

period. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards.

To maintain a uniformly high standard of performance among all Payless Car Rental businesses, you must develop and operate your Payless Franchise in strict compliance with the Payless License Agreement and all standards, specifications, and operating procedures that Payless designates, including but not limited to the Payless Car Rental Administration Manual (the “Manual”), as Payless may periodically modify them (the “Standards”). If Payless requires, your Payless Franchise must use the vehicle models that Payless periodically specifies in the Standards or otherwise in writing. Payless does not currently specify makes or models for the vehicles that Payless Franchises rent, but you must maintain all vehicles in a clean and presentable condition and maintain the quality standards that Payless periodically specifies for vehicles. Standards also govern the letter and number symbols you must use for communicating rental rates, vehicle types, credit cards, and other similar information related to rental transactions. Payless formulates and modifies its Standards based on its and other Network members’ experience in developing and operating Payless Car Rental businesses. Payless will notify you in the Manual and in other written or electronic communications of the Standards (and modifications to the Standards).

Other required and optional agreements provide specifications for purchases or leases during the establishment or operation of your Payless Franchise. The Intercity Rules and Regulations contain specifications (including rental rates) for aspects like fleet size and insurance. The Corporate Rate Program regulates some aspects of your rental rates, incentives, and other terms of transactions with Corporate Rate Program customers. Payless and its affiliates may periodically modify these standards and specifications.

Other than a non-controlling interest in our ultimate parent, none of our officers own an interest in any supplier.

Designated and Approved Suppliers.

Your Payless Franchise must participate in Wizard, according to the Rental System Agreement. ABCR administers the Wizard System and is the only supplier of reservation and rental system services to Payless Franchises. ABCR also provides reservation and rental processing services using Wizard for Payless and the Payless business network. All of the fees and other revenues that ABCR currently receives from Payless Franchises for providing Wizard services are described in Item 6. During 2023, Wizard Services, Inc. received approximately \$220,004.16 from providing reservation services to the Network (based on Wizard Service, Inc.’s internal unaudited financial records), which represents ~~100~~1.86% of its total revenue of \$11,831,634. Except as described in this Item, neither Payless nor its affiliates derive any revenue as a result of required purchases or leases of franchisees.

Payless requires you to execute the Rental System Agreement with ABCR, which agreement provides for all reservation and back office functionalities to your Payless Franchise. Under the Rental System Agreement you must buy certain hardware, software, and communications utilized in connecting to Wizard only from Approved Suppliers (see Item 11). In connection with a Thin Client infrastructure providing you with PCI compliant access to the Wizard System, the Thin Client Terminals must be purchased from an Approved Supplier through ABCR. The fee collected from you is forwarded to the supplier. (Schedule B to the Rental System Agreement and Schedule 4 of the Administrative Services

SUBJECT	CLASSROOM TRAINING (minutes)	HOURS OF ON-THE-JOB TRAINING	LOCATION
Customer Led Experience Series: Creating Employee Enthusiasts	27	0	Workday Learning-Based Training
Customer Led Experience: Activity - Net Promoter Score (NPS) Scavenger Hunt (Inactive)	20	0	Workday Learning-Based Training
Customer Led Experience: Activity - Becoming a C.E.O. (Customer Experience Owner) (Inactive)	10	0	Workday Learning-Based Training
Avis App Dialog: Courtesy Bus Drivers	15	0	Workday Learning-Based Training
Preparing for Chip and PIN PED Devices	7	0	Workday Learning-Based Training
Preventing Fraud Using the 365 ID Scanner	5	0	Workday Learning-Based Training
Canada P-Products Training	10	0	Workday Learning-Based Training
TOTAL	4,769	0	

All training programs are offered to new franchisees and are currently provided via web-based training.

Computerized Rental System.

Under the Payless License Agreement, you must enter into a Rental System Agreement with ABCR that governs your use of Wizard. Wizard generates and stores reservation, rental, and customer data, to which Payless has unlimited, independent access. Under the Rental System Agreement you must acquire, install, and maintain certain computer hardware software and communications equipment, which will vary depending on whether you choose to connect to Wizard via the Internet. Your estimated cost to acquire and install such equipment per connected workstation is approximately \$3,000–\$4,500. If you choose to use a PC, your estimated cost to acquire and install such equipment per workstation is approximately \$1,500 with monthly costs estimated at approximately \$190. These amounts are per workstation and will vary based on the number of workstations that you have. If you choose to access Wizard through the Internet, you must also obtain Internet access through an Internet Service Provider and implement computer security standards and procedures.

If you choose to access Wizard through Thin Client, a PCI-compliant infrastructure, your estimated cost to acquire and install such equipment per connected workstation is approximately \$7,000–\$13,000 plus \$565 if you choose Signature Capture, an electronic signature system. Monthly costs for Thin Client will vary widely based on the Site Survey results; however, we estimate monthly costs at approximately \$600–\$1,600 if you choose to connect via MPLS Frame Circuit and \$175–\$900 for an Aruba/DSL Based Network Solution. Local internet service provider fees are additional. A Site Survey must be conducted prior to the implementation of Thin Client to determine the network and physical needs of your Location. The Site Survey must be conducted by a Payless approved third-party supplier and the fees for the Site Survey are paid by you directly to the supplier.

ABCR will provide ongoing repairs, maintenance upgrades, or upgrades to Wizard as necessary. You must purchase, lease, or otherwise acquire, from sources Payless designates or approves (which might include or be limited to Payless or its affiliates), computer hardware, software and communications equipment that is totally compatible with and strictly conforms to the requirements of the Rental System Agreement as Payless may modify those requirements during the term. Payless cannot estimate the annual cost of maintenance or upgrade obligations and their associated costs. There are no contractual limitations on the frequency or cost of your obligations under this section of the Payless License Agreement.

ADDENDUM TO PAYLESS CAR RENTAL SYSTEM, INC.
DISCLOSURE DOCUMENT FOR THE STATE OF CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

The following information applies to franchises and franchisees subject to the California Franchise Investment Act. Item numbers correspond to those in the main body:

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT(S).

OUR WEBSITE (www.PaylessCar.com) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

SECTION 31125 OF THE CALIFORNIA INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION & INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Item 3.

Item 3 is amended to provide that neither we nor any other person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association.

Item 5.

The following is added as the first paragraph of Item 5:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchises until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributed to a specific unit in your development schedule is deferred until that unit is open.

Item 17.

1. California Business & Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of a franchise. If the License Agreement contains a provision that is inconsistent with the law, the law will control.

2. Termination of the License Agreement by us because of your insolvency or bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 *et seq.*).

3. The License Agreement contains a covenant not to compete which extends beyond the termination of the agreement. This provision may not be enforceable under California law.

4. You must sign a general release of claims (attached as Exhibit L) if you renew or transfer your franchise. This provision may be unenforceable under California law. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

5. The License Agreement requires the application of the laws of New Jersey. This provision may not be enforceable under California law.

6. The License Agreement requires all litigation to be brought in New Jersey. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281) to any provisions of a franchise agreement restricting venue to a forum outside of California.

7. Pursuant to the CA 2023 Corporations Code Book, Section 31512.1, Franchise Agreement Provisions Void as Contrary to Public Policy:

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

AMENDMENT TO
PAYLESS CAR RENTAL SYSTEM, INC.
LICENSE AGREEMENT FOR THE
STATE OF CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

This Amendment pertains to franchises sold in the State of California and is for the purpose of complying with California statutes and regulations. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

1. The License Agreement contains a covenant not to compete which extends beyond the termination of the agreement. This provision may not be enforceable under California law.
2. The License Agreement requires application of the laws of New Jersey with certain exceptions. This provision may not be enforceable under California law.
3. In all other respects, the License Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Amendment and consents to be bound by all of its terms.

YOU: _____ WE: PAYLESS CAR RENTAL SYSTEM, INC.

By _____ By _____
Its _____ Its _____

ADDENDUM TO
PAYLESS CAR RENTAL SYSTEM, INC.
DISCLOSURE DOCUMENT FOR THE
STATE OF MINNESOTA

1. Item 5 and Item 7, “Initial Fees” shall be amended by the addition of the following:

“Payment of all initial fees are postponed until after all of franchisor’s pre-opening obligations are complete and franchisee is open for business.”

2. Item 13, “Trademarks,” is amended by adding the following paragraph:

Payless is not obligated to take action to protect or defend the Marks but will indemnify you for damages or costs you sustain in any proceeding arising from your authorized use of the Marks.

3. Item 17 “Renewal, Termination, Transfer, and Dispute Resolution,” is amended by the addition of the following paragraphs:

With respect to franchises governed by Minnesota law, Payless will comply with Minn. Stat. § 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the License Agreement and that consent of the transfer of the franchise not be unreasonably withheld.

Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J prohibit Payless from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or License Agreement can require to waive, abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Pursuant to Minn. Rule 2860.4400J, the Franchisee cannot consent to Payless obtaining injunctive relief. Payless may seek injunctive relief. Also, a court will determine if a bond is required.

Any release required as a condition of renewal and/or assignment/transfer will not apply to any claims that may arise under the Minnesota Franchises Law.

Pursuant to Minn. Stat. §80C.17, Minnesota law provides that no action may be commenced more than three (3) years after the cause of action accrues.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22 and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930 are met independently without reference to this Addendum to the Disclosure Document.

4. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

or reduce Franchisee's rights as provided for in Minnesota Statutes 1984, Chapter 80C, to any procedure, forum or remedies provided for by the laws of the jurisdiction.

8. Special and Punitive Damages Jury Trial. Section 14.10 of the License Agreement is hereby deleted.

9. Limitations of Actions. The following is added to Section 14.9:

Minnesota law provides that no action may be commenced pursuant to Minn. Stat. §80C.17 more than three (3) years after the cause of action accrues.

9. Injunctive Relief. The parties agree that any provision of the License Agreement that requires Franchisee to consent to Payless' obtaining injunctive relief is hereby modified to provide that, pursuant to Minn. Rule 2860.4400J, Franchisee cannot give such consent, provided, however nothing herein shall prevent Payless from applying to a forum for injunctive relief. The parties also agree that a court will determine if a bond is required.

10. No Waiver of Rights. The parties agree that nothing in the License Agreement can abrogate or reduce (1) any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment on the day and year first above written.

YOU: _____ WE: PAYLESS CAR RENTAL SYSTEM, INC.

By _____ By _____
Its _____ Its _____