

AVIS BUDGET GROUP, INC.

FORM 8-K (Current report filing)

Filed 08/24/17 for the Period Ending 08/23/17

Address	6 SYLVAN WAY PARSIPPANY, NJ 07054
Telephone	973-496-4700
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SIC Code	7510 - Automotive Rental And Leasing, Without Drivers
Industry	Passenger Transportation, Ground & Sea
Sector	Industrials
Fiscal Year	12/31

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

FORM 8-K

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

Date of report (Date of earliest event reported): August 24, 2017 (August 23, 2017)

Avis Budget Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-10308

(Commission File Number)

06-0918165

(IRS Employer Identification Number)

**6 Sylvan Way
Parsippany, NJ**

(Address of Principal Executive Offices)

07054

(Zip Code)

(973) 496-4700

(Registrant's telephone number, including area code)

N/A

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 **Entry into a Material Definitive Agreement.**

On August 23, 2017, Avis Budget Holdings, LLC and Avis Budget Car Rental, LLC entered into a Second Amendment to the Fourth Amended and Restated Credit Agreement, dated as of October 7, 2016, among Avis Budget Holdings, LLC, Avis Budget Car Rental, LLC, Avis Budget Group, Inc., JPMorgan Chase Bank, N.A. as administrative agent, the other lenders from time to time parties thereto, and the subsidiary borrowers from time to time parties thereto (the “Second Amendment”). The Second Amendment extends the current leverage ratio until September 2018.

The foregoing description of the amendment is a summary and is qualified in its entirety by the terms and provisions of the Second Amendment, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Certain of the lenders party to the credit agreement, and their respective affiliates, have performed, and may in the future perform, various commercial banking, investment banking and other financial advisory services for Avis Budget Group, Inc., Avis Budget Car Rental, LLC and their subsidiaries for which they have received, and will receive, customary fees and expenses.

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

The information described above under Item 1.01 of this report is incorporated into this Item 2.03 by reference.

Item 9.01 **Financial Statements and Exhibits.**

(d) Exhibits.

The following exhibits are filed as part of this report:

Exhibit No.	Description
10.1	Second Amendment, dated as of August 23, 2017, to the Fourth Amended and Restated Credit Agreement dated as of October 7, 2016, among Avis Budget Holdings, LLC, Avis Budget Car Rental, LLC, Avis Budget Group, Inc., the subsidiary borrowers from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the several lenders from time to time parties thereto.

SIGNATURES

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

AVIS BUDGET GROUP, INC.

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

Date: August 24, 2017

AVIS BUDGET GROUP, INC.
CURRENT REPORT ON FORM 8-K
Report Dated August 24, 2017 (August 23, 2017)

EXHIBIT INDEX

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SECOND AMENDMENT

SECOND AMENDMENT, dated as of August 23, 2017 (this “Amendment”), among AVIS BUDGET HOLDINGS, LLC (“Holdings”), AVIS BUDGET CAR RENTAL, LLC (the “Borrower”), the Lenders party hereto and JPMORGAN CHASE BANK, N.A. (“JPMorgan”), as administrative agent (in such capacity, the “Administrative Agent”).

WITNESSETH:

WHEREAS, reference is hereby made to the Fourth Amended and Restated Credit Agreement dated as of October 7, 2016 (as heretofore amended, supplemented or otherwise modified from time to time, the “Existing Credit Agreement” and, as amended by this Amendment and as further amended, supplemented or otherwise modified from time to time, the “Credit Agreement”) among others, Holdings, the Borrower, Avis Budget Group, Inc., the subsidiary borrowers from time to time parties thereto, the several lenders from time to time parties thereto (the “Lenders”) and the Administrative Agent; and

WHEREAS, the Borrower has requested that the Required Lenders and the Administrative Agent agree to amend Section 7.1 of the Existing Credit Agreement as set forth herein;

WHEREAS, as permitted by Section 10.1 of the Credit Agreement, the Required Lenders and the Administrative Agent are willing to agree to this Amendment upon the terms and conditions set forth herein;

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

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

SECTION 2. Amendments to the Existing Credit Agreement. Subject to the satisfaction of the conditions set forth in Section 4 of this Amendment, Section 7.1 of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

7.1 Financial Condition Covenant. Permit the Consolidated Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower ending with any fiscal quarter set forth below (commencing with the fiscal quarter ending September 30, 2016) to exceed the ratio set forth below opposite such fiscal quarter:

<u>Fiscal Quarter</u>	<u>Consolidated Leverage Ratio</u>
September 30, 2016	4.75 to 1.00
December 31, 2016	4.75 to 1.00
March 31, 2017	4.75 to 1.00
June 30, 2017	4.75 to 1.00
September 30, 2017	4.75 to 1.00
December 31, 2017	4.75 to 1.00
March 31, 2018	4.75 to 1.00
June 30, 2018	4.75 to 1.00
September 30, 2018	4.50 to 1.00
December 31, 2018	4.50 to 1.00
March 31, 2019	4.50 to 1.00
June 30, 2019	4.50 to 1.00
September 30, 2019	4.25 to 1.00
December 31, 2019	4.25 to 1.00
March 31, 2020	4.25 to 1.00
June 30, 2020	4.25 to 1.00
September 30, 2020	4.00 to 1.00
December 31, 2020	4.00 to 1.00
March 31, 2021	4.00 to 1.00
June 30, 2021 and thereafter	4.00 to 1.00

SECTION 3. Representations and Warranties. On and as of the date hereof, the Borrower hereby confirms, reaffirms and restates that, after giving effect to this Amendment (i) each of the representations and warranties set forth in Section 4 of the Credit Agreement are true and correct in all material respects except to the extent that such representations and warranties expressly relate solely to a specific earlier date, and except for any representation and warranty that is qualified as to “materiality,” “Material Adverse Effect,” or similar language, in which case the Borrower hereby confirms, reaffirms and restates that such representations and warranties are true and correct in all respects and (ii) no Default or Event of Default shall have occurred or be continuing.

SECTION 4. Conditions to Effectiveness. The effectiveness of this Amendment is subject to the satisfaction of each of the following conditions (the date on which such conditions are satisfied, the “Second Amendment Effective Date”):

(a) The Administrative Agent shall have received a counterpart of this Amendment, executed and delivered by (i) a duly authorized officer of Holdings and the Borrower and (ii) the Required Lenders; and

(b) All fees required to be paid to the Administrative Agent and the Lenders in connection herewith, accrued reasonable and documented out-of-pocket costs and expenses (including, to the extent invoiced in advance, reasonable legal fees and out-of-pocket expenses of one firm of counsel) and other compensation due and payable to the Administrative Agent and the Lenders on or prior to the Second Amendment Effective Date shall have been paid.

SECTION 5. Continuing Effect; No Other Amendments or Consents .

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

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

SECTION 6. Expenses. The Borrower agrees to pay and reimburse the Administrative Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the preparation and delivery of this Amendment, and any other documents prepared in connection herewith and the transactions contemplated hereby, including, without limitation, the reasonable fees and disbursements of one firm of counsel to the Administrative Agent in accordance with the terms in the Credit Agreement.

SECTION 7. Counterparts. This Amendment may be executed in any number of counterparts by the parties hereto (including by facsimile and electronic (e.g. "pdf", or ".tif") transmission), each of which counterparts when so executed shall be an original, but all the counterparts shall together constitute one and the same instrument.

SECTION 8. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[Remainder of page intentionally left blank.]

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

AVIS BUDGET HOLDINGS, LLC

By: /s/ Rochelle M. Tarlowe
Name: Rochelle M. Tarlowe
Title: Senior Vice President and Treasurer

AVIS BUDGET CAR RENTAL, LLC

By: /s/ Rochelle M. Tarlowe
Name: Rochelle M. Tarlowe
Title: Senior Vice President and Treasurer

Signature Page to Second Amendment

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: /s/ Robert D. Bryant
Name: Robert D. Bryant
Title: Executive Director

Signature Page to Second Amendment