

SUBJECT	CLASSROOM TRAINING (minutes)	HOURS OF ON-THE-JOB TRAINING	LOCATION
TOTAL	<u>4769</u>	<u>0</u>	

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

Computerized Rental System.

Under the Avis 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 Avis 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 \$190.00. 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–\$1600 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 an Avis 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 Avis designates or approves (which might include or be limited to Avis 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 Avis may modify those requirements during the term. Avis 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 Avis License Agreement.

Avis and its designees will have independent access to the Wizard system and all other computer systems, hardware, and software you use. Avis and its designees may access all information and software on such systems and there is no limitation on such access. There are no contractual limits upon our access to your computer information.

Marketing and Advertising.

Avis conducts advertising and promotion at its own expense and at its sole discretion as described in **Article V** of the Avis License Agreement. Avis Franchise owners do not directly contribute to such advertising and promotion. However, Avis Franchisees may be asked to elect to participate in various types of Marketing Programs under a Participation Agreement. Avis may, at any time, increase,

Item 12

TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Avis grants licenses to operate an Avis Franchise to persons with the ability to operate and promote an Avis Franchise in a particular geographic territory. Avis will assign you a territory in which to operate under the Avis License Agreement and in which you choose your business locations, subject to Avis' approval (see Item 11). Because the size of the licensed territory depends on factors like population, the presence or absence of an airport, and your operational abilities and experience, it is not possible to specify the minimum area granted to an Avis Franchise. The territory is usually described by political boundaries (for example, part of a city or county), but in certain areas might be a circle with your location at the center. Avis may use accepted industry parameters, census tracts, population densities, zip code boundaries, buying patterns, traffic counts, and projected commercial and residential growth to determine the territory's boundaries. However, a territory will not usually include a population of less than 25,000 people. During the term of your Avis License Agreement and subject to your compliance with all of your other obligations under the Avis License Agreement, Avis will not operate on its own behalf, or grant a license to another party to operate, an Avis Franchise within your territory.

~~You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.~~

Nothing in the Avis License Agreement prohibits Avis or its parent company, subsidiaries, or affiliates from: (a) engaging in the activities referred to above; (b) operating, or granting others the right to operate, Avis Rent A Car businesses in the licensed territory that offer for rental vehicles other than the Vehicles including, but not limited to, renting or leasing motor vehicles that are designed, used or maintained for the transportation of property, cargo, or goods (collectively defined as "Trucks"); or (c) selling their assets, engaging in a public offering or private placement of ownership interests, merging with or acquiring other corporations or entities, or being acquired by another corporation or entity (including a corporation or entity that owns or operates systems or chains that may be competitive with or similar to the Network).

Avis reserves all rights not expressly granted to you under your Avis License Agreement, including the rights of Avis and its affiliates to: (1) operate, and grant others the right to operate, Avis Franchises outside your licensed territory and, under certain circumstances (for National Programs or if you fail to comply with the Avis License Agreement, as described below), inside the licensed territory, on any terms and conditions Avis deems appropriate; (2) hire and/or appoint sales persons and general sales agents and negotiate and enter into local, regional, national, and international sales and marketing agreements with persons or entities located within your licensed territory; (3) use Avis' Proprietary Marks for any purpose within your licensed territory, other than for the operation of an Avis Rent A Car business location offering for rental the vehicles offered through your Avis Franchise ("**Vehicles**"), subject to Avis' rights under the Avis License Agreement; and (4) operate, and grant others the right to operate, businesses (including businesses that offer for rent or sale Vehicles and other motorized and non-motorized equipment and parking business) outside and within the licensed territory under trademarks different than Avis' Proprietary Marks.

Avis and its affiliates have established, and may in the future establish, other franchises or company-owned outlets or other channels of distribution selling or leasing products or services similar to those of an Avis Franchise under different trademarks or under Avis' Proprietary Marks. You may not

Provision	Section of the Avis License Agreement	Summary
		acceptability of the offering and offering documents, Avis considers, among other things, the transaction's effect on the Avis Franchise and Avis' rights and the accuracy and completeness of the documents. If Avis approves, it may require the legending of stock certificates; advising registrars or transfer agents of necessity of Avis' prior express written consent prior to the transfer of stock; agreeing to restrictions on representations relating to the Avis Franchise; inclusion of disclaimers in filing and offering documents; beneficial owners' signing Non-Disclosure/Non-Competition Agreement; restrictions on the use of the Avis name; confidentiality restrictions; and an agreement by all shareholders to adhere to in-term and post-term restrictions on confidentiality.
n. Avis' right of first refusal	12.3	Avis may match any offer to acquire your business and may substitute cash for other consideration for a period of 60 days after receiving an executed Purchase Agreement.
o. Avis' option to purchase your business	11.8	Avis may purchase your Avis Franchise upon the termination of the Avis License Agreement.
p. Your death or disability	12.4	Any transfer must occur within six months to a third party Avis approves. Avis is authorized to immediately appoint a manager to maintain the operation, until an approved Assignee is able to assume the management and operation of the Avis business.
q. Non-competition during the term of the franchise	1.6 and Nondisclosure and Noncompetition Agreement	No involvement in other vehicle rental business or system in the United States (subject to state law) .
r. Non-competition covenants after the franchise is terminated or expires	11.9, 12.6 and Nondisclosure and Noncompetition Agreement	No competing business for one year in licensed territory or within five miles of licensed territory (subject to state law) .
s. Modification of the agreement	14.2(c)	Must be reduced to writing and signed by you and Avis. However, the Manual and Standards are subject to change.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending June 19, 2024
Hawaii	Not Registered
Illinois	Pending Not Registered
Indiana	Pending April 30, 2024
Maryland	Pending Not Registered
Michigan	Pending
Minnesota	Pending
New York	Pending Not Registered
North Dakota	April 30, 2024
Rhode Island	Pending Not Registered
South Dakota	April 30, 2024
Virginia	Pending Not Registered
Washington	Pending
Wisconsin	April 30, 2024

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**ADDITIONAL DISCLOSURES FOR THE MULTISTATE
FRANCHISE DISCLOSURE DOCUMENT OF AVIS RENT A
CAR SYSTEM, LLC.**

THE FOLLOWING ARE ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF AVIS RENT A CAR SYSTEM LLC REQUIRED BY VARIOUS STATES FRANCHISE LAWS. EACH PROVISION OF THESE ADDITIONAL DISCLOSURES WILL NOT APPLY UNLESS, WITH RESPECT TO THAT PROVISION, THE JURISDICTIONAL REQUIREMENTS OF THE APPLICABLE STATE FRANCHISE REGISTRATION AND DISCLOSURE LAW ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THESE ADDITIONAL DISCLOSURES.

CALIFORNIA

1. 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.

2. [For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.](#)

3. ~~2.~~The following is added at the end of Item 3:

“Except as disclosed above, neither Avis nor any person in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. Sections 78a *et seq.*, suspending or expelling such person from membership in such association or exchange.”

4. ~~3.~~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.

5. ~~4.~~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.

6. ~~5.~~The following paragraphs are added at the end of Item 17:

“California Law Regarding Termination and Nonrenewal. The California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of a franchise. If the License Agreement contains any provisions that are inconsistent with the law (and the law applies), the law will control.

Termination Upon Bankruptcy. The License Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et. seq.).

Post-Termination Noncompetition Covenants. The License Agreement contains a covenant not to compete which extends beyond the termination of the agreement. ~~This provision might not be enforceable~~A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California ~~law~~Business and Professions Code Section 16600.

Liquidated Damages for Termination Without Cause. The License Agreement contains a provision providing for liquidated damages. This provision might not be enforceable under California law.

Applicable Law. The License Agreement and related agreements require application of the laws of New Jersey. This provision might not be enforceable under California law.

Forum. The License Agreement and related agreements require application of the forum of New Jersey. This provision might not be enforceable under California law.

California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

The License Agreement requires you to sign a general release of claims upon transfer of the License Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516).Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

8. The following language is added to the end of Item 22:

“Avis Budget Group, Inc.’s Guaranty of Performance of our obligations under Maryland law is included in Exhibit M.”

MINNESOTA

1. Payment of all initial fees is deferred until Franchisor has satisfied its pre-opening obligations and Franchisee’s Franchised Business opens to the public.

2. The third sentence of the last paragraph in Item 13 is deleted in its entirety and replaced by the following:

“Avis is not required to indemnify or defend you against claims from your use of Avis’s Proprietary Marks, or to protect your right to use these marks, except to the extent otherwise required by the Minnesota Franchises Law.”

3. The following language is added following the Item 17 charts:

“With respect to franchises governed by Minnesota law, Avis will comply with Minn. Stat. Sec. 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 **Avis License Agreement**.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Avis in certain cases from requiring litigation to be conducted outside Minnesota. Those provisions also provide that no condition, stipulations or provision in the **Avis License Agreement** shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Minn. Rule Part 2860.4400J prohibit a licensee in certain cases from waiving rights to a jury trial; waiving rights to any procedure, forum or remedies provided by the laws of the jurisdiction; or consenting to liquidated damages, termination penalties or judgment notes. However, Avis and you agree to enforce these provisions in the **Avis License Agreement** to the maximum extent the law allows.

Any release required as a condition of transfer/assignment will not apply to the extent prohibited by the Minnesota Franchises Law.”

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.

NEW YORK

1. The following risk factors are added to the cover page of the Franchise Disclosure Document:

“SPECIAL RISK FACTORS:

1. INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271

2. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.”

2. The following is added to the end of Item 3:

“Except for the litigation disclosed in Item 3, with regard to Avis, its predecessor or predecessors, and the persons identified in Item 2 or an affiliate offering franchise under Avis’s principal trademark:

- A. There is no pending administrative, criminal or civil action pending alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, or misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.
- B. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action alleging: violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, or misappropriation of property; or unfair or deceptive practices; or comparable allegations.

**RIDER TO
AVIS RENT A CAR SYSTEM
LICENSE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA**

This Rider is entered into this _____ day of _____, 20__ by and between AVIS RENT A CAR SYSTEM LLC, a Delaware limited liability company (“**AVIS**”) and _____, an _____, (“**LICENSEE**”).

1. **Background.** Avis and Licensee are parties to that certain License Agreement dated _____, 20__ (the “**License Agreement**”) that has been executed concurrently with the execution of this Rider.

2. 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.

3. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

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

PROSPECTIVE LICENSEE

By: _____
Its: _____

Accepted and Acknowledged:

AVIS RENT A CAR SYSTEM LLC

By: _____
Its: _____

6. **Non-Competition.** The third and fourth sentences of Paragraph 11.9 of the License Agreement are deleted in their entirety and the following sentences are substituted in their place:

“Licensee further acknowledges the impossibility of accurately determining the tangible and intangible damages which Avis will suffer if Licensee fails or refuses to adhere to this provision or the provisions of Paragraph 1.6 or 2.4 hereof and accordingly agrees that Avis may seek entry, without prior notice, to the extent that applicable notice requirements may be waived, of temporary and permanent injunctions against Licensee’s breach of such provisions. Licensee further agrees that Avis may seek an amount equal to the aggregate of Avis’s costs of obtaining any such temporary and permanent injunctive relief, including all costs of investigation and proof of facts, court costs and attorney’s fees.”

7. **New Jersey Law Governs.** The following language is added to the end of Paragraph 14.7 of the License Agreement:

“Pursuant to Minn. Stat. Section 80C.21 and Minn. Rule Part 2860.4400J, this section shall not in any way abrogate or reduce Licensee’s rights as provided in Minnesota Statutes, 1984, Chapter 80C, including any right to submit matters to the jurisdiction of the courts of Minnesota.”

8. **Consent to Jurisdiction.** The following language is added to the end of Paragraph 14.8 of the License Agreement:

“Pursuant to Minn. Stat. Section 80C.21 and Minn. Rule Part 2860.4400J, this section shall not in any way abrogate or reduce Licensee’s rights as provided in Minnesota Statutes, 1984, Chapter 80C, including any right to submit matters to the jurisdiction of the courts of Minnesota.”

9. **Waiver of Punitive Damages and Jury Trial.** The following language is added to the beginning of Paragraph 14.10 of the License Agreement:

“Except as otherwise required by the Minnesota Franchises Law and”

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.

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