian Onischak

Title: Vice President

THIRD AMENDMENT TO SECOND AMENDED AND RESTATED MASTER MOTOR
VEHICLE OPERATING LEASE AGREEMENT

This THIRD AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Second Amended and Restated Master Motor Vehicle Operating Lease Agreement (as amended to date, the "AESOP I Operating Lease"), dated as of June 3, 2004, by and between AESOP LEASING L.P., a Delaware limited partnership, as lessor (the "Lessor") and AVIS BUDGET CAR RENTAL, LLC (formerly known as Cendant Car Rental Group, LLC), a Delaware limited liability company ("ABCR"), as lessee (in such capacity, the "Lessee") and as administrator (in such capacity, the "Administrator"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in (i) the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (as amended to date, the "Base Indenture"), between Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC) ("ABRCF"), as Issuer, and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture or the AESOP I Operating Lease, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 29 of the AESOP I Operating Lease, the AESOP I Operating Lease may be amended with an agreement in writing signed by the Lessor and the Lessee and consented to in writing by ABRCF, as lender (in such capacity, the "Lender"), and the Trustee;

WHEREAS, the parties desire to amend the AESOP I Operating Lease to reflect (i) ABCR's entrance into a Guaranteed Depreciation Program with each of GM and Ford and (ii) the name changes of certain entities; and

WHEREAS, the Lessor has requested the Trustee and the Lender to, and, upon this Amendment becoming effective, the Lessor, the Lender and the Trustee have agreed to, amend certain provisions of the AESOP I Operating Lease as set forth herein;

NOW, THEREFORE, it is agreed:

1. The AESOP I Operating Lease is hereby amended by (i) deleting the term "Cendant Car Rental Group, LLC" and replacing it with "Avis Budget Car Rental, LLC" in each place such term appears, (ii) deleting the term "CCRG" and replacing it with "ABCR" in each place such term appears, (iii) deleting the term "Cendant Rental Car Funding (AESOP) LLC" and replacing it with "Avis Budget Rental Car Funding (AESOP) LLC" in each place such term appears, (iv) deleting the term "CRCF" and replacing it with "ABRCF" in each place such term appears and (v) deleting the term "Avis Rent A Car System, Inc." and replacing it with "Avis Rent A Car System, LLC" in each place such term appears.

2. Attachment A (Vehicle Acquisition Schedule and Related Information) to the AESOP I Operating Lease is hereby amended such that the reference therein to “GM Repurchase Program” shall hereby be replaced with “GM Guaranteed Depreciation Program or GM Repurchase Program, as applicable.”

3. Clause (b) of Section 2.8 of the AESOP I Operating Lease will be amended and restated as follows:

“(b) the aggregate Net Book Value of all Non-Program Vehicles other than Non-Program Vehicles subject to a Manufacturer Program with a Specified Eligible Non-Program Manufacturer and Unaccepted Program Vehicles (or such portion thereof as is specified in such Supplement) leased under this Agreement (after giving effect to the inclusion or redesignation, as the case may be, of such Vehicle under this Agreement) and the Finance Lease as of such date shall not exceed any applicable Maximum Non-Program Vehicle Amount,”

4. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the AESOP I Operating Lease.

5. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Trustee and the Lender shall have consented hereto.

6. From and after the Amendment Effective Date, all references to the AESOP I Operating Lease shall be deemed to be references to the AESOP I Operating Lease as amended hereby.

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

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

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

AESOP LEASING L.P., as Lessor

By: AESOP LEASING CORP., its general partner

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and Assistant Secretary

AVIS BUDGET CAR RENTAL, LLC, as Lessee and Administrator

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and Assistant Secretary

Acknowledged and Consented

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

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President and Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee

By: /s/ Marian Onischak

Name: Marian Onischak

Title: Vice President

THIRD AMENDMENT TO AMENDED AND RESTATED MASTER MOTOR VEHICLE
OPERATING LEASE AGREEMENT

This THIRD AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Amended and Restated Master Motor Vehicle Operating Lease Agreement (as amended to date, the "AESOP II Operating Lease"), dated as of June 3, 2004, by and between AESOP LEASING CORP. II, a Delaware corporation, as lessor (the "Lessor") and AVIS BUDGET CAR RENTAL, LLC (formerly known as Cendant Car Rental Group, LLC), a Delaware limited liability company ("ABCR"), as lessee (in such capacity, the "Lessee") and as administrator (in such capacity, the "Administrator"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (as amended to date, the "Base Indenture"), between Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC) ("ABRCF"), as Issuer, and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture or the AESOP II Operating Lease, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 29 of the AESOP II Operating Lease, the AESOP II Operating Lease may be amended with an agreement in writing signed by the Lessor and the Lessee and consented to in writing by ABRCF, as lender (in such capacity, the "Lender"), and the Trustee;

WHEREAS, the parties desire to amend the AESOP II Operating Lease to reflect (i) ABCR's entrance into a Guaranteed Depreciation Program with each of GM and Ford and (ii) the name changes of certain entities; and

WHEREAS, the Lessor has requested the Trustee and the Lender to, and, upon this Amendment becoming effective, the Lessor, the Lender and the Trustee have agreed to, amend certain provisions of the AESOP II Operating Lease as set forth herein;

NOW, THEREFORE, it is agreed:

1. The AESOP II Operating Lease is hereby amended by (i) deleting the term "Cendant Car Rental Group, LLC" and replacing it with "Avis Budget Car Rental, LLC" in each place such term appears, (ii) deleting the term "CCRG" and replacing it with "ABCR" in each place such term appears, (iii) deleting the term "Cendant Rental Car Funding (AESOP) LLC" and replacing it with "Avis Budget Rental Car Funding (AESOP) LLC" in each place such term appears, (iv) deleting the term "CRCF" and replacing it with "ABRCF" in each place such term appears and (v) deleting the term "Avis Rent A Car System, Inc." and replacing it with "Avis Rent A Car System, LLC" in each place such term appears.

2. Attachment A (*Vehicle Acquisition Schedule and Related Information*) to the AESOP II Operating Lease is hereby amended such that the reference therein to “GM Repurchase Program” shall hereby be replaced with “GM Guaranteed Depreciation Program or GM Repurchase Program, as applicable.”

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the AESOP II Operating Lease.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Trustee and the Lender shall have consented hereto.

5. From and after the Amendment Effective Date, all references to the AESOP II Operating Lease shall be deemed to be references to the AESOP II Operating Lease as amended hereby.

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

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

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

AESOP LEASING CORP. II, as Lessor

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

AVIS BUDGET CAR RENTAL, LLC, as Lessee and
Administrator

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

Acknowledged and Consented

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

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President and Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee

By: /s/ Marian Onischak

Name: Marian Onischak

Title: Vice President

THIRD AMENDMENT TO AMENDED AND RESTATED MASTER MOTOR VEHICLE
FINANCE LEASE AGREEMENT

This THIRD AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Amended and Restated Master Motor Vehicle Finance Lease Agreement (as amended to date, the "Finance Lease"), dated as of June 3, 2004, by and among AESOP LEASING L.P., a Delaware limited partnership, as lessor (the "Lessor"), AVIS BUDGET CAR RENTAL, LLC (formerly known as Cendant Car Rental Group, LLC), a Delaware limited liability company ("ABCR"), as a lessee (in such capacity, a "Lessee"), as administrator (in such capacity, the "Administrator") and as guarantor (in such capacity, the "Finance Lease Guarantor"), AVIS RENT A CAR SYSTEM, LLC (formerly known as Avis Rent A Car System, Inc.) ("ARAC"), a Delaware limited liability company, as a lessee (in such capacity, a "Lessee") and BUDGET RENT A CAR SYSTEM, INC. ("BRAC"), a Delaware corporation, as a lessee (in such capacity, a "Lessee" and together, with ABCR and ARAC, in their capacities as lessees, the "Lessees"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in (i) the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004 (as amended to date, the "Base Indenture"), between Avis Budget Rental Car Funding (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC) ("ABRCF"), as Issuer, and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture or the Finance Lease, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 29 of the Finance Lease, the Finance Lease may be amended with an agreement in writing signed by the Lessor, the Finance Lease Guarantor and each Lessee and consented to in writing by ABRCF, as lender (in such capacity, the "Lender"), and the Trustee;

WHEREAS, the parties desire to amend the Finance Lease to reflect (i) ABCR's entrance into a Guaranteed Depreciation Program with each of GM and Ford and (ii) the name changes of certain entities; and

WHEREAS, the Lessor has requested the Trustee and the Lender to, and, upon this Amendment becoming effective, the Lessor, the Lender and the Trustee have agreed to, amend certain provisions of the Finance Lease as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Finance Lease is hereby amended by (i) deleting the term "Cendant Car Rental Group, LLC" and replacing it with "Avis Budget Car Rental, LLC" in each place such term appears, (ii) deleting the term "CCRG" and replacing it with "ABCR" in each place such term appears, (iii) deleting the term "Cendant Rental Car Funding (AESOP) LLC" and replacing it with "Avis Budget Rental Car Funding (AESOP) LLC" in each place such term appears, (iv) deleting the term "CRCF" and replacing it with "ABRCF" in each place such term appears and (v) deleting the term "Avis Rent A Car System, Inc." and replacing it with "Avis Rent A Car System, LLC" in each place such term appears.

2. Attachment A (*Vehicle Acquisition Schedule and Related Information*) to the Finance Lease is hereby amended such that the reference therein to “GM Repurchase Program” shall hereby be replaced with “GM Guaranteed Depreciation Program or GM Repurchase Program, as applicable.”

3. Clause (c) of Section 2.9 of the Finance Lease will be amended and restated as follows:

“(c) the aggregate Net Book Value of all Non-Program Vehicles other than Non-Program Vehicles subject to a Manufacturer Program with a Specified Eligible Non-Program Manufacturer and Unaccepted Program Vehicles (or such portion thereof as is specified in such Supplement) leased under this Agreement (after giving effect to the inclusion or redesignation, as the case may be, of such Vehicle under this Agreement) and the AESOP I Operating Lease as of such date shall not exceed any applicable Maximum Non-Program Vehicle Amount,”

4. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Finance Lease.

5. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Trustee and the Lender shall have consented hereto.

6. From and after the Amendment Effective Date, all references to the Finance Lease shall be deemed to be references to the Finance Lease as amended hereby.

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

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

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

AESOP LEASING L.P., as Lessor

By: AESOP LEASING CORP., its general partner

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

AVIS BUDGET CAR RENTAL, LLC, as Lessee, Administrator
and Finance Lease Guarantor

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

AVIS RENT A CAR SYSTEM, LLC., as Lessee

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

BUDGET RENT A CAR SYSTEM, INC., as Lessee

By: /s/ Rochelle Tarlowe

Name: Rochelle Tarlowe

Title: Vice President and Assistant Treasurer

Acknowledged and Consented

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

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President and Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee

By: /s/ Marian Onischak

Name: Marian Onischak

Title: Vice President

FIRST AMENDMENT TO AMENDED AND RESTATED LOAN AGREEMENT

This FIRST AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Amended and Restated Loan Agreement, dated as of June 3, 2004 (the "AESOP II Loan Agreement"), among AESOP LEASING CORP. II, a Delaware corporation ("AESOP Leasing II" or the "Borrower"), AESOP LEASING CORP., a Delaware corporation ("Original AESOP"), as Permitted Nominee of the Borrower, and AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a Delaware limited liability company ("ABRCF" or the "Lender"). Unless otherwise specified herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Definitions List attached as Schedule I to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, as amended (the "Base Indenture"), between ABRCF, as issuer, and The Bank of New York Trust Company, N.A. (as successor in interest to The Bank of New York), as trustee (the "Trustee"), as such Definitions List may from time to time be amended in accordance with the terms of the Base Indenture or the AESOP II Loan Agreement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 13.1 of the AESOP II Loan Agreement, the AESOP II Loan Agreement may be amended with an agreement in writing and signed and delivered by the Lender, AESOP Leasing II and Original AESOP and consented to in writing by the Trustee;

WHEREAS, pursuant to Section 12.2 of the Base Indenture, the AESOP II Loan Agreement may be amended with the written consent of ABRCF, the Trustee, any applicable Enhancement Provider, and the Requisite Investors;

WHEREAS, the parties desire to amend the AESOP II Loan Agreement to reflect (i) a change in Original AESOP's ability to make or declare certain dividends, distributions, purchases and acquisitions, (ii) to reflect ABCR's entrance into a Guaranteed Depreciation Program with each of GM and Ford and (iii) name changes of certain entities; and

WHEREAS, ABRCF has requested the Trustee, each applicable Enhancement Provider and the Requisite Investors to, and the Trustee, each applicable Enhancement Provider and the Requisite Investors have consented to, the amendment of certain provisions of the AESOP II Loan Agreement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The AESOP II Loan Agreement is hereby amended by (i) deleting the term "Cendant Car Rental Group, LLC" and replacing it with "Avis Budget Car Rental, LLC" in each place such term appears, (ii) deleting the term "CCRG" and replacing it with "ABCR" in each place such term appears, (iii) deleting the term "Cendant Rental Car Funding (AESOP) LLC" and replacing it with "Avis Budget Rental Car Funding (AESOP) LLC" in each place such term appears, (iv) deleting the term "CRCF" and replacing it with "ABRCF" in each place such term appears and (v) deleting the term "Avis Rent A Car System, Inc." and replacing it with "Avis Rent A Car System, LLC" in each place such term appears.

2. Section 3.2 and Annex I (Vehicle Acquisition Schedule and Related Information) to Exhibit B-1 to the AESOP II Loan Agreement are hereby amended such that all references therein to “GM Repurchase Program” shall hereby be replaced with “GM Guaranteed Depreciation Program or GM Repurchase Program, as applicable.”

3. Section 10.6 of the AESOP II Loan Agreement is hereby amended and restated as follows:

“SECTION 10.6. Dividends, Officers’ Compensation, etc. (i) Declare or pay any dividends on any shares of its capital stock or make any other distribution on, or any purchase, redemption or other acquisition of, any shares of its capital stock except (x) in the case of AESOP Leasing II, out of funds in the AESOP II Segregated Account and (y) in the case of AESOP Leasing II and Original AESOP, dividends on its capital stock provided that no Amortization Event, Potential Amortization Event, AESOP II Operating Lease Vehicle Deficiency, Aggregate Asset Amount Deficiency, Enhancement Deficiency, Event of Default, Liquidation Event of Default, Limited Liquidation Event of Default, Potential Enhancement Agreement Event of Default, Enhancement Agreement Event of Default, Potential AESOP II Operating Lease Event of Default, AESOP II Operating Lease Event of Default, Potential AESOP II Loan Event of Default or AESOP II Loan Event of Default has occurred or is continuing or would result therefrom, or (ii) pay any wages or salaries or other compensation to officers, directors, employees or others except out of earnings computed in accordance with GAAP applied on a consistent basis and, in the case of AESOP Leasing II, only from funds in the AESOP II Segregated Account.”

4. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the AESOP II Loan Agreement.

5. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment and (iii) the Requisite Investors, the Trustee, the Lender and, for any applicable Series of Notes, each applicable Enhancement Provider, shall have consented hereto.

6. From and after the Amendment Effective Date, all references to the AESOP II Loan Agreement shall be deemed to be references to the AESOP II Loan Agreement as amended hereby.

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

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

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

AESOP LEASING CORP. II

By: AESOP LEASING CORP., its general partner

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

AESOP LEASING CORP.

By: /s/ Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President, General Counsel and
Assistant Secretary

Acknowledged and consented to:

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee

By: /s/ Marian Onischak

Name: Marian Onischak

Title: Vice President

FIFTH AMENDMENT TO THE AMENDED AND RESTATED
SERIES 2000-2 SUPPLEMENT

This FIFTH AMENDMENT (this "Amendment"), dated as of May 9, 2007 amends the Amended and Restated Series 2000-2 Supplement (the "Series 2000-2 Supplement"), dated as of June 29, 2001, as amended by the First Amendment thereto, dated as of February 18, 2002, the Second Amendment thereto, dated as of November 22, 2002, the Third Amendment thereto, dated as of June 3, 2004 and the Fourth Amendment thereto, dated as of December 23, 2005, and is between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF") and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2000-2 Noteholders and the Surety Provider (in such capacity, the "Series 2000-2 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2000-2 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, pursuant to Section 6.11 of the Series 2000-2 Supplement, the Surety Provider is deemed to be the sole holder of the Series 2000-2 Notes for the purpose of giving all consents, waivers and approvals under the Series 2000-2 Supplement and the Base Indenture on behalf of the Series 2000-2 Notes;

WHEREAS, ABRCF has requested the Trustee, the Series 2000-2 Agent and the Surety Provider to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and the Surety Provider, ABRCF, the Trustee, the Series 2000-2 Agent and the Surety Provider have agreed to, amend certain provisions of the Series 2000-2 Supplement as set forth herein;

WHEREAS, the parties desire to amend the Series 2000-2 Supplement (1) to increase the Series 2000-2 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2000-2 Agent and each Noteholder to, and, upon this Amendment becoming effective, ABRCF, the Trustee, the Series 2000-2 Agent and the Surety Provider voting as the sole Noteholder have agreed to, amend certain provisions of the Series 2000-2 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2000-2 Supplement is hereby amended by (i) replacing the term “Cendant Car Rental Group, LLC” with “Avis Budget Car Rental, LLC”, (ii) replacing the term “CCRG” with “ABCR”, (iii) replacing the term “Cendant Rental Car Funding (AESOP) LLC” with “Avis Budget Rental Car Funding (AESOP) LLC”, and (iv) replacing the term “CRCF” with “ABRCF” in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2000-2 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2000-2 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, 60%; provided that the Series 2000-2 Maximum Non-Program Vehicle Percentage as of any date of determination shall be increased by a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by each Bankrupt Manufacturer and each other Manufacturer with respect to which a Manufacturer Event of Default has occurred and leased as of such date under the AESOP I Operating Lease or the Finance Lease as of such date and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2000-2 Supplement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) the Surety Provider, as the Requisite Noteholders, shall have executed the Consent Letter consenting hereto.

5. From and after the Amendment Effective Date, all references to the Series 2000-2 Supplement shall be deemed to be references to the Series 2000-2 Supplement as amended hereby.

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

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

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

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

By: /s/ Karen C. Sclafani
Name: Karen C. Sclafani
Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee and Series 2000-2 Agent

By: /s/ Marian Onischak
Name: Marian Onischak
Title: Vice President

FOURTH AMENDMENT TO THE SERIES 2002-1 SUPPLEMENT

This FOURTH AMENDMENT TO THE SERIES 2002-1 SUPPLEMENT (this "Amendment"), dated as of May 9, 2007, amends the Series 2002-1 Supplement (the "Series 2002-1 Supplement"), dated as of July 25, 2002 as amended by the First Amendment thereto, dated as of November 22, 2002, the Second Amendment thereto, dated as of June 3, 2004 and the Third Amendment thereto, dated as of December 23, 2005, and is between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF"), THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2002-1 Noteholders and the Surety Provider (in such capacity, the "Series 2002-1 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2002-1 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, pursuant to Section 6.11 of the Series 2002-1 Supplement, the Surety Provider is deemed to be the sole holder of the Series 2002-1 Notes for the purpose of giving all consents, waivers and approvals under the Series 2002-1 Supplement and the Base Indenture on behalf of the Series 2002-1 Notes;

WHEREAS, ABRCF has requested the Trustee, the Series 2002-1 Agent and the Surety Provider to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and the Surety Provider, ABRCF, the Trustee, the Series 2002-1 Agent and the Surety Provider have agreed to, amend certain provisions of the Series 2002-1 Supplement as set forth herein;

WHEREAS, the parties desire to amend the Series 2002-1 Supplement (1) to increase the Series 2002-1 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2002-1 Agent and each Noteholder to, and, upon this Amendment becoming effective, ABRCF, the Trustee, the Series 2002-1 Agent and the Surety Provider voting as the sole Noteholder have agreed to, amend certain provisions of the Series 2002-1 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2002-1 Supplement is hereby amended by (i) replacing the term “Cendant Car Rental Group, LLC” with “Avis Budget Car Rental, LLC”, (ii) replacing the term “CCRG” with “ABCR”, (iii) replacing the term “Cendant Rental Car Funding (AESOP) LLC” with “Avis Budget Rental Car Funding (AESOP) LLC”, and (iv) replacing the term “CRCF” with “ABRCF” in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2002-1 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2002-1 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, 60%; provided that the Series 2002-1 Maximum Non-Program Vehicle Percentage as of any date of determination shall be increased by a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by each Bankrupt Manufacturer and each other Manufacturer with respect to which a Manufacturer Event of Default has occurred and leased as of such date under the AESOP I Operating Lease or the Finance Lease as of such date and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2002-1 Supplement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) the Surety Provider, as the Requisite Noteholders, shall have executed the Consent Letter consenting hereto.

5. From and after the Amendment Effective Date, all references to the Series 2002-1 Supplement shall be deemed to be references to the Series 2002-1 Supplement as amended hereby.

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

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

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

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

By: /s/ Karen C. Sclafani
Name: Karen C. Sclafani
Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee and Series 2002-1 Agent

By: /s/ Marian Onischak
Name: Marian Onischak
Title: Vice President

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

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

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, the parties desire to amend the Series 2002-2 Supplement (1) to increase the Series 2002-2 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2002-2 Agent and each Series 2002-2 Noteholder to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and each Series 2002-2 Noteholder, ABRCF, the Trustee, the Series 2002-2 Agent and the Series 2002-2 Noteholders have agreed to, amend certain provisions of the Series 2002-2 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2002-2 Supplement is hereby amended by (i) replacing the term "Cendant Car Rental Group, LLC" with "Avis Budget Car Rental, LLC", (ii) replacing the term "CCRG" with "ABCR", (iii) replacing the term "Cendant Rental Car Funding (AESOP) LLC" with "Avis Budget Rental Car Funding (AESOP) LLC", and (iv) replacing the term "CRCF" with "ABRCF" in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2002-2 Supplement, is hereby amended and restated in its entirety as follows:

"Series 2002-2 Maximum Non-Program Vehicle Percentage" means, as of any date of determination, the sum of (a) 60% and (b) a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by a Bankrupt Manufacturer or a Manufacturer with respect to which a Manufacturer Event of Default has occurred, and in each case leased under the AESOP I Operating Lease or the Finance Lease as of such date, and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

3. Clause (ii) of the defined term Series 2002-2 Required Enhancement Amount, as set forth in Article I(B) of the Series 2002-2 Supplement, is hereby amended and restated in its entirety as follows:

"(ii) the greater of (x) the Series 2002-2 Percentage of the excess, if any, of the Non-Program Vehicle Amount as of the immediately preceding Business Day over the Series 2002-2 Maximum Non-Program Vehicle Amount as of the immediately preceding Business Day and (y) the excess, if any, of (A) the Series 2002-2 AESOP I Operating Lease Vehicle Percentage of the Net Book Value of all Non-Program Vehicles (other than (i) Unaccepted Program Vehicles and (ii) Vehicles subject to a Manufacturer Program with a Specified Eligible Non-Program Manufacturer) leased under the AESOP I Operating Lease as of the immediately preceding Business Day over (B) the Series 2002-2 Maximum Non-Program Vehicle Percentage of the sum of (1) the Series 2002-2 VFN Percentage of the Net Book Value of all Vehicles leased under the AESOP II Operating Lease as of the immediately preceding Business Day and (2) the Series 2002-2 AESOP I Operating Lease Vehicle Percentage of the Net Book Value of all Vehicles leased under the AESOP I Operating Lease as of the immediately preceding Business Day;"

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

5. This Amendment shall become effective as of the date (the "Amendment Effective Date") on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) each Series 2002-2 Noteholder shall have executed the Consent Letter consenting hereto.

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

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

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

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

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

By: /s/ Karen C. Sclafani
Name: Karen C. Sclafani
Title: Executive Vice President and
Assistant Secretary

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

By: /s/ Marian Onischak
Name: Marian Onischak
Title: Vice President

TENTH AMENDMENT TO THE SERIES 2002-3 SUPPLEMENT

This TENTH AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Series 2002-3 Supplement (the "Series 2002-3 Supplement"), dated as of September 12, 2002, as amended by the First Amendment thereto, dated as of November 22, 2002, the Second Amendment thereto, dated as of October 30, 2003, the Third Amendment thereto, dated June 3, 2004, the Fourth Amendment thereto, dated November 30, 2004, the Fifth Amendment thereto, dated November 28, 2005, the Sixth Amendment thereto, dated as of December 23, 2005, the Seventh Amendment thereto, dated as of February 17, 2006, the Eighth Amendment thereto, dated as of March 21, 2006 and the Ninth Amendment thereto, dated as of November 30, 2006, and is among AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF"), AVIS BUDGET CAR RENTAL, LLC (formerly known as Cendant Car Rental Group, LLC, formerly known as Cendant Car Rental Group, Inc.) a limited liability company established under the laws of Delaware, as administrator, PARK AVENUE RECEIVABLES COMPANY, LLC, a limited liability company established under the laws of Delaware, as CP Conduit Purchaser and assignee of Delaware Funding Company LLC (the "CP Conduit Purchaser"), JPMORGAN CHASE BANK, N.A. (formerly known as JPMorgan Chase Bank), a national banking association, as a Funding Agent on behalf of the CP Conduit Purchaser (the "Funding Agent") and as the APA Bank for the CP Conduit Purchaser (the "APA Bank"), THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2002-3 Noteholders (in such capacity, the "Series 2002-3 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2002-3 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, the parties desire to amend the Series 2002-3 Supplement (1) to increase the Series 2002-3 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2002-3 Agent and each Series 2002-3 Noteholder to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and each Series 2002-3 Noteholder, ABRCF, the Trustee, the Series 2002-3 Agent and the Series 2002-3 Noteholders have agreed to, amend certain provisions of the Series 2002-3 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2002-3 Supplement is hereby amended by (i) replacing the term “Cendant Car Rental Group, LLC” with “Avis Budget Car Rental, LLC”, (ii) replacing the term “CCRG” with “ABCR”, (iii) replacing the term “Cendant Rental Car Funding (AESOP) LLC” with “Avis Budget Rental Car Funding (AESOP) LLC”, and (iv) replacing the term “CRCF” with “ABRCF” in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2002-3 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2002-3 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, the sum of (a) 60% and (b) a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by a Bankrupt Manufacturer or a Manufacturer with respect to which a Manufacturer Event of Default has occurred, and in each case leased under the AESOP I Operating Lease or the Finance Lease as of such date, and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.”

3. Clause (ii) of the defined term Series 2002-3 Required Enhancement Amount, as set forth in Article I(B) of the Series 2002-3 Supplement, is hereby amended and restated in its entirety as follows:

(ii) the greater of (x) the Series 2002-3 Percentage of the excess, if any, of the Non-Program Vehicle Amount as of the immediately preceding Business Day over the Series 2002-3 Maximum Non-Program Vehicle Amount as of the immediately preceding Business Day and (y) the excess, if any, of (A) the Series 2002-3 AESOP I Operating Lease Vehicle Percentage of the Net Book Value of all Non-Program Vehicles (other than (i) Unaccepted Program Vehicles and (ii) Vehicles subject to a Manufacturer Program with a Specified Eligible Non-Program Manufacturer) leased under the AESOP I Operating Lease as of the immediately preceding Business Day over (B) the Series 2002-3 Maximum Non-Program Vehicle Percentage of the sum of (1) the Series 2002-3 VFN Percentage of the Net Book Value of all Vehicles leased under the AESOP II Operating Lease as of the immediately preceding Business Day and (2) the Series 2002-3 AESOP I Operating Lease Vehicle Percentage of the Net Book Value of all Vehicles leased under the AESOP I Operating Lease as of the immediately preceding Business Day;

4. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2002-3 Supplement.

5. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent

Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) the Surety Provider, as the Requisite Noteholders, shall have executed the Consent Letter consenting hereto.

6. From and after the Amendment Effective Date, all references to the Series 2002-3 Supplement shall be deemed to be references to the Series 2002-3 Supplement as amended hereby.

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

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

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

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

By: /s/: Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee and Series 2002-3 Agent

By: /s/: Marian Onischak

Name: Marian Onischak

Title: Vice President

THIRD AMENDMENT TO THE SERIES 2003-2 SUPPLEMENT

This THIRD AMENDMENT (this "Amendment"), dated as of May 9, 2007 amends the Series 2003-2 Supplement (the "Series 2003-2 Supplement"), dated as of March 6, 2003, as amended by the First Amendment thereto, dated as of June 3, 2004 and the Second Amendment thereto, dated as of December 23, 2005, and is between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF") and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2003-2 Noteholders and the Surety Provider (in such capacity, the "Series 2003-2 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2003-2 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, pursuant to Section 6.11 of the Series 2003-2 Supplement, the Surety Provider is deemed to be the sole holder of the Series 2003-2 Notes for the purpose of giving all consents, waivers and approvals under the Series 2003-2 Supplement and the Base Indenture on behalf of the Series 2003-2 Notes;

WHEREAS, ABRCF has requested the Trustee, the Series 2003-2 Agent and the Surety Provider to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and the Surety Provider, ABRCF, the Trustee, the Series 2003-2 Agent and the Surety Provider have agreed to, amend certain provisions of the Series 2003-2 Supplement as set forth herein;

WHEREAS, the parties desire to amend the Series 2003-2 Supplement (1) to increase the Series 2003-2 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2003-2 Agent and each Noteholder to, and, upon this Amendment becoming effective, ABRCF, the Trustee, the Series 2003-2 Agent and the Surety Provider voting as the sole Noteholder have agreed to, amend certain provisions of the Series 2003-2 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2003-2 Supplement is hereby amended by (i) replacing the term “Cendant Car Rental Group, LLC” with “Avis Budget Car Rental, LLC”, (ii) replacing the term “CCRG” with “ABCR”, (iii) replacing the term “Cendant Rental Car Funding (AESOP) LLC” with “Avis Budget Rental Car Funding (AESOP) LLC”, and (iv) replacing the term “CRCF” with “ABRCF” in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2003-2 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2003-2 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, 60%; provided that the Series 2003-2 Maximum Non-Program Vehicle Percentage shall be increased by a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by each Bankrupt Manufacturer and each other Manufacturer with respect to which a Manufacturer Event of Default has occurred and leased as of such date under the AESOP I Operating Lease or the Finance Lease as of such date and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2003-2 Supplement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) the Surety Provider, as the Requisite Noteholders, shall have executed the Consent Letter consenting hereto.

5. From and after the Amendment Effective Date, all references to the Series 2003-2 Supplement shall be deemed to be references to the Series 2003-2 Supplement as amended hereby.

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

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

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

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

By: /s/ Karen C. Sclafani
Name: Karen C. Sclafani
Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee and Series 2003-2 Agent

By: /s/ Marian Onischak
Name: Marian Onischak
Title: Vice President

THIRD AMENDMENT TO THE SERIES 2003-3 SUPPLEMENT

This THIRD AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Series 2003-3 Supplement (the "Series 2003-3 Supplement"), dated as of May 6, 2003, as amended by the First Amendment thereto, dated as of June 3, 2004 and the Second Amendment thereto, dated December 23, 2005, and is between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF") and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2003-3 Noteholders and the Surety Provider (in such capacity, the "Series 2003-3 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2003-3 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, pursuant to Section 6.11 of the Series 2003-3 Supplement, the Surety Provider is deemed to be the sole holder of the Series 2003-3 Notes for the purpose of giving all consents, waivers and approvals under the Series 2003-3 Supplement and the Base Indenture on behalf of the Series 2003-3 Notes;

WHEREAS, ABRCF has requested the Trustee, the Series 2003-3 Agent and the Surety Provider to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and the Surety Provider, ABRCF, the Trustee, the Series 2003-3 Agent and the Surety Provider have agreed to, amend certain provisions of the Series 2003-3 Supplement as set forth herein;

WHEREAS, the parties desire to amend the Series 2003-3 Supplement (1) to increase the Series 2003-3 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2003-3 Agent and each Noteholder to, and, upon this Amendment becoming effective, ABRCF, the Trustee, the Series 2003-3 Agent and the Surety Provider voting as the sole Noteholder have agreed to, amend certain provisions of the Series 2003-3 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2003-3 Supplement is hereby amended by (i) replacing the term “Cendant Car Rental Group, LLC” with “Avis Budget Car Rental, LLC”, (ii) replacing the term “CCRG” with “ABCR”, (iii) replacing the term “Cendant Rental Car Funding (AESOP) LLC” with “Avis Budget Rental Car Funding (AESOP) LLC”, and (iv) replacing the term “CRCF” with “ABRCF” in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2003-3 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2003-3 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, 60%; provided that the Series 2003-3 Maximum Non-Program Vehicle Percentage as of any date of determination shall be increased by a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by each Bankrupt Manufacturer and each other Manufacturer with respect to which a Manufacturer Event of Default has occurred and leased as of such date under the AESOP I Operating Lease or the Finance Lease as of such date and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2003-3 Supplement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) the Surety Provider, as the Requisite Noteholders, shall have executed the Consent Letter consenting hereto.

5. From and after the Amendment Effective Date, all references to the Series 2003-3 Supplement shall be deemed to be references to the Series 2003-3 Supplement as amended hereby.

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

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

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

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

By: /s/: Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee and as Series 2003-3 Agent

By: /s/: Marian Onischak

Name: Marian Onischak

Title: Vice President

THIRD AMENDMENT TO THE SERIES 2003-4 SUPPLEMENT

This THIRD AMENDMENT (this "Amendment"), dated as of May 9, 2007 amends the Series 2003-4 Supplement (the "Series 2003-4 Supplement"), dated as of June 19, 2003, as amended by the First Amendment thereto, dated as of June 3, 2004 and the Second Amendment thereto, dated as of December 23, 2005, and is between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF") and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2003-4 Noteholders and the Surety Provider (in such capacity, the "Series 2003-4 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2003-4 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, pursuant to Section 6.11 of the Series 2003-4 Supplement, the Surety Provider is deemed to be the sole holder of the Series 2003-4 Notes for the purpose of giving all consents, waivers and approvals under the Series 2003-4 Supplement and the Base Indenture on behalf of the Series 2003-4 Notes;

WHEREAS, ABRCF has requested the Trustee, the Series 2003-4 Agent and the Surety Provider to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and the Surety Provider, ABRCF, the Trustee, the Series 2003-4 Agent and the Surety Provider have agreed to, amend certain provisions of the Series 2003-4 Supplement as set forth herein;

WHEREAS, the parties desire to amend the Series 2003-4 Supplement (1) to increase the Series 2003-4 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2003-4 Agent and each Noteholder to, and, upon this Amendment becoming effective, ABRCF, the Trustee, the Series 2003-4 Agent and the Surety Provider voting as the sole Noteholder have agreed to, amend certain provisions of the Series 2003-4 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2003-4 Supplement is hereby amended by (i) replacing the term “Cendant Car Rental Group, LLC” with “Avis Budget Car Rental, LLC”, (ii) replacing the term “CCRG” with “ABCR”, (iii) replacing the term “Cendant Rental Car Funding (AESOP) LLC” with “Avis Budget Rental Car Funding (AESOP) LLC”, and (iv) replacing the term “CRCF” with “ABRCF” in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2003-4 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2003-4 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, 60%; provided that the Series 2003-4 Maximum Non-Program Vehicle Percentage as of any date of determination shall be increased by a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by each Bankrupt Manufacturer and each other Manufacturer with respect to which a Manufacturer Event of Default has occurred and leased as of such date under the AESOP I Operating Lease or the Finance Lease as of such date and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.”

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2003-4 Supplement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) the Surety Provider, as the Requisite Noteholders, shall have executed the Consent Letter consenting hereto.

5. From and after the Amendment Effective Date, all references to the Series 2003-4 Supplement shall be deemed to be references to the Series 2003-4 Supplement as amended hereby.

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

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

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

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

By: /s/ Karen C. Sclafani
Name: Karen C. Sclafani
Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee and Series 2003-4 Agent

By: /s/ Marian Onischak
Name: Marian Onischak
Title: Vice President

THIRD AMENDMENT TO THE SERIES 2003-5 SUPPLEMENT

This THIRD AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Series 2003-5 Supplement (the "Series 2003-5 Supplement"), dated as of October 9, 2003, as amended by the First Amendment thereto, dated as of June 3, 2004 and the Second Amendment thereto, dated as of December 23, 2005, and is between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF") and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2003-5 Noteholders and the Surety Provider (in such capacity, the "Series 2003-5 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2003-5 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, pursuant to Section 6.11 of the Series 2003-5 Supplement, the Surety Provider is deemed to be the sole holder of the Series 2003-5 Notes for the purpose of giving all consents, waivers and approvals under the Series 2003-5 Supplement and the Base Indenture on behalf of the Series 2003-5 Notes;

WHEREAS, ABRCF has requested the Trustee, the Series 2003-5 Agent and the Surety Provider to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and the Surety Provider, ABRCF, the Trustee, the Series 2003-5 Agent and the Surety Provider have agreed to, amend certain provisions of the Series 2003-5 Supplement as set forth herein;

WHEREAS, the parties desire to amend the Series 2003-5 Supplement (1) to increase the Series 2003-5 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2003-5 Agent and each Noteholder to, and, upon this Amendment becoming effective, ABRCF, the Trustee, the Series 2003-5 Agent and the Surety Provider voting as the sole Noteholder have agreed to, amend certain provisions of the Series 2003-5 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2003-5 Supplement is hereby amended by (i) replacing the term “Cendant Car Rental Group, LLC” with “Avis Budget Car Rental, LLC”, (ii) replacing the term “CCRG” with “ABCR”, (iii) replacing the term “Cendant Rental Car Funding (AESOP) LLC” with “Avis Budget Rental Car Funding (AESOP) LLC”, and (iv) replacing the term “CRCF” with “ABRCF” in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2003-5 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2003-5 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, 60%; provided that the Series 2003-5 Maximum Non-Program Vehicle Percentage as of any date of determination shall be increased by a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by each Bankrupt Manufacturer and each other Manufacturer with respect to which a Manufacturer Event of Default has occurred and leased as of such date under the AESOP I Operating Lease or the Finance Lease as of such date and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2003-5 Supplement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) the Surety Provider, as the Requisite Noteholders, shall have executed the Consent Letter consenting hereto.

5. From and after the Amendment Effective Date, all references to the Series 2003-5 Supplement shall be deemed to be references to the Series 2003-5 Supplement as amended hereby.

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

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

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

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

By: /s/ Karen C. Sclafani
Name: Karen C. Sclafani
Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee and as Series 2003-5 Agent

By: /s/ Marian Onischak
Name: Marian Onischak
Title: Vice President

FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED
SERIES 2004-1 SUPPLEMENT

This FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED SERIES 2004-1 SUPPLEMENT (this "Amendment"), dated as of May 9, 2007, amends the Second Amended and Restated Series 2004-1 Supplement (the "Series 2004-1 Supplement"), dated as of June 27, 2006, and is among AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC ("CRCF")), a special purpose limited liability company established under the laws of Delaware ("ABRCF"), AVIS BUDGET CAR RENTAL, LLC (formerly known as Cendant Car Rental Group, LLC and Cendant Car Rental Group, Inc.), a limited liability company established under the laws of Delaware, as administrator, MIZUHO CORPORATE BANK, LTD., in its capacity as administrative agent for the purchasers, the several financial institutions listed on Schedule I and their respective permitted successors and assigns, THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2004-1 Noteholders (in such capacity, the "Series 2004-1 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2004-1 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, the parties desire to amend the Series 2004-1 Supplement (1) to increase the Series 2004-1 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2004-1 Agent and each Series 2004-1 Noteholder to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and each Series 2004-1 Noteholder, ABRCF, the Trustee, the Series 2004-1 Agent and the Series 2004-1 Noteholders have agreed to, amend certain provisions of the Series 2004-1 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2004-1 Supplement is hereby amended by (i) replacing the term "Cendant Car Rental Group, LLC" with "Avis Budget Car Rental, LLC", (ii) replacing the term "CCRG" with "ABCR", (iii) replacing the term "Cendant Rental Car Funding (AESOP) LLC" with "Avis Budget Rental Car Funding (AESOP) LLC", and (iv) replacing the term "CRCF" with "ABRCF" in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2004-1 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2004-1 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, 60%; provided that the forgoing 60% shall be increased by the percentage equivalent of a fraction, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by each Bankrupt Manufacturer and each other Manufacturer with respect to which a Manufacturer Event of Default has occurred and leased under the Leases as of such date and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

3. Clause (ii) of the defined term Series 2004-1 Required Enhancement Amount, as set forth in Article I(B) of the Series 2004-1 Supplement, is hereby amended and restated in its entirety as follows:

(ii) the greater of (x) the Series 2004-1 Percentage of the excess, if any, of the Non-Program Vehicle Amount as of the immediately preceding Business Day over the Series 2004-1 Maximum Non-Program Vehicle Amount as of the immediately preceding Business Day and (y) the excess, if any, of (A) the sum of (1) the Series 2004-1 Finance Lease Vehicle Percentage of the Net Book Value of all Non-Program Vehicles (other than (i) Unaccepted Program Vehicles and (ii) Vehicles subject to a Manufacturer Program with a Specified Eligible Non-Program Manufacturer) leased under the AESOP I Finance Lease as of the immediately preceding Business Day and (2) the Series 2004-1 AESOP I Operating Lease Vehicle Percentage of the Net Book Value of all Non-Program Vehicles leased under the AESOP I Operating Lease as of the immediately preceding Business Day over (B) the product of the Series 2004-1 Maximum Non-Program Vehicle Percentage and the sum of (1) the Series 2004-1 Finance Lease Vehicle Percentage of the Net Book Value of all Vehicles leased under the AESOP I Finance Lease as of the immediately preceding Business Day and (2) the Series 2004-1 AESOP I Operating Lease Vehicle Percentage of the Net Book Value of all Vehicles that are leased under the AESOP I Operating Lease as of the immediately preceding Business Day;

4. Section 10.13 of the Series 2004-1 Supplement is hereby amended and restated in its entirety as follows:

“Section 10.13” [RESERVED].”

5. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2004-1 Supplement.

6. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) each Series 2004-1 Noteholder shall have executed the Consent Letter consenting hereto.

7. From and after the Amendment Effective Date, all references to the Series 2004-1 Supplement shall be deemed to be references to the Series 2004-1 Supplement as amended hereby.

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

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

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

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

By: /s/ Karen C. Sclafani
Name: Karen C. Sclafani
Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee and Series 2004-1 Agent

By: /s/ Marian Onischak
Name: Marian Onischak
Title: Marian Onischak

THIRD AMENDMENT TO THE SERIES 2004-2 SUPPLEMENT

This THIRD AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Series 2004-2 Supplement (the "Series 2004-2 Supplement"), dated as of February 18, 2004, as amended by the First Amendment thereto, dated as of June 3, 2004 and the Second Amendment thereto, dated as of December 23, 2005, and is between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF") and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2004-2 Noteholders and the Surety Provider (in such capacity, the "Series 2004-2 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2004-2 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, pursuant to Section 6.11 of the Series 2004-2 Supplement, the Surety Provider is deemed to be the sole holder of the Series 2004-2 Notes for the purpose of giving all consents, waivers and approvals under the Series 2004-2 Supplement and the Base Indenture on behalf of the Series 2004-2 Notes;

WHEREAS, ABRCF has requested the Trustee, the Series 2004-2 Agent and the Surety Provider to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and the Surety Provider, ABRCF, the Trustee, the Series 2004-2 Agent and the Surety Provider have agreed to, amend certain provisions of the Series 2004-2 Supplement as set forth herein;

WHEREAS, the parties desire to amend the Series 2004-2 Supplement (1) to increase the Series 2004-2 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2004-2 Agent and each Noteholder to, and, upon this Amendment becoming effective, ABRCF, the Trustee, the Series 2004-2 Agent and the Surety Provider voting as the sole Noteholder have agreed to, amend certain provisions of the Series 2004-2 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2004-2 Supplement is hereby amended by (i) replacing the term “Cendant Car Rental Group, LLC” with “Avis Budget Car Rental, LLC”, (ii) replacing the term “CCRG” with “ABCR”, (iii) replacing the term “Cendant Rental Car Funding (AESOP) LLC” with “Avis Budget Rental Car Funding (AESOP) LLC”, and (iv) replacing the term “CRCF” with “ABRCF” in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2004-2 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2004-2 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, 60%; provided that the Series 2004-2 Maximum Non-Program Vehicle Percentage as of any date of determination shall be increased by a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by each Bankrupt Manufacturer and each other Manufacturer with respect to which a Manufacturer Event of Default has occurred and leased as of such date under the AESOP I Operating Lease or the Finance Lease as of such date and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2004-2 Supplement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) the Surety Provider, as the Requisite Noteholders, shall have executed the Consent Letter consenting hereto.

5. From and after the Amendment Effective Date, all references to the Series 2004-2 Supplement shall be deemed to be references to the Series 2004-2 Supplement as amended hereby.

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

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

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

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

By: /s/: Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee and as Series 2004-2 Agent

By: /s/: Marian Onischak

Name: Marian Onischak

Title: Marian Onischak

SECOND AMENDMENT TO THE SERIES 2005-1 SUPPLEMENT

This SECOND AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Series 2005-1 Supplement (the "Series 2005-1 Supplement"), dated as of February 25, 2005, as amended by the First Amendment thereto, dated as of June 3, 2004 and the Second Amendment, dated as of December 23, 2005, and is between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF") and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2005-1 Noteholders and the Surety Provider (in such capacity, the "Series 2005-1 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2005-1 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, pursuant to Section 6.11 of the Series 2005-1 Supplement, the Surety Provider is deemed to be the sole holder of the Series 2005-1 Notes for the purpose of giving all consents, waivers and approvals under the Series 2005-1 Supplement and the Base Indenture on behalf of the Series 2005-1 Notes;

WHEREAS, ABRCF has requested the Trustee, the Series 2005-1 Agent and the Surety Provider to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and the Surety Provider, ABRCF, the Trustee, the Series 2005-1 Agent and the Surety Provider have agreed to, amend certain provisions of the Series 2005-1 Supplement as set forth herein;

WHEREAS, the parties desire to amend the Series 2005-1 Supplement (1) to increase the Series 2005-1 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2005-1 Agent and each Noteholder to, and, upon this Amendment becoming effective, ABRCF, the Trustee, the Series 2005-1 Agent and the Surety Provider voting as the sole Noteholder have agreed to, amend certain provisions of the Series 2005-1 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2005-1 Supplement is hereby amended by (i) replacing the term “Cendant Car Rental Group, LLC” with “Avis Budget Car Rental, LLC”, (ii) replacing the term “CCRG” with “ABCR”, (iii) replacing the term “Cendant Rental Car Funding (AESOP) LLC” with “Avis Budget Rental Car Funding (AESOP) LLC”, and (iv) replacing the term “CRCF” with “ABRCF” in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2005-1 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2005-1 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, 60%; provided that the Series 2005-1 Maximum Non-Program Vehicle Percentage as of any date of determination shall be increased by a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by each Bankrupt Manufacturer and each other Manufacturer with respect to which a Manufacturer Event of Default has occurred and leased as of such date under the AESOP I Operating Lease or the Finance Lease as of such date and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2005-1 Supplement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) the Surety Provider, as the Requisite Noteholders, shall have executed the Consent Letter consenting hereto.

5. From and after the Amendment Effective Date, all references to the Series 2005-1 Supplement shall be deemed to be references to the Series 2005-1 Supplement as amended hereby.

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

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

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

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

By: /s/: Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee and as Series 2005-1 Agent

By: /s/: Marian Onischak

Name: Marian Onischak

Title: Vice President

SECOND AMENDMENT TO THE SERIES 2005-2 SUPPLEMENT

This SECOND AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Amended and Restated Series 2005-2 Supplement (the "Series 2005-2 Supplement"), dated as of March 22, 2005, as amended by the First Amendment thereto, dated as of December 23, 2005, and is between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF") and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2005-2 Noteholders and the Surety Provider (in such capacity, the "Series 2005-2 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2005-2 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, pursuant to Section 6.11 of the Series 2005-2 Supplement, the Surety Provider is deemed to be the sole holder of the Series 2005-2 Notes for the purpose of giving all consents, waivers and approvals under the Series 2005-2 Supplement and the Base Indenture on behalf of the Series 2005-2 Notes;

WHEREAS, ABRCF has requested the Trustee, the Series 2005-2 Agent and the Surety Provider to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and the Surety Provider, ABRCF, the Trustee, the Series 2005-2 Agent and the Surety Provider have agreed to, amend certain provisions of the Series 2005-2 Supplement as set forth herein;

WHEREAS, the parties desire to amend the Series 2005-2 Supplement (1) to increase the Series 2005-2 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2005-2 Agent and each Noteholder to, and, upon this Amendment becoming effective, ABRCF, the Trustee, the Series 2005-2 Agent and the Surety Provider voting as the sole Noteholder have agreed to, amend certain provisions of the Series 2005-2 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2005-2 Supplement is hereby amended by (i) replacing the term “Cendant Car Rental Group, LLC” with “Avis Budget Car Rental, LLC”, (ii) replacing the term “CCRG” with “ABCR”, (iii) replacing the term “Cendant Rental Car Funding (AESOP) LLC” with “Avis Budget Rental Car Funding (AESOP) LLC”, and (iv) replacing the term “CRCF” with “ABRCF” in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2005-2 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2005-2 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, 60%; provided that the Series 2005-2 Maximum Non-Program Vehicle Percentage as of any date of determination shall be increased by a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by each Bankrupt Manufacturer and each other Manufacturer with respect to which a Manufacturer Event of Default has occurred and leased as of such date under the AESOP I Operating Lease or the Finance Lease as of such date and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2005-2 Supplement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) the Surety Provider, as the Requisite Noteholders, shall have executed the Consent Letter consenting hereto.

5. From and after the Amendment Effective Date, all references to the Series 2005-2 Supplement shall be deemed to be references to the Series 2005-2 Supplement as amended hereby.

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

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

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

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

By: /s/: Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee and Series 2005-2 Agent

By: /s/: Marian Onischak

Name: Marian Onischak

Title: Vice President

SECOND AMENDMENT TO THE SERIES 2005-4 SUPPLEMENT

This SECOND AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Series 2005-4 Supplement (the "Series 2005-4 Supplement"), dated as of June 1, 2005, as amended by the First Amendment thereto, dated December 23, 2005, and is between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF") and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2005-4 Noteholders and the Surety Provider (in such capacity, the "Series 2005-4 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2005-4 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, pursuant to Section 6.11 of the Series 2005-4 Supplement, the Surety Provider is deemed to be the sole holder of the Series 2005-4 Notes for the purpose of giving all consents, waivers and approvals under the Series 2005-4 Supplement and the Base Indenture on behalf of the Series 2005-4 Notes;

WHEREAS, ABRCF has requested the Trustee, the Series 2005-4 Agent and the Surety Provider to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and the Surety Provider, ABRCF, the Trustee, the Series 2005-4 Agent and the Surety Provider have agreed to, amend certain provisions of the Series 2005-4 Supplement as set forth herein;

WHEREAS, the parties desire to amend the Series 2005-4 Supplement (1) to increase the Series 2005-4 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2005-4 Agent and each Noteholder to, and, upon this Amendment becoming effective, ABRCF, the Trustee, the Series 2005-4 Agent and the Surety Provider voting as the sole Noteholder have agreed to, amend certain provisions of the Series 2005-4 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2005-4 Supplement is hereby amended by (i) replacing the term “Cendant Car Rental Group, LLC” with “Avis Budget Car Rental, LLC”, (ii) replacing the term “CCRG” with “ABCR”, (iii) replacing the term “Cendant Rental Car Funding (AESOP) LLC” with “Avis Budget Rental Car Funding (AESOP) LLC”, and (iv) replacing the term “CRCF” with “ABRCF” in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2005-4 Supplement, is hereby amended and restated in its entirety as follows:

3. “Series 2005-4 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, 60%; provided that the Series 2005-4 Maximum Non-Program Vehicle Percentage as of any date of determination shall be increased by a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by each Bankrupt Manufacturer and each other Manufacturer with respect to which a Manufacturer Event of Default has occurred and leased as of such date under the AESOP I Operating Lease or the Finance Lease as of such date and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

4. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2005-4 Supplement.

5. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) the Surety Provider, as the Requisite Noteholders, shall have executed the Consent Letter consenting hereto.

6. From and after the Amendment Effective Date, all references to the Series 2005-4 Supplement shall be deemed to be references to the Series 2005-4 Supplement as amended hereby.

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

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

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

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

By: /s/: Karen C. Sclafani

Name: Karen C. Sclafani

Title: Executive Vice President and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee and as Series 2005-4 Agent

By: /s/: Marian Onischak

Name: Marian Onischak

Title: Vice President

FIRST AMENDMENT TO THE SERIES 2006-1 SUPPLEMENT

This FIRST AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Series 2006-1 Supplement (the "Series 2006-1 Supplement"), dated as of January 19, 2006, and is between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF") and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2006-1 Noteholders and the Surety Provider (in such capacity, the "Series 2006-1 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2006-1 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, pursuant to Section 6.11 of the Series 2006-1 Supplement, the Surety Provider is deemed to be the sole holder of the Series 2006-1 Notes for the purpose of giving all consents, waivers and approvals under the Series 2006-1 Supplement and the Base Indenture on behalf of the Series 2006-1 Notes;

WHEREAS, ABRCF has requested the Trustee, the Series 2006-1 Agent and the Surety Provider to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and the Surety Provider, ABRCF, the Trustee, the Series 2006-1 Agent and the Surety Provider have agreed to, amend certain provisions of the Series 2006-1 Supplement as set forth herein;

WHEREAS, the parties desire to amend the Series 2006-1 Supplement (1) to increase the Series 2006-1 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2006-1 Agent and each Noteholder to, and, upon this Amendment becoming effective, ABRCF, the Trustee, the Series 2006-1 Agent and the Surety Provider voting as the sole Noteholder have agreed to, amend certain provisions of the Series 2006-1 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2006-1 Supplement is hereby amended by (i) replacing the term “Cendant Car Rental Group, LLC” with “Avis Budget Car Rental, LLC”, (ii) replacing the term “CCRG” with “ABCR”, (iii) replacing the term “Cendant Rental Car Funding (AESOP) LLC” with “Avis Budget Rental Car Funding (AESOP) LLC”, and (iv) replacing the term “CRCF” with “ABRCF” in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2006-1 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2006-1 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, the sum of (a) 60% and (b) a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by a Bankrupt Manufacturer or a Manufacturer with respect to which a Manufacturer Event of Default has occurred, and in each case leased under the AESOP I Operating Lease or the Finance Lease as of such date, and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2006-1 Supplement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) the Surety Provider, as the Requisite Noteholders, shall have executed the Consent Letter consenting hereto.

5. From and after the Amendment Effective Date, all references to the Series 2006-1 Supplement shall be deemed to be references to the Series 2006-1 Supplement as amended hereby.

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

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

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

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

By: /s/ Karen C. Sclafani
Name: Karen C. Sclafani
Title: Executive Vice President, General Counsel and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee and Series 2006-1 Agent

By: /s/ Marian Onischak
Name: Marian Onischak
Title: Vice President

FIRST AMENDMENT TO THE SERIES 2006-2 SUPPLEMENT

This FIRST AMENDMENT (this "Amendment"), dated as of May 9, 2007, amends the Series 2006-2 Supplement (the "Series 2006-2 Supplement"), dated as of June 2, 2006 and is between AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF") and THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2006-2 Noteholders and the Surety Provider (in such capacity, the "Series 2006-2 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2006-2 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, ABRCF has requested the Trustee, the Series 2006-2 Agent, the Surety Provider and each Series 2006-2 Noteholder to, and, upon the effectiveness of (i) this Amendment, (ii) the letter (the "Surety Provider Consent Letter"), dated as of the date hereof, among ABRCF and the Surety Provider and (iii) the letter (the "2006-2 Noteholder Consent Letter"), dated as of the date hereof, among ABRCF and each Series 2006-2 Noteholder, ABRCF, the Trustee, the Series 2006-2 Agent, the Surety Provider and each Series 2006-2 Noteholder have agreed to, amend certain provisions of the Series 2006-2 Supplement as set forth herein;

WHEREAS, the parties desire to amend the Series 2006-2 Supplement (1) to increase the Series 2006-2 Maximum Non-Program Vehicle Percentage and (2) to reflect the name change of certain entities; and

WHEREAS, ABRCF has requested the Trustee, the Series 2006-2 Agent, the Surety Provider and each Series 2006-2 Noteholder to, and, upon this Amendment becoming effective, ABRCF, the Trustee, the Series 2006-2 Agent, the Surety Provider and each Series 2006-2 Noteholder have agreed to, amend certain provisions of the Series 2006-2 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The Series 2006-2 Supplement is hereby amended by (i) replacing the term "Cendant Rental Car Funding (AESOP) LLC" with "Avis Budget Rental Car Funding (AESOP) LLC", and (ii) replacing the term "CRCF" with "ABRCF" in each place such terms appear.

2. The following defined term, as set forth in Article I(b) of the Series 2006-2 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2006-2 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, the sum of (a) 60% and (b) a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by a Bankrupt Manufacturer or a Manufacturer with respect to which a Manufacturer Event of Default has occurred, and in each case leased under the AESOP I Operating Lease or the Finance Lease as of such date, and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2006-2 Supplement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee, (iv) the Surety Provider shall have executed the Surety Provider Consent Letter consenting hereto and (v) each Series 2006-2 Noteholder shall have executed the 2006-2 Noteholder Consent Letter consenting hereto.

5. From and after the Amendment Effective Date, all references to the Series 2006-2 Supplement shall be deemed to be references to the Series 2006-2 Supplement as amended hereby.

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

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

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

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

By: /s/ Karen C. Sclafani
Name: Karen C. Sclafani
Title: Executive Vice President, General Counsel and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee and Series 2006-2 Agent

By: /s/ Marian Onischak
Name: Marian Onischak
Title: Vice President

FIRST AMENDMENT TO THE
SERIES 2007-1 SUPPLEMENT

This FIRST AMENDMENT TO THE SERIES 2007-1 SUPPLEMENT (this "Amendment"), dated as of May 9, 2007, amends the Series 2007-1 Supplement (the "Series 2007-1 Supplement"), dated as of May 1, 2007, and is among AVIS BUDGET RENTAL CAR FUNDING (AESOP) LLC (formerly known as Cendant Rental Car Funding (AESOP) LLC), a special purpose limited liability company established under the laws of Delaware ("ABRCF"), AVIS BUDGET CAR RENTAL, LLC (formerly known as Cendant Car Rental Group, LLC and Cendant Car Rental Group, Inc.) ("Avis Budget"), a limited liability company established under the laws of Delaware, as administrator (the "Administrator"), DEUTSCHE BANK AG, NEW YORK BRANCH, as administrative agent (the "Administrative Agent"), the several commercial paper conduits listed on Schedule I thereto (each a "CP Conduit Purchaser"), the several banks set forth opposite the name of each CP Conduit Purchaser on Schedule I thereto (each an "APA Bank" with respect to such CP Conduit Purchaser), the several agent banks set forth opposite the name of each CP Conduit Purchaser on Schedule I thereto (each a "Funding Agent" with respect to such CP Conduit Purchaser), THE BANK OF NEW YORK TRUST COMPANY, N.A. (as successor in interest to The Bank of New York), a national banking association, as trustee (in such capacity, the "Trustee") and as agent for the benefit of the Series 2007-1 Noteholders (in such capacity, the "Series 2007-1 Agent"), to the Second Amended and Restated Base Indenture, dated as of June 3, 2004, between ABRCF and the Trustee (as amended, modified or supplemented from time to time, exclusive of Supplements creating a new Series of Notes, the "Base Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Definitions List attached as Schedule I to the Base Indenture (as amended through the date hereof) or the Series 2007-1 Supplement, as applicable.

WITNESSETH:

WHEREAS, pursuant to Section 12.2(i) of the Base Indenture, an amendment to any Supplement requires the consent of ABRCF, the Trustee and each affected Noteholder of the applicable Series of Notes;

WHEREAS, the parties desire to amend the Series 2007-1 Supplement to increase the Series 2007-1 Maximum Non-Program Vehicle Percentage; and

WHEREAS, ABRCF has requested the Trustee, the Series 2007-1 Agent and each Series 2007-1 Noteholder to, and, upon the effectiveness of (i) this Amendment and (ii) the letter (the "Consent Letter"), dated as of the date hereof, among ABRCF and each Series 2007-1 Noteholder, ABRCF, the Trustee, the Series 2007-1 Agent and the Series 2007-1 Noteholders have agreed to, amend certain provisions of the Series 2007-1 Supplement as set forth herein;

NOW, THEREFORE, it is agreed:

1. The following defined term, as set forth in Article I(b) of the Series 2007-1 Supplement, is hereby amended and restated in its entirety as follows:

“Series 2007-1 Maximum Non-Program Vehicle Percentage” means, as of any date of determination, the sum of (a) 60% and (b) a fraction, expressed as a percentage, the numerator of which is the aggregate Net Book Value of all Redesignated Vehicles manufactured by a Bankrupt Manufacturer or a Manufacturer with respect to which a Manufacturer Event of Default has occurred, and in each case leased under the AESOP I Operating Lease or the Finance Lease as of such date, and the denominator of which is the aggregate Net Book Value of all Vehicles leased under the Leases as of such date.

2. Clause (ii) of the defined term Series 2007-1 Required Enhancement Amount, as set forth in Article I(B) of the Series 2007-1 Supplement, is hereby amended and restated in its entirety as follows:

“(ii) the Series 2007-1 Percentage of the greater of (x) the excess, if any, of the Non-Program Vehicle Amount as of the immediately preceding Business Day over the Series 2007-1 Maximum Non-Program Vehicle Amount as of the immediately preceding Business Day and (y) the excess, if any, of the Net Book Value of all Non-Program Vehicles (other than (i) Unaccepted Program Vehicles and (ii) Vehicles subject to a Manufacturer Program with a Specified Eligible Non-Program Manufacturer) leased under the AESOP I Operating Lease as of the immediately preceding Business Day over (B) the Series 2007-1 Maximum Non-Program Vehicle Percentage of the Net Book Value of all Vehicles leased under the AESOP I Operating Lease as of the immediately preceding Business Day;”

3. This Amendment is limited as specified and, except as expressly stated herein, shall not constitute a modification, acceptance or waiver of any other provision of the Series 2007-1 Supplement.

4. This Amendment shall become effective as of the date (the “Amendment Effective Date”) on which each of the following has occurred: (i) each of the parties hereto shall have executed and delivered this Amendment to the Trustee, (ii) the Rating Agency Consent Condition shall have been satisfied with respect to this Amendment, (iii) all certificates and opinions of counsel required under the Base Indenture shall have been delivered to the Trustee and (iv) each Series 2007-1 Noteholder shall have executed the Consent Letter consenting hereto.

5. From and after the Amendment Effective Date, all references to the Series 2007-1 Supplement shall be deemed to be references to the Series 2007-1 Supplement as amended hereby.

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

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

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

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

By: /s/ Karen C. Sclafani
Name: Karen C. Sclafani
Title: Executive Vice President, General Counsel and
Assistant Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as
Trustee and Series 2007-1 Agent

By: /s/ Marian Onischak
Name: Marian Onischak
Title: Vice President

Avis Budget Group, Inc.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in millions)

	Six Months Ended	
	June 30,	
	<u>2007</u>	<u>2006</u>
Earnings before fixed charges:		
Income (loss) from continuing operations before income taxes	\$ 47	\$ (208)
Plus: Fixed charges	262	392
Earnings available to cover fixed charges	<u>\$ 309</u>	<u>\$ 184</u>
Fixed charges ^(a):		
Interest, including amortization of deferred financing costs ^(b)	\$ 233	\$ 360
Interest portion of rental payment	29	32
Total fixed charges	<u>\$ 262</u>	<u>\$ 392</u>
Ratio of earnings to fixed charges ^(c)	<u>1.18x</u>	<u>—</u>

(a) Consists of interest expense on all indebtedness (including amortization of deferred financing costs and capitalized interest) and the portion of operating lease rental expense that is representative of the interest factor. Interest expense on all indebtedness is detailed as follows:

	Six Months Ended	
	June 30,	
	<u>2007</u>	<u>2006</u>
Related to debt under vehicle programs	\$ 162	\$ 184
All other	71	176
	<u>\$ 233</u>	<u>\$ 360</u>

(b) Does not include interest expense from discontinued operations of \$98 million for the six months ended June 30, 2006.

(c) Earnings were not sufficient to cover fixed charges for the six months ended June 30, 2006.

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: August 8, 2007

/s/ RONALD L. NELSON
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: August 8, 2007

/s/ DAVID B. WYSHNER

EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER AND
TREASURER

**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 June 30, 2007, 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

RONALD L. NELSON

CHIEF EXECUTIVE OFFICER

August 8, 2007

/s/ DAVID B. WYSHNER

DAVID B. WYSHNER

EXECUTIVE VICE PRESIDENT,

CHIEF FINANCIAL OFFICER AND TREASURER

August 8, 2007