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permits the use of the “Avis” name in connection with a licensee’s Avis Franchise but does not offer parking franchises separate from the car rental license. Budget currently offers franchises for a used vehicle sales business operating under the name “Budget.” However, except as described above, neither Avis, nor any of Avis’ affiliates, has ever operated another vehicle rental business, and none has ever offered franchises in any other line of business. Except as described above, Avis has no other business activities.

Industry-Specific Regulations

Certain laws and regulations apply to the car rental industry. Refer to Exhibit B for a general description of those laws. In July 1997, Avis entered into a Settlement Agreement with the U.S. Department of Justice regarding obligations under the Americans with Disabilities Act to persons with disabilities that prevent them from driving, such as blindness or epilepsy. Under the Settlement Agreement, Avis agreed to strongly urge its franchisees to comply with the terms of the Settlement Agreement. A copy of the Announcement setting forth the terms of the Settlement Agreement is contained in Exhibit B. You must also follow all other local, state, and federal laws that apply to you and businesses generally. Avis urges you to investigate these laws in order to understand your potential legal obligations.

There are also specific statutes, which are applicable to the operation of your franchise. State laws regulate the disclosure, sale, and pricing of the loss damage waiver option (“LDW”), which is the waiver of a renter’s responsibility for any loss or damage to a rented vehicle (whether due to collision, theft, or vandalism) in return for payment of a daily fee, the pricing of our refueling service charge to customers, and the car rental registration process. Local laws also impose tax surcharges on car rental, which are passed along to the rental customer.

Avis, and its affiliate, Budget, entered into settlement agreements with the U.S. Justice Department covering the application of the American with Disabilities Act to each System. Copies are attached as Exhibit B (see also Item 3).

Item 2

BUSINESS EXPERIENCE

Chief Executive Officer – Avis Budget Group, Inc. and Avis Rent A Car System, LLC: Brian Choi

Brian Choi been ABG and Avis’ Chief Executive Officer since July 2025. Prior to that, he was ABG’s Chief Transformation Officer from January 2024 to July 2025, and ABG’s Executive Vice President and Chief Financial Officer from August 2020 to December 2023.

Chief Financial Officer – Avis Budget Group, Inc. and Avis Rent A Car System, LLC: Daniel Cunha

Daniel Cunha has been ABG and Avis’ Chief Financial Officer since July 2025. Prior to that, he served as Chief Financial Officer at Orion Services Group in New York, New York from February 2024 to June 2025. [Mr. Cunha held no positions from February 2023 to February 2024.](#) He was the Chief Financial Officer at Ocean Spray in Middleborough, Maryland from [November](#) 2019 to [February](#) 2023.

location, whether you are converting an existing business and the level of competition in your territory). Initial License Purchase Fees are uniform and not refundable under any circumstances.

You must also pay a one-time Wizard Connection Start Fee of \$320.00 per workstation, including Thin Client Terminals, before licensee begins to operate on Wizard.

Item 6

OTHER FEES⁽¹⁾

Name of Fee	Amount	Due Date	Remarks
Fees Under Avis License Agreement			
License Fees	7.5% of the Gross Revenue ⁽²⁾ of your Avis Franchise for the preceding month	10 th of each month	
Monthly Marketing Fee	Currently, \$0	Not currently being collected	If we begin collecting this fee, this fee would cover the costs of producing, contesting, and paying the composite statement (which is also referred to as LSS – Licensee Settlement Statement). <u>The fee will not exceed 4% of the Gross Revenue of your Avis Franchise.</u>
Costs for Directory Listings	Avis’ costs and expenses for obtaining and maintaining listings	As incurred	Avis may (at its option) obtain “yellow pages” and “white pages” listings identifying your Avis Franchise and charge you for the costs and expenses Avis incurs.

Name of Fee	Amount	Due Date	Remarks
b. Automated Reservation Fee	\$2.25-\$5.18 per reservation	45 days from the date of the Licensee Settlement Statement also referred to as Composite Statement	This fee covers the transmission fee for reservations generated by airline or other automated reservation systems, and processed through the reservation system, for your Avis Franchise. The amount of the fee depends on which automated reservation system generated the reservation and is subject to change annually. <u>Any adjustment to the fee will not exceed 200% of the amount in effect during the preceding year.</u>
c. International Phone Reservation Fee	\$11.50 per international reservation made by phone	45 days from the date of the Licensee Settlement Statement also referred to as Composite Statement	This fee covers expenses for reservations made by international phone sources.
d. Avis Licensee Customer Adjustment Procedure ⁽⁵⁾	Not less than \$150.00 per resolution of complaint	45 days from the date of the Licensee Settlement Statement also referred to as Composite Statement	Amounts that Avis pays during the prior month to resolve any customer complaint involving your Avis franchise. The amount is subject to change but Avis is currently authorized to pay up to \$150 without prior approval from you. Adjustments greater than \$150 require contact and approval by you <u>Any adjustment to the fee will not exceed 200% of the amount in effect during the preceding year.</u>
e. Current Avis Centralized Commission Services (“ACCS”) Fees	The Commission Reimbursement Payment equals the actual amount of commissions that Avis must pay on behalf of your Avis Franchise to	Upon demand	ACCS pays commissions to travel sources worldwide, for referral of customers via one central payment method. All reservations that travel sources generate for your Avis Franchise must be reconciled through ACCS, whether made directly with

Name of Fee	Amount	Due Date	Remarks
Payment Processing:			These fees are imposed when an Avis Franchise accepts charge cards and other forms of payment according to Avis' standards of performance in the Manual. Avis imposes and collects these fees through the Payment Program (Paragraph 6.4 of the Avis License Agreement).
a. Accounts Receivable Processing Fee	Our then-current charge. Currently it is 2%–7% of charges incurred.	When transaction is processed	Variable rate by business segment. Central billing is currently 4.5% and the direct bill charge card fee is up to 7%. These fees are subject to change. <u>Any adjustment to the fee will not exceed a total of 15% of charges incurred.</u>
b. Voucher Processing Fee	Our then-current charge. Currently it is 3-5% of charges incurred net of tour operator commissions.	When transaction is processed	<u>Any adjustment to the fee will not exceed a total of 10% of charges incurred.</u>

Notes:

1. Unless otherwise stated, all fees are uniform and non-refundable and are uniformly imposed and collected by, and payable to, Avis. Avis may require you to pay by electronic funds transfer (“EFT”), in which case you must sign and deliver the documents necessary for Avis to implement this system and make the required funds available for withdrawal on or before the designated due date.

2. The Avis License Agreement defines “Gross Revenue” as “any and all sums of every nature and character (whether in cash, credit, or otherwise) payable (collected or uncollected) under closed rental agreements, vehicle lease agreements, sublicense agreements, or otherwise, in Licensee’s operation of its Rental Business including time, mileage, damage, or loss waiver, insurance products, service fees, surcharges, and any other charges for any ancillary goods or services provided directly or indirectly in connection with Licensee’s Rental Business, including baby seats, navigational devices, portable XM radios and/or DVD players, tire chains, locks, ropes, hitches, pads, boxes, portable lifts, and other products and services associated with loading, unloading, securing contents and packing trucks and cars and specifically excluding only the following: (a) any national, state/province, or local sales or other similar taxes separately stated, collected from customers and paid by Licensee to the applicable airport authority; (b) any amounts received as insurance proceeds or otherwise for damage to vehicles or other property of Licensee, or for loss, conversion or abandonment of such vehicles; (c) revenue derived from the sale of fuel furnished at the time of rental; and (d) customer facility fees (“CFC”), collected from customers and paid by Licensee to the applicable governmental authority.”

assigned risk pool. Your premiums will also vary if you chose to retain the risk of loss for damage to and theft of your vehicles, if you qualify as a duly authorized self-insurer, and if you chose to self-insure for third-party liability, with Avis' consent. Avis used an estimated cost of \$2000 to \$5000 per vehicle per annum to calculate these figures for the cost of obtaining insurance coverage for vehicle damage, theft, and third-party liability from vehicle accidents based on payment of your annual or semi-annual premiums in monthly installments for your first three months of operation.

8. This item covers miscellaneous opening costs and expenses such as utility installation and deposits, business licenses and certificates, and professional fees.
9. This item reflects the estimated range of payments, less interest, you would make based on estimated acquisition cost for your 30-car rental fleet during the first three months that your Avis Franchise operates. This estimate cannot take into account your cost of financing your fleet as interest rates vary. This estimate also cannot take into account the initial fleet mix you may need to serve the anticipated needs of your customers. Therefore, the extremes of this estimate represent a fleet solely composed of one class of vehicle at the extreme ends of the cost range. The purchase price of your fleet, using an estimated cost of \$15,000 per vehicle (for an economy car) to \$43,000 per vehicle (for a luxury car), would be \$450,000 to \$1,290,000 for a 30-vehicle fleet composed solely of economy or luxury cars. Avis expects franchisees to finance 100% of the purchase price of their fleet, and expects that you will provide security for this financing using the fleet, your (or your owners') personal guarantee, and, perhaps, certain of your (or your owners') personal assets. If you finance the fleet, you will make finance payments to financial institutions you select to provide the financing. Avis expects that your monthly fleet expenses will increase after your first three months of operation as your fleet size increases.
10. Avis provides web-based training and seminars, manuals, on-the-job instruction, and other programs and materials appropriate for you, your General Manager, and other employees Avis approves. Avis offers web based training through Workday Learning allowing you and your approved employees to complete training on any device that allows web access. You and your approved employees must complete the program to Avis' satisfaction (to that extent that they must actively participate in and timely complete all web-based sessions). The estimate covers training for you, your General Manager and your approved employees.
11. Avis does not offer financing (directly or indirectly) for any part of the initial investment.
12. This is only an estimate of the range of initial operating expenses you may incur (other than items identified separately in the table). These amounts are the minimum recommended levels to cover your operating expenses for 3 months and may vary depending on actual performance and cost structure. The disclosure laws require us to include this estimate of all costs and expenses to operate your franchise during the "initial phase" of your business, which is defined as 3 months or a longer period if "reasonable for the industry." We are not aware of any established longer "reasonable period," so our disclosures cover a 3 month period. The operating expenses may include, without limitation, employee wages and payroll-related costs, utilities, routine maintenance, office and administrative expenses, and professional fees. The range provided is based on Avis's experience with similarly sized franchise operations (e.g., ~30-car fleet) and reflects variability in factors such as local labor costs, market conditions, and operator-specific expense management. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

pursuant to the Avis Licensee Customer Adjustment Procedure (Rental System Agreement, **paragraph I.1.(a)1**);

- c) For as long as Avis Budget Car Rental operates the Avis Reservation System domestically on a nonprofit basis, prepare a profit and loss statement for the reservation system and reconcile the applicable fees and expenses within ninety (90) days adjust the fees for the then current year (including any retroactive adjustment to the beginning of the then current calendar year) (Rental System Agreement, **paragraph II.3.**) (see Item 6); and
- d) Pay travel agencies commissions or other similar booking sources for referral of customers through the Avis Reservation System by one central payment method (Rental System Agreement, **Schedule F3**).
- e) During the term of the Rental System Agreement, Avis will comply with the Rental System Agreement's terms and conditions, and pay the fees it describes, for Avis Rent A Car locations that it operates.

Opening Your Avis Franchise.

The length of time between the signing of your Avis License Agreement (and the payment of your Initial License Purchase Fee) and the opening of your Avis Franchise is typically 0 to 90 days. Factors affecting this time period may include your ability to obtain a lease, financing, or building permits; zoning and local ordinances; weather conditions; timing of yellow pages or other telephone directory advertisements; and shortages or delayed installation of equipment, fixtures, inventory, or signs (the Avis License Agreement, **paragraphs 8.4, 10.4 and 10.5**).

The Manual.

You may view the Manual before you purchase an Avis Franchise if you sign the Confidentiality Agreement attached to this disclosure document as **Exhibit D** (the Avis License Agreement, **Article III**). You cannot, during the term of your Avis License Agreement or after the Agreement is terminated:

- a) reproduce, exhibit, or disclose the Manual, or any confidential element of or information about a Avis Franchise, to anyone other than your partners, shareholders, directors, and employees; or
- b) disclose any confidential information communicated to your partners, shareholders, directors, and employees by or at the direction of Avis.

Avis Rent A Car businesses operate in a dynamic business environment requiring Avis' careful assessment of long-range interests and the overall direction of all Avis Rent A Car vehicle rental locations, and the decision-making flexibility appropriate to achieve Avis' determined goals. Accordingly, Avis may periodically modify the Manual and the Standards through bulletins, supplements, and other communications. You must comply with all of these modifications.

The table of contents of our Manual is attached as Exhibit L. Our Manual has a total of 538 pages and is divided into 20 sections with approximately 27 pages dedicated to each subject in the Manual.

Training.

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	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	May 20, 2026 See Separate FDD
Minnesota	Pending
New York	Not Registered
North Dakota	Pending See Separate FDD
Rhode Island	Not Registered
South Dakota	April 29, 2026 See Separate FDD
Virginia	Not Registered
Washington	See Separate FDD May 20, 2026
Wisconsin	April 29, 2026 See Separate FDD

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.

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.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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**