

## FRANCHISE DISCLOSURE DOCUMENT



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The franchised business will operate a business that offers motor vehicle rentals, leases, carsharing and other mobility services, rent-to-own, and used vehicle sales to the general public.

The total investment necessary to begin operation of a Priceless Car & Truck Rental franchised business is \$362,925 to \$1,077,037. This includes \$22,500 - \$125,000 that must be paid to the franchisor or affiliate.

This disclosure document summarizes information certain provisions of the franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Franchise Sales Department at 13900 Laurel Lakes Avenue, Suite 100, Laurel, MD 20707, or [Franchise@pricelesscarrental.com](mailto:Franchise@pricelesscarrental.com), and 877-995-2525.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: July 20, 2023

## HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

| QUESTION   | WHERE TO FIND INFORMATION  |
|--|--|
| <b>How much can I earn?</b>  | Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits H and I. |
| <b>How much will I need to invest?</b>   | Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.   |
| <b>Does the franchisor have the financial ability to provide support to my business?</b> | Item 21 or Exhibit B includes financial statements. Review these statements carefully.   |
| <b>Is the franchise system stable, growing, or shrinking?</b>                            | Item 20 summarizes the recent history of the number of company-owned and franchised outlets.   |
| <b>Will my business be the only Priceless business in my area?</b>                       | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.  |
| <b>Does the franchisor have a troubled legal history?</b>                                | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.   |
| <b>What's it like to be a Priceless franchisee?</b>                                      | Item 20 or Exhibits H and I list current and former franchisees. You can contact them to ask about their experiences.  |
| <b>What else should I know?</b>  | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.  |

## WHAT YOU NEED TO KNOW ABOUT FRANCHISING *GENERALLY*

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

## SOME STATES REQUIRE REGISTRATION

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in Maryland. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Maryland than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement even though your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty payments or advertising contributions, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Minimum Performance Required.** You must maintain minimum fleet levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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## **EXHIBITS**

### State Addenda to FDD

- Exhibit A: Franchise Agreement
  - Exhibit A-1: State Addenda to Franchise Agreement
  - Exhibit A-2: Priceless Brand Share Incentive Addendum
- Exhibit B: Financial Statements
- Exhibit C: General Release
- Exhibit D: List of State Agencies/Agents for Service of Process
- Exhibit E: Collision Damage Waiver Indemnification and Fee Agreement
- Exhibit F: Operating Manual Table of Contents
- Exhibit G: Sample Master Lease Agreement
- Exhibit H: List of Current Franchisees
- Exhibit I: List of Former Franchisees
- Exhibit J: Reservation Services Participation Agreement
- Exhibit K: ASAP Rental Management System Order Form and Software as a Service  
Terms and Conditions

### Receipts

## ITEM 1

### **THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

To simplify the language in this Disclosure Document, “**We**,” “**Us**,” “**Our**” and “**NP Franchise Group**” means NP Franchise Group, LLC, the franchisor. “**You**” or “**Yours**” means the individual who buys the franchise. We sell franchises only to individuals.

#### **The Franchisor – NP Franchise Group, LLC (“NP Franchise Group”)**

We are a Maryland limited liability company, originally organized as Priceless Rent-A-Car, LLC on March 29, 2004. In June 2018, Priceless Rent-A-Car, LLC was renamed, “**NP Franchise Group, LLC**.” Our principal business address is 11411 Rockville Pike, Rockville, MD 20852. Our Franchise Service Center is located at 13900 Laurel Lakes Avenue, Suite 100, Laurel, MD 20707. Our agents for service of process are listed in Exhibit D.

We operate under our own name and under the marks, PRICELESS and PRICELESS CAR AND TRUCK RENTAL. We offer franchises for the operation of vehicle rental businesses identified by our service marks, including “PRICELESS”, “PRICELESS CAR AND TRUCK RENTAL”, “PRICELESS CAR AND VAN RENTAL” and other service marks we own (the “**Priceless Trademarks**”). We do not conduct a business of the type to be operated by our franchisees, but we and our affiliates reserve the right to do so in the future.

We and our predecessors have offered vehicle rental businesses using the “**Priceless**” name and marks since 1996, and we also began offering franchises for vehicle rental businesses under the “**NextCar**” name and marks in January 2015. As of the date of this disclosure document, there were 37 open and operating Priceless franchised business locations in the United States; 11 open and operating NextCar franchised business locations in the United States; and 17 NextCar locations operated by our indirect parent, All Car Leasing, Inc., in the States of Florida and Maryland. There are also 4 Priceless franchised business locations outside of the United States. In addition, our affiliate, Bundy American, LLC, and its predecessors previously offered vehicle rental franchises under the “Rent-A-Wreck” name from 1978 to 2017. As of the date of this disclosure document, there are 51 open and operating Rent-A-Wreck locations in the United States.

As of the date of this disclosure document, there are a total of 116 vehicle rental business franchised or operated by NP Franchise Group and our affiliates in the United States under the “Priceless,” “NextCar,” and “Rent-A-Wreck” names.

From December 2016 through April 2018, we also offered a separate, non-franchised service that provides access to our reservation system to independent car rental operators (“**Independent Operators**”) who wish to add multiple reservation channels to their existing operations while continuing to operate under their own name and marks. In May 2018, our parent, NP Auto Group, Inc., assumed our rights and obligations under the Independent Operator program. As of the date of this disclosure document, there are 14 Independent Operators in the United States and 42 in international locations.

## Parents and Affiliates

Since April 2018, our direct parent has been NP Auto Group, Inc., and our indirect parent has been All Car Leasing, Inc. (“All Car Leasing”) as a result of the following corporate reorganization:

- On April 16, 2018, All Car Leasing purchased the outstanding ownership interests in us from All Car Leasing’s affiliate, Bundy American, LLC.
- In May 2018, All Car Leasing’s subsidiary, Fitzgerald Execulease, Inc., purchased the ownership interests in us from All Car Leasing, Inc., and in June 2018, Fitzgerald Execulease (our new parent) was renamed, “NP Auto Group, Inc.” NP Auto Group (f/k/a Fitzgerald Execulease, Inc.) was originally incorporated in Maryland on November 18, 1987 and was inactive from March 2009 to April 2018.

Our ultimate parent is JJF Management Services, Inc.

The following parents and affiliates provide goods or services to our franchisees:

- NP Auto Group may provide several services to our franchisees, including: website and software development, development and operation of the reservation system (including web-based and call center reservations), insurance program administration, development and administration of an optional damage waiver program, and fleet management.
- All Car Leasing may provide vehicle acquisition service to qualified Priceless franchisees.
- KFL, LLC, a Rockville, Maryland company, may lease vehicles to qualified Priceless franchisees.

The principal business address for All Car Leasing, NP Auto Group, KFL, LLC, and JJF Management Services is 11411 Rockville Pike, Rockville, Maryland 20852.

NP Franchise Group has no affiliates that presently offer franchises in any line of business. Except as described above, we have no affiliates or parents that are required to be disclosed in this Item. We have no predecessors that are required to be disclosed in this Item.

## The Franchise

This franchise offering is for the operation of a vehicle rental business (“**Vehicle Rental Business**”) that offers vehicle rental, leasing, carsharing and other mobility services, rent-to-purchase, rent-to-own, lease to own, and used vehicle sales business (collectively “**Services**”) identified by the Priceless Trademarks. Our franchised businesses are characterized by our system (“**Priceless System**” or “**System**”), which we have developed for the overall success of NP Franchise Group and our independent franchisees. Some of the features of the Priceless System are (among other things): confidential and proprietary information and trade secrets; distinctive images, designs; business formats, training methods and assistance, management procedures;

advertising and marketing programs; equipment and office layouts, signage, operating procedures, customer service, and quality standards; rental software and other information technology; and specifications for the operation of Vehicle Rental Businesses under the “**Priceless Trademarks.**” We may periodically change and improve parts of the System. In this Disclosure Document, “**Franchised Business**” or “**Priceless Business**” means a Vehicle Rental Business that is operated under a Franchise Agreement with us and that uses the Priceless Trademarks and Priceless System. A copy of the current form of Franchise Agreement is attached as Exhibit A to this disclosure document.

The franchise generally is suitable for persons in auto-related businesses and other qualified persons who share our vision of pursuing a world-class reputation for quality, reliability and value to the end consumer and who wish to enter the Vehicle Rental Business. The Priceless brand is particularly suitable for independent vehicle rental operators who wish to convert their business to a national brand and used car dealers that wish to expand the transportation services offered in their community.

Your Franchised Business may be operated within a protected territory that we call a “Primary Service Area” or from a non-exclusive site, and you may select the territory option that best meets your needs. As of the date of this disclosure document, you may select one of the following three territorial options:

**(1) Six Mile Primary Service Area** – you have the protected right to operate a Priceless Business within a circular area with a 6-mile diameter (3-mile radius) using an agreed-upon location as the center of that circle. By the third anniversary of the Franchise Agreement, our guidelines generally require that you have a minimum fleet of 1 car per every 1500 inhabitants (as calculated by the U.S. Census Bureau) within your Six-Mile Primary Service Area. For example, a Primary Service Area with a population of 80,000 would require an average minimum fleet for the 12-month period of 53 cars (80,000/1500). In certain high density population areas (density greater than 4000 inhabitants per square mile), we may mutually agree on a reasonable minimum fleet requirement that may differ from the general guidelines by taking into consideration population, density, tourism figures, number of businesses, employee or passenger counts and/or other similar criteria.

**(2) Single Point Franchise** – you have the right to operate at a single site only and receive no territorial protection. You must have a minimum fleet of 20 cars within one year of opening your Priceless Business.

**(3) Airport Franchise** – your franchise will be operated at or may service an airport with regularly scheduled commercial flights (“**Airport Franchise**”), and you will be granted a protected right to operate within a territory specified in the Franchise Agreement (“**Airport Primary Service Area**”). Your minimum fleet will be mutually agreed upon by you and NP Franchise Group.

The Franchised Business rents all types of motorized or self-propelled vehicles. For example, the Franchised Business may rent automobiles, trucks, mini-vans, SUVs and full size vans. As of the date of this disclosure document, Priceless franchisees offer for rent vehicles that



are no older than 6 years, and that have traveled fewer than 78,000 miles. You may not offer for rent vehicles with “salvage” titles. Your Priceless Business also may include lease-to-own/rent-to-own, carsharing and other mobility services, used vehicle sales, and similar services if appropriate for your market. You will have the flexibility to rent a wide variety of vehicle types, thereby enhancing your ability to compete. Your rental vehicles must be safe to operate, mechanically sound, clean and in good running condition. You also must ensure that your vehicles comply with applicable federal and state vehicle safety recall laws. We expect our franchisees to operate the Priceless Businesses with integrity, deal in good faith with us and the public, and strive to achieve high customer satisfaction scores, as prescribed in our operating manual (“**Operating Manual**”).

### **Referral Fee**

We will pay a referral fee of \$3,000 to each existing Priceless franchisee who provides contact information (in writing to the address/email address that we designate) for any person who signs a new franchise agreement and pays us the Initial Franchise Fee.

### **Conditions of Competition and General Market for Vehicle Rental Services**

Although the vehicle rental market is well-developed, we believe it is still growing. Significant competition exists from numerous national and local rental operations, as well as from commercial and peer-to-peer car sharing companies and other new mobility business models. You will compete with rental companies in the neighborhood motor vehicle rental and leasing market, and in the airport motor vehicle rental market, including with other brands owned by us or our affiliates. In the case of a Single Point Franchise, you may compete with other Priceless businesses.

We rely upon your local market knowledge, motivation and commitment to compete effectively in the neighborhood or airport-based rental market. Your primary customers will depend on the nature of your location, whether it is based at a car dealership, a stand-alone neighborhood location, or an off-airport, in-terminal or airport-based consolidated rental facility. For example:

- For neighborhood and dealership-based Priceless locations (Single-Point and Six-Mile Primary Service Area Franchises), your customers generally should come from the local community, corporate travel, commercial and leisure travel markets, and may be sourced from reservation system channels such as our own PricelessCarRental.com website and apps, Global Distribution System (“GDS”)-based travel websites and travel agents, and through other websites and aggregator services that are made available through our reservation system. Additional customers will come from automotive dealerships and repair shops located in or near your Franchised Business. Repair shop and insurance replacement customers generally rent vehicles at lower prices, but for longer periods of time than commercial or leisure customers.
- For those locations based in and/or serving airports and other travel and tourism markets, customers will primarily be sourced from reservation system channels such as

our own PricelessCarRental.com website and apps, GDS-based travel websites and travel agents, and through other websites and aggregator services that are made available through our reservation system. Additional customers can be generated at the airport with proper signage and the placement of promotional advertising in the terminal or at the consolidated facility, and by in flight advertising and through other promotional means.

**Regulations Specific to the Vehicle Rental Industry.** The vehicle rental industry is regulated by federal and state governments. You should also inquire at municipal and local governments where you plan to operate the Franchised Business; some cities and counties have implemented taxes, vehicle registration fees, business licensing requirements, and disclosure and other requirements that could affect your business plan. In addition, the following apply specifically to the vehicle rental industry:

- a. Americans with Disabilities Act. This statute, and federal regulations issued under the statute, require car rental companies to make “reasonable” accommodations to permit persons with disabilities to drive rental vehicles. Reasonable accommodations include making hand controls available for disabled customers, permitting service animals to ride in a vehicle, and waiving additional driver’s fees for the driver accompanying a disabled renter. The statute can be found at 42 USC, Sections 12111 and following.
- b. Damage waiver laws. Many states regulate the sale of damage waivers. The typical statute requires vehicle rental companies to disclose the optional nature of the waiver on the front of the rental agreement form. Some statutes also regulate the content of the waiver, its exclusions, and its maximum price. We distribute to our franchisees the required disclosure materials.
- c. Limitation on amounts recoverable from renters. A few states limit the amount and/or type of damages that you may recover from renters for damage to, or loss or theft of, a rental vehicle.
- d. State and local vehicle rental laws. In addition to damage waiver laws and limitations on amounts recoverable from renters, several states and municipalities regulate some or all of the following: permits to operate a vehicle rental business; fees that a vehicle rental company may charge; recordkeeping requirements; use of telematics; display of counter signs; and other aspects of vehicle rental operations and agreements.
- e. Sale of insurance. Nearly all states regulate the sale of optional insurance products sold by vehicle rental companies. Most of these laws require you to obtain an inexpensive limited insurance license that permits you to sell insurance products that are part of the rental transaction. A few states exempt you from licensing requirements.
- f. International Emergency Economic Powers Act. 50 U.S.C. 1701, et seq., and Executive Order No. 13224, effective September 24, 2001, prohibit U.S. businesses, including vehicle rental businesses, from transacting business with any individual or entity identified on list maintained by the Office of Foreign Assets Control of the Treasury Department.

g. Jacqueline and Raechel Houck Safe Rental Car Act of 2015. This federal statute prohibits vehicle rental companies from selling, renting, or leasing certain vehicles that are subject to open safety recalls. Your state may have a similar law. The provisions of the Act can be found at 49 U.S.C. § 30102 (and following).

We recommend that you consult with your own counsel about the laws, regulations and licenses that may affect your operation of your Franchised Business before you purchase this franchise.

## **Item 2**

### **BUSINESS EXPERIENCE**

#### **President and Director: Michael DeLorenzo**

Mr. DeLorenzo has been President and Director of NP Franchise Group and President and Director of NP Auto Group since May 2018. Mr. DeLorenzo has also served as Director of KFL, LLC since May 2018. Previously, Mr. DeLorenzo was Vice President of Priceless Rent-A-Car, LLC from January 2006 through April 2018; President of All Car Leasing, Inc. in Laurel and Rockville, Maryland from September 2003 to April 2018; Vice President of DMF Leasing, Inc. in Laurel and Rockville, Maryland from September 1987 through September 2007; and Director and Vice President of Rent-A-Wreck of America, Inc. (“RAWA”) and Bundy American, LLC in Laurel and Rockville, Maryland from January 2006 through April 2018.

#### **Secretary and Director: Ronald Jaffe**

Mr. Jaffe has been a Secretary and Director of NP Franchise Group and Secretary and Director of NP Auto Group since May 2018. Mr. Jaffe has been the Chief Financial Officer of JJF Management Services, Inc. in Rockville, Maryland since June 1997. Previously, Mr. Jaffe was Treasurer and Assistant Secretary of RAWA from January 2006 through April 2018.

**Director: Robert Smith**

Mr. Smith has been a Director of NP Franchise Group and Director and Vice President of NP Auto Group since May 2018. He has also served as Vice President of JJF Management Services, Inc. in Rockville, Maryland since November 2003.

**Franchise Business Development Manager: Jon Dill**

Mr. Dill has served as Franchise Business Development Manager for NP Auto Group and NP Franchise Group in Laurel, Maryland since June 2019. He has also been Assistant Secretary and Treasurer for All Car Leasing in Laurel, Maryland since February 2018 and Contact Center Director for All Car Leasing in Laurel, Maryland since February 2008. Previously, he served as Director of Marketing and Revenue Management for All Car Leasing from February 2006 through June 2019.

**Franchise Business Development Manager: Andres Lezcano**

Mr. Lezcano has served as Franchise Business Development Manager for NP Auto Group and NP Franchise Group in Laurel, Maryland since January 2021. From January 2020 through December 2020, he was an independent consultant in St. Petersburg, Florida. Previously, Mr. Lezcano served as Senior Strategic Account Manager for TSD Rental in North Andover, Massachusetts from September 2019 through December 2019 and as an Account Manager for Bluebird Auto Rental Systems in Dover, New Jersey from January 2015 through September 2019.

**Director of Operations: George Moorhead**

Mr. Moorhead has been Director of Operations for NP Auto Group and NP Franchise Group in Barnegat, New Jersey since May 2018 and held the same position for Priceless and Bundy American, LLC from December 2014 through May 2018. Previously, Mr. Moorhead served as the Priceless Area Development Manager for the Eastern United States in Wayne, New Jersey from January 2012 through December 2014. He also served as Area Development Manager, Northeast U.S. from January 2007 through December 2011.

**Director of Training and Development: Genevieve (Pat) Bowie (“Pat the Trainer”)**

Ms. Bowie has been Director of Training and Development for NP Franchise Group and NP Auto Group since May 2018. Previously, she served as Director of Training and Development for RAWA in Rockville, Maryland from March 2006 through April 2018 and held the same position with All Car Leasing Inc. in Laurel, Maryland from January 2004 through April 2018.

**Treasurer, Controller and Assistant Secretary, NP Auto Group: Annette Chong**

Ms. Chong has been the Treasurer, Controller, and Assistant Secretary for NP Auto Group since May 2018. Previously, Ms. Chong served as Assistant Secretary and Treasurer for All Car

Leasing, Inc. and RAWA from May 2006 to April 2018 and Controller for RAWA from May 2006 to December 2015.

**Assistant Secretary/Treasurer, NP Auto Group: Charles Evans**

Mr. Evans has been Assistant Secretary/Treasurer for NP Auto Group since May 2018. Mr. Evans has also served as Audit Director for JJF Management in Gaithersburg, Maryland since October 1998.

**Item 3**

**LITIGATION**

No litigation is required to be disclosed in this Item.

**Item 4**

**BANKRUPTCY**

On July 24, 2017, Bundy American, LLC (our former parent) filed a petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code in the District of Delaware, Case No. 17-11593. On July 24, 2017, Rent-A-Wreck of America, Inc. (Bundy American's parent) filed a petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code in the District of Delaware, Case. No. 17-11592. Priceless Rent-A-Car, LLC was not a debtor in these cases. On February 13, 2018, the Bankruptcy Court dismissed these bankruptcy actions. Our President and Director, Michael DeLorenzo, and our Secretary and Director, Ronald Jaffe, were officers and directors of Bundy American and Rent-A-Wreck of America when the two companies filed these petitions.

**Item 5**

**INITIAL FEES**

**Initial Franchise Fee**

The Initial Franchise Fee (the “**Initial Franchise Fee**”) for new franchisees is payable in a lump sum when you sign the Franchise Agreement and varies, depending upon the type of territory you select:

- Six-Mile Primary Service Area -- \$24,000
- Single Point Franchise -- \$20,000
- Airport Franchise -- The Initial Franchise Fees for Airport Franchises vary depending upon airport enplanement/deplanement figures and car rental revenue statistics, and as of the date of this disclosure document are as follows:

Airport Exclusive Franchise -  
\$100,000: Los Angeles, CA; Orlando, FL

\$50,000: Atlanta, GA; Denver, CO; Miami, FL; Phoenix, AZ; San Francisco, CA; Tampa, FL

\$40,000: Dallas/Ft. Worth, TX; Ft. Lauderdale, FL; Las Vegas, NV; Newark, NJ; Seattle, WA

\$35,000: Baltimore, MD; Boston, MA; Chicago O'Hare, IL; Detroit, MI; Ft. Myers, FL; Houston IAH, TX; Minneapolis, MN; Philadelphia, PA; San Diego, CA; San Jose, CA; Washington Dulles, VA

\$32,500: Albuquerque, NM; Honolulu, HI; Nashville, TN; Oakland, CA; Orange County, CA; Portland, OR; Raleigh-Durham, NC; Reno, NV; Salt Lake City, UT; San Juan, PR; St. Louis, MO; Washington Ronald Reagan National, VA; West Palm Beach, FL

\$30,000: Chicago - Midway, IL; Columbus, OH; Jacksonville, FL; Kansas City, MO; LaGuardia, NY; New Orleans, LA; New York - JFK, NY; Ontario, CA; Pittsburg, PA; Sacramento, CA

\$27,500: Albany, NY; Anchorage, AK; Austin, TX; Birmingham, AL; Boise, ID; Buffalo, NY; Burbank, CA; Charleston, SC; Charlotte, NC; Chattanooga, TN; Cincinnati, OH; Cleveland, OH; Colorado Springs, CO; Columbia, SC; Corpus Christi, TX; Dallas Love Field, TX; Dayton, OH; Daytona, FL; Des Moines, IA; El Paso, TX; Evansville, IN; Fresno, CA; Ft. Wayne, IN; Grand Canyon, AZ; Grand Rapids, MI; Greensboro, NC; Greenville, SC; Guam; Harrisburg, PA; Hartford, CT; Hilo, HI; Houston Hobby, TX; Indianapolis, IN; Kahului, HI; Knoxville, TN; Kona, HI; Lihue, HI; Lincoln, NE; Little Rock, AR; Long Beach, CA; Louisville, KY; Madison, WI; Manchester, NH; Maui, HI; Melbourne, FL; Memphis, TN; Milwaukee, WI; Monterey, CA; Norfolk, VA; Oklahoma City, OK; Omaha, NE; Palm Springs, CA; Pensacola, FL; Providence, RI; Richmond, VA; Roanoke, VA; Rochester, NY; San Antonio, TX; Sanford, FL; Sarasota, FL; Savannah, GA; Shreveport, LA; Spokane, WA; St. Pete/Clearwater, FL; Tucson, AZ; Tulsa, OK; Wichita, KS; Windsor Locks, CT.

All other secondary airport locations: \$27,500

The initial fees generally apply uniformly and vary only to the extent described in this Item 5; however, we may negotiate initial fees on a case-by-case basis.

During the fiscal year ended July 31, 2022, we sold two Priceless franchises at initial franchise fees ranging from \$20,000 to \$30,000. During the six-month period ended January 31, 2023, we did not sell any Priceless franchises. (Since we recently changed our fiscal year end from July 31<sup>st</sup> of each year to January 31<sup>st</sup> of each year, we are providing information for both the 2022 fiscal year, as well as for the six-month period ended January 31, 2023.)

## **Incentives**

### **Discounted Initial Franchise Fee**

We currently offer the following incentive discounts off the standard Initial Franchise Fee to certain qualified new franchisees: \$1,000 discount to members of the National Independent Auto Dealers Association; and a \$2,000 discount to military veterans as part of the International Franchise Association's "VetFran" initiative.

To qualify for the military veteran discount, you must provide us with acceptable documentation of your honorable discharge from the U.S. Armed Forces (including a valid form DD214). If you propose to transfer the franchise to a buyer who is not a qualified veteran participating in the Vet Fran Program before the two-year anniversary of when you opened, then as a condition of transfer, you will have to pay back the reduced portion of your Initial Franchise Fee (\$2,000) in addition to meeting the other requirements for a transfer.

### **Priceless Brand Share Program for Independent Vehicle Rental Businesses**

We are currently offering a "**Priceless Brand Share Program**" to encourage independent vehicle rental operators to convert to the Priceless brand. If you are an independent vehicle rental operator, you may elect to sign the Priceless Brand Share Incentive Addendum attached to this disclosure document as Exhibit A-2. Under the Priceless Brand Share Program, we will permit you to operate under both your existing name and marks and the Priceless name and marks for a period of up to 3 years ("**Dual Branding Period**"). Each year during the Dual Branding Period, we will reimburse you for a specified percentage of approved "brand building" expenditures to develop awareness of the Priceless name in your local market. In addition, we will reduce your Post-Termination Business Continuance Buyout Fee if the Franchise Agreement is terminated at any time during the Dual Branding Period. Item 6 of this disclosure document provides additional details on the monthly fee and Post-Termination Business Continuance Buyout Fee reductions. Your Initial Franchise Fee will be the same as those described above.

## **Reservation Deposit**

As of the date of this disclosure document, you must participate in the Priceless Reservation System, which is provided by NP Auto Group. In addition to the per-reservation fees and commissions described in Item 6 of this Disclosure Document, you must also maintain a deposit ("**Deposit**") with NP Auto Group that may be used to cover amounts owing to NP Auto Group under the Reservation Services Participation Agreement. The Deposit will be an amount of at least: \$2,500 if the population in the 5-mile radius surrounding your location is 80,000 or fewer inhabitants; \$5,000 if the population in the 5-mile radius surrounding your location is over 80,000 inhabitants; and \$25,000 if your location serves customers at an Airport market (regardless of the population of the surrounding area). The initial Deposit is due when you sign the Reservation Services Participation Agreement. You may be required to replenish and/or increase your Deposit as further described in Item 6. A copy of the current form of Reservation Services Participation Agreement is attached to this disclosure document as Exhibit J.

**Refundability of Initial Fees**

The Initial Franchise Fee is non-refundable and fully earned by us when we sign the Franchise Agreement.

\* \* \* \* \*

There are no other initial fees payable to us or our affiliates.

**Item 6**

**OTHER FEES**

| Type of Fee<br>(Note 1)                             | Amount   | Due Date  | Remarks  |
|---|--|---|--|
| Royalty Fee   | The greater of: (a) 4% of Gross Revenues received during the preceding month (See Note 2); and (b) the monthly minimum royalty                   | Payable on or before the 10th day of each month for the prior month                                       | The minimum monthly Royalty Fee varies from \$500 to \$1,500 depending upon the length of time that your Franchised Business has been operating (See Note 3)   |
| Marketing and Advertising Fee                       | The greater of: (a) 1% of Gross Revenues received during the preceding month (See Note 2); and (b) \$500   | Payable on or before the 10th day of each month for the prior month                                       |  |
| Priceless Reservation Fee (See Note 4)              | Currently, \$3.50 per reservation plus 3.5% commission on time and mileage revenue for all reservations received through PricelessCarRental.com. | Payable by ACH or credit card on or before the 10th day of each month for the previous month.             | Cancellations will be credited. "No shows" will not be credited. Fees are subject to change.   |
| Global Distribution System ("GDS") Fees(See Note 4) | Currently: \$9.00 - \$12 per reservation for reservations received from GDS sources.   | Payable by ACH or credit card on or before the 10 <sup>th</sup> day of each month for the previous month. | The GDS Fee is a delivery fee associated with the reservation, which is paid on your behalf to the GDS providers. The GDS Fee is subject to change.<br><br>Cancellations may be credited for a portion of the GDS Fee if they are canceled through a GDS channel. "No shows" will not be credited. |



| Type of Fee<br>(Note 1)   | Amount  | Due Date  | Remarks   |
|---|---|---|---|
| XML Online Travel Agent (“OTA”) Channel Fee (See Note 4)                            | Currently: \$3.50 per reservation for reservations received from XML OTA channels | Payable by ACH or credit card on or before the 10 <sup>th</sup> day of each month for the previous month. | <p>The XML OTA Fee is a delivery fee associated with the reservation, which is paid on your behalf to the XML OTA providers. The XML OTA Fee is subject to change.</p> <p>Cancellations will be credited.<br/>“No shows” will not be credited.</p>  |
| Travel Agency Commissions (including traditional and GDS and XML OTAs) (See Note 4) | 10%-35% of time and mileage revenue.  | Payable by ACH or credit card on or before the 10 <sup>th</sup> day of each month for the previous month. | <p>The Travel Agency Commission varies depending upon the source of the reservation. Sources, such as OTAs, charge a varying percentage. A Travel Agency Commission is a delivery fee associated with the reservation, which is paid on your behalf to certain GDS and OTAs in addition to their per-reservation fees. The Travel Agency Commission is subject to change.</p> <p>Cancellations will be credited.<br/>“No shows” will not be credited.</p> |

| Type of Fee<br>(Note 1)          | Amount  | Due Date    | Remarks  |
|----------------------------------|---|-------------|--|
| Reservation Deposit              | Varies  | As incurred | In addition to the per-reservation and commission fees noted, you must maintain a Deposit with us (or NP Auto Group) that we may use to cover any past-due amounts owing to us. The Deposit will be in an amount of: \$2,500 if the population in the 5-mile radius surrounding your location is 80,000 or fewer inhabitants; \$5,000 if the population in the 5-mile radius surrounding your location is over 80,000 inhabitants; and \$25,000 if you purchase an Airport Franchise (regardless of the population of the surrounding area). We may periodically increase your Deposit amount, depending upon your volume of reservations to an amount. (See Note 5) |
| Prepaid Reservations Withholding | 10% of prepaid reservation proceeds generated by the Priceless Reservation System and processed through its central merchant account<br><br>2% of prepaid reservation proceeds processed through certain OTA channels that process prepaid reservations as merchant of record | As incurred | Customers who use the Priceless Reservation System have an option to prepay their reservation. The prepayments are deposited with NP Auto Group (not with you) and remain in NP Auto Group's possession until they have been applied as a credit to your monthly Priceless Reservation System invoice after the vehicle rental has taken place. (See Note 6).  |
| Reservations Reconnection Fee    | \$250   | As incurred | If your Reservation Fee payment is rejected for any reason, or you default under the Franchise Agreement for any reason, we have the right to disconnect your reservations services and use your deposit to cover the outstanding balance. The Reconnection Fee and a deposit replenishment will be due before we reestablish your service.  |

| Type of Fee<br>(Note 1)                 | Amount  | Due Date  | Remarks   |
|---|---|---|---|
| Vehicle Acquisition Fee                 | \$250 per transaction   | As incurred   | At your request, we or our affiliates will assist you with the acquisition of vehicles for use in your Franchised Business through our fleet management services. In addition to the Vehicle Acquisition Fee, You also will be responsible for paying the cost of the vehicle and any auction and transportation fees.  |
| Damage Waiver Fee                       | Up to \$20 for each damage waiver sold. Currently, the fee is \$19.60   | Payable on or before the 10 <sup>th</sup> day of each month | If you participate in the Damage Waiver program administered by NP Auto Group, you will remit up to \$19.60 for each damage waiver sold during the previous month and retain the balance. This fee is subject to change.  |
| Insurance Program Fee                   | Varies  | On or before the 10 <sup>th</sup> day of each month         | If you participate in the liability insurance program administered by NP Auto Group, you will pay a monthly fee. As of the date of this disclosure document, approximately 25 percent of your monthly fee will cover your insurance premium, and the remaining 75 percent will be placed into a reserve account that NP Auto Group will use to cover the deductible when a claim is made. This fee varies and is subject to change. |
| Late Payment Fee                        | Late Payment Fee is 5% of amount owed - minimum late fee equal to \$15. | As incurred   | Assessed the first business day after the monthly fees due date. The late fee is assessed each month on the due date of payments. The fee is applied to payments due, including late fees from prior months.  |
| Credit Card Processing Fee (See Note 1) | Currently 3.8% of transaction amount                                    | As incurred   | Payable if you pay any amount due to us or our affiliates by credit card rather than ACH.   |
| Transfer Fee                            | \$3,000   | Before transfer completed                                   | Due when you sell any interest in the Franchised Business.  |

| Type of Fee<br>(Note 1)                         | Amount  | Due Date  | Remarks  |
|---|---|---|--|
| Audits  | No charge, unless we discover irregularities  | As incurred   | You may have to pay the cost of our audit of your books and records. <b>(See Note 7)</b>   |
| Guidance  | Will vary under circumstances   | As incurred   | If you request guidance beyond what we customarily give, we may charge you for any out-of-pocket costs associated with travel or service necessary for the guidance.   |
| Annual Meeting and Training Pre-Payment Program | \$40 per month  | Payable on or before the 10 <sup>th</sup> day of each month | Your Annual Meeting and Training Pre-Payment Program fees will be used to reimburse you for your travel and hotel expenses incurred when attending any of our Annual Meetings or other training programs. We will reimburse you for up to \$700 in training-related travel and hotel expenses each year. |
| ASAP Computer System (“ASAP”)                   | \$3 to \$5 per-car/per month (monthly maximum \$500 to \$6,600) depending upon fleet size <b>(See Note 8)</b><br>If you elect to use credit card scanners, driver’s license scanners, phone-as-key systems, or other additional devices, you may incur additional ongoing charges payable to third parties. | Payable on or before the tenth day of each month            | Participation in this program is mandatory. All fees are payable to NP Auto Group.   |

| Type of Fee<br>(Note 1)                      | Amount   | Due Date                                  | Remarks  |
|--|--|---|--|
| Post-Termination Business Continuance Buyout | \$800 multiplied by the greater of: (a) the minimum number of Rental Vehicles described in Exhibit 1 of your Franchise Agreement; and (b) the most recent 12-month average of the actual number of Rental Vehicles in the Franchised Business (See Note 9) | With notice of termination or upon demand | You do <b>not</b> pay the Post-Termination Business Continuance Buyout if you leave the Priceless System for any reason and you do not operate a competitive vehicle rental business within 20 miles of the Franchised Business. The Post-Termination Business Continuance Buyout is payable <b>only if</b> you operate a competitive vehicle rental business within 20 miles of the Franchised Business after your Franchise Agreement is terminated. |
| Indemnification                              | Will vary under circumstances  | As incurred                               | You must defend us, reimburse us and pay our losses and expenses that we incur as a result of claims arising from your operation of the Franchised Business.   |
| Insufficient Funds Administrative Fee        | \$35.00  | As incurred                               | You will be charged a \$35.00 administrative fee each time there are insufficient funds when an attempt is made to electronically transfer funds to Priceless.   |

(1) Except for existing franchisees who may have signed a previous form of agreement or as otherwise noted below, the payments described on this chart are non-refundable, imposed uniformly on all franchisees receiving this offering, and are not collected in whole or in part on behalf of any party other than NP Franchise Group or our affiliates. In some instances in which it is appropriate to do so, we may in the future waive or defer some or all of these fees for a particular franchisee. We and our affiliates may collect all fees payable to us via electronic funds transfer or by any other means that we designate. If we permit you to pay fees due to us or our affiliates by credit card, we will charge you a credit card processing fee, which as of the date of this disclosure document is 3.8% of the total transaction amount. We reserve the right to require you to designate an account at a commercial bank of your choice (“**Account**”) for the payment of amounts due to us and/or our affiliates, and in that case, you must furnish us and the bank with authorizations as necessary to permit us and our affiliates to make withdrawals from the Account by electronic funds transfer. If you become indebted to NP Franchise Group or its affiliates, we have the right to obtain a report of your credit and to report the amounts due to credit reporting agencies.

All flat fees that we impose and collect may be increased annually; percentage-based fees (*i.e.*, “\_\_\_% of gross revenues”) are not subject to the annual increases. Fee increases will apply

to all Franchised Businesses that have been open and operating for at least 3 years as of the date of the increase. The amount of the system-wide increase will be equal to the greater of: (a) 1%; and (b) the percentage change in the CPI-W (the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) U.S. City Average for All Items maintained by the Bureau of Labor Statistics (“BLS”) between the date of the proposed change (“**Current Period**”) and the month and date of the most recent system-wide change (“**Base Period**”). If the Base Period is more than 3 years before the Current Period, the CPI-W for the month and date that is 3 years before the Current Period will be used to measure the change in CPI-W. The change in CPI-W will be calculated in accordance with the formulas set forth by the BLS, which are currently provided at [www.bls.gov](http://www.bls.gov). If the BLS ceases to publish the CPI-W or implements major revisions to the CPI-W, we will designate a new index or formula to determine system-wide increases via amendment to the Operating Manual.

(2) “**Gross Revenues**” means all monies received or receivable under closed Rental Agreements, including time, mileage, damage waiver and any other charges for ancillary services or products provided in the conduct of the Franchised Business, excluding only refueling fees, taxes and government-imposed surcharges, airport fees, toll and other violation fees, and vehicle damage recovery proceeds.

If you operate an independent vehicle rental business and sign the Priceless Brand Share Incentive Addendum, during the Dual Branding Period, we will reimburse you for a portion of your expenditures on approved brand building activities, including store level signs and branding, local market advertising and promotions, Internet advertising through approved vendors, and other preapproved advertising and brand building efforts (“**Brand Building Activities**”) as follows:

- Year 1: Up to 66 percent of the total Royalty Fees and Marketing Advertising Fees that you paid to us during Year 1.
- Year 2: Up to 50 percent of the total Royalty Fees and Marketing Advertising Fees that you paid to us during Year 2.
- Year 3: Up to 33 percent of the total Royalty Fees and Marketing Advertising Fees that you paid to us during Year 3.

Reservation Fees that you have paid to us or our affiliate for reservations received from any source, including the Priceless website or call center, online or traditional travel agencies, or the global distribution system, are approved Brand Building Activities and eligible for reimbursement. Other fees payable under the Franchise Agreement or other agreements between you and NP Franchise Group or one of our affiliates will **not** be eligible for reimbursement.

(3)

(4) As of the date of this Disclosure Document, you must participate in the Priceless Reservation System, including the third-party distribution channels and pay the fees and maintain a Deposit. The current version of the Reservation Services Participation Agreement that you will sign is attached as Exhibit J to this disclosure document.

(5) Although any increases to your Deposit will vary, as of the date of this disclosure document, we estimate that after your first 12 months of operation, NP Auto Group will require

you to maintain a Deposit that is equal to approximately 17 percent of the annual gross receipts generated by customer bookings through the Priceless Reservation System for rentals originating at your location. We or NP Auto Group also may increase the Deposit amounts for all participants if we deem necessary. Any unused amounts of the Deposit will be returned to you upon termination of the Franchise Agreement. You must report reservation status, including time and mileage amounts, using the reservation system management system before the close of each billing cycle, or else you will be charged the full commission for the estimated charges at the time of reservations without adjustment for actual fees received for that month. All pricing and other terms related to reservations delivered through GDS, GDS OTAs, and XML OTAs are subordinate to our agreements with the various providers.

(6) In addition to the Deposit, NP Auto Group will maintain an ongoing withholding of the “Prepaid Reservation Proceeds” (defined below) generated by the Priceless Reservation System. As of the date of this disclosure document, the withholding is 2 percent for reservations that are processed through the merchant account of certain OTAs and 10 percent for reservations processed through NP Auto Group’s merchant account. “Prepaid Reservation Proceeds” means the net amount of the funds from prepaid reservations that are disbursed to you, which is the total amount of prepaid reservation funds less the commissions due on the total reservation invoice. NP Auto Group will withhold the applicable percentage from your monthly Prepaid Reservation Proceeds, and this amount will be added to your reservation deposit account and tracked as a credit memo on your monthly Priceless Reservation System invoice.

(7) If the audit finds that you failed to pay us more than 5% of the amount that was actually due, or if you failed to comply with any provision of the Franchise Agreement that would allow us to terminate the Franchise Agreement, then you will pay us the cost of conducting the audit, including travel expenses, hotel accommodations and salaries of those conducting the audit.

(8) Your monthly ASAP fee and maximum number of authorized users will vary based on the number of vehicles in your fleet as follows:

| <u>Vehicles in Fleet</u> | <u>Monthly Cost</u>      | <u>Maximum Monthly Amount</u> | <u>Maximum Authorized Users</u> |
|--------------------------|--------------------------|-------------------------------|---------------------------------|
| 1 to 100                 | \$5.00 per car per month | \$500                         | 10                              |
| 101 to 300               | \$4.50 per car per month | \$1,350                       | 30                              |
| 301 to 500               | \$4.05 per car per month | \$2,025                       | 50                              |
| 501 to 1000              | \$3.65 per car per month | \$3,650                       | 100                             |
| 1001 to 2000             | \$3.30 per car per month | \$6,600                       | 150                             |
| 2001 and up              | \$3.00 per car per month | TBD                           | TBD                             |

(9) If you sign a Priceless Brand Share Incentive Addendum, your Post Termination Business Continuance Buyout will be calculated by multiplying \$100 by the greater of: (a) the minimum number of Rental Vehicles described in Exhibit 1 of your Franchise Agreement; and (b) the most recent 12-month average of the actual number of Rental Vehicles in the Franchised Business.

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**Item 7**

**ESTIMATED INITIAL INVESTMENT  
YOUR ESTIMATED INITIAL INVESTMENT**

| <b>Type of Expenditure</b>  | <b>Low Amount</b> | <b>High Amount</b> | <b>Method of Payment</b> | <b>When Due</b>                             | <b>To Whom Payment is to be Made</b>                        |
|---|-------------------|--------------------|--------------------------|---|---|
| Initial franchise fee (1) (14)                                    | \$20,000          | \$100,000          | Cash                     | When Franchise Agreement Signed.            | NP Franchise Group  |
| Initial Reservations Deposit(2)                                   | \$2,500           | \$25,000           | Cash                     | When Reservation Services Enrollment Signed | NP Auto Group   |
| Real Estate (3)   | \$6,000           | \$24,000           | As Agreed                | As Agreed                                   | Suppliers   |
| Leasehold Improvements (4)  | \$2,000           | \$12,000           | As agreed                | As ordered                                  | Suppliers   |
| Equipment, Fixtures, Furniture and Signs (5)                      | \$2,000           | \$20,000           | As agreed                | As ordered                                  | Suppliers   |
| Rental vehicles; 20 vehicles is the minimum fleet requirement (6) | \$300,000         | \$800,000          | As agreed                | As ordered                                  | Auctions, Dealers, Wholesalers, Fleet Lessor, NP Auto Group |
| Training and Travel Expenses (7)                                  | \$1,000           | \$2,000            | Cash                     | As incurred                                 | Suppliers   |
| Computer Hardware (8)   | \$1,550           | \$14,130           | Cash                     | As incurred                                 | Suppliers   |
| Computer Software (9)   | \$375             | \$6,407            | Cash                     | When Franchise Agreement Signed             | NP Auto Group, Suppliers                                    |
| Additional Onsite Computer Software Training(10)                  | \$0               | \$3,500            | Cash                     | As incurred                                 | NP Franchise Group  |
| Opening Advertising, Deposits, and Miscellaneous Costs (11)       | \$2,500           | \$5,000            | As agreed                | As incurred                                 | Suppliers   |
| Vehicle Insurance (12)  | \$10,000          | \$20,000           | As agreed                | As ordered                                  | Broker  |
| Additional Funds - 3 months operating capital (13)                | \$15,000          | \$45,000           | As agreed                | As incurred                                 | Suppliers and Employees                                     |
| <b>TOTAL ESTIMATED INITIAL INVESTMENT (14)</b>                    | <b>\$362,925</b>  | <b>\$1,077,037</b> |                          |   |   |



## **Notes to Chart:**

\*The preceding table presents an estimate of the initial investment required to establish and operate a Franchised Business. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget, and that you investigate specific costs in your area.

(1) Your Initial Franchise Fee includes Initial Training. The Initial Franchise Fee, which varies depending upon the type of franchise that you select, is: \$20,000 for a Single Point Franchise; \$24,000 for a Six-Mile Primary Service Area; and \$27,500 to \$100,000 for an Airport Franchise (depending upon the airport's enplanement/deplanement and car rental revenue statistics). As of the date of this disclosure document, we offer the following incentive discounts off the standard Initial Franchise Fee to qualified franchisees: National Independent Auto Dealers Discount (\$1,000 discount) and Military Veteran Discount (\$2,000).

(2) You must establish a Deposit with us in connection with your participation in the Priceless Reservation System. The Deposit may be used to cover any past-due amounts owing to us. The Deposit will be: \$2,500 if the population in the 5-mile radius surrounding your location is 80,000 or fewer inhabitants; \$5,000 if the population in the 5-mile radius surrounding your location is over 80,000 inhabitants; and \$25,000 if you purchase an Airport Franchise (regardless of the population of the surrounding area).

(3) You may locate the Franchised Business in a free-standing location, a hotel facility, a garage facility, an existing vehicle sales or repair facility, or any other location conducive to a vehicle rental business, as long as the location meets any applicable zoning restrictions. You may lease or already own the premises. The rent or mortgage payments, if any, will vary depending on the size of your fleet, the type of site used for the Franchised Business and the availability of financing. If you lease your location, we estimate that monthly rent generally will range from \$2,000 to \$8,000 per month, including any deposits. The estimate is based on three months of rent payments.

(4) These costs are primarily affected by the type of location, and whether you are converting an existing vehicle rental business to a Franchised Business. In particular, the higher amounts apply to stand-alone sites or new businesses that do not already have furniture, fixtures and equipment, such as desks, chairs and rental counters that meet our standards. The lower range covers Franchised Businesses operated within another existing business, such as a new or used car dealership, auto repair shop or gas station.

(5) We provide an interior sign that is suitable for hanging behind or adjacent to the rental counter. We do not currently require illuminated outdoor signage but highly recommend it. Outdoor signage size requirements are determined following a site survey and vary from site to site, depending upon location, zoning requirements and other similar factors.

(6) The costs and the number of rental vehicles will vary significantly depending on the location of the Franchised Business, availability of vehicles, the cost of purchasing and reconditioning vehicles, and the availability of fleet financing. The estimate is based on the purchase of 20 vehicles and includes vehicle acquisition fees, auction fees, broker fees and

transportation fees. The low end of the estimate is based on a price of \$15,000 per vehicle, and the high end is based on a price of \$40,000 per vehicle. Your initial out-of-pocket costs may be lower if you choose to lease or finance the purchase of your initial fleet of rental vehicles. As described in Item 10, our affiliate, KFL, LLC, may lease vehicles to qualified Priceless franchisees.

(7) You and/or your general manager must attend the initial training program at our offices in Laurel, Maryland, or you may request that we send a trainer to your location. If you attend the training at our offices, you are responsible for your own travel and living expenses while training. If you choose to have us send a trainer to your location, you must pay the trainer’s airfare and per diem living expenses. The per diem living expenses are based on the federal government’s rate of compensation of its employees when traveling on government business. The rate will vary depending upon your location. See <http://www.gsa.gov/portal/content/104877> for current per diem rates for your location.

(8) To access ASAP, you will need the following computer hardware: a minimum of one computer, a current operating system, Android or iOS phone and tablet, a printer that is compatible with ASAP, and a chip and pin payment card reader from our approved supplier (total of \$1,550-\$3,950), along with high-speed Internet access. High-speed Internet access could cost in excess of \$60 per month. You also may wish to obtain the following hardware from your suppliers for each ASAP point-of-sale user: tablet and card reader counter mount (market price, currently approximately \$350-\$700 per reader). The low end of the estimate is based on the purchase and use of one computer with ASAP access, and the high end of the estimate is based on the purchase and use of 3 computers with ASAP access plus chip and pin payment card readers, tablets, and phones for simultaneous use of ASAP by 3 users.

(9) We do not charge a fee to setup the ASAP system, but you must pay a monthly ASAP license fee for access to and use of the software. The monthly ASAP license fees for three months, which as of the date of this disclosure document vary by the number of vehicles in your fleet as follows:

| <b>Vehicles in Fleet</b> | <b>Monthly Cost</b>      | <b>Max Monthly Amount</b> | <b>Max Authorized Users</b> |
|--------------------------|--------------------------|---------------------------|-----------------------------|
| 1 to 100                 | \$5.00 per car per month | \$500                     | 10                          |
| 101 to 300               | \$4.50 per car per month | \$1,350                   | 30                          |
| 301 to 500               | \$4.05 per car per month | \$2,025                   | 50                          |
| 501 to 1000              | \$3.65 per car per month | \$3,650                   | 100                         |
| 1001 to 2000             | \$3.30 per car per month | \$6,600                   | 150                         |
| 2001 and up              | \$3.00 per car per month | TBD                       | TBD                         |

The low end of the estimate is based on the monthly ASAP license fee for 25 vehicles for 3 months, and the high end is based on the monthly ASAP license fee for 301 vehicles for 3 months and for other services, such as phone-as-a-key applications, that you elect to purchase from third parties for use with ASAP.

(10) Initial phone training on ASAP is included in the Initial Operations Training Program that we provide. At your request, we will provide additional training either virtually or onsite at the Franchised Business (if circumstances permit). Additional virtual ASAP training is

provided at no additional cost, while additional onsite ASAP training will be provided for an additional fee of \$750 per day (for 1-2 days of training) plus travel and living expenses for the trainer (based on the same per diem rates described in Note 7 above). The additional training is not mandatory. The high end of the estimate is based on 2 days of onsite training at the Franchised Business plus travel and living expenses for one trainer.

(11) This item includes grand opening advertising and promotions, legal and accounting fees, one set of vehicle hand controls, security deposits, rental agreement forms, telephone installation, road service set-up costs, and credit card processing arrangements.

(12) Insurance costs will vary depending on the size and age of your fleet and the location of the Franchised Business. Insurance carriers may require you to pay a premium deposit in advance. The deposit usually varies from 2-12 months' premium. The estimated cost assumes that you will start with at least 20 vehicles. The low end of the estimated insurance cost assumes that you will start with at least 20 vehicles at a rate of \$100 per vehicle per month for the premium (or \$6,000 for 3 months) and a premium deposit of two months (\$4,000). The high end of the estimate assumes that the premium will be an average of \$200 per vehicle per month (or \$12,000 for 3 months) with a premium deposit of two months (\$8,000).

(13) Additional funds include salaries and benefits for employees (other than any draw or salary for the owner/manager), business insurance costs and miscellaneous ongoing expenses for the first 3 months of operation (other than the items identified separately in the table). However, this is only an estimate, and it is possible you will need additional funds during the first 3 months you operate your Franchised Business and for a longer time period after that. This range of expenses is our estimate based on our own experience in the vehicle rental business, the experience of our management team, the experience of our affiliates, and the anecdotal evidence given to us by our current franchisees.

(14) Unless otherwise noted above, payments that you make to us are not refundable. All payments to third parties are non-refundable unless you arrange otherwise with your suppliers. Except for the fleet leasing program described above and in Item 10, neither we nor any affiliate will finance any part of the franchisee's initial investment.

## **Item 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

#### **Purchases Based on Standards and Specifications**

To protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate the Franchised Business in strict conformance with our System standards, including the methods, standards, and specifications we prescribe from time to time in the Manual or otherwise in writing. The System standards may relate to any aspect of the appearance, function, cleanliness, and operation of the Franchised Business. We modify the Operating Manual from time to time through amendments, addenda, written directives, memoranda, materials, and other confidential communications. The Manual and all changes, modifications, additions, and amendments to the Manual may be transmitted to you digitally.

## **Suppliers**

We have the right to designate approved suppliers (which we refer to as “**Preferred Providers**”), including us or our affiliates, for goods or services that you purchase and use in establishing and operating your Franchised Business. We and our affiliates may earn a profit on products and services sold to you and other Priceless franchisees and may receive rebates or other consideration from unaffiliated suppliers with respect to their sales of products or services to you or other Priceless franchisees, whether or not the product or service is presently mentioned in this Item. Currently, there are no items for which we or any of our affiliates are the only Preferred Provider, except for the Reservation System and the ASAP computer system (both of which are described below). In addition, we are a Preferred Provider for printed materials, and our affiliates are Preferred Providers for insurance, optional insurance and counter products, vehicle acquisition services, and vehicle leases. We reserve the right to designate ourselves (or an affiliate) as a Preferred Provider, or as the only Preferred Provider, for other products and services in the future.

We may negotiate purchase arrangements with suppliers for your benefit, but you may purchase from any suppliers that meet our standards and have our advance approval. To obtain our approval for suppliers of goods and services (other than operating system software or vehicles) you must submit to our President the name, address, phone number and name of contact person of the supplier, along with a sample or description of the product or service you wish to purchase. We will have at least 45 days to test the product or service or make other inquiries about its efficacy. If you do not receive a response from us within 45 days from the date we receive the above information, you may assume that the product does not have our approval. However, you may send an additional request for approval to us via certified mail or overnight delivery (with tracking service), and we will respond with our approval or disapproval within 10 days from the date that we receive the second request.

We will provide written notice of any revocation of supplier approval. You may have access to written criteria, if any, that we develop for approving or disapproving products or suppliers. As of the date of this disclosure document, there is no fee payable in connection with our review of proposed suppliers.

Except as disclosed in this Item, neither NP Franchise Group nor our affiliates will derive revenue or other material consideration based on required purchases or leases made by franchisees. There are no Preferred Providers in which any of our officers owns an interest. No purchasing or distribution cooperatives currently exist for our franchise system. NP Franchise Group does not provide material benefits to you based on your use of designated or approved sources or purchases of approved or designated products or services.

## **ASAP Computer System (“ASAP”).**

You must use ASAP, a proprietary software program and operating system developed by us and our affiliates (and through a third-party supplier). ASAP will enable you to process credit card transactions, print vehicle rental agreements, allow the renting public to contact you over the Internet, disclose information about your fleet availability and rental rates to the public, accept

reservations for rental vehicles, set your rates, and prepare internal reports. It will also enable NP Franchise Group to access the rental records of the Franchised Business. We reserve the right to subcontract ASAP development and maintenance to a third party provider. A sample of the ASAP Rental Management System Order Form and Software as a Service Terms and Conditions that you will sign to access ASAP is attached as Exhibit K to this disclosure document.

You also must purchase the computer hardware that we specify that is capable of running ASAP. In addition, we require that you purchase other equipment and systems that you use in the operation of the Franchised Business, such as chip and pin readers and phone-as-a-key services, from Preferred Providers to ensure compatibility with ASAP and the integrity of the system. As of the date of this disclosure document, you must purchase the chip and pin reader from a sole Preferred Provider.

### **Reservations.**

The Priceless Reservation System is administered by NP Auto Group and includes reservations delivered through the Priceless.com website and call center, reservations delivered through ASAP and third-party providers, and other methods of securing pre-reserved business for our franchisees. As of the date of this disclosure document, you must use the full Priceless Reservation System (including reservations delivered through third-party providers). You must pay us or NP Auto Group a reservation charge or other fee for each reservation generated through our website and third-party providers (if applicable), as well as a reconnection fee if we are required to reestablish your reservations service following a suspension due to your failure to pay or other default. In addition, you may be required to pay fees and commissions to third-party providers.

### **Signs, Printed Materials and Rental Agreement Forms.**

We will provide an interior sign suitable for hanging behind or adjacent to the rental desk. We will provide designs for outdoor signs, administrative and promotional materials, record and bookkeeping systems, as well as for advertising and sales materials. All signs and printed materials that you use in your Priceless Business must bear the Priceless Trademarks. You can purchase signs and printed materials from any supplier as long as the materials meet our specifications. If you wish to use a different type or brand of sign or printed materials, or use a new source for these items, you must notify us and submit photographs, specifications, samples and any other requested information. We will notify you in writing within a reasonable time (usually 30 days) if the proposed sign or printed material, or the proposed source meets our requirements for quality, cost, availability, design, appearance and other standards. As of the date of this disclosure document, there is no fee payable in connection with our review of alternative signs or printed materials.

### **E-mail.**

You must use Priceless e-mail addresses that we will assign to you in connection with the Franchised Business. You must use only the Priceless email address (that is, one that will contain a Top Level Domain Name that we designate) in the operation of your Franchised Business, including in your communications with customers and vendors.

## **Payment Cards.**

We require that you use ASAP to accept a wide range of customer credit cards. You must honor all credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, “**Payment Card Vendors**”) that we may periodically designate as mandatory. The term “Payment Card Vendors” includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, “Apple Pay” and “Google Wallet”). You also must pay applicable charges imposed by the Payment Card Vendors.

## **Insurance**

You must comply with the insurance requirements set forth in the Operating Manual, as it may be amended. As of the date of this disclosure document, those requirements include:

**Vehicle Liability Insurance.** You must maintain liability insurance coverage for your rental vehicles. The insurance must provide coverage for renters against claims or losses involving injuries or death to third persons and their property arising from the use of rental vehicles. Liability insurance must be written on an occurrence form, and not a claims-made policy form. Currently, your minimum vehicle liability insurance requirements are: (a) covering the renter, at least the minimum limits stated in the financial responsibility laws of any State whose laws apply to the loss; and (b) for you and the titled owner of the vehicles, \$1,000,000 combined single limit per occurrence.

An affiliate of ours may offer vehicle liability insurance, and we may require that you purchase this coverage from us. As of the date of this disclosure document, you may (but are not required to) purchase the required auto liability insurance through our parent, NP Auto Group. NP Auto Group administers an insurance program (“**Insurance Program**”) with group underwriting for Priceless and affiliated vehicle rental businesses. If you participate in the Insurance Program, you will pay a monthly fee, a portion of which will be deposited into a permanent reserve account (“**Reserve**”) to cover deductibles for auto liability claims of participating franchisees.

**General Liability Insurance.** You must obtain general liability insurance coverage of at least \$500,000 per occurrence against claims or losses unrelated to vehicle injuries arising from the operation of the Franchised Business.

**Workers Compensation.** In addition to general liability and vehicle liability insurance, you must carry Workers’ Compensation Insurance. The Workers Compensation Insurance should provide for the statutory coverage with Employer’s Liability Insurance. You must also agree to waive any rights that you may have to subrogate against us under your workers compensation policy.

**Other Insurance.** We may modify the insurance requirements from time to time as we deem appropriate in our reasonable discretion to require you to obtain different or additional insurance policies, coverages, or endorsements or higher coverage limits.

Insurance Certificates. NP Franchise Group and NP Auto Group (and any other persons or entities that we designate) must be named as additional insureds on all vehicle and general liability insurance policies. You or your insurer must notify NP Franchise Group and NP Auto Group of any policy change or cancellation. All liability policies must permit NP Franchise Group and NP Auto Group to retain outside counsel of their choosing, at your expense, to defend NP Franchise Group and NP Auto Group from any claim arising directly or indirectly out of the operation of the Franchised Business, including any claim that NP Franchise Group or NP Auto Group is vicariously liable for the actions or omissions of you, your employees, your customers or the Franchised Business.

### **Optional Products and Services.**

Where permitted by law, you may choose to sell optional counter products, such as damage waivers (“**Damage Waiver**”), supplemental liability insurance, and other similar products, to your customers. We or our affiliates may be a Preferred Provider of those products and services. As of the date of this disclosure document, NP Auto Group is a Preferred Provider of Damage Waiver products (but not the only supplier). If you participate in the Damage Waiver program offered by NP Auto Group, you will pay up to \$20 for each damage waiver sold to customers and sign a “Collision Damage Waiver and Indemnification Agreement” in substantially the same form as Exhibit E to this disclosure document.

### **Rental Vehicles.**

Your fleet may consist of new or used vehicles and must meet the standards that we specify in the Operating Manual. As of the date of this disclosure document: (1) your fleet may include all types of motorized or self-propelled vehicles, including cars, trucks, SUVs and passenger vans; (2) fleet vehicles must be no older than 6 model years, as defined by subtracting 6 from the current calendar year, and they may not have traveled more than 78,000 miles; (3) you may not use vehicles with “salvage” titles in your fleet; (4) all your rental vehicles must be clean, safe to operate, mechanically sound, and in good running condition; and (5) you must comply with all applicable federal and state safety recall laws.

As of the date of this disclosure document, there are no approved or designated suppliers of vehicles used in the Franchised Business; however, our affiliate, KFL Leasing, may lease vehicles to qualified Priceless franchisees. In addition, NP Auto Group or All Car Leasing may assist you in the purchase of vehicles by arranging the purchase of new or used vehicles through its fleet management service. If you request vehicle acquisition assistance from NP Auto Group or All Car Leasing, you will pay a \$250 vehicle acquisition fee, and you will be responsible for the purchase price of the vehicle and any auction and transportation fees.

\* \* \* \* \*

Our parent and affiliates derived the following revenues from sales of goods and services to Priceless franchisees during the fiscal year ended July 31, 2022 and between August 1, 2022 and January 31, 2023. (Since we recently changed our fiscal year end from July 31<sup>st</sup> of each year to

January 31<sup>st</sup> of each year, we are providing information for both the 2022 fiscal year and the six-month period ended January 31, 2023.)

- Damage Waiver Product Sales. NP Auto Group received \$33,900 in revenues from Priceless franchisees from sales of the optional Damage Waiver product during the fiscal year ended July 31, 2022, which represented less than one percent of NP Auto Group's total revenue of \$10,972,984 for that year. From August 1, 2022 through January 31, 2023, NP Auto Group received \$14,536 in revenues from Priceless franchisees from sales of the optional Damage Waiver product during the six months ended January 31, 2023, which represented approximately 0.25 percent of NPAG total revenue of \$5,640,006 during that six-month period.
- Vehicle Leases. Our affiliate, KFL, received \$36,723 in revenue from Priceless franchisees for fleet leasing during the fiscal year ended July 31, 2022, which represented approximately 24 percent of KFL's total revenue of \$152,673 for that year. Our affiliate, KFL, received \$26,945 in revenue from Priceless franchisees for fleet leasing between August 1, 2022 and January 31, 2023, which represented approximately 20 percent of KFL's total revenue of \$134,459 for that six-month period.
- Vehicle Acquisition Services. All Car Leasing received \$2,400 from Priceless franchisees in the fiscal year ended July 31, 2022 for vehicle acquisition services, which represented less than one percent of All Car Leasing's total revenue of \$33,313,705 during that year.

The source of information for NP Auto Group, KFL, and All Car Leasing is their respective financial records. We estimate that required purchases (excluding vehicles) for the Franchised Business will equal approximately 5% to 30% of your costs in establishing the Franchised Business and 12% to 20% of your ongoing costs.

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## Item 9

### FRANCHISEE'S OBLIGATIONS

**This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.**

| Obligation  | Section in agreement   | Disclosure Document Item |
|---|--|--------------------------|
| (a) Site selection and acquisition/lease                    | FA: Sections 1.B and 2.A<br>Master Lease: Not applicable         | Items 7 and 11           |
| (b) Pre-opening purchases/leases                            | FA: Sections 2.A, 2.C, 3.B & 6.E<br>Master Lease: Not applicable | Items 7 and 8            |
| (c) Site development and other pre-opening requirements     | FA: Sections 2 and 3<br>Master Lease: Not applicable             | Items 7, 8 and 11        |
| (d) Initial and ongoing training                            | FA: Section 5<br>Master Lease: Not applicable                    | Item 11                  |
| (e) Opening   | FA: Section 2.B<br>Master Lease: Not applicable                  | Item 11                  |
| (f) Fees  | FA: Section 4<br>Master Lease: Section 2                         | Items 5, 6, 7 and 10     |
| (g) Compliance with standards and policies/operating manual | FA: Sections 6<br>Master Lease: Sections 3 & 4                   | Items 8, 11 and 16       |
| (h) Trademarks and proprietary information                  | FA: Sections 8 and 9<br>Master Lease: Not applicable             | Items 13 and 14          |
| (i) Restrictions on products/services offered               | FA: Section 6.B<br>Master Lease: Section 4                       | Items 8, 11 and 16       |
| (j) Warranty and customer service requirements              | FA: Section 6.G<br>Master Lease: Section 3                       | Not Applicable           |
| (k) Territorial development and sales quotas                | FA: Section 1.B<br>Master Lease: Not applicable                  | Item 12                  |
| (l) On-going product/service purchases                      | FA: Sections 2.C, 3 and 6<br>Master Lease: Not applicable        | Item 8                   |
| (m) Maintenance, appearance and remodeling requirements     | FA: Section 6.A.<br>Master Lease: Section 3                      | Item 8                   |

| <b>Obligation</b>                                 | <b>Section in agreement</b>                           | <b>Disclosure Document Item</b> |
|---|---|---------------------------------|
| (n) Insurance                                     | FA: Section 6.E<br>Master Lease: Section 5            | Items 7, 8 and 15               |
| (o) Advertising                                   | FA: Section 7<br>Master Lease: Section 4(e)           | Items 6 and 11                  |
| (p) Indemnification                               | FA: Section 10<br>Master Lease: Section 5             | Item 6                          |
| (q) Owner's participation/<br>management/staffing | FA: Section 6.D<br>Master Lease: Not applicable       | Item 15                         |
| (r) Records and reports                           | FA: Section 11<br>Master Lease: Section 2             | Items 8 and 15                  |
| (s) Inspections and audits                        | FA: Section 12<br>Master Lease: Not applicable        | Item 6                          |
| (t) Transfer                                      | FA: Section 13<br>Master Lease: Section 12(e)         | Item 17                         |
| (u) Renewal                                       | FA: Not applicable<br>Master Lease: Section 12(e)     | Item 17                         |
| (v) Post-termination obligations                  | FA: Section 15<br>Master Lease: Section 8             | Item 17                         |
| (w) Non-competition covenants                     | FA: Section 9<br>Master Lease: Not applicable         | Item 17                         |
| (x) Dispute resolution                            | FA: Section 16<br>Master Lease: Section 11            | Item 17                         |
| (y) Operating System Software                     | FA: Sections 9 and 12<br>Master Lease: not applicable | Items 6, 7, 8 and 11            |
| (z) Personal Guaranty                             | FA: Signature page<br>Master Lease: Signature page    | Item 15                         |

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## Item 10

### FINANCING

#### Fleet Leasing Program

Our affiliate, KFL, LLC, may lease vehicles to Priceless franchisees who meet our minimum credit, geographic, and business management qualifications. If KFL agrees to lease vehicles to you, you and KFL will sign a Master Lease Agreement and a Vehicle Lease Order and Vehicle Delivery Receipt for the leased vehicles. A sample of the Master Lease Agreement, the Vehicle Lease Order, the Vehicle Delivery Receipt, and the monthly statement are attached as Exhibit G. All vehicles subject to the fleet leasing program will be titled and registered in the name of KFL, and you will be responsible for inspections, maintenance, license, registration and title fees, parking and traffic citations, and insurance costs. Leased vehicles may be used only in the day-to-day operation of your Priceless Business within the United States or Canada. KFL does not have an obligation to continue leasing vehicles to you after the vehicles identified in the first Vehicle Lease Order that you submit have been delivered to you.

The following table summarizes the fleet leasing program:

|                                |   |
|--------------------------------|---|
| Source of Financing            | KFL, LLC (our affiliate)  |
| Amount Financed                | Varies depending upon number of vehicles financed. Total amount financed per vehicle includes the costs of the vehicle block price plus auction fees plus \$200 acquisition fee<br><b>(Note 1)</b>  |
| Down Payment                   | None  |
| Term (number of months)        | 1 month – 30 months (initial maximum term of 12 months with up to three 6-month extensions, subject to our approval)  |
| Monthly Depreciation Payment   | 2.25% of original amount financed <b>(Note 2)</b>   |
| Rate of Interest               | Varies – Prime +4% (calculated monthly) <b>(Note 3)</b>   |
| Monthly Administrative Payment | \$18 per vehicle leased   |
| Monthly Payment                | Varies depending upon original amount financed and monthly interest rate  |
| Prepayment Penalty             | None  |
| Purchase Requirement           | At any time, you have an option to purchase each vehicle in an “as is” condition for a price equal to the Book Value for the month of settlement of the purchase. You must purchase each leased vehicle on or before the end of the lease term. |
| Security Required              | KFL retains title to all leased vehicles; \$750 security deposit per leased vehicle (\$375 due with application and \$375 due upon delivery) <b>(Note 4)</b>  |
| Guarantee                      | Personal guarantees from individual franchise owners  |

|                                   |   |
|-----------------------------------|---|
| Liability Upon Default            | Termination of agreement; payment of the difference between the book value of all vehicles subject to the Master Lease Agreement and the net liquidation value of those vehicles. The net liquidation value is equal to the actual sales price received for those vehicles less: (a) all amounts due under the Master Lease Agreement as of the termination date; (b) excess mileage fees; (c) all costs that we incur in repossession and disposal of the vehicles, such as investigation, towing, auction fees, transportation costs, management, management travel and per diem court costs and attorneys' fees; (d) all costs incurred as a result of your failure to comply with the Vehicle Return Condition Standards; and (e) an administrative fee of \$100 per vehicle. If the net liquidation value for the leased vehicles exceeds the total book values for those vehicles, we will pay the surplus amount to you. |
| Loss of Legal Rights Upon Default | We may terminate the Master Lease Agreement and repossess and dispose of all leased vehicles without notice to you. You waive any further interest in the vehicles and any right of action arising out of our entry and repossession of the vehicles.   |
| Insurance                         | You must maintain required insurance and name KFL and any other party required by KFL as an additional insured  |

Note 1: In addition to the amount financed, you will be responsible for shipping and transportation costs; vehicle safety, inspection and other get-ready costs; and title, license plate, and taxes. Some of these costs may be payable to third parties.

Note 2: The book value of each vehicle will be reduced monthly by an amount equal to the monthly depreciation payment.

Note 3: The interest rate is calculated each month based on the then-current prime rate of interest as published by the *Wall Street Journal*. As of July 7, 2023, the *WSJ* prime rate was 8.25 percent, and the interest rate for the Master Lease Agreement was 12.25 percent.

Note 4: The amount of the security deposit will be deducted from the book value of each vehicle at the time you purchase the car.

Except as described above, neither we nor any of our affiliates offer direct or indirect financing. We do not guarantee your note, lease or obligation. We and our affiliates have no past practice or future intent of selling, assigning or discounting franchisees' financing arrangements to a third party. We and our affiliates do not receive any direct or indirect payments or other consideration from any person for the placement of financing with the lender.

## Item 11

### **FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

**Except as disclosed below, we are not required to provide you with any assistance.**

**PRE-OPENING OBLIGATIONS.** Before you open the Franchised Business, we will provide certain assistance, including:

(1) Provide an Initial Operations Training program that you must schedule and attend. (Franchise Agreement - Section 5.A.)

(2) Provide online access to the Operating Manual that you will use throughout the Initial Operations Training program. If you fail to attend Initial Operations Training, you must request a user name and password for access to the Operating Manual from us. (Franchise Agreement - Section 6.B.) Specifications, standards and operating procedures are contained in the Operating Manual and are incorporated by reference into the Franchise Agreement. The Table of Contents to the Operating Manual is Exhibit F to this Disclosure Document. As of the date of this disclosure document, the total number of pages of the Operating Manual is 265.

(3) Provide you with guidance for start-up operations. This may take the form of consulting regarding site selection, fleet planning and other matters related to the Franchised Business and Priceless standards. A member of our operations staff (led by the Director of Operations) will be available to you by phone or e-mail and, as necessary, by in-person consultations at the Franchised Business to assist you during the start-up phase. (Franchise Agreement -Section 5.C.)

(4) Negotiate purchase arrangements with and designate Preferred Providers (Franchise Agreement – Section 6.H.)

(5) Provide access to, at your expense, the ASAP Computer System operating system. (Franchise Agreement – Section 11)

(6) Approve Your Site. (Franchise Agreement – Section 2.A.). We do not assist you with conforming the premises to local ordinances and building codes or obtaining any required permits. We do not typically own and lease the premises to you, and you will purchase or lease the premises from third parties.

**POST-OPENING OBLIGATIONS.** While not obligated to do so, during your operation of the Franchised Business, NP Franchise Group has the right to and may:

(1) Add to or modify the Operating Manual. (Franchise Agreement - Section 6.B.)

(2) Provide you with guidance for operating the Priceless Business. This guidance may include, at your reasonable request, assistance with establishing and using administrative,

bookkeeping, accounting and inventory control processes. We also may provide assistance with pricing models upon your reasonable request. (Franchise Agreement -Section 5.C.)

(3) Establish programs, promotions, campaigns or activities for the benefit of its franchisees (such as credit card programs, reservation service programs, special offers, loyalty programs, or marketing and advertising programs). (Franchise Agreement - Section 6.F.)

(4) Establish customer satisfaction and quality assurance programs (Franchise Agreement – Section 6.G.)

(5) Administer the Marketing and Advertising Fund. (Franchise Agreement - Section 7.A.).

## **Marketing Program**

### **Marketing and Advertising Fund**

We have the right to maintain, collect fees for, and administer a Marketing and Advertising Fund (the “**Marketing and Advertising Fund**”) for marketing, advertising and promoting the Priceless Vehicle Rental Business and Trademarks on an international basis. You will pay us a monthly Marketing and Advertising Fee of one percent of Gross Revenues or \$500 (whichever is greater). As of the date of this disclosure document, there are no franchisor or affiliate-owned Priceless Vehicle Rental Businesses; if we or our affiliates establish a Priceless Vehicle Rental Business in the future, they will not be required to contribute to the Marketing and Advertising Fund on the same basis as our franchisees.

Franchisee contributions to the Marketing and Advertising Fund may be used by us to meet any and all costs of maintaining, administering, directing and preparing international, national, regional or local marketing, advertising, promotional and public relations activities and any other activities that we believe will enhance the image of the Priceless system. These activities may include: the costs of preparing and conducting television, radio, magazine, billboard, newspaper, online, and other media advertising and activities; marketing surveys and other public relations activities; employing in-house advertising and public relations personnel; retaining in-house and outside advertising agencies; developing and maintaining the Priceless Reservation System; social networking/media, search optimization, and other digital marketing strategies; conducting sponsorships, sweepstakes, and competitions; establishing and maintaining a website using the Priceless Trademarks; and similar activities at our sole discretion. We also may use Marketing and Advertising Fees in joint marketing efforts for the “NextCar” brand if we determine that doing so would be appropriate and would benefit the Priceless system.

The Marketing and Advertising Fund is our sole property. The Fund will be part of the general funds of NP Franchise Group, but will be accounted for separately from other assets and funds of NP Franchise Group. The Fund will not be independently audited. However, we will prepare an annual report of the operations of the Funds, which will be available to you upon request. We have the sole right to determine how we spend these funds. We have no obligation to make expenditures for you that are proportional to your payments, or to ensure that your Franchised Business benefits directly or proportionately from such programs. The aggregate of

Marketing and Advertising Fees paid to us by franchisees does not constitute a trust, and we are not a fiduciary with respect to Marketing and Advertising Fees paid to us by you and other franchisees. We are not required to spend all fees received in the year in which they accrue. If not all Marketing and Advertising Fees are spent in the fiscal year in which they accrue, the remaining amount will be carried forward to the following year.

In the fiscal year ended July 31, 2022, we allocated Marketing and Advertising Fund expenditures as follows: 28% for production costs, 36% for media placement, 23% for administration, and 13% for other costs, including SMS/email messaging platforms and listing management. During the six months ended January 31, 2023, we allocated Marketing and Advertising Fund expenditures as follows: 29% for production costs, 35% for media placement, 23% for administration, and 13% for other costs, including SMS/email messaging platforms and listing management. In the fiscal year ended July 31, 2022 and the six-month period ended January 31, 2023, we did not use any Marketing and Advertising Fund monies for advertising principally directed to the solicitation of franchise sales, but we reserve the right to do so in the future.

Regional Advertising Cooperatives. We do not have any regional advertising cooperatives at this time. We have administered regional advertising cooperatives in the past and have the right to form, change, dissolve or merge regional advertising cooperatives in the future. If we organize a cooperative in your region, your participation will be optional. The cooperatives will be governed by its members, which may include us. We may have a controlling interest in a cooperative. The cooperatives will be governed by written documents, which will be prepared when the cooperative is formed.

Local Marketing. You may use your own advertising material if it complies with marketing and advertising standards described in the Operating Manual and we give you our prior written approval to do so.

Use of Electronic Media and the Internet. You may not establish a website, landing page or other presence on the Internet relating to the Franchised Business or referring to the Priceless Trademarks. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce, applications for mobile devices (such as iOS and Android apps), and co-branding arrangements. We will monitor all social media channels and review sites, including Facebook, Twitter, LinkedIn, You Tube, Google Plus, Pinterest, Instagram, SnapChat, etc., and you may be required to delete content that does not comply with System standards.

## Computer System

You must obtain and use the brands, types, makes, and/or models of communications, computer systems, and hardware that we designate from time to time, including the required hardware, credit card transactions and merchant services, back-office and point-of-sale systems, printers and other peripheral devices, front-of-the-house Wi-Fi and other Internet service for customers, and other electronic information systems and all equipment components and software necessary for use in the operation of the Franchised Business (“**Computer Systems**”). As of the date of this disclosure document, you are required to participate in the ASAP Computer System. ASAP is a Windows-based system that will enable you to process credit card transactions, print vehicle rental agreements, allow the renting public to contact you over the Internet, disclose information about your fleet availability and rental rates to the public, accept reservations for rental vehicles, and prepare internal reports. ASAP will also enable us to access the rental records of the Franchised Business. We will have access to data that is electronically collected by you through ASAP and other components of the Computer System, including smartphone and other apps that we may develop in the future. There are no contractual limitations on our right to access information from ASAP or other components of the Computer System.

Almost any PC-type computer running a current operating system and at least 4GB RAM with a high-speed internet connection will allow you to participate in ASAP. Additionally, ASAP utilizes apps developed for Android and iOS devices. The costs and fees for participating in ASAP include:

- Computer equipment (PC-type computer, Android, or iOS phones and tablets, current operating system, chip and pin reader, and printer) -- \$1,550 - \$3,950 (payable to your suppliers)
- Fees for Optional Hardware (one-time fee payable to your supplier) -- tablet and card reader counter mount (\$350-\$700).
- High-speed Internet access connection cost -- approximately \$60 per month or more (payable to your supplier)
- ASAP License Fee (includes maintenance, software updating, upgrades and support) – varies by number of vehicle in your fleet as follows:

| <u>Vehicles in Fleet</u> | <u>Monthly Cost</u>      | <u>Maximum Monthly Amount</u> | <u>Maximum Authorized Users</u> |
|--------------------------|--------------------------|-------------------------------|---------------------------------|
| 1 to 100                 | \$5.00 per car per month | \$500                         | 10                              |
| 101 to 300               | \$4.50 per car per month | \$1,350                       | 30                              |
| 301 to 500               | \$4.05 per car per month | \$2,025                       | 50                              |
| 501 to 1000              | \$3.65 per car per month | \$3,650                       | 100                             |
| 1001 to 2000             | \$3.30 per car per month | \$6,600                       | 150                             |
| 2001 and up              | \$3.00 per car per month | TBD                           | TBD                             |

- Optional onsite initial training -- \$750 per day plus expenses (payable to us)



Ongoing Maintenance, Repairs, Updates to ASAP. Your monthly ASAP License Fee includes hot-line support and software updates. At your option, you can purchase ongoing maintenance and upgrading contracts for your computer hardware from your suppliers (generally at a cost of \$100 to \$300 per computer). We, in our discretion, may, but are not obligated to, replace, modify and upgrade ASAP from time to time and in consultation with third parties. Also, we may increase, via amendment to the Manual, the ASAP license fee that you must pay. We may require you to upgrade or update ASAP, and there are no contractual limitations on the frequency or cost of that obligation.

Although you agree to buy, license, use, and maintain ASAP and any other required Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of ASAP and any other Computer System; (2) the manner in which ASAP or any other required Computer System interfaces with our and any third party's computer system; (3) backing up all necessary data; (4) maintaining and updating an anti-virus software program; (5) complying with data security laws and standards, including the Payment Card Industry Data Security Standards ("PCI-DSS") and (6) any and all consequences if ASAP (or another required Computer System) is not properly operated, maintained, backed up, and upgraded. We make no warranties, express or implied, concerning the information transmitted through ASAP or any other Computer System, cannot guarantee that you will have uninterrupted 24/7 service, and we will bear no liability or responsibility for: (i) errors or omissions of information contained in the computer system; or (ii) computer hardware, software, or system failures in connection with the computer system.

## **Site Selection**

The Franchise Agreement requires us to take the actions necessary to approve or disapprove a site for the location of the Franchised Business. You may use a site for the Franchised Business only if we consent to it in advance. We will provide written approval or disapproval within 15 days after receiving your complete written site request. In making our decision, we will consider factors such as demographics, traffic count, visibility, parking availability, general image of the surrounding area, and suitability for use as a rental facility, including access to maintenance and wash bays. If you fail to open the Franchised Business within 180 days after signing the Franchise Agreement, we have the right to terminate the Franchise Agreement. The typical length of time from signing the Franchise Agreement to opening the Franchised Business ranges from 30 to 90 days, depending on factors such as site selection, attendance at the training program, acquisition of vehicles, and zoning and licensing requirements. If NP Franchise Group and you cannot agree on a site, we have the right to terminate the franchise.

## **Training**

We conduct our Initial Operations Training program over a 4- or 5-day period, usually at our Franchisee Service Center in Laurel Maryland, or at your option at a regional site. Initial Operations Training is included with the Initial Franchise Fee. The instructional materials include our Operating Manual; sample retail rental agreements; reports relating to rental operations, such as daily business reports; and other forms used in the operation of a Priceless Business. The

training program is designed for persons new to the vehicle rental business and for owners of independent rental businesses who are converting to our franchise system.

The Initial Operations Training program at our Franchisee Service Center in Laurel, Maryland is typically offered once every eight weeks. If a regional site is selected, training will be conducted in an office or hotel meeting room of your choice and expense.

### Training Program

| Subject  | Hours of Classroom Training | Hours of On-The-Job Training | Location (1)                |
|--|-----------------------------|------------------------------|-----------------------------|
| Introduction and Background  | 0.5                         | 0                            | Laurel, MD or regional site |
| Logo Specifications, Signs and Brand Uniformity  | 0.5                         | 0                            | Laurel, MD or regional site |
| Advertising and Public Relations   | 1.0                         | 0                            | Laurel, MD or regional site |
| Reservation System   | 1.0                         | 0                            | Laurel, MD or regional site |
| Website Set Up and Management  | 2.0                         | 1.0                          | Laurel, MD or regional site |
| Local Marketing and Outside Sales  | 1.0                         | 0                            | Laurel, MD or regional site |
| Rate Shop Your Competition   | 1.0                         | 0                            | Laurel, MD or regional site |
| ASAP Source of Business Tracking   | 1.0                         | 0                            | Laurel, MD or regional site |
| Vendor Review  | 0.5                         | 0                            | Laurel, MD or regional site |
| Planning and Purchasing your Fleet<br>Understanding Fleet Depreciation   | 3.0                         | 1.0                          | Laurel, MD or regional site |
| Pricing for Profit – Planning to achieve your profit objectives.   | 3.0                         | 0                            | Laurel, MD or regional site |
| Planning to sell some of your fleet each year.   | 2.0                         | 0                            | Laurel, MD or regional site |
| ASAP Computer System Training<br>Create Reservations Open, Modify and Close Rental Agreements, Using Reports, Selling to the Customers’ needs. | 7.5                         | 2.5                          | Laurel, MD or regional site |
| Telephone Sales Basic Training   | 3.0                         | 1.5                          | Laurel, MD or regional site |
| Understanding Auto Insurance   | 1.0                         | 0                            | Laurel, MD or regional site |
| Selling Optional Products to Customers   | 0.75                        | 0.75                         | Laurel, MD or regional site |
| Customer Qualifications and Essentials   | 1.0                         | 1.0                          | Laurel, MD or regional site |
| Customer Service Standards   | 3.5                         | 1.0                          | Laurel, MD or regional site |
| Wrap-up Discussion   | 0.5                         | 0                            | Laurel, MD or regional site |
| Closing Remarks  | 0.5                         | 0                            | Laurel, MD or regional site |
| <b>TOTALS</b>  | <b>37</b>                   | <b>8.75</b>                  |                             |

(1) All training is conducted in both classroom setting and at rental operations centers.

You and/or your general manager must schedule, attend, and complete Initial Operations Training to our satisfaction at any time before the opening of the Franchised Business. You may invite other employees of the Franchised Business to attend Initial Operations Training. Although the Initial Operations Training is included in your Initial Franchise Fee (and there is no additional initial training fee payable to us), you must pay all travel and living expenses and any salary or

benefits for your trainees. If you choose regional training, you also will pay for the airfare and per diem expenses of the trainer. Per diem expenses are calculated at the then current federal government rate of compensation of its employees when traveling on government business.

After successfully completing the Initial Operations Training, you and/or your General Manager may receive additional on-the-job training by working in a company store for a period of time to be determined by you and us. If you choose to participate in this additional training, the topics covered will vary based on the issues that arise in the day-to-day operations of the store. You are not required to participate in this additional training opportunity, but we encourage you to do so. There is no training fee for this additional on-the-job training, nor will you be paid by us or otherwise considered to be our employee during the training period. However, you must pay all travel and living expenses for you and/or your General Manager.

Additional training or refresher courses are held at our offices and at regional and national meetings of existing franchisees and through online training classes, webinars, and live training classes. This training is not mandatory, but we strongly urge every franchisee to attend the regional and national meetings. It is your responsibility to pay for transportation, hotel and meals.

We also offer the Rental Car Online University (“**RCOLU**”) training program. RCOLU provides 100 to 300 online, live training, and combination courses on a wide range of topics affecting the Franchised Business, such as Rental Counter Practices, Business Management, Communications, Computer and Technical Skills, and general Employment Practices. You have sole discretion for determining whether and when to enroll in the RCOLU, as well as whether to offer an RCOLU course to your employees in connection with the training that you provide to your staff. There are no additional fees associated with enrollment in RCOLU or individual courses; however, you must have the current version of ASAP to participate in RCOLU. For live training courses, you are responsible for your own travel and living expenses.

The training program is conducted under the supervision of Genevieve (Pat) Bowie (“**Pat the Trainer**”), our Director of Training and Development. Pat the Trainer has over 25 years’ experience in the subject matter taught and over 15 years’ experience with our operations. Previously, Pat the Trainer was a Training Manager for Budget Rent-A-Car Corporation for approximately 15 years.

**Franchise Advisory Council** – The Priceless System Franchise Advisory Council advises us on advertising, marketing and operating policies and procedures. The Members of the Council will be elected by the franchise owners. The Council has advisory powers only. We have the right to change or dissolve the Council.

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## Item 12 TERRITORY

As described in Item 1, we grant franchises for Six-Mile Primary Service Area Franchises, Airport Franchises, and non-exclusive franchises at single sites (“**Single Point Franchises**”). 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.

**Airport Franchise and Six-Mile Primary Service Area**. If you purchase an Airport Franchise or a Six-Mile Primary Service Area franchise, you will have the right to establish a vehicle rental store or office using the Priceless Trademarks within a territory that we call a Primary Service Area. As long as you operate the Franchised Business in compliance with the Franchise Agreement, we will not establish or franchise others to establish a store or office using the Priceless Trademarks within your Primary Service Area. During the term of the Franchise Agreement, NP Franchise Group and our affiliates reserve the following rights: (a) the right to establish and operate or franchise others to establish and operate Vehicle Rental Businesses or other businesses using the Priceless Trademarks or other service marks or trade names outside your Primary Service Area, regardless of the proximity to your Primary Service Area; and (b) the right to own, establish, operate and franchise others to establish and operate Vehicle Rental Businesses or any other business under trade names, trademarks or service marks, other than the Priceless Trademarks, within the Primary Service Area and regardless of their proximity to the Franchised Business.

The size and location of your Primary Service Area will be defined in Exhibit 1 of your Franchise Agreement as follows:

- **Six-Mile Primary Service Area** – a circular area with a 6 mile diameter (3 mile radius) using an agreed-upon location as the center of that circle. By the third anniversary of the Franchise Agreement, our guidelines generally require that you have a minimum fleet of 1 car per every 1500 inhabitants (as calculated by the U.S. Census Bureau) within your Six-Mile Primary Service Area. For example a Primary Service Area with a population of 80,000 would require an average minimum fleet of 53 cars (80,000/1500) for the 12-month period. In certain high density population areas (density greater than 4000 inhabitants per square mile) we may mutually agree on a reasonable minimum fleet requirement that differ from the general guidelines by taking into consideration population, density, tourism figures, number of businesses, employee or passenger counts and/or other similar criteria.
- **Airport Primary Service Area** – The Airport Primary Service Area generally is not geographic, but rather a protected right to serve deplaning passengers. Your minimum fleet will be mutually agreed to by you and NP Franchise Group.

If you are not able to achieve the minimum fleet requirement described in Exhibit 1 of your Franchise Agreement within 36 months, we at our election, may: (a) agree to a lower minimum fleet requirement; (b) reduce the size of your Primary Service Area by 50%; (c) reduce your

Primary Service Area to a Single-Point Franchise; or (d) terminate your franchise. Except as described above, there are no circumstances that will permit us to impose a modification of a Primary Service Area.

**Single Point Franchise** – If you purchase a Single-Point Franchise, you must have a minimum fleet of 20 cars within one year of opening your Single Point Franchise. If you purchase a Single-Point franchise, we and our affiliates have the right to establish, own, operate, and franchise others to establish and operate Vehicle Rental Businesses using the Priceless Trademarks anywhere, regardless of proximity to the Franchised Business. In addition, we and our affiliates also have the right to own, establish, operate, and franchise others to establish and operate vehicle rental businesses or any other business under the trade names, trademarks or service marks other than the Priceless Trademarks during the term of the Franchise Agreement, regardless of their proximity to the Franchised Business.

**Solicitation or Acceptance of Orders and Alternative Distribution Channels** – There are no restrictions on our right or the rights of our affiliates to solicit or accept orders inside your Primary Service Area or in the area served by your Single Point Franchise. We may sell vehicle rental services through such channels of distribution as the Internet, World Wide Web (including price comparison sites and online travel agencies), mobile web applications, smartphone applications, tour operator, wholesalers, telemarketing, or other direct marketing (“**Alternative Distribution Channels**”). You will receive no compensation for posting your rental rates and availability of inventory for sale through our Alternative Distribution Channels. You may use the Alternative Distribution Channels to market sales both inside and outside your Primary Service Area as long as your marketing activities are conducted (and any reservations are made) using our Reservations System.

**Corporate Accounts** – Only we and our affiliates will have the right to enter into contracts with Corporate Accounts. A “**Corporate Account**” includes organizational and institutional customers whose presence is not confined to a specific area or territory, and includes the following: business entities, franchise systems, voluntary membership cooperative and organizations, non-governmental organizations engaged in not-for-profit activities, federal, state, and local governmental and quasi-governmental agencies, branches or facilities; and any other similar customer. Corporate Accounts may include tour operators, airlines, hospitality and lodging chains, travel agents, travel wholesalers, and other corporate customers. We will give you the opportunity to serve any of these Accounts. If you agree to serve a Corporate Account, you must comply with the price and contract terms we agree on with the Corporate Account, except as may otherwise be required by applicable law.

**Intra-brand Issues** – As described in Item 1, we also offer franchises under the “NextCar” name and marks, and our indirect parent’s affiliate is the franchisor of the “Rent-A-Wreck” system. We will resolve conflicts between us and our franchisees and franchisees of other brands franchised by us or our affiliates through an informal mediation process with company representatives and/or members of the Franchisee Advisory Council. We and our affiliates do not maintain physically separate office or training facilities for Priceless and any other brands.


**Rights to Acquire Additional Franchises and Relocation of the Franchised Business -**

We generally do not offer rights of first refusal, options or similar rights to acquire additional franchises. You may not relocate your Franchised Business without our prior written approval. We will approve your request if you are in compliance with the Franchise Agreement, and the site meets our site selection criteria. In addition, if you operate within a Primary Service Area, moving the site may not change the circular area of the Primary Service Area.

**Item 13**  
**TRADEMARKS**

The Franchise Agreement grants you the non-exclusive right and license to use the Priceless Trademarks and any other proprietary marks that we designate and permit you to use during the term of the Franchise Agreement in operating the System. Your use of the Marks is limited solely to the operation of your Franchised Business within the Primary Service Area (if applicable) and at the Franchised Business, and only in accordance with System Standards.

We own the registrations for the following principal Priceless Trademarks, which have been registered on the principal register of the United States Patent & Trademark Office (the “PTO”):

| Mark  | Registration No. | Registration Date  |
|---|------------------|--------------------|
|  | 3690264          | September 29, 2009 |
| PRICELESS   | 2023484          | December 17, 1996  |
| Priceless   | 1545692          | June 27, 1989      |

All required affidavits and renewals have been filed.

You must follow our standards and specifications when you use the Priceless Trademarks. Any goodwill created by your use of the Priceless Trademarks belongs exclusively to NP Franchise Group. You retain no right in the Priceless Trademarks on the termination of the Franchise Agreement. You may not use any Mark or any corporate or business name of NP Franchise Group, (a) as part of any corporate or trade name, (b) with any prefix, suffix or other modifying words, terms, designs or symbols, (c) in any modified form, (d) as part of any domain name, website, home page, electronic address, or other interactive site maintained on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system, or (e) in any manner that NP Franchise Group has not expressly authorized in writing. You must prominently display the Priceless Trademarks on prescribed items and in the manner NP Franchise Group designates. You must obtain the required fictitious or assumed name registrations. A domain name, website, homepage, electronic address, or other interactive site may not be owned or

maintained by you on the Internet or World Wide Web and advertised with the Priceless Trademarks without our prior written consent. All intellectual property, URL names, domain names and website pages become our property upon the expiration or termination of the Franchise Agreement.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or any pending material litigation involving the Priceless Trademarks. NP Franchise Group is not aware of any infringing uses that could materially affect your use of the Priceless Trademarks. No agreements are currently in effect which significantly limit the rights of NP Franchise Group to use or franchise the use of the Priceless Trademarks in any manner material to you. NP Franchise Group does not know of either superior rights or infringing uses that could materially affect your use of the principal Priceless Trademarks in any state. We have the right to control any administrative proceedings or litigation involving a trademark licensed by NP Franchise Group to you.

You must immediately notify NP Franchise Group of any apparent infringement of or challenge to your use of the Priceless Trademarks, or claim by any person of any rights in the Priceless Trademarks. NP Franchise Group is not obligated to take action to protect or defend the Priceless Trademarks but we must indemnify you against any damages or costs in any proceeding arising from your authorized use of the Priceless Trademarks. Reimbursement is available only if you timely notified NP Franchise Group of the claim or proceeding and you have otherwise complied with the Franchise Agreement. You must assist NP Franchise Group with any action it may take in connection with an infringement or challenge to the Priceless Trademarks. NP Franchise Group will control any litigation or proceeding regarding your use of the Priceless Trademarks.

We will own all Telephone Numbers used in association with the Priceless Trademarks upon termination of the Franchise. All Telephone Numbers used by you in association with the Priceless Trademarks are our property and must be assigned to us on termination of the Franchise Agreement.

If NP Franchise Group decides to modify or discontinue any of the Priceless Trademarks or use additional or substitute trade or service marks (“**New Trademarks**”), you must comply with our decisions. NP Franchise Group will not reimburse you for your reasonable direct expenses in modifying or discontinuing the use of the Marks and substituting a new mark. NP Franchise Group is not obligated to reimburse you for any loss of goodwill associated with any modified or discontinued marks or for your expenditures to promote a New Trademark.

## **Item 14**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

#### **Patents**

NP Franchise Group does not own rights in, or licenses to, any patents and does not have any pending patent applications that are material to the franchise.

#### **Copyrights**

NP Franchise Group claims copyright protection for the Operating Manual, business processes for use with ASAP and related materials, and our promotional and advertising materials. NP Franchise Group has not registered these materials with the U.S. Copyright Office but considers them proprietary and confidential. You may use these materials only as provided in the Franchise Agreement and Operating Manual.

There are no presently effective determinations of the United States Copyright Office or any court regarding any of the copyrighted materials. No agreements currently in effect significantly limit our rights to use or franchise the copyrighted materials. NP Franchise Group does not know of any infringing uses that could materially affect your use of the copyrighted materials in any state. No agreement requires NP Franchise Group to protect or defend copyrights.

#### **Confidential Operating Manual**

In order to protect our reputation and goodwill and to maintain high standards of operation under the Priceless Trademarks, you must conduct your business in accordance with the Operating Manual. As of the date of this disclosure document, we provide the Operating Manual in a digital format and will provide you with one or more user names and passwords to access the Operating Manual, for the term of the Franchise Agreement. We have the right to provide updates to the Operating Manual in any format we choose (including paper, CD-ROM, online access or other digital format).

You must at all times accord confidential treatment to the Operating Manual, any other manuals we create (or approve) for use with the Franchised Business, and the information contained in the Operating Manual. You must use all reasonable efforts to maintain this information as secret and confidential. You may never copy, duplicate, record, or otherwise reproduce the Manual and the related materials, in whole or in part (except for the parts of the Operating Manual that are meant for you to copy, which we will clearly mark as such), nor may you otherwise let any unauthorized person have access to these materials. You must restrict access to the Operating Manual (in paper and electronic form) to those of your employees who must have access to it to perform their duties in the Franchised Business, and under pass codes and with passwords that can be changed or deleted, as necessary, to properly safeguard and secure the Operating Manual. The Operating Manual will always be our sole property.



We may periodically revise the contents of the Operating Manual, and it is your responsibility to comply with each new or changed standard. If there is ever a dispute as to the contents of the Operating Manual, our master copy of the Operating Manual (maintained at our home office) will be controlling.

### **Item 15**

#### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS**

We do not require you to participate personally in the direct operation of the Franchised Business, although we recommend that you do so. You are responsible for the successful operation of the Franchised Business and are directly responsible to NP Franchise Group under the Franchise Agreement whether or not you participate in the day-to-day operations. The Franchised Business must be under your direct, on-premises supervision, or under the direct, on-premises supervision of a trained and competent general manager who has completed our Initial Operations Training program or equivalent to our satisfaction. Either you or your general manager must be employed on a full-time basis and devote your, his or her entire time during normal business hours to the management, operation, and development of the Franchised Business. You must disclose the identity of the general manager to us, if applicable. We do not require that the general manager have an equity interest in the Franchised Business. However, the general manager must comply with the confidentiality and non-competition provisions of the Franchise Agreement.

At our discretion, you, your spouse, and your business partners (if any) may be required to sign the Guaranty in the Franchise Agreement. In the Guaranty, each guarantor unconditionally guarantees the full and faithful performance of the obligations under the Franchise Agreement, and agrees to be personally liable for every breach by you of the Franchise Agreement.

### **Item 16**

#### **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must use the authorized business premises solely for the operation of the Franchised Business, unless you obtain our prior written consent to operate another business at or from the premises. You may offer only the Services that we authorize. You must meet the minimum fleet requirements and keep your Franchised Business open for the minimum number of days and hours that we specify in the Operating Manual or otherwise in writing. You may sell only those services approved by NP Franchise Group.

Generally, you are free to set prices for the services that you sell with the following limited exceptions: If you agree to serve a Corporate Account or participate in a promotional program, you must comply with the price and contract terms we agree on with the Corporate Account or the terms of the promotional program, except as may otherwise be required by applicable law. If you participate in the Company Damage Waiver Program, we may set a minimum daily price for the Damage Waiver if permitted by applicable law.

You must meet our business quality and operation standards for the class and age of vehicles and the use and display of the Priceless Trademarks. Our loss prevention criteria or insurance requirements may limit the customers to whom you rent vehicles. We may change the specifications regarding the class and age of the vehicles. There are no limits on our rights to make these changes. Except as otherwise limited in the Franchise Agreement or the Operating Manual, you may offer for rent any make or model of vehicle.

You may not sell products or services other than motor vehicles to other Priceless franchisees without our prior written approval.

*Liability Insurance.* Your prices for rental vehicles must include vehicle liability insurance that provides coverage for renters and authorized drivers to the extent required by law and the Franchise Agreement. You may not charge your customer a separate fee for vehicle liability insurance that is required by the law of your state.

### Item 17

## RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

### THE FRANCHISE RELATIONSHIP

**This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.**

#### 1. The Franchise Agreement

| Provision  | Section in Franchise Agreement | Summary  |
|--|--------------------------------|--|
| (a) Length of the franchise term                   | Section 1.C                    | The Franchise Agreement does not have a fixed term or expiration date. |
| (b) Renewal or extension of the term               | None                           | Not applicable   |
| (c) Requirements for franchisee to renew or extend | None                           | Not Applicable   |

| Provision                                   | Section in Franchise Agreement | Summary  |
|---|--------------------------------|--|
| (d) Termination by franchisee               | Section 14.C                   | You may terminate if we default under the terms of the Franchise Agreement and fail to cure such default within 90 days after receipt of written notice from you. In addition, you may terminate at any time with or without cause upon 90 days' written notice to us if you either (1) cease the direct or indirect ownership or operation of any Vehicle Rental Business within 20 miles of the site of the Franchised Business for a period of 2 years after the effective date of termination; or (2) you pay the Post-Termination Business Continuance Buyout.  |
| (e) Termination by franchisor without cause | None                           | No specific provision.   |
| (f) Termination by franchisor with cause    | Section 14                     | We have the right to terminate if you commit any of several violations (see (g) and (h) below).  |
| (g) "Cause" defined. curable defaults       | Section 14                     | You have 30 days after receiving written notice to cure a non-monetary matter and 15 days after receiving written notice to cure a monetary matter.  |
| (h) "Cause" defined – non-curable defaults  | Section 14                     | Failure to begin operating within 180 days; Abandonment of the franchised business for more than 7 consecutive days without prior approval; Submission of reports which understate or overstate the number of vehicles or gross revenue by more than 5%; Failure to maintain insurance coverage; Failure on three or more occasions to submit reports; Failure to pay NP Franchise Group or approved vendor fees when due; Conviction of or guilty or nolo-contendere plea in felony or criminal cases; material misrepresentations; repeated defaults; relocation of your Franchised Business without our approval; default in another agreement with us; failure to maintain minimum fleet requirements; failure to accept or implement material changes to the System that apply uniformly to all similarly-situated franchisees; failure to meet minimum Customer Satisfaction Program or quality assurance program scores; and removal from one or more third-party reservation platforms due to noncompliance with the platform's standards. |

| Provision  | Section in Franchise Agreement | Summary  |
|--|--------------------------------|--|
| (i) Franchisee's obligations on termination/non-renewal                  | Section 15                     | Obligations include payment of amounts due to NP Franchise Group, including Post-Termination Business Continuance Buyout (if applicable), within 15 days after termination, cessation of the use of the Priceless Trademarks, notification of the telephone company and listing agencies to authorize the transfer of the telephone number and directory listings to NP Franchise Group, compliance with the covenant not to compete, return of the Operating Manual and any other proprietary materials, and other obligations listed in Section 15 of the Franchise Agreement. |
| (j) Assignment of contract by franchisor                                 | Section 13.A                   | Fully transferable by NP Franchise Group.  |
| (k) "Transfer" by franchisee-defined                                     | Section 13.B, 13.C and 13.D    | Includes voluntary or involuntary, direct or indirect assignment, sale, gift, or other disposition of any interest in the franchise, the Franchised Business or a controlling interest (51% or more) of the ownership or management control of the Operating Company.  |
| (l) Franchisor's approval of transfer by franchisee                      | Section 13.B, 13.C and 13.D    | NP Franchise Group has the right to approve all transfers in advance.  |
| (m) Conditions for franchisor approval of transfer by you                | Section 13.C and 13.D          | You are in full compliance with the Franchise Agreement, you pay all amounts owed to us, transferee completes training, transferee signs our then-current form of Franchise Agreement, a transfer fee is paid to us, and you sign a general release of any claims against NP Franchise Group (attached as Exhibit C to this Disclosure Document).  |
| (n) Franchisor's right of first refusal to acquire franchisee's business | Section 13.F.                  | We can match any offer for your Priceless business.  |
| (o) Franchisor's option to purchase the franchised business              | Section 15.D                   | We have the right to assume the lease (or sublease) of the Premises and to purchase assets of the Franchised Business (including Rental Vehicles) upon termination of the Franchise Agreement.   |
| (p) Death or disability of franchisee                                    | Section 13.E                   | The Franchised Business must be transferred to an approved party within 6 months from the date of death or permanent disability, subject to the conditions in "m" above.   |

| Provision  | Section in Franchise Agreement | Summary  |
|--|--------------------------------|--|
| (q) Non-competition covenants during the term of the franchise             | Section 9.B                    | You cannot directly or indirectly perform services for, nor have an ownership interest in, any competing motor vehicle rental business.  |
| (r) Non-competition covenants after the franchise is terminated or expires | Section 9.C                    | For 2 years you cannot have any direct or indirect interest in any business involving rental of motor vehicles located within a twenty (20) mile radius of the premises of the Franchised Business. If you wish to operate a competing business before the end of the 2-year period, you may do so if you pay us a Post-Termination Business Continuance Buyout. |
| (s) Modification of the agreement  | Sections 6.B and 16.A and 16.G | No modification generally, unless by mutual written agreement, but the Operating Manual, specifications and procedures can be changed unilaterally by us.  |
| (t) Integration/merger clause  | Section 16.G                   | Only the terms of the Franchise Agreement, and other related written agreements are binding (subject to state law). Any representations or promises made outside the disclosure document and Franchise Agreement may not be enforceable.   |
| (u) Dispute resolution by arbitration or mediation                         | None                           | Not applicable.  |
| (v) Choice of forum  | Section 16.D                   | Subject to state law, litigation must be held in Frederick County, Maryland.   |
| (w) Choice of law  | Section 16.E                   | Subject to state law, Maryland law applies.  |

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## 2. The Master Lease Agreement

| Provision  | Section in master lease agreement | Summary   |
|--|-----------------------------------|---|
| (a) Length of the franchise term                         | Section 1                         | The term for each vehicle leased ranges from 1 month to 12 months.  |
| (b) Renewal or extension of the term                     | Section 1                         | The term may be extended for up to 3 additional 6-month terms by mutual written agreement.  |
| (c) Requirements for franchisee to renew or extend       | None                              | No specific provision   |
| (d) Termination by franchisee                            | None                              | No specific provision; however, you may terminate under any grounds permitted by state law.   |
| (e) Termination by franchisor without cause              | None                              | No specific provision.  |
| (f) Termination by franchisor with cause                 | Section 8                         | We have the right to terminate if you commit any of several violations (see (h) below).   |
| (g) “Cause” defined – curable defaults                   | None                              | No specific provision   |
| (h) “Cause” defined – non-curable defaults               | Section 8                         | Failure to perform any term, condition or obligation of the Agreement; failure to cure a default in your Franchise Agreement; and insolvency, assignment for benefit of creditors or appointment of receiver or permitting attachment, garnishment, levy or execution on a leased vehicle.  |
| (i) Franchisee’s obligations on termination/ non-renewal | Section 15                        | Obligations include payment of amounts due under the Lease Agreement, including the difference between the total book values of all vehicles leased and the net value of liquidation of the leased vehicles plus fees and costs incurred in repossessing the leased vehicles plus all fees and costs incurred as a result of the default plus a \$100 administrative fee. |
| (j) Assignment of contract by franchisor                 | None                              | No specific provision   |
| (k) “Transfer” by franchisee -defined                    | None                              | No specific provision   |

| <b>Provision</b>   | <b>Section in master lease agreement</b> | <b>Summary</b>  |
|--|--|---|
| (l) Franchisor approval of transfer by franchisee                          | None                                     | No specific provision   |
| (m) Conditions for franchisor approval of transfer                         | None                                     | No specific provision   |
| (n) Franchisor's right of first refusal to acquire franchisee's business   | None                                     | No specific provision   |
| (o) Franchisor's option to purchase franchisee's business                  | None                                     | Not Applicable  |
| (p) Death or disability of franchisee                                      | None                                     | No specific provision   |
| (q) Non-competition covenants during the term of the franchise             | None                                     | No specific provision   |
| (r) Non-competition covenants after the franchise is terminated or expires | None                                     | No specific provision   |
| (s) Modification of the agreement  | Section 12.b.                            | No modification generally, unless by mutual written agreement.  |
| (t) Integration/ merger clause   | Section 12.b.                            | Only the terms of the Lease Agreement, and other related written agreements are binding (subject to state law). Any representations or promises made outside the disclosure document and Master Lease may not be enforceable. |
| (u) Dispute resolution by arbitration or mediation                         | None                                     | Not applicable  |
| (v) Choice of forum  | Section 11.                              | Subject to state law, litigation must be held in Frederick County, Maryland.  |
| (w) Choice of law  | Section 12.f.                            | Subject to state law, laws of Maryland  |

## **Item 18**

### **PUBLIC FIGURES**

NP Franchise Group does not use public figures to promote the Priceless Trademarks or Franchised Businesses. You may not use a public figure to promote the Franchised Business without our prior written approval.

## **Item 19**

### **FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

#### **Historical Financial Performance Representations**

The following pages contain a historical financial performance representation. Table 1 is a historical financial performance representation about the Priceless system's existing franchised businesses. The franchisee data in this Item 19 were reported voluntarily to us.

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**Table 1**  
**FINANCIAL PERFORMANCE SUMMARY FOR YEAR ENDED JANUARY 31, 2023**

|   | Average Revenue per Day | Average Revenue per Closed Agreement | Average Monthly Revenue per Vehicle | Average Utilization | Average length of Rental |
|---|-------------------------|--------------------------------------|-------------------------------------|---------------------|--------------------------|
| <b>12 Franchise Locations Submitting 12 months of Performance Data</b>                                      | \$51.78                 | \$426                                | \$971                               | 69%                 | 9.33                     |
| <b>Number and percentage of Franchise Locations in this sub-group with results greater than the average</b> | 6<br>50%                | 5<br>42%                             | 7<br>58%                            | 6<br>50%            | 5<br>42%                 |
| <b>Low – high range</b>   | \$36.29 –<br>68.56      | \$318 –<br>\$751                     | \$801 –<br>\$1353                   | 58% -<br>86%        | 16.72 –<br>5.51          |
| <b>Mean</b>   | \$51.78                 | \$426 –                              | \$971 –                             | 69%                 | 9.33                     |
| <b>Median</b>   | \$49.72                 | \$403                                | \$979                               | 65%                 | 8.46                     |

### Definitions

The following are the definitions that we used for the information presented in Table 1:

“**Closed Rental Agreements**” is a rental agreement for which the customer used and returned a car and for which the charges were collected.

“**Number of Rental Days**” is the total number of days that vehicles were rented under closed rental agreements during the relevant sample period.

“**Number of Vehicle Months in Fleet**” is the total number of vehicles in the fleet during each month of the Sample Period.

“**Average Revenue Per Rental Day**” is derived by dividing total revenue received by “Number of Rental Days.” The following items are included in “revenue”: time and mileage charges received from customers, revenues from sales of damage waivers and optional insurance products, such as Personal Accident Coverage (“PAC”), Personal Effects Coverage (“PEC”), and Supplemental Liability Insurance (“SLI”); special charges such as Underage Driver’s Fees and

Additional Driver's Fees; fees received from rentals of GPS devices; discounts and refunds; and other miscellaneous rental revenue.

**“Average Revenue Per Closed Rental Agreement”** is derived by dividing “Total Revenue” by “Number of Closed Rental Agreements”

**“Average Utilization”** measures the average utilization of the fleet during the Sample Period and is derived by dividing the “Number of Rental Days” by the product of “Number of Vehicle Months in Fleet” and 30.41 (average number of days per calendar month or 365 divided by 12).

**“Average Monthly Revenue per Vehicle”** is derived by dividing total monthly revenue by the Number of Vehicle Months in Fleet.

**“Average Length of Rental”** is the average number of days that fleet vehicles were rented under closed rental agreements during the Sample Period and is calculated by dividing the Number of Rental Days by the Number of Closed Rental Agreements.

## **Bases**

The information in Table 1 relates to the historic performance of Priceless franchisees that had been open and operating for all 12 months from February 1, 2022 through January 31, 2023 (the **“2022 Sample Period”**). As of January 31, 2023, there were 37 open and operating Priceless Franchised Businesses, 34 of which had been open and operating during the entire 2022 Sample Period. We requested information for each of the categories presented in Table 1 from all 34 Priceless Franchised Businesses that had been open during the entire 2022 Sample Period.

Of the 34 Priceless Franchised Businesses that had been open and operating during the entire 2022 Sample Period, 12 (approximately 35%) provided us complete reporting for each month of the 2022 Sample Period (the **“2022 Sample Franchised Businesses”** or **“2022 Sample”**). Of the 34 Priceless Franchised Businesses that had been open and operating during the entire Sample Period, 22 (approximately 65%) did not provide complete reporting for each month of the 2022 Sample Period and therefore were not included in the 2022 Sample. During the 2022 Sample Period, two Priceless Franchised Businesses closed, and we therefore did not request revenue data from those franchisees. There were no outlets excluded from the 2022 Sample Period that closed after being open less than 12 months.

We studied the data received from the Sample Franchised Businesses. Table 1 summarizes our study of the 2022 Sample Period. The number of franchised locations that achieved or surpassed the financial performance data presented is shown directly in Table 1, as well as in Table 2 below:

**Table 2**  
**Numbers and Approximate Percentages of Franchised Location Achieving or Surpassing**  
**Table 1 Average Revenue Figure (Mean) for the 2022 Sample Period**

|   | Average Revenue Per Rental Day | Average Revenue Per Closed Agreement | Average Monthly Revenue Per Vehicle | Average Utilization | Average Length of Rental |
|---|--------------------------------|--------------------------------------|-------------------------------------|---------------------|--------------------------|
| <b>Mean</b>   | \$51.78                        | \$426                                | \$971                               | 69%                 | 9.33                     |
| <b>Median</b>   | \$49.72                        | \$403                                | \$979                               | 65%                 | 8.46                     |
| <b>Number of Outlets Achieving or Surpassing the Mean</b> | 6<br>50%                       | 5<br>42%                             | 7<br>58%                            | 6<br>50%            | 5<br>42%                 |

**Assumptions**

As noted above, we requested the revenue data from all open and operating Priceless Franchised Businesses for the 2022 Sample Period. We studied and included the data for the 2022 Sample Franchised Businesses only, because they submitted complete information for all 12 months of the Sample Period. The 2022 Sample Franchised Businesses are representative of the entire Priceless system and include Priceless Businesses from a variety of geographic locations with a range of fleet sizes, sites (e.g., stand-alone or connected to an existing business, such as an automotive repair shop or car dealership, or airports), and length of operations. We suggest that you speak with franchisees with geographic locations, sites, fleet sizes, and market types that are similar to the Franchised Business that you intend to operate to better understand factors that may affect your potential revenue. Your revenue also may vary depending upon the number of vehicle rental businesses that you operate.

The revenue figures are based on the historical results from the Priceless Franchised Businesses described above.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

The financial performance figures in Table 1 and Table 2 do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

\* \* \* \* \*

Written substantiation for the financial performance representations presented in Table 1 and Table 2 will be made available to you upon reasonable request.

Other than the preceding financial performance representations, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Michael DeLorenzo, NP Franchise Group, 11411 Rockville Pike, Rockville, Maryland 20852, (240) 581-1300, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20**  
**OUTLETS AND FRANCHISEE INFORMATION\***

**Table 1**  
**SYSTEMWIDE OUTLET SUMMARY**  
**For Fiscal Year Ended July 31, 2020, 2021, and 2022**  
**And the Six-Months Ended January 31, 2023**

| <b>Outlet Type</b> | <b>Year</b>          | <b>Outlets at the Start of the Year</b> | <b>Outlets at the End of the Year</b> | <b>Net Change</b> |
|--------------------|----------------------|---|---------------------------------------|-------------------|
| Franchised         | 2020                 | 29                                      | 36                                    | +7                |
|                    | 2021                 | 36                                      | 36                                    | 0                 |
|                    | 2022                 | 36                                      | 38                                    | +2                |
|                    | 8/1/2022 – 1/31/2023 | 38                                      | 37                                    | -1                |
| Corporate          | 2020                 | 0                                       | 0                                     | 0                 |
|                    | 2021                 | 0                                       | 0                                     | 0                 |
|                    | 2022                 | 0                                       | 0                                     | 0                 |
|                    | 8/1/2022 – 1/31/2023 | 0                                       | 0                                     | 0                 |
| <b>Totals</b>      | 2020                 | 29                                      | 36                                    | +7                |
|                    | 2021                 | 36                                      | 36                                    | 0                 |
|                    | 2022                 | 36                                      | 38                                    | +2                |
|                    | 8/1/2022 – 1/31/2023 | 38                                      | 37                                    | -1                |

**Table 2**  
**TRANSFERS OF OUTLETS FROM FRANCHISEES**  
**TO NEW OWNERS (OTHER THAN THE FRANCHISOR)**  
**For Fiscal Year Ended July 31, 2020, 2021, and 2022**  
**And the Six-Months Ended January 31, 2023**

| State*       | Year                 | Number of Transfers |
|--------------|----------------------|---------------------|
| Pennsylvania | 2020                 | 0                   |
|              | 2021                 | 0                   |
|              | 2022                 | 1                   |
|              | 8/1/2022 – 1/31/2023 | 0                   |
| <b>Total</b> | 2020                 | 0                   |
|              | 2021                 | 0                   |
|              | 2022                 | 1                   |
|              | 8/1/2022 – 1/31/2023 | 0                   |

\*States that are not listed had no activity to report.

**Table 3**  
**STATUS OF FRANCHISED OUTLETS**  
**For Fiscal Year Ended July 31, 2020, 2021, and 2022**  
**And the Six-Months Ended January 31, 2023**

| State* | Year             | Franchised Outlets at Start of Year | Franchised Outlets Opened | Franchise Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations Other Reasons | Franchised Outlets at End of the Year |
|--------|------------------|-------------------------------------|---------------------------|------------------------|--------------|--------------------------|---------------------------------|---------------------------------------|
| CA     | 2020             | 4                                   | 2                         | 0                      | 0            | 0                        | 0                               | 6                                     |
|        | 2021             | 6                                   | 0                         | 0                      | 0            | 0                        | 0                               | 6                                     |
|        | 2022             | 6                                   | 0                         | 0                      | 0            | 0                        | 0                               | 6                                     |
|        | 8/1/22 - 1/31/23 | 6                                   | 0                         | 0                      | 0            | 0                        | 0                               | 6                                     |
|        | 2020             | 1                                   | 0                         | 0                      | 0            | 0                        | 0                               | 1                                     |
|        | 2021             | 1                                   | 0                         | 0                      | 0            | 0                        | 0                               | 1                                     |
|        | 2022             | 1                                   | 0                         | 0                      | 0            | 0                        | 0                               | 1                                     |
|        | 8/1/22 - 1/31/23 | 1                                   | 0                         | 0                      | 0            | 0                        | 0                               | 1                                     |
| FL     | 2020             | 2                                   | 2                         | 0                      | 0            | 0                        | 0                               | 4                                     |
|        | 2021             | 4                                   | 1                         | 0                      | 0            | 0                        | 0                               | 5                                     |
|        | 2022             | 5                                   | 3                         | 0                      | 0            | 0                        | 0                               | 8                                     |
|        | 8/1/22 - 1/31/23 | 8                                   | 1                         | 0                      | 0            | 0                        | 0                               | 9                                     |

| State* | Year             | Franchised Outlets at Start of Year | Franchised Outlets Opened | Franchise Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations Other Reasons | Franchised Outlets at End of the Year |
|--------|------------------|-------------------------------------|---------------------------|------------------------|--------------|--------------------------|---------------------------------|---------------------------------------|
| GA     | 2020             | 1                                   | 1                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 2021             | 2                                   | 0                         | 0                      | 0            | 0                        | 1                               | 1                                     |
|        | 2022             | 1                                   | 0                         | 0                      | 0            | 0                        | 0                               | 1                                     |
|        | 8/1/22 - 1/31/23 | 1                                   | 0                         | 0                      | 0            | 0                        | 0                               | 1                                     |
| MD     | 2020             | 1                                   | 0                         | 0                      | 0            | 0                        | 0                               | 1**                                   |
|        | 2021             | 1                                   | 0                         | 0                      | 0            | 0                        | 0                               | 1                                     |
|        | 2022             | 1                                   | 0                         | 0                      | 0            | 0                        | 0                               | 1                                     |
|        | 8/1/22 - 1/31/23 | 1                                   | 0                         | 0                      | 0            | 0                        | 0                               | 1                                     |
| MI     | 2020             | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 2021             | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 2022             | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 8/1/22 - 1/31/23 | 2                                   | 0                         | 0                      | 0            | 0                        | 1                               | 1                                     |
| NJ     | 2020             | 7                                   | 1                         | 0                      | 0            | 0                        | 0                               | 8                                     |
|        | 2021             | 8                                   | 0                         | 0                      | 0            | 0                        | 0                               | 8                                     |
|        | 2022             | 8                                   | 0                         | 0                      | 0            | 0                        | 1                               | 7                                     |
|        | 8/1/22 - 1/31/23 | 7                                   | 0                         | 0                      | 0            | 0                        | 0                               | 7                                     |
| NY     | 2020             | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 2021             | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 2022             | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 8/1/22 - 1/31/23 | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
| NC     | 2020             | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 2021             | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 2022             | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 8/1/22 - 1/31/23 | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
| PA     | 2020             | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 2021             | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 2022             | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|        | 8/1/22 - 1/31/23 | 2                                   | 0                         | 0                      | 0            | 0                        | 1                               | 1                                     |

| State*        | Year                    | Franchised Outlets at Start of Year | Franchised Outlets Opened | Franchise Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations Other Reasons | Franchised Outlets at End of the Year |
|---------------|-------------------------|-------------------------------------|---------------------------|------------------------|--------------|--------------------------|---------------------------------|---------------------------------------|
| PR            | 2020                    | 1                                   | 1                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|               | 2021                    | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|               | 2022                    | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
|               | 8/1/22 - 1/31/23        | 2                                   | 0                         | 0                      | 0            | 0                        | 0                               | 2                                     |
| TX            | 2020                    | 2                                   | 1                         | 2                      | 0            | 0                        | 0                               | 1                                     |
|               | 2021                    | 1                                   | 0                         | 0                      | 0            | 0                        | 1                               | 0                                     |
|               | 2022                    | 0                                   | 0                         | 0                      | 0            | 0                        | 0                               | 0                                     |
|               | 8/1/22 - 1/31/23        | 0                                   | 0                         | 0                      | 0            | 0                        | 0                               | 0                                     |
| WY            | 2020                    | 2                                   | 1                         | 0                      | 0            | 0                        | 0                               | 3                                     |
|               | 2021                    | 3                                   | 1                         | 0                      | 0            | 0                        | 0                               | 4                                     |
|               | 2022                    | 3                                   | 1                         | 0                      | 0            | 0                        | 0                               | 4                                     |
|               | 8/1/22 - 1/31/23        | 4                                   | 0                         | 0                      | 0            | 0                        | 0                               | 4                                     |
| <b>Totals</b> | <b>2020</b>             | 29                                  | 9                         | 2                      | 0            | 0                        | 0                               | 36                                    |
|               | <b>2021</b>             | 36                                  | 1                         | 0                      | 0            | 0                        | 1                               | 36                                    |
|               | <b>2022</b>             | 36                                  | 4                         | 0                      | 0            | 0                        | 2                               | 38                                    |
|               | <b>8/1/22 - 1/31/23</b> | 38                                  | 1                         | 0                      | 0            | 0                        | 2                               | 37                                    |

\*States that are not listed had no activity to report.

\*\*Includes one outlet that temporarily closed in June 2020.

**Table 4**  
**Status of Company-Owned Outlets**  
**For Fiscal Year Ended July 31, 2020, 2021, and 2022**  
**And the Six-Months Ended January 31, 2023**

| State       | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired From Franchisees | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|-------------|------|--------------------------|----------------|-------------------------------------|----------------|----------------------------|----------------------------|
| All States* | 2020 | 0                        | 0              | 0                                   | 0              | 0                          | 0                          |
|             | 2021 | 0                        | 0              | 0                                   | 0              | 0                          | 0                          |
|             | 2022 |                          |                |                                     |                |                            |                            |
| Total       | 2020 | 0                        | 0              | 0                                   | 0              | 0                          | 0                          |
|             | 2021 | 0                        | 0              | 0                                   | 0              | 0                          | 0                          |
|             | 2022 | 0                        | 0              | 0                                   | 0              | 0                          | 0                          |

\*States that are not listed had no activity to report.

**Table 5**  
**PROJECTED OPENINGS**  
**As Of January 31, 2023**

| State         | Franchise Agreements Signed But Franchised Businesses Not Opened | Projected Franchised New Businesses in the Next Fiscal Year | Projected Company Owned Business Openings In the Next Fiscal Year |
|---------------|--|---|---|
| California    | 0  | 1   | 0   |
| Nevada        | 1  | 0   | 0   |
| <b>Totals</b> | <b>0</b>   | <b>1</b>  | <b>0</b>  |

Attached as Exhibit H to this Disclosure Document is a list of all Priceless franchised businesses as of January 31, 2023. Attached as Exhibit I to this Disclosure Document is a list of the names, addresses and telephone numbers of all former franchisees who were terminated, not renewed or ceased operating for other reasons or who transferred their franchises during the fiscal year ended January 31, 2023. No franchisees failed to communicate with NP Franchise Group within 10 weeks of the disclosure document issuance date.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no trademark-specific franchisee organizations associated with the franchise system being offered which we have created, sponsored or endorsed.



During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussion with you of their experiences as a franchisee in our franchise system.

## **Item 21**

### **FINANCIAL STATEMENTS**

Exhibit B to this Disclosure Document contains the audited financial statements of NP Franchise Group, LLC for the six-month period ended January 31, 2023, and the fiscal years ended July 31, 2022, July 31, 2021, and July 31, 2020, as well as our unaudited financial statements as of May 31, 2023. Our fiscal year previously ended on July 31<sup>st</sup> of each year. On January 31, 2023, we changed our fiscal year end to January 31<sup>st</sup> of each year.

## **Item 22**

### **CONTRACTS**

The following agreements are Exhibits to this Disclosure Document:

- Exhibit A: Franchise Agreement and Exhibits
- Exhibit A1: State Addenda to Franchise Agreement
- Exhibit A2: Priceless Brand Share Incentive Addendum
- Exhibit C: General Release
- Exhibit E: Collision Damage Waiver Fee and Indemnification Agreement
- Exhibit G: Sample Master Lease and Exhibits
- Exhibit J: Reservation Services Participation Agreement
- Exhibit K: ASAP Rental Management System Software as a Service Terms and Conditions

## **Item 23**

### **RECEIPTS**

The last pages of the Disclosure Document are detachable receipts acknowledging receipt of this Disclosure Document by you.

## STATE ADDENDA TO THE PRICELESS CAR AND TRUCK RENTAL FRANCHISE DISCLOSURE DOCUMENT

### State-Specific Requirements

#### **HAWAII**

Each provision of the following “Additional Disclosures” is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to these Additional Disclosures.

**THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

#### **ILLINOIS:**

Each provision of the following “Additional Disclosures” is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures.

1. The following language is added to the table in Item 17 at the end of the Summary section of provision (m) entitled **Conditions for Franchisor’s approval of transfer by you:**

Any release signed by you shall be void with respect to claims arising under the Illinois Franchise Disclosure Act of 1987.

2. The following language is added to the table in Item 17 at the end of the Summary section of provision (v) entitled **Choice of forum:**

(except as required by Illinois law for any claims arising under the Illinois Franchise Disclosure Act of 1987).

3. The following language is added to the table in Item 17 at the end of the Summary section of provision (w) entitled **Choice of Law**:

(except as required by Illinois law for any claims arising under Illinois Franchise Disclosure Act of 1987).

4. The following language is added to the table in Item 17:

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void.

## **MARYLAND**

Each provision of the following “Additional Disclosures” is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to these Additional Disclosures.

1. The following language is added to the Summary section of Item 17(h) entitled **“Cause” defined - defaults which cannot be cured**:

The Franchise Agreement provides for termination upon bankruptcy of the Franchisee. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 *et seq.*).

2. The Summary section of Item 17(m) entitled **Conditions for Franchisor’s approval of transfer by you** is amended to read as follows:

You are in full compliance with the Agreement, new Franchisee qualifies, transferee assumes all your obligations, you pay all amounts owed to NP Franchise Group and others, transferee completes training, transferee signs the then-current form of the Priceless franchise agreement and related documents, a transfer fee is paid to NP Franchise Group, NP Franchise Group approves the terms of the transfer, you sign a general release of any claims against NP Franchise Group; however, Maryland law requires that this general release will not apply to any liability NP Franchise Group may have under the Maryland Franchise Registration and Disclosure Law, and you sign a non-competition covenant.

3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. Pursuant to the Interpretive Opinion “Adopting NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments” dated January 23, 2023, issued by the State of Maryland Office of the Attorney General Securities Division (the “Division”), the Division requires franchisors selling franchises that are subject to the Maryland Franchise Registration and Disclosure Law to provide the following legend: “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.”

## **MICHIGAN:**

1. The following language is additional cover page disclosures which is required by the State of Michigan:

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- a. A prohibition on the right of a Franchisee to join an association of Franchisees.
- b. A requirement that a Franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a Franchisee of rights and protection provided in this act. This shall not preclude a Franchisee, after entering into a franchise agreement, from settling any and all claims.
- c. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the Franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- d. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the Franchisee by repurchase or other means for the fair market value at the time of expiration of the Franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the Franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the Franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- e. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- f. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the Franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

g. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(1) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(2) The fact that the proposed transferee is competitor of the franchisor or sub-franchisor.

(3) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(4) The failure of the Franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

h. A provision that requires the Franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the Franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

i. A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the Franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the Franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the Franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
670 G. Mennen Williams Building  
525 West Ottawa  
Lansing, Michigan 48913  
Telephone Number: (517) 373-3800

## MINNESOTA:

Each provision of the following “Additional Disclosures” is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to these Additional Disclosures.

1. 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, NP Franchise Group 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 Franchise 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 NP Franchise Group from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can 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.

Any release required as a condition of renewal and/or assignment/transfer will not apply to any claims that may arise under the Minnesota Statutes 1973 Supplement, sections 80C.01 to 80C.22.

## NEW YORK:

1. The following additional risk factors are added to the State Cover Page:

**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 FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. 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 FRANCHISE DISCLOSURE DOCUMENT.**

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. 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 has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or 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, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Except as described above, neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of

this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “**Assignment of contract by franchisor**”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

#### **NORTH DAKOTA:**

Each provision of the following “Additional Disclosures” is effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of the Additional Disclosures.

1. The following language is added to the table in Item 17:

The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

A. **Restrictive Covenants:** Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. **Situs of Arbitration Proceedings:** Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. **Restriction on Forum:** Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. **Liquidated Damages and Termination Penalties:** Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. **Applicable Laws:** Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.



- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

### **RHODE ISLAND:**

The provision of the following Additional Disclosure is effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to this “Additional Disclosure.”

1. The following language is added to the Summary section of Item 17(v) entitled **Choice of forum** and to the Summary section of Item 17(w) entitled **Choice of law**:

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

### **SOUTH DAKOTA**

The provision of the following Additional Disclosure is effective only to the extent that the jurisdictional requirements of the South Dakota Franchise Investment Law are met independently without reference to this “Additional Disclosure.”

1. The following language is added to the Summary section of Item 17(v) entitled Choice of forum:

(Except as required by South Dakota law for claims arising out of the South Dakota Franchise Act)

### **VIRGINIA**

The following “Additional Disclosures” are effective only to the extent that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently, without reference to this Additional Disclosure.

1. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Assignment Agreement does not constitute “reasonable cause” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

## **WISCONSIN**

### **REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN**

1. The following will apply to Franchise Agreements in the State of Wisconsin:

a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 will apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.

b. The Act’s requirements, including the requirements that, in certain circumstances, a franchisee receives ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, will supersede the requirements of Section 14 of the Franchise Agreement to the extent they may be inconsistent with the Act’s requirements.

[Signature Page Follows]

\* \* \* \* \*

The undersigned does hereby acknowledge receipt of these State Addenda to the Priceless Car and Truck Rental Franchise Disclosure Document Additional State Disclosures.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

**PROSPECTIVE FRANCHISEE**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_

**EXHIBIT A**  
**FRANCHISE AGREEMENT, STATE RIDERS, AND BRAND SHARE**  
**INCENTIVE ADDENDUM**



**PRICELESS CAR & TRUCK RENTAL  
FRANCHISE AGREEMENT**

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## Priceless Car & Truck Rental Franchise Agreement

This Agreement (the “**Agreement**”) is made and entered into by and between NP Franchise Group, LLC, a Maryland limited liability company, with its principal office at 11411 Rockville Pike, Rockville, MD 20852 (“**NP Franchise Group**,” “**We**,” “**Our**,” or “**Us**”) and

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a resident of the State of: \_\_\_\_\_ (“**You**” or “**Franchisee**”).

### 1. THE FRANCHISE

#### A. Introduction and Definitions

NP Franchise Group and our affiliates have developed a format and system relating to the establishment and operation of Vehicle Rental Businesses (defined below) that operate under our proprietary marks (each such business is referred to as a “**Priceless Vehicle Rental Business**”). Among the distinguishing characteristics of a Priceless Vehicle Rental Business is that it operates under our “**Priceless System**” (or “**System**”). Our System includes (among other things): confidential and proprietary information and trade secrets; distinctive images, designs; business formats, training methods and assistance, management procedures, and advertising and marketing programs; equipment and office layouts, signage, operating procedures, customer service, quality standards; rental software and other information technology; and specifications for the operation of Vehicle Rental Businesses under the “**Priceless Trademarks**.” The “**Priceless Trademarks**” include the names and service marks “**Priceless**,” “**Priceless Car & Truck Rental**,” and related logos, and other marks that NP Franchise Group and our affiliates have developed and may develop in the future, and that are related to the operation of businesses using the “Priceless” name. The Priceless Trademarks do not include trade names, logos, trademarks or service marks used in businesses other than businesses using the “Priceless” name. You have applied for the right to own and operate a Franchised Business using the Priceless Trademarks at either an approved site (“**Single Point Franchise**”) identified on Exhibit 1 to this Agreement, or at an approved site within an approved primary service area (“**Primary Service Area Franchise**”) each as identified on Exhibit 1 to this Agreement.

In this Agreement:

1. “**Computer System**” means the brands, types, makes, and/or models of communications, computer systems, and hardware, including the required hardware, credit card terminal and merchant services, back-office and rental management software systems, printers and other peripheral devices, front-of-the-house WiFi and other Internet service for customers, and other electronic information systems and all equipment components and software.

2. “**Franchised Business**” means the Vehicle Rental Business you operate under this Agreement using the Priceless Trademarks and System.

3. “**Gross Revenues**” means all monies received or receivable under closed Rental Agreements, including time, mileage, damage waiver and any other charges for ancillary services or products provided in the conduct of the Franchised Business, excluding only refueling fees, taxes and government-imposed fees and surcharges, airport concession fees, toll and other violations, and vehicle damage recovery proceeds.

4. “**Including**” or “**Includes**” means “including (or includes), but not limited to,” “including (or includes) without limitation,” and similar constructions.

5. “**Manual**” or “**Operating Manual**” means collectively, all manuals, policy statements, directives, books, pamphlets, bulletins, memoranda, letters, notices, computer media (e.g., computer software, CD-Rom, DVD, USB “flash” drive) or other publications, documents or electronic media prepared by or on behalf of us for use by franchisees generally or for You in particular, and which: (a) contain required or recommended standards, procedures, policies and advice relating to the operation of the Franchised Business or to marketing the products and services offered; and (b) set forth information, advice, standards, requirements, operating procedures, instructions or policies relating to the operation of Priceless Vehicle Rental Businesses. The Manual may be amended by us from time to time.

6. “**Rental Agreement**,” means a sequentially-numbered retail contract form used for the renting of vehicles.

7. “**Rental**,” means an agreement that permits use of a vehicle for period of less than one year.

8. “**Rental Vehicle**” means a vehicle owned or used or kept for rent, bailment, “sharing,” sale or lease by You in the Franchised Business or in any other Vehicle Rental Business operated by You within a 20-mile radius of the Premises. Rental Vehicles are any motorized or self-propelled vehicles without a “salvage” title that are less than 26,000 pounds GVW and include private passenger vehicles (whether for on- or off-road use), passenger or cargo vans, sport utility vehicles, specialty vehicles (other than recreational vehicles, motorcycles, scooters, ATVs/UTVs or similar vehicles), and pick-up or light-duty trucks. Each Rental Vehicle must be clean, safe to operate, mechanically sound, and in good running condition. You also must comply with all vehicle safety recall notices under federal and state laws. A Rental Vehicle must meet the minimum standards set forth in the Operating Manual (as may be amended from time to time).

9. “**Vehicle Rental Business**” means a business offering all or some of the following services: car and truck rental, car and truck leasing, carsharing and other mobility services, and used vehicle sales.



## B. Grant

NP Franchise Group grants you: (1) the non-exclusive right, and you undertake the obligation, on the terms and conditions set forth in this Agreement, to establish and operate a Franchised Business at the site (“**Premises**”) identified in Exhibit 1 of this Agreement; and (2) a non-exclusive license to use the Priceless Trademarks and System solely in connection with the Franchised Business and in compliance with this Agreement and the Manual (the “**Franchise**”). Your use of the Priceless Trademarks or any element of the System in the operation of a business at any other address or in any other channel of distribution without our express written authorization will constitute willful infringement of our rights in the Priceless Trademarks and System.

## C. Territorial Protections and Reservation of Rights

1. Primary Service Area Franchises. The following paragraphs apply to Primary Service Area Franchises:

a. For as long as you operate the Franchised Business in compliance with this Agreement, We will not establish or franchise others to establish a Vehicle Rental Business using the Priceless Trademarks within the Primary Service Area identified in Exhibit 1 to this Agreement.

b. NP Franchise Group and our affiliates (and our respective successors and assigns, by purchase, merger, consolidation, or otherwise) reserve all rights that this Agreement does not expressly grant, including: (i) the right to establish and operate or franchise others to establish and operate Vehicle Rental Businesses and other businesses using the Priceless Trademarks or other service marks or trade names outside your Primary Service Area, regardless of the proximity to your Primary Service Area; and (ii) the right to establish and operate Vehicle Rental Businesses and other businesses in the Primary Service Area that use names other than the Priceless Trademarks, regardless of the proximity to the Franchised Business.

2. Single Point Franchises. The following paragraphs apply to Single Point Franchises:

a. The rights granted to you are site-specific, for use only at the Premises, and provide no territorial protection.

b. NP Franchise Group and our affiliates (and our respective successors and assigns, by purchase, merger, consolidation, or otherwise) have the right to own, establish, operate or franchise others to establish and operate Vehicle Rental Businesses and other businesses using the Priceless Trademarks at any location, regardless of the proximity to the Premises. NP Franchise Group and our affiliates also have the right to own, establish, operate or franchise others to establish and operate Vehicle Rental Businesses or other businesses using trade names, trademarks or service marks other than the Priceless Trademarks at any location, regardless of the proximity to the Premises.

3. Alternative Distribution Channels. The following paragraphs apply to both Primary Service Area and Single Point Franchises:

a. We and our affiliates (and our respective successors and assigns, by purchase, merger, consolidation, or otherwise) may market vehicle rental services through distribution channels, such as the Internet, World Wide Web (including price comparison sites and online travel agencies), mobile web applications, smartphone applications, tour operators, wholesalers, telemarketing or other direct marketing channels (collectively, “**Alternative Distribution Channels**”). You will receive no compensation for posting your rental rates and availability for sale through Alternative Distribution Channels.

b. You may use Alternative Distribution Channels to market within or outside your Primary Service Area as long as your marketing activities are conducted (and any reservations are made) using our reservation system.

#### **D. Term**

This Agreement begins on the Effective Date and remains in effect until terminated by you or us according to its provisions.

#### **E. Delegation**

You agree that we may, at our discretion, perform our obligations under this Agreement directly or may delegate the performance of any or all of our obligations under this Agreement to third-party designees, including our parents, affiliates, subsidiaries or independent contractors. If we delegate any of our duties, our designees will be obligated to perform those duties in accordance with this Agreement, and we also may direct you to pay required fees to our designee.

## **2. DEVELOPMENT AND OPENING OF THE FRANCHISED BUSINESS**

### **A. Location and Consent to the Franchised Business Premises**

You must operate the Franchised Business at and only at the Premises. Before opening the Franchised Business, You must provide to NP Franchise Group written evidence of your ownership of, or leasehold interest in, the Premises and will obtain our written consent to the Premises for the operation of the Franchised Business. We will provide written consent or disapproval within 15 days after receiving your complete written site request. Failure to secure a site consented to by NP Franchise Group is cause for termination of this Agreement. In making our decision, we will consider factors such as demographics, traffic count, visibility, parking availability, general image of the surrounding area, and availability for use as a rental facility, including access to maintenance and wash bays. You understand that Our consent will not be deemed to be a guaranty that the Premises: (1) will be successful; (2) comply with applicable federal, state and local laws, rules and ordinances, including the Americans with Disabilities Act and similar state laws; or (3) are suitable for the Franchised Business or for any other purpose. Our consent to the Premises indicates only that we believe that the Premises fall within the acceptable criteria that we have established for Priceless Vehicle Rental Business locations at the time of our consent. Once the Premises are approved, the Franchised Business may not be moved without the prior written consent of NP Franchise Group. We are not required to approve a change

of location. If you operate within a Primary Service Area, moving the site may not change the circular area of the Primary Service Area.

## **B. Development of the Franchised Business**

You must construct and equip the Premises in conformity with the System standard layout plans, specifications, and drawings that we approve. Our review and approval is only with respect to System standards, and we will not review plans, specifications, or drawings for compliance with law. You are responsible for ensuring that your construction plans and specifications suit the shape and dimension of the Premises, and that they comply with applicable state, federal and local laws, codes, regulations, ordinances, building codes, permit requirements and applicable lease requirements and restrictions.

## **C. Opening of the Franchised Business**

You must open and begin operating the Franchised Business at the Premises within 180 days after the Effective Date; however, we will not authorize the Franchised Business to open, unless all of the following conditions have been met:

1. We have determined that you have completed the “build out” of the Premises and leasehold improvements in accordance with Priceless standards;
2. You have purchased or leased and installed all specified fixtures, furnishings and signage;
3. You have obtained, provided copies to us, and maintain all required building, utility, sign, business and other permits and licenses applicable to the Franchised Business;
4. You have established a credit card merchant account;
5. You have purchased and set-up the required computer and rental management software systems, and your rental agreement has been approved;
6. You have obtained and provided to us copies of certificates for all insurance policies required by Section 6.E. of this Agreement or such other evidence of insurance coverage and payment of premiums as we reasonably may request;
7. You have completed the Initial Operations Training described in Section 5.A. of this Agreement to our satisfaction; and
8. You have purchased or leased an appropriate number of Rental Vehicles to launch the Franchised Business and enable you to meet your minimum Fleet requirements required under this Agreement.

The date on which you first open the Franchised Business to the public is the “**Opening Date.**”

## C. Signs, Equipment and Forms

1. Signs and Computer System. You must prominently display on the Premises a sign approved in advance by NP Franchise Group bearing the Priceless Trademarks, as specified in the Manual. You also must acquire and use the Computer System specified by us for operating the Franchised Business.

2. Rental Agreements. All Rental Agreements used in the Franchised Business must be generated using the Computer System and contain the language and format that: (a) you have verified complies with your local and state law; and (b) NP Franchise Group has approved. If you are not using the Computer System to generate Rental Agreements for any reason, the Rental Agreements that you use in the Franchised Business still must meet the requirements in Subsections (a) and (b) of this Section 2.C.2.

### 3. MINIMUM FLEET REQUIREMENTS

The Franchised Business must operate a Fleet (defined below) with the minimum number of Rental Vehicles specified in Exhibit 1 to this Agreement (“**Minimum Fleet**”) within the time frame established in Exhibit 1 (“**Start-Up Period**”). For purposes of this Agreement, your “**Fleet**” is the collective group of Rental Vehicles associated with your Franchised Business. Failure to maintain the Minimum Fleet for 180 consecutive days at any time after the Start-Up Period will be a default under this Agreement. If uncured, the default will be grounds, at our discretion, for either (1) termination of this Agreement; or (2) reduction of your Primary Service Area by 50 percent; or (3) reduction of your Primary Service Area to a non-exclusive Single Point Franchise. The definition and method for counting Rental Vehicles and calculating your total Fleet will be described in the Operating Manual.

### 4. FEES

#### A. Initial Franchise Fee

You must pay in U.S. dollars to NP Franchise Group an initial, non-recurring, non-refundable initial franchise fee (the “**Initial Franchise Fee**”) in the amount specified in Exhibit 1 to this Agreement in consideration of the rights granted under this Agreement. The Initial Franchise Fee is non-refundable and is considered fully earned by us when we countersign this Agreement.

#### B. Royalty Fee

You must pay to NP Franchise Group, on or before the tenth of each month during the Term, a Royalty Fee (the “**Royalty Fee**”) in the amount equal to the greater of: (a) four percent

(4%) of Gross Revenues generated during the preceding month; and (b) the minimum monthly Royalty Fee described below:

| <b>Year of Operation*</b> | <b>Minimum Monthly Royalty Fee</b> |
|---------------------------|------------------------------------|
| 1                         | \$500                              |
| 2                         | \$1,000                            |
| 3+                        | \$1,500                            |

(\*A “Year of Operation” is a 12 calendar-month period beginning on the first day of the first full calendar month after the opening of the Franchised Business to the public (or an annual anniversary of the Franchised Business’s opening.)

The first Royalty Fee payment is due on the tenth of the month following the Opening Date.

### **C. Marketing and Advertising Fees**

You will pay to NP Franchise Group, on or before the tenth of each month, a Marketing and Advertising Fee (the “**Marketing and Advertising Fee**”) in an amount equal to the greater of: (a) one percent (1%) of Gross Revenue generated during the preceding month; and (b) \$500. The first Marketing and Advertising Fee is due on the tenth day of the month following the Opening Date.

### **D. Annual Meeting and Training Program Payment; Reimbursement Account**

You will pay us, on or before the tenth day of each month, an Annual Meeting and Training Program Payment of \$40.00, to be held by us for the purpose of reimbursing up to \$700 of your travel expenses incurred when you attend any of our annual meetings or training programs. The first Annual Meeting and Training Program Payment is due on the tenth of the month following the Opening Date. Any payments collected but not reimbursed to you during a calendar year will not carry over for use in another calendar year.

## E. Fee Increases

After your Franchised Business has been open and operating for at least 3 years, we may increase the fees payable by you under Sections 4.B., 4.C., and 4.D. of this Agreement each year by an amount equal to the greater of: (1) 1%; and (2) the percentage change in the CPI-W (the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) U.S. City Average for All Items) maintained by the Bureau of Labor Statistics (“**BLS**”) between the date of the proposed change (the “**Current Period**”) and the “Opening Date” of the business or the month and year of the most recent increase applicable to all Priceless franchisees, whichever is later (the “**Base Period**”). We will calculate the change in CPI-W in accordance with the formulas set forth by the BLS. If the BLS ceases to publish the CPI-W or implements major revisions to the CPI-W, we will designate a new index or formula to determine system-wide increases via amendment to the Operating Manual. We will provide you at least 30 days’ written notice of the fee increases. This Section 4.E. does not apply to percentage-based fees, such as the Royalty and Marketing and Advertising Fees.

## F. Method of Payment

1. On or about the fifth day of each month (or another date specified by us), you must send us a Monthly Business Report, which we will use to calculate your Royalty Fees, Marketing and Advertising Fees, and Annual Meeting and Training Program Payment due for that month. We will send you an invoice for reservation fees and other fees you must pay to us or our affiliates for the previous month and will also show all credits and debits resulting from the day-to-day operation of the Franchised Business (for example, credits for prepaid rentals and debits for any goods or services purchased through us or our Affiliates). The invoice is due and payable within five days. If you have a net credit for the prior month, we will send a check payable to you in that amount following the issuance of the invoice (usually within one week).

2. At our option, we may require that you designate an account at a commercial bank of your choice (the “**Account**”) for the payment of amounts due to us and/or our parent or our affiliates, including Royalty Fees, Marketing and Advertising Fees, Annual Meeting and Training Program Payment, and reservation fees. If we require you to designate an Account for payment, you must furnish us and the bank with authorizations as necessary to permit us to make withdrawals from the Account by electronic funds transfer (including an ACH Authorization Form attached as Exhibit 3 to this Agreement). On the tenth of each month or at another date specified by us from time to time (“**Due Date**”) we will transfer from the Account an amount equal to your Royalty Fees, Marketing and Advertising Fees, and Annual Meeting and Training Program Payment (and other fees) due for that month. You agree to maintain sufficient funds in the Account at all times to cover all Royalty Fees, Marketing and Advertising Fees, and Annual Meeting and Training Program Payments and other fees payable to us or our parent or our affiliates. If funds in the Account are insufficient to cover the amounts payable at the time we make our monthly electronic funds transfer, the amount of the shortfall will be deemed overdue. You must notify us at least ninety (90) days before closing or changing the Account against which such debits are to be made. If such Account is closed or ceases to be used, you must immediately provide all documents and information necessary to permit us to debit the amounts due from an alternative account. We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic, electronic debit (*e.g.*, by check or wire transfer) whenever we deem

appropriate, and you must comply with our payment instructions. If we permit you to pay any amounts due to us or our affiliates by credit card, you will also incur a credit card processing fee (3.8% of the transaction amount as of the Effective Date). If we supply products to you, we may require pre-payment or COD depending on our then-current policies and your payment record with us.

3. Notwithstanding the provisions of this Section 4.F., we reserve the right to modify, at our option, the timing and method by which you pay the amounts due under this Agreement, including Royalty Fees, Marketing and Advertising Fees, and Annual Meeting and Training Program Payments, which shall be effective upon receipt of written notice from us.

### **G. Application of Payments.**

NP Franchise Group has the sole right to apply payments from you to any category of indebtedness owed by you to NP Franchise Group or any of our affiliates, whether current or past due, regardless of your characterization of a payment.

### **H. Late Payments; Credit Reports**

You will be assessed a late payment fee on the first business day after the due date of any fees owed to NP Franchise Group under this Agreement. A late payment fee will be immediately due and payable and equal to 5% of the amount owed, with a minimum late fee of \$15. You must pay to NP Franchise Group a \$35 administrative fee when an electronic transfer is attempted and fails for any reason caused by you, such as insufficient funds. This provision will not constitute our agreement to accept such payments after same are due or a commitment by NP Franchise Group to extend credit to you. If you fail to pay any amounts when due, this Agreement may be terminated.

If You become indebted to NP Franchise Group, our affiliates, or a Preferred Provider (defined in Section 6.H. below) by virtue of Your failure to timely pay amounts due under this Agreement, or any other agreement between You and NP Franchise Group or an affiliate of NP Franchise Group, You hereby grant to NP Franchise Group and any of its affiliates or Preferred Providers the right to obtain a credit report(s) on You and the Franchised Business and to notify credit reporting companies, other affiliates, and other Preferred Providers that You and the Franchised Business are indebted to NP Franchise Group, our affiliates or Preferred Providers, and to report the amounts due.

## **5. TRAINING AND GUIDANCE**

### **A. Initial Operations Training**

We will train you (and, if applicable, your general manager (“**General Manager**”)) in the operation of the Franchised Business before its opening (“**Initial Operations Training**”). Initial Operations Training focuses on our philosophy, System standards, and other material aspects of operating a Priceless Vehicle Rental Business. We will conduct Initial Operations Training at Our principal office or another location that we designate, and it is your obligation to schedule and attend Initial Operations Training. All costs incurred by you to attend Initial Operations Training,

including cost for travel and hotel accommodations and meals, will be your sole responsibility. If you prefer to train at another location nearer to the Franchised Business, we will conduct Your Initial Operations Training in an office or hotel meeting room of your choice and at your expense. You must also pay for the airfare and per diem expenses of the Priceless trainer. Per diem expenses are calculated at the then-current federal government rate of compensation of its employees when traveling on government business.

After successfully completing the Initial Operations Training, you and/or your General Manager may receive additional on-the-job training by working in a company store for a period of time to be determined by you and us. If you choose to participate in this additional training, the topics covered will vary based on the issues that arise in the day-to-day operations of the store. You are not required to participate in this additional training opportunity, but we encourage you to do so. There is no training fee for this additional on-the-job training, nor will you be paid by us or otherwise considered to be our employee during the training period. However, you must pay all travel and living expenses for you and/or your General Manager.

### **B. Hiring and Training of Employees by You**

You must ensure that: (1) any new supervisory employee successfully completes Initial Operations Training according to the standards set forth in the Manual before he or she begins work in the Franchised Business (or within one month of employment if hired after the Opening Date); and (2) your General Manager and other employees participate in such additional training as We may require from time to time. We may waive this requirement based on the experience of the employee. You agree that the training we provide will cover basic concepts and compliance with System standards only, and that you are solely responsible for developing and implementing employee training in other areas. You also agree that you have sole responsibility and authority for employment-related matters concerning the Franchised Business, including with respect to employee selection, promotion, discipline and termination, hours worked, rates of pay and other benefits, work assignments, training, working conditions, personnel policies and compliance with applicable employment-related laws, regardless of whether We have provided guidance to you concerning any of those areas. Neither you nor your employees will be considered or deemed our employees or joint employees for any purpose.

### **C. Additional Training and Guidance**

We will furnish to you on-going guidance in connection with the development and operation of the Franchised Business. Such guidance will consist of the Operating Manual, newsletters, other written materials, group meetings, online training classes and webinars, live training classes, periodic inspections, and consultations either in person, via email, or by telephone. We may charge a reasonable fee for the materials, meetings, webinars, classes, consultations, or other guidance. We will notify you in advance if there will be a fee charged for the materials, meetings, webinars, classes, consultations, or other guidance.



## **D. Annual Convention**

We may hold an annual convention or meeting of franchisees (“**Annual Convention**”). In addition to being responsible for any travel, accommodations, wages, and other expenses for you and your representatives to attend the Annual Convention, we may require you to pay an Annual Convention fee. As of the Effective Date, we do not require you to attend an Annual Convention; however, we encourage you to do so and will reimburse up to \$700 of those expenses via the Annual Meeting and Training Fee described in Section 4.D. of this Agreement. We reserve the right to require attendance in the future.

## **E. Operations Analysis; Profit Group Program**

We have the right to ask you to participate in a program that analyzes your operating results and, to the extent permitted by applicable law, to compare and share your results with other Priceless franchisees and franchisees of our affiliated brands (the “**Profit Group Program**”). To participate in the Profit Group Program, You agree to provide the data from your financial and operating systems that we require in the format that we specify. We will perform the analyses and distribute the results. The results will be anonymized if we deem it necessary or desirable to do so. The Profit Group Program is based on historical data only and used for training and informational purposes only. You agree that you are solely responsible for your operations and financial results, and that participation in the Profit Group Program does not affect that responsibility. We have the right to charge you a reasonable fee for participation in the program.

## **6. IMAGE AND OPERATING STANDARDS**

You understand and agree that every detail of the Franchised Business is important to you, us and other franchisees in order to: (a) develop and maintain high operating standards; (b) increase the demand for the services and products offered by all franchisees; and (c) protect our reputation and goodwill. Therefore, you agree to operate the Franchised Business in accordance with the Priceless image and operating standards as further described in this Section 6.

### **A. Appearance and Use of Premises**

You must maintain the appearance of the Premises and the Franchised Business consistent with the specifications in the Manual and with the image of a clean, attractive and efficiently operated Vehicle Rental Business. You must use the Premises for the operation of the Franchised Business and must not use, or permit the use of, the Premises for any other purpose or activity at any time without first obtaining our written consent. If we consent to another use of the Premises, that consent may be subject to certain conditions, including modifications to the Premises, to ensure that the Franchised Business conforms to Priceless image and operating standards.

## **B. Operation According to our Standards; Manual; Modifications to the System**

1. To protect our reputation and goodwill and to maintain high standards of customer satisfaction under the Priceless Trademarks, you agree to operate the Franchised Business in accordance with the specifications, standards and procedures described in the Manual, as amended from time to time (or as established otherwise in writing). You retain the right to control, and are responsible for, the day-to-day management and operation of the Franchised Business and implementing and maintaining the Priceless specifications, standards and procedures at the Franchised Business.

2. We will provide online access to the Operating Manual that you will use throughout the Initial Operations Training program and for the term of the Franchise Agreement. When you attend Initial Operations Training, you must request a user name and password for access to the Operating Manual from us. You must at all times: **(a)** accord confidential treatment to the Operating Manual, any other manuals We create (or approve) for use with the Franchised Business, and the information contained in the Operating Manual; and **(b)** use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce the Manual and the related materials, in whole or in part (except for the parts of the Operating Manual that are meant for you to copy, which We will clearly mark as such), nor may you otherwise permit any unauthorized person have access to these materials. You agree to restrict access to the Operating Manual (in paper and electronic form) to those of your employees who must have access to it to perform their duties in the Franchised Business, and under pass codes and with passwords that can be changed or deleted, as necessary, to properly safeguard and secure the Operating Manual. The Operating Manual will always be our sole property.

3. We have the right to change or modify the System, including by adding to, deleting from, or otherwise modifying the Manual from time to time to reflect changes in the specifications, standards or procedures for the Franchised Business, and you must make corresponding revisions to your copy of the Operating Manual and comply with each new or changed standard. The Manual and all changes, modifications, additions, and amendments to the Manual may be transmitted to you in any format that we choose (including paper, CD-ROM, online or other digital format). We may make unilateral material changes to the Operating Manual as long the changes apply uniformly to all similarly-situated Priceless franchised businesses. The master copy of the Manual will be maintained by us at our principal office and will be controlling in the event of a conflict between the terms of your copy and the master copy of the Manual.

4. We have the right to waive, defer, or permit variations from the System Standards or the applicable agreement to any franchisee or prospective franchisee based on the peculiarities of a particular site, density of population, business potential, trade area population, or any other condition or circumstance without providing the same or any variation to you. We have the right to deny any such request.

5. If you develop any new concepts, processes, or improvements relating to the System, whether or not pursuant to a test authorized by us, you must promptly notify us and provide us with all information regarding the new concept, process, or improvement, all of which will (at our option) automatically become the property of NP Franchise Group and our affiliates and which may (at our option) be incorporated into the System without payment to you.

### **C. Compliance with Laws and Good Business Practices**

You agree to: (1) secure and maintain in force all required permits and certificates relating to the operation of the Franchised Business; (2) operate the Franchised Business in full compliance with all applicable federal, state and local laws, ordinances and regulations; (3) ensure that the Franchised Business operates in accordance with the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with its customers, suppliers, NP Franchise Group and the public; (4) refrain from any business or advertising practice that injures NP Franchise Group, the Franchised Business or the goodwill associated with the Priceless Trademarks; and (5) notify us in writing within three days of service of a summons in any action, suit or proceeding which may adversely affect the Priceless Trademarks or the operation or financial condition of You or the Franchised Business.

### **D. Management of the Franchised Business**

The Franchised Business must be under the direct on-premises supervision of you or a trained and competent General Manager who has completed Initial Operations Training to Our satisfaction. Either you or the General Manager must be a full-time employee of the Franchised Business. You must immediately inform us of any proposed or actual change in the identity of the General Manager of the Franchised Business.

### **E. Insurance**

You must comply with the insurance requirements set forth in the Operating Manual, as it may be amended. As of the Effective Date, those requirements include:

1. Auto Liability Insurance. You must maintain auto liability insurance coverage for Rental Vehicles in accordance with minimum financial responsibility requirements under applicable state law. The cost of this insurance may not be separately charged to renters but must be included in your daily rental rates for Rental Vehicles. The auto liability insurance must provide coverage for both the renter and you against personal injury, death and property damage arising from the use of Rental Vehicles. The auto liability insurance must be written on an occurrence policy form, and not a claims-made policy form. The auto liability insurance coverage for Rental Vehicles must also include a “Rent it here leave it there” endorsement. As of the Effective Date, the auto liability insurance requirements are: (a) for the renter, at least the limits stated in the financial responsibility laws of the state whose laws apply to any loss; and (b) for you or the titled owner of each Rental Vehicle, at least \$1,000,000 combined single limit per occurrence.

2. General Liability Insurance. You must also obtain general liability insurance coverage of at least \$500,000 per occurrence against claims arising from the operation of the Franchised Business.

3. Workers Compensation Insurance. You must have in force at all times during this Agreement a valid workers compensation policy. The Workers Compensation Insurance should provide for the statutory coverage with Employers Liability Insurance. You agree to waive any and all rights you may have to subrogate against us under your workers compensation policy.

4. Other Insurance. We also may require you to purchase and maintain employment practices liability coverage, cybersecurity insurance, key man life insurance policies on you, business interruption insurance and other insurance coverage that is specified in the Operating Manual. We may modify the insurance requirements from time to time as we deem appropriate in our reasonable discretion.

5. Additional Insureds; Insurance Certificates. All insurance policies required by this Agreement must: (a) be from a supplier approved by us; (b) name NP Franchise Group, NP Auto Group, Inc., and All Car Leasing, Inc. (and our respective parents, affiliates, subsidiaries, members, shareholders, officers, directors, agents and employees), and any other entities requested by us as additional insureds; (c) contain a waiver by each insurance carrier of all subrogation rights against NP Franchise Group, NP Auto Group, and All Car Leasing, Inc.; and (d) provide that NP Franchise Group, NP Auto Group, Inc., and All Car Leasing, Inc. receive 30 days' prior written notice of termination, expiration, cancellation or modification of any such policy. All liability policies required by this Agreement must permit NP Franchise Group, NP Auto Group, Inc., and All Car Leasing, Inc. to retain outside counsel of our choosing, at Your expense, to defend NP Franchise Group, NP Auto Group, Inc., and All Car Leasing, Inc. from any claim arising directly or indirectly out of, related to, or made in connection with the operation of the Franchised Business, including any claim that NP Franchise Group, NP Auto Group, Inc., and All Car Leasing, Inc. is vicariously liable for the actions of you, your employees, or your customers.

Within ten days after the Effective Date, You must provide us with certificates of insurance or other evidence of the existence of such insurance policies, in accordance with the provisions of this Agreement. Failure to furnish the certificates of insurance is grounds for immediate termination of this Agreement. We may reasonably increase the minimum protection requirement as of the renewal date of any policy, and require different or additional kinds of insurance at any time, including excess liability insurance, which We deem, in Our sole discretion, to be necessary or advantageous to You, to NP Franchise Group, NP Auto Group, and All Car Leasing, Inc., or to the Priceless franchise system.

6. Preferred Provider. We may designate one or more Preferred Providers of liability insurance coverage required by this Agreement and direct you to purchase such insurance from Preferred Providers. We or one of our affiliates may be a Preferred Provider of insurance coverage required under this Agreement.

## **F. Priceless Programs**

1. You agree to subscribe to, participate in, and comply with all of the programs, promotions, campaigns or activities that we reasonably prescribe (e.g., credit card programs, reservation service programs, special offers, or marketing and advertising programs). You must supervise and service such programs, promotions, campaigns, and activities pursuant to the terms of this Agreement to the extent permitted under applicable law.

2. You agree to offer for sale, and to honor for purchases by customers, all incentive or convenience programs that We may periodically institute (including loyalty programs that we or a third-party vendor operate, and mobile payment applications); and you agree to do all of those

things in compliance with our standards and procedures for such programs. To participate, you agree that you will, among other things: purchase software, hardware, and other items needed to sell and process incentive and convenience programs; and pay the applicable charges for participation in, and transactions conducted through, these incentive or convenience programs.

### **G. Customer, Franchisee, and Preferred Provider Complaints; Customer Satisfaction Programs.**

1. You agree to make every attempt to promptly resolve disputes with your customers in a fair, lawful, ethical and even-handed manner. We will refer to you for resolution all complaints from your customers, other Priceless franchisees, and Preferred Providers that are directed to us. We have the right to intervene in unresolved disputes and to resolve them on terms that we deem fair and reasonable in our sole discretion. Such resolutions may result in payments to one or more of the following for which you will be solely responsible: other franchisees, Preferred Providers, Us, and/or customers. We have the right to make such payments on your behalf. In that case, you must upon our demand: **(a)** reimburse us for those payments; and **(b)** pay an administrative fee as specified in the Operating Manual.

2. To maintain and enhance the goodwill associated with the Priceless Trademarks, the overall Priceless system, and each Franchised Business, you must participate (and request that your customers participate at your expense) in programs that we initiate to verify customer satisfaction and/or your compliance with all operational and other aspects of the Priceless System, including customer feedback and satisfaction programs (collectively, “**Customer Satisfaction Programs**”), secret shoppers, or other quality assurance programs that we may require. If you fail to meet minimum Customer Satisfaction Program or other quality assurance program scores that we publish in the Manual (as it may be updated), we will have the right to terminate this Agreement as further provided in Section 14.A.(23) of this Agreement.

### **H. Preferred Providers**

We may negotiate purchase arrangements with suppliers to benefit the entire Priceless system, and we have the right to require that you purchase all goods and services used in the operation of your Franchised Business from suppliers that we designate (“**Preferred Providers**”), including us or one of our affiliates. We also have the right to require that you purchase certain goods and services from a sole Preferred Provider, which may be us or one of our affiliates. If We require you to use a Preferred Provider for a particular item or service, but you wish to purchase the item or service from a supplier that We have not approved, you may submit a written request for approval of the supplier (unless it is an item for which We have designated an exclusive Preferred Provider). To obtain approval for suppliers of goods and services, you must submit to our President the name, address, phone number and name of contact person of the supplier, along with a sample or description of the product or service. We will have at least 45 days to test the product or service or make other inquiries about its efficacy. If you do not receive a response from us within 45 days from the date we receive your complete request for approval, you may assume that the product or service does not have our approval. However, you may send an additional request for approval to us via certified mail or overnight delivery (with tracking service), and we will respond with our approval or disapproval within 10 days after the date that we receive the

second request. We have the right to receive commissions, rebates or other consideration based on purchases from Preferred Providers made by you and other franchisees.

### **I. Payment Cards**

You agree to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, “**Payment Card Vendors**”) that We may periodically designate as mandatory. The term “Payment Card Vendors” includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, “Apple Pay” and “Google Wallet”). The obligations specified in this Section 6.I. include your agreement to pay the applicable charges imposed by the Payment Card Vendors for participation in, and transactions conducted through, those methods.

### **J. Corporate Accounts**

We and our affiliates have the exclusive right to enter into contracts with Corporate Accounts. A “**Corporate Account**” includes organizational or institutional customers whose presence is not confined to a specific area or territory, such as the following: business entities, franchise systems, voluntary membership cooperatives and organizations, non-governmental organizations engaged in not-for-profit activities, federal, state, and local governmental and quasi-governmental agencies, branches or facilities; and any other similar customer. Corporate Accounts also may include tour operators, airlines, hospitality and lodging chains, travel agents, travel wholesalers, and other corporate customers. We will give you the opportunity to serve any of these Accounts. If you agree to serve a Corporate Account, you must comply with the price and contract terms we agree on with the Corporate Account, except as may otherwise be required by applicable law.

### **K. Prices**

You have sole responsibility for determining the prices of products and services offered at the Franchised Business, except: (1) to the extent that you agree to serve a Corporate Account as described in Section 6.J. above; and (2) if we establish any maximum or minimum resale prices so long as such pricing does not violate applicable law.

### **L. Airport Concession Bid (Airport Franchises Only)**

1. You must take all appropriate measures necessary to obtain the right and authority to operate the Franchised Business pursuant to an in-terminal or consolidated facility (or other similar facility) concession agreement and any corresponding lease agreement (collectively referred to as the “**In-Terminal Concession**”). You agree to act diligently and use your best efforts to obtain, secure, and maintain the concessions and, particularly, to submit a good faith application on commercially reasonable terms for In-Terminal Concession rights every time that an opportunity for such concession will arise. If your application is accepted, you must: (a) accept the grant of the In-Terminal Concession on the terms and conditions set forth in the bid process and as specified by the applicable airport authority; and (b) comply with the terms of any

concession and related agreements and take all appropriate actions to maintain your rights under the In-Terminal Concession at all times throughout the term of the Franchise Agreement. You must provide us with proof of your compliance with this requirement and with copies of all notices, applications, and other communications relating to the In-Terminal Concession.

2. Your obligation to acquire and maintain the In-Terminal Concession is not only for purposes of operating the Franchised Business, but also to benefit NP Franchise Group and the System by distributing the Priceless Trademarks as widely as possible and keeping services using the Trademarks available to the public for as long as possible.

3. To comply with Section 6.L.1. above, upon termination or expiration of this Agreement for any reason, at our option, you agree to transfer and assign to NP Franchise Group or our designee, in accordance with the requirements of the applicable airport authority, any and all rights and interest it may have in the In-Terminal Concession including any ancillary or related agreements. Nothing contained herein will be construed as giving rise to a duty on the part of NP Franchise Group to accept an assignment of the In-Terminal Concession.

## **7. MARKETING, ADVERTISING AND PROMOTIONAL FUNDS**

### **A. By NP Franchise Group**

Recognizing the value of uniform advertising and promotion to the goodwill and public image of the System, you agree that Priceless has the right to maintain, collect Marketing and Advertising Fees for, and administer a Marketing and Advertising Fund (the “**Marketing and Advertising Fund**”) for marketing, advertising and promoting the Priceless Trademarks. We (or our designee) have the right to direct all marketing programs with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof.

We may use Marketing and Advertising Fees (described in Section 4.C. of this Agreement) to meet any and all costs of maintaining, administering, directing and preparing international, national, regional or local marketing, advertising, promotional and public relations activities and any other activities that We believe will enhance the image of the Priceless system. These activities may include the costs of preparing and conducting television, radio, magazine, billboard, newspaper, online, and other media advertising and activities; marketing surveys and other public relations activities; employing in-house advertising and public relations personnel; retaining in-house and outside advertising agencies; establishing and maintaining a website using the Priceless Trademarks; developing and maintaining the Priceless Reservation System; social networking/media, search optimization, and other digital marketing strategies; conducting sponsorships, sweepstakes, and competitions; and similar activities at our sole discretion. We may use a portion of the Marketing and Advertising Fees to conduct advertising and marketing of the availability of Priceless franchises. We also may use a portion of the Marketing and Advertising Fees in joint marketing efforts with other brands operated and/or franchised by us or our affiliates if We determine that doing so would be appropriate and would benefit the Priceless system.

In addition to the Marketing and Advertising Fund, We have the right to maintain, collect fees for, and administer Regional Funds (the “**Regional Fund**” or “**Regional Funds**”) for

marketing, advertising and promoting the Priceless Trademarks on a regional basis. We have the right to define each region and to determine the Regional Fund in which you must participate. If we establish a Regional Fund, You may participate in more than one Regional Fund. Once we notify you that you are a member of a Regional Fund, You must pay us the Regional Fund fee that we establish for that Regional Fund, provided that, your Regional Fund fee will not exceed the concurrent amount of your payment obligation to the Marketing and Advertising Fund without your agreement. We have the right to determine the frequency of payment of your contribution to a Regional Fund.

The Marketing and Advertising Fund and Regional Funds (together the “**Funds**”) are the sole property of NP Franchise Group. The Funds are not a trust or escrow account, and we have no fiduciary obligation to you or any franchisees with respect to the Funds. We assume no direct or indirect obligation to you with respect to the maintenance, direction or administration of the Funds. The Funds will be part of the general funds of NP Franchise Group, but will be accounted for separately from the other funds of NP Franchise Group. A report of the operations of the Funds will be prepared annually by NP Franchise Group and made available to you upon request.

You will have no right, claim or interest of any kind in or to any of the contributions paid by you to the Funds, or to any specific allocation of, or specific use of, the Funds. NP Franchise Group is not obligated to spend any of the Funds directly, or proportionately, in Your Primary Service Area (if applicable) or otherwise for your benefit. Contributions to a Regional Fund will not be spent for media placement substantially outside the region for which that Regional Fund was formed, unless agreed to by a majority of the Fund members—all as defined and determined by NP Franchise Group.

NP Franchise Group may spend in any fiscal year an amount greater or less than the aggregate contributions of Priceless franchisees to the Funds in the year received. Contributions not spent in the year received will remain in the Funds and may be spent in subsequent years. NP Franchise Group may, but is not obligated to, make loans to the Funds bearing reasonable interest to cover any deficits of the Funds, and NP Franchise Group may invest any surplus contributions for future use by the Funds.

We have the right (but no obligation) to form an advisory council composed of franchisees and NP Franchise Group representatives, and the right to determine how such a council, if formed, will be selected, funded and governed.

## **B. Websites**

We may establish and maintain one or more websites and/or mobile applications (collectively “**Priceless Websites**”) that provide information about the Priceless System and the vehicle rental services provided by Priceless franchisees. The Priceless Websites may also offer reservations, mobile payments, or similar services. We have absolute control over the Priceless Websites’ design and content. The Priceless Websites may include a series of interior pages developed by us (and at our discretion, using content provided by franchisees at our request) that identify participating Priceless Vehicle Rental Businesses by address, telephone number, and email address. At your request, we will attempt (technology permitting) to include on the Priceless



Websites one or a series of interior pages devoted to information about the Franchised Business. You will not have the capability to modify the interior page(s) except in coordination with us and subject to our policies and procedures as those may change from time to time. We will attempt to configure the Priceless Websites to accommodate any individual interior web pages containing information about Priceless Vehicle Rental Businesses operated by our franchisees.

We have no obligation to maintain the Priceless Websites indefinitely, but may discontinue them at any time without liability to you. Further, as we have no control over the stability or maintenance of the Internet generally, we are not responsible for damage or loss caused by errors of the Internet. We are not liable for any direct, indirect, special, incidental, exemplary, or consequential damages arising out of the use of the Internet or the inability to use the Internet, including loss of profits, goodwill or savings, downtime, or damage to or replacement of programs and data, whether based in contract or tort, product liability, or otherwise.

### **C. By You**

1. General. You may place local advertising in media selected by You; provided that your local marketing: (a) is conducted in a dignified manner using media and content that We approve; and (b) complies fully with the marketing and advertising requirements described in the Operating Manual (including use of the Priceless Trademarks). We have the right to approve prior to publication all advertisements using the Priceless Trademarks. If you have not received our written approval within 14 days after we (or our designated agency) have received the proposed samples, then we will be deemed to have disapproved them.

2. Electronic Marketing. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail, text message, and/or other electronic media without first obtaining our written consent as to: (a) the content of the proposed electronic advertisement or solicitation; and (b) your plan for transmitting the proposed advertisement or solicitation. In addition to any other provision of this Agreement, you will be solely responsible for compliance with laws pertaining to sending electronic communications, including the “Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003” (known as the “CAN-SPAM Act of 2003”) and the Federal Telephone Consumer Protection Act.

3. Websites and Social Media. You may not establish a website, landing page or other presence on the Internet relating to your Franchised Business or referring to the Priceless Trademarks. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce, applications to be used on mobile devices, such as iOS or Android apps, and co-branding arrangements.

You may not promote the Franchised Business or use the Priceless Trademarks in any manner on any social media site existing as of the Effective Date or in the future (including, Twitter, MySpace, Facebook, LinkedIn, You Tube, Google Plus, Pinterest, Instagram, SnapChat, etc.) or on file-, audio- or video-sharing sites without our prior written consent. We have final authority over all social media marketing, and you must comply with our System Standards regarding use of social media in the operation of the Franchised Business. We will monitor all

social media channels and review sites, including Facebook, Twitter, LinkedIn, You Tube, Google Plus, Pinterest, Instagram, SnapChat, etc., and we may require you to delete content that does not comply with System Standards.

4. Public Figures. You may not use a public figure to promote the Franchised Business without Our prior written approval.

## 8. TRADEMARKS

### A. Ownership of Trademarks and Goodwill

We are the owner of the Priceless Trademarks. Your right to use the Priceless Trademarks is limited to use in the operation of the Franchised Business according to the terms of this Agreement. Any unauthorized use of the Priceless Trademarks by You will constitute an infringement of our rights in and to the Priceless Trademarks. All usage of the Priceless Trademarks by You and any goodwill established by such use will inure to the exclusive benefit of NP Franchise Group. This Agreement does not confer any goodwill, ownership interests, or any other interest other than that described in this Agreement in the Priceless Trademarks upon You.

If NP Franchise Group determines, in our sole discretion to modify, substitute another Mark for, or discontinue use of any of the Priceless Trademarks, You must comply with our direction (at your expense) within a reasonable time after notice thereof.

### B. Your Use of Trademarks and Limitations of Use

1. You must use the Priceless Trademarks as the sole identification of the Franchised Business. You must prominently display the Priceless Trademarks on all advertising, rental agreements, stationery, forms and any other materials designated by NP Franchise Group, in the manner prescribed by NP Franchise Group. You must give such notices of trademark and service mark registrations and copyrights as NP Franchise Group specifies, and obtain such fictitious or assumed name registrations as may be required under applicable law and the Manual.

2. You may not use the Priceless Trademarks or any corporate or business name of NP Franchise Group: (a) as part of any corporate or trade name, including the name of the Operating Company (as defined in Section 13.C. below); (b) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos which are part of the Priceless Trademarks); (c) in any modified form, except as expressly approved and authorized by NP Franchise Group; (d) as part of or in connection with telephone numbers, SMS numbers or addresses, MMS numbers or addresses, Instant Messenger Screen names, RSS or other syndicated service feeds, profiles and accounts on Twitter, MySpace, Facebook, LinkedIn, You Tube, Google Plus, Pinterest, Instagram, SnapChat, or any other interactive or static site maintained on the Internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system; or (e) in any manner not expressly authorized in writing by NP Franchise Group.

### **C. Notification of Infringements and Claims**

You must immediately notify us of any apparent infringement of or challenge to your right to use of the Priceless Trademarks. We are not obligated to take action to protect or defend the Priceless Trademarks but will indemnify you for damages or costs you sustain in any proceeding arising from your authorized use of the Priceless Trademarks. Indemnification will be made only if you: (1) timely notify us of the claim or proceeding; and (2) are otherwise in compliance with this Agreement. You must cooperate and assist us with any action it may take in connection with an infringement or challenge to the Priceless Trademarks. We will control any litigation or proceeding regarding your use of the Priceless Trademarks.

### **D. Telephone Numbers**

All telephone numbers used in the Franchised Business (the “**Telephone Numbers**”) must be listed and identified **exclusively** with the Franchised Business and may only be associated with the Priceless Trademarks. The Telephone Numbers may not be used by any other business affiliated with you, by any entity not authorized by this Agreement to use the Priceless Trademarks, or in association with any enterprise other than the Franchised Business. The Telephone Numbers may not be used or advertised in conjunction with any other name, trademark, service mark or business. Once used in association with the Priceless Trademarks, the Telephone Numbers are the property of NP Franchise Group. You must disclose the Telephone Numbers to NP Franchise Group within 5 days of first use. You must immediately notify NP Franchise Group in writing with regard to any changes to the Telephone Numbers.

All Telephone Numbers are our property and must be assigned to NP Franchise Group or our designee on termination of this Agreement. You have the sole and exclusive obligation to obtain telephone numbers for use in the Franchised Business. We will have no obligation to obtain directly or through transfer or assignment a telephone number or numbers for use by you in the Franchised Business.

You may not transfer, disconnect or assign any of the Telephone Numbers used in association with the Priceless Trademarks without Our prior written approval. If you operate the Franchised Business with telephone numbers from a pre-existing or separate business, those numbers will be considered within the definition of Telephone Numbers, as used in this Agreement.

## **9. KNOW-HOW**

### **A. Confidential and Proprietary Information**

NP Franchise Group possesses proprietary and confidential know-how comprising methods, techniques, specifications, procedures, information, systems, and knowledge and experience in the development and operation of a Vehicle Rental Business using the Priceless Trademarks (the “**Know-How**”). We will disclose the Know-How to You in our training programs, in the Manual, and in guidance furnished to you during the term of this Agreement.

Know-How is proprietary, confidential information and a trade secret of NP Franchise Group, whether or not marked with words so indicating.

You agree that You will: (1) not acquire any interest in the Know-How other than the right to use it during the term of this Agreement, as We specify, while operating the Franchised Business; (2) not use the Know How in any other business or capacity; (3) keep confidential each item deemed to be a part of the Know How, both during and after termination of this Agreement (after termination of this Agreement, for as long as the item is not generally known in the vehicle rental industry); (4) not make unauthorized copies of the Know How disclosed via electronic media or in written or other tangible form; (5) adopt and implement reasonable procedures to prevent unauthorized use or disclosure of the Know How, including restricting its disclosure to Franchised Business personnel and others and using non-disclosure and noncompetition agreements with those having access to Know How; and (6) not sell, trade, or otherwise profit in any way from the Know How, except as authorized by this Agreement.

#### **B. Covenant Not to Compete – In Term**

You understand that it would not be possible for NP Franchise Group to protect our Know-How, and other proprietary and confidential data and trade secrets against unauthorized use or disclosure if you hold an interest in a business similar to the Franchised Business. Therefore, during the term of this Agreement, You, the General Manager of the Franchised Business, Your immediate family members, and the owners of the Operating Company must not own, operate, be engaged in, or have any interest (direct or indirect) as an owner, director, officer, employee, consultant, representative or agent, franchisor, or franchisee, or in any other capacity, in any other Vehicle Rental Business, unless that business is operated under a franchise agreement with NP Franchise Group or one of our affiliates.

#### **C. Covenant Not to Compete – Post Term**

For a period of two years beginning on (1) the date of termination; or (2) the date on which You cease to conduct the Franchised Business; or (3) the date on which You cease use of the Priceless Trademarks (whichever is later), You agree that you will not have any interest as an owner, partner, director, officer, employee, consultant, representative, franchisee, franchisor, agent, or in any other capacity, in any other Vehicle Rental Business located within a 20-mile radius of the Franchised Business, unless that other Vehicle Rental Business is operated under an agreement with NP Franchise Group or one of our affiliates.

### **10. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION**

#### **A. Independent Contractor**

You are an independent contractor. This Agreement does not create a fiduciary or an agency relationship between NP Franchise Group and You. Nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, joint employer, employer, employee or servant of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, personnel and others as the owner of the Franchised Business under a franchise granted by NP

Franchise Group. You must prominently display on the Premises, business cards, stationery, advertising, emails and in other materials that we may require, in the style and form as We may designate, a notification that the Franchised Business is owned and operated by You and that the Franchised Business is an independently owned and operated franchise of the Priceless franchise system.

## **B. Your Responsibility to Third Parties**

You, and not NP Franchise Group, will be exclusively responsible for any damages to any person or property arising directly or indirectly out of the operation of the Franchised Business, whether or not caused by your negligent or willful action or failure to act. You, and not NP Franchise Group, will have exclusive liability for any sales, use, excise, gross receipts, income, property or other taxes and government fees arising out of or related to the operation of the Franchised Business, whether levied upon you, the Franchised Business or its assets, or upon NP Franchise Group.

## **C. Indemnification**

You agree to defend, indemnify, and hold NP Franchise Group, our parents, subsidiaries, affiliates, and our respective shareholders, directors, officers, employees, agents, successors and assigns (the “**Indemnified Parties**”) harmless from and against any and all liability, loss, claims, demands, costs, fines, taxes, fees (“**Claims**”) of any kind or nature whatsoever directly or indirectly arising out of, in connection with, or related to: (1) Your acts or omissions; (2) Your breach of this Agreement; or (3) the operation of the Franchised Business by You or the Operating Company. For purposes of this Section 10.C., Claims include all obligations, damages (actual, consequential, or otherwise), and the cost that any Indemnified Party incurs in defending any claim against it, including reasonable accountants’, arbitrators’, attorneys’ and expert witnesses’ fees. The indemnities and assumptions of liabilities and obligations herein will continue in full force and effect subsequent to, and notwithstanding, the termination of this Agreement.

# **11. COMPUTER SYSTEM; RESERVATIONS; DATA PRIVACY AND SECURITY; RECORDS AND REPORTS**

## **A. Computer System and Technology**

We have the right to specify or require, and you agree to obtain and use the Computer System necessary for use in the operation of the Franchised Business. We may modify the Computer System’s specifications and components, and you agree to implement and periodically make upgrades and other changes at your expense to the Computer System as we may reasonably request in writing. As of the Effective Date, the Computer System requirements include: (i) the vehicle rental software program and system called “**ASAP Computer System**” (or “**ASAP**”) (described below); (ii) high-speed Internet access; and (iii) a personal computer (PC) running an acceptable current operating system.

1. ASAP. NP Franchise Group, our affiliates, and a third-party supplier have developed the software program and system called “**ASAP.**” You must use ASAP exclusively in the operation of the Franchised Business. Among other things, ASAP enables You to: (a)

complete and print vehicle rental agreements, **(b)** allow the renting public to contact You via the Internet; **(c)** disclose to the renting public information about Your fleet availability and rental rates; **(d)** accept reservations for Rental Vehicles; **(e)** process payment card transactions; **(f)** prepare the internal reports required by this Agreement; **(g)** read updates to the Manual; **(h)** access other communications from NP Franchise Group; and **(i)** manage your Fleet. ASAP also enables us to have independent and unlimited access to your business records and other information and data generated and stored by ASAP. We may periodically specify in the Manual or otherwise in writing the information that you must collect and maintain on ASAP, and you must provide us with such reports as we may reasonably request from the data so collected and maintained. The standards and specification of ASAP are subject to change by us at any time and from time to time. ASAP, its business processes and all information relating to it, are the property of NP Franchise Group and are part of the Know-How. To access ASAP, You must sign a separate ASAP Rental Management System Order Form and Software as a Service Terms and Conditions.

2. Email. You also agree to use our designated e-mail system for all business related to the Franchise. You must use only the Priceless email address (that is, one that will contain a Top Level Domain Name that we designate) in the operation of your Franchised Business, including in your communications with customers and vendors. We have the right to monitor and review your e-mail communications. You must not use any unapproved computer software or security access codes.

3. Your Responsibility. Although you agree to buy, license, use, and maintain the Computer System (including ASAP) according to our standards and specifications, you will have sole and complete responsibility for: **(a)** the acquisition, operation, maintenance, and upgrading of the Computer System (including ASAP); **(b)** the manner in which the Computer System (including ASAP) interfaces with our and any third party's computer system; **(c)** entering, maintaining, and backing up all necessary data (including rates and other information entered on the Reservation System); **(d)** maintaining and updating an anti-virus software program; **(e)** complying with all privacy and data security laws and standards pertaining to the privacy of consumer, employee, and transactional information, including the Payment Card Industry Data Security Standards ("PCI-DSS") and **(f)** any and all consequences if the Computer System (including ASAP) is not properly operated, maintained, backed up, and upgraded.

4. No Warranties. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE INFORMATION TRANSMITTED THROUGH THE COMPUTER SYSTEM (INCLUDING ASAP), AND WE WILL BEAR NO LIABILITY OR RESPONSIBILITY FOR: **(A)** ERRORS OR OMISSIONS OF INFORMATION CONTAINED IN THE COMPUTER SYSTEM (INCLUDING ASAP); OR **(B)** COMPUTER HARDWARE, SOFTWARE, OR SYSTEM FAILURES IN CONNECTION WITH THE COMPUTER SYSTEM (INCLUDING ASAP).

5. Changes in Technology. You and NP Franchise Group both understand that changes to technology are dynamic and not predictable within the term of this Agreement. To provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System, and you agree to comply with those reasonable new standards that we establish as if we periodically revised this Section 11.A. for that purpose.

## B. Reservations

1. As of the Effective Date, you must use the Priceless Reservation System, which may be maintained by us, our parent (NP Auto Group, Inc.), or an NP Franchise Group affiliate as your sole reservation system. The Priceless Reservation System includes website reservations, reservations delivered through ASAP, third party providers, and other methods of securing pre-reserved business for Priceless system members. You will sign a Reservation Services Participation Agreement governing the terms and conditions of your participation in the Priceless Reservation System. NP Franchise Group, NP Auto Group, and our affiliates have the right to develop future Reservation System policies, procedures and fee structures and publish them in the Operating Manual. Neither we, our parent nor our affiliates are required to make the Priceless Reservation System available to the Franchised Business for any reservations occurring after the termination of this Agreement.

2. You must provide your prices and rates for use in the Priceless Reservation System in accordance with the System Standards. You agree to: (1) honor any prices, rates, or discounts that appear in the Reservation System or elsewhere; (2) honor all reservations made through the Reservation System or that are confirmed; and (3) not charge any customer a rate higher than the rate specified in the Reservation System or, if not made through the Reservation System, in the reservation confirmation (unless the customer adds optional products and services or otherwise elects to change the terms of the rental at the time of rental).

3. You understand that: (a) your right to participate in the Priceless Reservation System and receive reservations generated by third-party providers (“**Third Party Reservation Platforms**”) may be subject to compliance with Customer Service Index (“**CSI**”) surveys and similar tools established and administered by the Third-Party Reservation Platforms; (b) your failure to meet the CSI survey and other customer service standards established and administered by Third-Party Reservation Platforms could lead to termination of your right to be listed on and receive reservations from the Third-Party Reservation Platforms; (c) Third-Party Reservation Platforms are critical to the Priceless Reservation System; and (d) if the Franchised Business is removed from one or more Third-Party Reservation Platforms, we have the right to terminate this Agreement as provided in Section 14.A.(24) of this Agreement.

## C. Ownership of Data

1. Priceless Data. As between you and NP Franchise Group, NP Franchise Group exclusively owns and reserves all right, title and interest in all Priceless Data (defined below), during and after the term of this Agreement, and we will have the right to use, copy, record, distribute, reproduce, disclose, sell, re-sell, display, publicly perform, transmit, publish, broadcast, translate, make derivative works of, and otherwise use and exploit in any manner whatsoever, the Priceless Data in any manner and in any means or medium (existing now or in the future) that we deem appropriate, without compensation to you. “**Priceless Data**” means data and information (i) provided by or on your behalf to us, (ii) uploaded to our or our agents’ systems (including the ASAP Computer System and the Priceless Reservation System) from your or your agents’ systems, (iii) downloaded to your or your agent’s systems from our system, and (iv) all other data created or collected by you in connection with the System, or, except as set forth below, in connection

with your operation of the Franchised Business (including consumer and transaction data). Copies and/or originals of Priceless Data must be provided to us upon our request. Subject to the terms and conditions of this Section 11.C., we hereby grant a limited, non-exclusive, revocable license back to you to use Priceless Data, at no additional cost, solely for the term of this Agreement and solely in connection with the establishment and operation of the Franchised Business pursuant to this Agreement.

2. Franchisee Data. Unless otherwise agreed in writing between NP Franchise Group and Franchisee, any: customer information that Franchisee collects in-store independently of the System, such as instances where customer information is not uploaded to or otherwise processed by the ASAP Computer System, the Priceless Reservation System, or other NP Franchise Group systems, and information regarding Franchisee personnel (collectively, “**Franchisee Data**”) will, as between Franchisee and NP Franchise Group, remain the property of the Franchisee. Franchisee shall be solely liable and responsible for any independent collection, use, and/or processing of Franchisee Data carried out by or on behalf of Franchisee independent of the System, and agrees to indemnify and hold NP Franchise Group harmless from any third party claims and all losses, damages, liabilities (including attorneys’ fees) in connection with such independently managed collection, use, and/or processing of Franchisee Data.



## **D. Data Security and Breach Notification**

Taking into account the nature, scope, context and purposes of processing data, you agree to install and maintain appropriate technical and organizational security measures to (a) comply with applicable data protection laws, and (b) protect data from accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, data transmitted, stored or otherwise processed, which shall be no less stringent than generally accepted industry-standard security measures. For example, you agree to comply with the then-current Payment Card Industry Data Security Standards (“PCI-DSS”), as those standards may be revised by the PCI Security Standards Council, LLC (see [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org)) or successor organization; to implement the security requirements that the Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards; and to complete PCI-DSS audits as and when required by the standards. You agree to make available all relevant records, audits, assessments, logs, files, reports or other materials necessary to demonstrate compliance with applicable security standards, including PCI-DSS compliance. You agree that compliance with PCI-DSS is a minimum requirement, that compliance does not guarantee that no security breach will occur, and that any losses or expenses incurred by us as a result of a security breach will be subject to indemnification under Section 10.C. of this Agreement. You must reimburse us for all costs and expenses incurred by us and our affiliates associated with an actual or suspected security breach, including: (a) security breach notification costs (including any costs of credit monitoring) using the form of notification approved by us; (b) security breach investigation and remediation costs; (c) all fines, penalties and settlements related to or arising from the security breach; and (d) related attorneys’ fee. In the event of a known or suspected security breach, you agree to notify us without undue delay (but in no event later than 48 hours after first suspecting or becoming aware of the breach, unless otherwise prohibited by applicable law) and to comply with applicable laws. Following your notification to us of a security breach, you agree to cooperate with any instructions from us regarding the security breach, including: (a) assisting with any investigation; (b) providing us physical access to facilities, systems, and operations affected; (c) facilitating interviews with Franchisee’s employees and others involved in the matter; and (d) making available all relevant records, logs, files, data reporting and other materials necessary to comply with applicable law, industry standards or as we otherwise require. You, at your sole cost and expense, must use best efforts to immediately remedy any security breach and prevent any further security breach in accordance with Data Protection Laws (defined below). We may offer to you, and if offered you must purchase from us or our affiliate, a package of services for internet access, PCI-DSS compliance and data security.

## **E. Privacy**

### **1. Definitions.**

“**CCPA**” means the California Consumer Privacy Act of 2018 (including as amended by the California Privacy Rights Act of 2020), and any regulations and guidance promulgated thereunder.

“**Consumer**” means “consumer,” “data subject,” or other similar terms defined under Data Protection Laws.

“**Data Protection Laws**” mean all applicable laws, ordinances, rules, regulations (including

industry self-regulation), guidelines, and standards (e.g., PCI-DSS) relating to privacy and data protection, cybersecurity, breach notification, consumer protection, and otherwise pertaining to the collection, use, disclosure, integrity, security, transfer, or other processing of, Personal Information

“**Deidentified Data**” means “De-identified Data” or data that has been “Deidentified” as those terms are defined in Data Protection Laws. In the absence of such definitions, “Deidentified Data” means information that cannot reasonably be used to infer information about, or otherwise be linked to, a particular Consumer or a device linked to a particular Consumer.

“**Personal Information**” means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, household, or device, and includes, information that is defined or protected under Data Protection Law.

“**Processor**” means a person who processes Personal Information on behalf of another person, and includes, “service provider” and “processor” as defined under Data Protection Laws.

**Business Purpose, Sell, and Share** each has the meaning given to them in the Data Protection Laws.

2. Compliance with Data Protection Laws. You agree to abide by the Data Protection Laws. You must ensure that any Personal Information is only collected, used, transferred, stored, or otherwise processed on a legal basis recognized by applicable Data Protection Laws, including express or implied consent of the data subject. You are responsible for ensuring, and represent and warrant, that (i) you have complied, and will continue to comply, with applicable Data Protection Laws in your processing of Personal Information; (ii) all data shared with or transferred to us has been collected and otherwise processed in compliance with applicable Data Protection Laws and a privacy policy that allows such sharing or transfer; and (iii) you have, and will continue to have, the right to transfer, share, or provide access to, Personal Information to us.,

3. Terms required by Data Protection Laws. You agree to process Franchisor Personal Information in accordance with our documented instructions solely as a Processor, for the purposes consistent with the license granted to Priceless Data in Section 11.C. of this Agreement and, as to CCPA Personal Information, to carry out the Business Purposes applicable to such purposes (collectively, the “**Agreed Purposes**”), which you agree are the sole purposes for which we are making available the Franchisor Personal Information. Without limiting the generality of the foregoing, you must: (i) not Sell or Share Priceless Personal Information (defined below); (ii) not retain, use, and disclose Priceless Personal Information for any purpose (including a commercial purpose) other than for the Agreed Purposes; (iii) not retain, use, or disclose Priceless Personal Information outside of the direct business relationship between NP Franchise Group and Franchisee, including combining or updating Priceless Personal Information received from, by us or on our behalf with Personal Information that you receive from another person; (iv) provide the same level of privacy protection as required by Controllers under Data Protection Laws, including by, for example, cooperating with us in responding to and complying with Consumers’ requests made pursuant to Data Protection Laws; and (v) notify us promptly within five (5) business days

or, if sooner, the time required by Data Protection Laws, after you makes a determination that you can no longer meet your obligations under this Agreement or Data Protection Laws.

You grant us the right, upon notice, to take reasonable and appropriate steps to stop and remediate your unauthorized use of Priceless Personal Information. You certify that you understand and will comply with the restrictions and obligations applicable to Priceless Personal Information under any Data Protection Laws. For the purposes of this Section, **“Priceless Personal Information”** means any Priceless Data that constitutes Personal Information. To the extent you receive from us or otherwise collect Deidentified Data as part of the System, you agree to: (i) maintain such data as Deidentified and take reasonable measures to ensure that such Deidentified Data cannot be associated with an individual or household (including implementing technical safeguards and business processes to prevent reidentification or inadvertent release of the Deidentified Data); (ii) publicly commit to maintain and use the data in Deidentified form and not to attempt to reidentify the data; and (iii) contractually obligate any third parties receiving such data from you to also commit these same requirements. You may permit processing of Priceless Personal Information on our behalf by third parties that we agree to in advance in writing (**“Subprocessors”**). You must flow down the privacy and security requirements of this Agreement to any Subprocessors in a written agreement binding upon each such Subprocessor to terms that include restrictions and obligations that are required by Data Protection Laws and that are no less restrictive than the terms of this Agreement. You will be solely responsible for all actions and omissions of its Subprocessors.

#### 4. Assistance with Consumer Requests.

a. You must take appropriate measures and provide all reasonable cooperation and assistance that we request in respect of fulfillment of our obligations to respond to Consumer rights requests.

b. If you receive a notice, communication, claim, or complaint from a person (including a governmental authority) regarding, or a Consumer request relating to, Priceless Personal Information, then you will promptly: (i) advise the relevant person or Consumer to make the claim, complaint or request directly to us; (ii) give written notice of the notice, communication, claim, complaint or request to us; and (iii) cooperate with and assist us to respond to the claim, compliant, or request.

c. You must take appropriate measures and provide all reasonable cooperation and assistance requested by us in respect of fulfillment of our obligations to respond to Consumer rights requests.

5. Reviews and Audits. At our request, you agree to provide us with all information, records, files, logs, reports, audits, documents, assessments or other materials necessary to confirm your compliance with this Section 11.E. and applicable Data Protection Laws. At our sole discretion, you grant us, or a third party elected by us, permission to perform an assessment, audit, examination or review of all technical and organizational security and privacy controls, including your physical and/or technical environment, in relation to all Personal Information and Priceless Personal Information collected, used, transferred, stored or otherwise processed by you pursuant to this Agreement. You must fully cooperate by providing access to all personnel, facilities, and systems as necessary to complete the audit. In addition, at our request, you must provide us with

the results of any audit performed by or on your behalf that assesses the effectiveness of your security and privacy measures.

## **F. Reports**

On the fifth day of each month, You must furnish to us reports and data (in the form that We prescribe) of the previous month's activity of the Franchised Business, which must: (1) be signed and verified by You (or by a Certified Public Accountant); (2) accurately reflect the identity of each Rental Vehicle owned, used or kept for rental on a daily basis, the sequential numbers of the Rental Agreements used, total Gross Revenues, weekly and/or monthly summaries of daily business reports; and (3) provide such other data, information and supporting records as We from time to time request.

You must also furnish us with annual reports, in such form as We specify, containing information supplied in Your monthly reports during the preceding 12 months, and such other data, information and records as We may at any time and from time to time request.

We may require that you submit all reports via email or other computerized form and/or that we have access to your computer system to obtain or verify such reportable information.

You must keep all of your business records, including rental agreements and tax returns for a period ending seven years after the termination date of this Agreement. The obligation to retain the records of the Franchised Business will survive the termination of this Agreement.

## **G. Bookkeeping Systems; Chart of Accounts**

We will provide guidance on establishment of bookkeeping and accounting systems, chart of accounts, and preparation of financial statements via the Manual and ongoing training. All reports submitted by you to us must be substantially in the form described in the Manual. All bookkeeping and accounting records, financial statements, and other reports (covering such periods as may be prescribed by us) will be available for inspection by us, or our agent, during normal business hours, with or without advance notice for such periods as we may from time to time prescribe.

## **12. OUR RIGHT TO INSPECT AND AUDIT THE FRANCHISED BUSINESS**

To determine whether or not You are complying, or have complied, with this Agreement, NP Franchise Group will have the right at any time during business hours and without prior notice to You, to inspect the Franchised Business, the Rental Vehicles, all records of the Franchised Business and the Operating Company and any other Vehicle Rental Business located within a 20-mile radius of the Premises, which is owned directly or indirectly or operated by You. Records that we may inspect include profit and loss statements, whether handwritten, printed, computer-generated, stored in or on a computer hard drive, CD-ROM, DVD, USB flash drive, or any other digital form. You must give us access to the federal, state and local income tax and sales tax returns of you, the Franchised Business and the Operating Company, and you hereby waive any privilege pertaining to any such tax returns. You must also allow NP Franchise Group full and complete

access to all computers and computer systems used in the Franchised Business or by the Operating Company and other businesses previously described in this paragraph.

You must: (1) fully cooperate with our representatives or agents making an inspection, review and/or audit; and (2) permit our representatives or agents to take photographs, movies or videotapes of the Franchised Business and to interview the employees of the Franchised Business. We will bear the cost of any such inspection, review and/or audit, provided that if any such activity reveals an overpayment by You to us, We will promptly refund the overpayment or apply the overpayment to any outstanding amounts owed by You to us. If any such activity reveals an underpayment by you to us, you must pay us the shortfall on demand. If the shortfall amounts to more than 5% of the amount that was actually due, or if such activity discloses that You have failed to comply with any provision of this Agreement to an extent that would permit us to terminate this Agreement, then in addition to all other remedies and rights available to Us, We will have the right to require You to pay Us on demand all of Our costs of conducting the inspection, review and/or audit including the travel expenses, hotel accommodations and the salaries of Our employees or agents conducting such inspection, review and/or audit.

Your obligation to cooperate with us and permit inspection by Us of Your books and records, as well as the books and records of the Franchised Business, the Operating Company and the other businesses described above will survive the termination of this Agreement.

### 13. ASSIGNMENT

#### A. By NP Franchise Group

We will have the right to transfer or assign this Agreement and all or any part of our rights or obligations under this Agreement to any person or legal entity without prior notice to, or consent of you. If we transfer or assign this Agreement, any assignee of ours will be solely responsible for all of our obligations under this Agreement from the date of assignment, and we will be relieved of any and all liability under this Agreement.

#### B. By You

You understand that the rights and duties that this Agreement creates are personal to you, and that we have granted you the Franchise in reliance upon our perceptions of your character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, you may not, without our prior written approval, assign, sell, transfer, or subdivide: (1) this Agreement (or any interest in this Agreement); (2) the Franchised Business or substantially all of its assets; or (3) a controlling interest (51% or more) in or effective management control of the Operating Company (defined below). Any attempted assignment or transfer without such prior approval will constitute a breach of this Agreement and convey no rights to or interests in this Agreement or the Franchised Business to the purported assignee. Additionally, you may not transfer or assign this Agreement or the Franchised Business in any way that would cause this Agreement or the Franchised Business to be collateral or security for the personal or corporate obligation of you or anyone else.

### **C. Assignment to Your Operating Company**

You must assign the operating rights granted in this Franchise Agreement to a legal entity which is controlled by you, or by you and your immediate family, and which is approved by us (the “**Operating Company**”).

An assignment of the rights in this Agreement to the Operating Company will remain in effect, as long as: (1) You are in full compliance with this Agreement; (2) You or Your immediate family, together own at least 51% of the issued and outstanding voting stock and/or other ownership and management rights of the Operating Company during the term of this Agreement; and (3) You and the Operating Company sign the Assignment Agreement attached to this Agreement as Exhibit 1. Despite this assignment, you remain personally liable for the performance of all obligations, duties and liabilities undertaken by the Operating Company, and you guarantee the full and prompt performance of all obligations, duties and liabilities to NP Franchise Group or Our affiliates undertaken by the Operating Company.

### **D. Assignment and Sale of the Franchised Business**

If You are in full compliance with this Agreement, You may obtain Our approval to assign Your rights and obligations under this Agreement, provided that the proposed assignee(s) is, in Our sole opinion, an individual of good character who has sufficient business experience, aptitude and financial resources to own and operate a Vehicle Rental Business using the Priceless Trademarks, and who otherwise meets Our then-applicable standards for new franchisees, and further provided, that the following conditions are met prior to, or concurrently with, the date of the assignment:

1. all of Your monetary obligations incurred in connection with this Agreement and the operation of the Franchised Business have been paid; and,
2. the assignee agrees to complete Initial Operations Training; and,
3. the assignee has signed and agreed to be bound by Our then-current form of Franchise Agreement and such ancillary agreements as We then customarily use in the grant of franchises for businesses using the Priceless Trademarks; and,
4. You or the assignee have paid a transfer fee of \$3,000 to Us; and,
5. We have reviewed and approved all documents evidencing the assignment, including documents relating to the sale of assets and the transfer or assignment of real property interests for the Premises; and,
6. You sign a general release that releases any and all claims, liabilities or causes of action You have or may have, in law or in equity, against Us, our parents, affiliates, and subsidiaries, and our respective shareholders, members, officers, directors, agents and employees, their successors and assigns, that are in any way related to this Agreement or the conduct of the Franchised Business; and,

7. You comply with the post-termination Covenant Not to Compete set forth in Section 9.C. of this Agreement.

**E. Your Death or Disability**

Upon Your death or permanent disability, Your executor, administrator, conservator, personal representative, guardian or attorney-in-fact (“**Your Representative**”) must, within 6 months after the date of death or disability, assign or transfer Your interest in this Agreement and in the Franchised Business to a third party approved by Us subject to the conditions of Section 13.D. of this Agreement. If Your Representative fails to effect a transfer of your interest in this Agreement within that 6-month period, we may terminate this Agreement effective on written notice to Your Representative.

**F. Our Right of First Refusal**

If you decide to sell an interest in the Franchised Business, you must obtain a *bona fide*, executed written offer and a reasonable earnest money deposit from a responsible and fully-disclosed purchaser, and submit an exact copy of that offer to us. We will have the right, exercisable by written notice delivered to you within thirty (30) days from our receipt of the copy of the offer to purchase the interest in the Franchised Business or an ownership interest in the Operating Company for the price and on the terms and conditions contained in the offer. We are entitled to substitute cash for any form of payment proposed in the offer and will have at least 30 days to prepare for closing.

If the proposed assignment or franchise transfer includes any of your assets that are not strictly related to the Franchised Business, We will not be required to purchase those other assets. If we do not exercise our right of first refusal, you may complete the sale to the proposed purchaser pursuant to and on the terms of such offer, subject to our approval of the purchaser as provided in Sections 13.D. of this Agreement. If the sale to the proposed purchaser is not completed within 90 days after delivery of the offer to us, or if there is a material change in the terms of the sale, we shall again have the right of first refusal as provided in this Section 13.F.

**14. DEFAULT AND TERMINATION; SUSPENSION OF SERVICES**

**A. Termination By NP Franchise Group – Without Cure Period**

We have the right to terminate this Agreement effective immediately upon delivery of notice of termination to You, if You or the Operating Company:

1. Fail to obtain Our approval of the Premises as provided in this Agreement; or,
2. Fail to open and begin operating the Franchised Business within 180 days after the Effective Date; or,

3. Fail to satisfactorily complete Initial Operations Training as provided in this Agreement; or,
4. Make an assignment for the benefit of creditors; or,
5. Make a written admission of Your inability to pay debts or obligations as they become due; or,
6. File a voluntary petition in bankruptcy; or,
7. Become insolvent or are adjudicated as bankrupt; or,
8. File a petition or other pleading seeking reorganization, dissolution or any similar relief under any statute, law or regulation or admit or fail to immediately contest the material allegations of a petition or other pleading filed in any such proceeding; or,
9. Seek, consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Franchised Business of all or a substantial part of any of its assets, or fail to vacate the appointment of any trustee, receiver or liquidator for any such purpose within 30 days of such appointment; or,
10. Have made any material misrepresentation or omission in the application to become a franchisee; or,
11. Abandon or fail to actively operate the Franchised Business for a period of more than 7 consecutive days without Our prior written approval; or,
12. Attempt to transfer, or transfer control of all or any interest in the Franchised Business, this Agreement, or an effective controlling (51% or more) ownership or management interest in the Operating Company without Our prior written approval; or,
13. Submit reports on 3 or more separate occasions in which you understate the number of Rental Vehicles or Gross Revenues generated by the Franchised Business by more than 5%; or,
14. Knowingly falsify any report required to be furnished to us or make any material misrepresentation in your dealings with us or fail to disclose any material facts to us; or,
15. Fail on 3 or more separate occasions to (a) submit when due, reports or other data, information or records, or (b) pay to Us when due any fees required by this Agreement; or,
16. Fail to maintain the insurance coverage, or provide to Us the Certificates of Insurance, required by this Agreement; or,
17. Are convicted of, plead guilty to, or enter a plea of *nolo contendere* to (a) any felony; or, (b) any criminal offense related to the Franchised Business, other than minor traffic violations; or, (c) any crime or any act, whether or not related to the Franchised



Business that We determine, in our sole discretion, threatens the integrity or reputation of NP Franchise Group, any of the Priceless Trademarks, the Franchised Business, the Operating Company, or other businesses using the Priceless Trademarks; or,

18. Cease using the ASAP Computer System without our prior written approval; or,
19. Default under any collateral agreement with Us or one of our affiliates; or,
20. Have been subject to 3 or more notices of default under this Agreement, whether or not such defaults have been cured, or
21. Fail to make payments to Preferred Providers when due, or
22. Fail to accept and implement a material modification to the System that applies uniformly to all similarly-situated franchisees within any specified time period; or
23. Fail to meet the minimum Customer Satisfaction Program or quality assurance program scores set forth in the Manual; or
24. Do not comply with Third-Party Reservation Platform standards, resulting in the removal of the Franchised Business from one or more of the Third-Party Reservation Platforms.

#### **B. Termination By NP Franchise Group Following Expiration of Cure Period; Suspension of Franchise Rights**

We also have the right to terminate this Agreement effective upon delivery of notice to You, if You fail to comply with any other provision of this Agreement or any mandatory specification, standard or operating procedure that We prescribe, and do not correct such failure within: (1) 30 days after written notice of such failure to comply is delivered to You if a non-monetary matter is involved; (2) 15 days after written notice in the case of a monetary default; or (3) such longer period as may be required by applicable law.

If you are in default under the terms of this Agreement or any other agreement with NP Franchise Group, NP Auto Group, Inc., or one of our other affiliates, NP Franchise Group or Our affiliates also have the right to suspend or block your reservation services. If you cure your default before this Agreement terminates, NP Franchise Group or Our affiliates will reestablish reservations services to you upon receipt of a reconnection fee from you. Suspension of reservations services to you does not prejudice our rights to pursue other remedies upon your default.

### **C. Termination By You**

1. Termination for Cause. You have the right to terminate this Agreement at any time if we default under the terms of this Agreement and fail to cure the default within 90 days after our receipt of written notice from you.

2. Termination Without Cause -- No Fee. You have the right to terminate this Agreement without cause (and without payment of the Post-Termination Business Continuance Buyout described in Section 15.C. of this Agreement) if you: (a) give us written notice at least 90 days in advance of termination; and (b) you comply with the post-termination Covenant Not to Compete set forth in Section 9.C. of this Agreement.

3. Termination Without Cause -- With Payment of a Fee. You have the right to terminate this Agreement without cause and continue to directly or indirectly own, operate or maintain a competing Vehicle Rental Business within 20 miles of the site of the Franchised Business if: (a) you give us written notice at least 90 days in advance of termination; and (b) you pay us the Post-Termination Business Continuance Buyout described in Section 15.C of this Agreement, which you agree is a reasonable estimate of our probable loss resulting from the termination of the Franchise Agreement and your failure to comply with the Covenant Not to Compete set forth in Section 9.C. of this Agreement.

## **15. RIGHTS AND OBLIGATIONS UPON TERMINATION**

### **A. Payment of Amounts Owed to NP Franchise Group**

Within 15 days after the effective date of termination of this Agreement, You must pay to Us, our affiliates, or our Preferred Providers, as the case may be, all unpaid amounts due Us, our affiliates, or Preferred Providers under the terms of this Agreement or any other agreements between you and us, our affiliates or Preferred Providers, including the Post-Termination Continuation Buyout, if applicable. You must also pay all damages, costs, and expenses, including reasonable attorneys' fees that we incur, as a result of your default, either before or following the termination of this Agreement, as a result of your default.

### **B. De-Identification; Return of Operating Manual**

Upon termination of this Agreement, You, the Franchised Business, and the Operating Company must immediately:

1. Return to Us all copies of the Operating Manual and other items or materials that were loaned or furnished to You; and,

2. Take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to use of the Priceless Trademarks or the conduct of the Franchised Business; and,

3. Remove from the Premises all signs, sign faces, advertising materials, forms, invoices and other materials containing any of the Priceless Trademarks or relating to the conduct of the Franchised Business; and,

4. Notify all telephone companies and all telephone number listing agencies of the termination of your right to use the Telephone Numbers and any regular, classified or other telephone directory listings associated with any of the Priceless Trademarks or the Franchised Business, and to authorize transfer of the Telephone Numbers and listings to or at our direction.

5. Cease all use of the Priceless Trademarks, any imitation thereof, or similar marks and cease identifying Yourself, the Franchised Business and the Operating Company as a current or former “Priceless” franchisee, or as otherwise associated with, NP Franchise Group in any manner or for any purpose; and,

6. Take all actions necessary to effect the transfer of any and all agreements and permits that were used in conjunction with the Franchised Business to whomever We direct, or to cancel or terminate such agreements and permits, all at Our sole election; and,

7. Assign to NP Franchise Group all e-mail or worldwide web listings, domain name registrations, SMS numbers or addresses, MMS numbers or addresses, Instant Messenger Screen names, RSS or other syndicated service feeds, profiles and accounts on Twitter, MySpace, Facebook, LinkedIn or any other interactive or static site maintained on the Internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system containing the Priceless Trademarks, any imitation thereof, or any similar marks; and,

8. Furnish to NP Franchise Group within 30 days after termination of this Agreement evidence satisfactory to Us of Your compliance with the foregoing obligations.

9. Pay to NP Franchise Group the Post-Termination Business Continuance Buyout set forth in Section 15.C. below if this agreement is terminated by you or us, and you fail to comply with the post-termination Covenant Not to Compete set forth in Section 9.C. of this Agreement.

### **C. Post-Termination Business Continuance Buyout**

If this Agreement is terminated by you or us, and you fail to comply with Section 9.C. of this Agreement (the post-termination Covenant Not to Compete), you must pay us a Post-Termination Business Continuance Buyout as liquidated damages – and not as a penalty – as described below:

1. The amount of the Post-Termination Business Continuance Buyout is equal to the product of the number of Rental Vehicles in the fleet of the Franchised Business multiplied by \$800. For purposes of calculating the Post-Termination Business Continuance Buyout, the number of Rental Vehicles in the fleet of the Franchised Business is the greater of: **(a)** the minimum number of Rental Vehicles described in Exhibit 1 of this Agreement; and **(b)** the most recent 12-month average of the actual number of Rental Vehicles in the Fleet of the Franchised Business. The Post-Termination Business Continuance Buyout is payable upon demand.

2. You agree that the extent of the damages caused by the termination of the Franchise Agreement and your failure to comply with the Covenant Not to Compete contained in Section 9.C. of this Agreement is difficult or impossible to accurately estimate, and that the formula for calculating the Post-Termination Business Continuance Buyout is a reasonable estimate of our probable loss resulting from the termination of the Franchise Agreement and your non-compliance with Section 9.C of this Agreement. Payment of the Post-Termination Business Continuance Buyout by you does not affect your obligation to pay us all other amounts and fees due to us that accrued before the termination of this Agreement, nor does it affect any of your continuing indemnification obligations.

**D. Our Rights to Acquire the Premises and the Franchised Business Assets.** Upon termination of this Agreement, at our option, you must:

1. Assign to us your interest in the lease or sublease for the Premises (or provide us with a commercially reasonable lease in the event you own the Premises); or, if you own the Premises, lease the Premises to us pursuant to the terms of our standard lease, for a term of five (5) years with two successive five (5) year renewal options at fair market rental during the term of the lease. If we elect not to exercise our option to acquire the lease or sublease for the Premises, you must make such modifications or alterations to the Premises as may be necessary to comply with Section 15.B.3; or

2. Sell to us such of the Rental Vehicles, furnishings, equipment, signs, and fixtures of the Franchised Business as we may designate, at fair market value, and such of the inventory and supplies of the Franchised Business as we may designate, at fair market wholesale value. If we cannot agree on the price of any such items within a reasonable time, an independent appraiser will be appointed by us at our expense, and the appraiser's determination will be binding on both parties. If we exercise our option to purchase any items, we will have the right to set off all amounts due from you against any payment for such items; or

3. We may exercise either or both of our options under Sections 15.D.1 and 15.D.2 at any time between the date of delivery of written notice of termination and 90 days after the effective date of termination. If we deem such action desirable in order to preserve the value of such options, we may issue to you, and you must comply with, written instructions to refrain from, delay, or reverse any of the actions required of you under Section 15.B. Our election of either or both of our options in this Section 15.D. is at our discretion, and we may elect not to exercise either option.

### **E. Continuing Obligations**

All obligations of NP Franchise Group and You which expressly or by their nature survive the termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its termination and until those obligations are satisfied in full or by their nature expire.

## 16. ENFORCEMENT

### A. Severability And Modification

Each section, paragraph, term and provision of this Agreement will be considered severable, and if any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation, it will not have any effect upon the remaining portions of this Agreement.

If any applicable law or regulation of any jurisdiction requires a greater prior notice of the termination of this Agreement than stated in this Agreement or the taking of some other action not required by this Agreement, the notice or other action required by such law or rule will be substituted for the comparable provisions of this Agreement.

### B. Waiver of Obligations

A waiver by NP Franchise Group of any breach of this Agreement does not constitute a waiver of any additional breach or waiver of your performance under this Agreement. Our failure or neglect to exercise any of our rights under this Agreement does not constitute a waiver of future enforcement of any other provision of this Agreement. NP Franchise Group and you will not be deemed to have waived or impaired any right, power or option reserved by this Agreement by virtue of any custom or practice of the parties at variance with the terms of this Agreement. Any waiver, forbearance, delay, failure or omission by NP Franchise Group to exercise any right, power or option with respect to any other franchisee of NP Franchise Group or the acceptance by NP Franchise Group of any payments due from You after any breach of this Agreement will not constitute a waiver of Your obligations hereunder.

### C. Withholding of Payments

You may not, on grounds of the alleged nonperformance by NP Franchise Group of any of its obligations under this Agreement, withhold payment of any Royalty Fees, Marketing and Advertising Fees, contributions to the Regional Fund, Reservation Fees, or any other fees and charges due NP Franchise Group or Our affiliates under the terms of this Agreement or as a result of Your conduct of the Franchised Business.

### D. Resolution of Disputes

If you and NP Franchise Group are unable to resolve a dispute or controversy under this Agreement through informal negotiation, you and NP Franchise Group agree to the following dispute resolution process:

1. Face-to-Face Meeting. Before initiating a judicial proceeding, You and NP Franchise Group agree to make a good faith effort to resolve the dispute at a face-to-face meeting (“**Face-to-Face Meeting**”) between you and one of our representatives, each of whom is authorized to making binding commitments on behalf of their respective parties. The Face-to-Face Meeting will be held at the NP Franchise Group Franchisee Service Center where located at

the time of the dispute (currently, Laurel, Maryland) within 30 days after the date of written notice proposing the meeting, unless You and NP Franchise Group agree otherwise in writing. If the Face-to-Face Meeting is not held within 30 days (or within the otherwise agreed-upon time period), the request for a Face-to-Face Meeting will expire, and the requesting party may file a claim without making additional attempts to resolve the dispute informally. You and NP Franchise Group agree that the written notice proposing a Face-to-Face Meeting must be dated before the expiration of the applicable limitation on the period of time in which a claim may be brought under Section 16.D.6.

2. Choice of Venue. The parties agree that any action that you bring against us, in any court, whether federal or state, must be brought only within the state and judicial district for Frederick, Maryland. Any action that we bring against you in any court, whether federal or state, may be brought within the state and judicial district for Frederick, Maryland, waiving any other jurisdiction that may correspond to them by virtue of their domiciles, current or future.

(a) The parties agree that this Section 16.D.2. will not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue will be as set forth above.

(b) The parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

(c) ANY SUCH ACTION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A CONSOLIDATED, COMMON, OR CLASS ACTION.

3. Parties Rights are Cumulative. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy provided under this Agreement or provided or permitted under law or equity; rather, each remedy will be cumulative of every other right or remedy.

4. Injunctions. Nothing in this Agreement will bar our right to obtain precautionary measures or injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

5. Waiver of Jury Trials. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

6. Must Bring Claims Within One Year. EACH PARTY TO THIS AGREEMENT AGREES THAT ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES' RELATIONSHIP, OR YOUR OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER, MUST BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE IRREVOCABLY BARRED; PROVIDED, HOWEVER,

THAT THE PARTIES AGREE THAT THIS SECTION 16.D.6 DOES NOT APPLY TO A CLAIM BY NP FRANCHISE GROUP SEEKING INDEMNIFICATION UNDER THIS AGREEMENT OR CLAIMS ARISING FROM YOUR NONPAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWED TO NP FRANCHISE GROUP, OR YOUR REFUSAL TO SUBMIT TO AN AUDIT AS PROVIDED IN THIS AGREEMENT.

7. Waiver of Punitive Damages. EXCEPT FOR CLAIMS THAT NP FRANCHISE GROUP BRINGS AGAINST YOU FOR UNAUTHORIZED USE OF THE PRICELESS TRADEMARKS OR UNAUTHORIZED USE OR DISCLOSURE OF KNOW-HOW, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES IT HAS SUSTAINED.

8. Payment of Legal Fees. You agree to pay us all damages, costs and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement; and/or (b) successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship.

9. Survivability. The provisions of this Section 16.D. will continue in full force and effect after termination of this Agreement.

#### **E. Governing Law**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), this Agreement is governed by the laws of the State of Maryland. Nothing in this Section 16.E. is intended by the parties to invoke the application of any franchise, business opportunity, antitrust, implied covenant, unfair competition, fiduciary, and/or other doctrine of the State of Maryland (or any other state) that would not otherwise apply absent this Section 16.E.

#### **F. Binding Effect**

This Agreement is binding upon NP Franchise Group and You and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest and may not be modified except by a written agreement signed by both NP Franchise Group and You or as provided in Section 16.A. above with respect to conflicts between this Agreement and applicable law.

#### **G. Integration; Construction.**

This Agreement contains the entire agreement of the parties and supersedes any previous agreements; all representations, inducements, promises or agreements oral or otherwise not written

herein will be of no force or effect. However, nothing in this Agreement or in any related agreement is intended to disclaim our representations made in the franchise disclosure document.

## 17. NOTICES

All written notices, reports permitted or required to be delivered by this Agreement or the Manual will be deemed so delivered at the time delivered by hand, 1 business day after sending by overnight delivery service, telefax or e-mail or 2 business days after placed in the mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its current principal business address.

## 18. EFFECTIVE DATE

This Agreement is not effective until signed by a corporate officer of NP Franchise Group. The Effective Date of this Agreement is \_\_\_\_\_.

**[Signature Page Follows]**



IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the Effective Date.

**NP FRANCHISE GROUP, LLC,**  
a Maryland limited liability company

**YOU, an individual**  
\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**GUARANTY**

Each Guarantor named below unconditionally guarantees the full and faithful performance of You, and the Operating Company under the Franchise Agreement, and each Guarantor agrees to be personally liable for every breach by You or the Operating Company of the Franchise Agreement. These guaranties are continuing and will be unaffected by any modification, amendment or extension of the Franchise Agreement. In the event of a default, NP Franchise Group may proceed against You or any or all of the Guarantors in any order. Each guaranty given hereunder will apply to any and all agreements between NP Franchise Group and You respecting the Vehicle Rental Business operated under the Franchise Agreement.

**GUARANTOR(S)**

1. \_\_\_\_\_  
Printed Name

2. \_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

3. \_\_\_\_\_  
Printed Name

4. \_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

**EXHIBIT 1 – FRANCHISE INFORMATION PAGE**

**1- Franchise Information**

Franchisee Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

Telephone Numbers: \_\_\_\_\_

**2- Site of The Franchised Business**

\_\_\_\_\_  
Street City State Zip

**3- Franchise Territory Size -Type - minimum fleet requirement.**

Franchisee to initial only one option:

a-  6-Mile Primary Service Area  
(A circular area with a 6-mile diameter (3-mile radius) with the following center point:

\_\_\_\_\_)  
Minimum Fleet Size – \_\_\_\_\_ Vehicles within 3 years of the Effective Date.

b.  Airport Primary Service Area  
(The exclusive right to service deplaning passengers at the following airport:

\_\_\_\_\_)  
Minimum Fleet Size – \_\_\_\_\_ Vehicles within 3 years of the Effective Date.

c-  Single Point Franchise

Minimum Fleet Size – 20 Vehicles within 1 year of the Effective Date.

**4- Initial Franchise Fee -** \$ \_\_\_\_\_

Initials of Franchisee \_\_\_\_\_ Initials of Officer of NP Franchise Group \_\_\_\_\_

## EXHIBIT 2

### ASSIGNMENT TO OPERATING COMPANY

This Assignment agreement (“Assignment”) is entered into between NP Franchise Group, LLC., a Maryland limited liability company, (“NP Franchise Group”), and

\_\_\_\_\_, (“You”)

and \_\_\_\_\_,

a \_\_\_\_\_ (the “Operating Company”).

#### 1. INTRODUCTION

You and NP Franchise Group have executed a Franchise Agreement (the “Franchise Agreement”), which grants You the right to operate a Vehicle Rental Business using the name “Priceless” and other services marks owned by NP Franchise Group. This Assignment is part of the Franchise Agreement. You have applied to NP Franchise Group for its consent to assign the operating rights in the Franchise Agreement to the Operating Company.

#### 2. ASSIGNMENT

You hereby assign all operating rights in the Franchise Agreement to the Operating Company. The Operating Company agrees to assume and be bound jointly and severally with You by every obligation, duty and liability owed by You under the Franchise Agreement.

#### 3. CONSENT OF NP FRANCHISE GROUP

NP Franchise Group consents to the assignment of the operating rights in the Franchise Agreement to the Operating Company. This consent will not be considered consent to any other past, present or future assignment of any or all of Your interests in the Franchise Agreement.

#### 4. TERM OF ASSIGNMENT

This Assignment runs concurrently with the Franchise Agreement. This Assignment will terminate automatically without notice and the operating rights will thereby be reassigned to You if: (a) You or members of Your immediate family together no longer own at least 51% of the issued and outstanding voting stock or ownership interest in the Operating Company; or, (b) You fail to actively manage and control the Operating Company; or, (c) You or the Operating Company are in default of any provision of the Franchise Agreement or any agreement with affiliate(s) of NP Franchise Group and the default is not cured within the time required in the Franchise Agreement or other agreement with affiliate(s) of NP Franchise Group; or, (d) the Franchise Agreement expires or is terminated for any reason.

## **5. FURTHER ASSIGNMENT**

This Assignment does not give You or the Operating Company any power or right to further assign, transfer or dispose of any interest in the operating rights or the Franchise Agreement. The rights granted in this Assignment may only be reassigned by the Operating Company back to You. This Assignment does not give the Operating Company any rights in the Franchise Agreement beyond those needed to operate the Franchised Business.

## **6. CONTINUING LIABILITY**

Despite this assignment to the Operating Company, You continue to be fully and directly responsible to NP Franchise Group, jointly and severally with the operating Company, for the performance of all obligations, duties and liabilities owed to NP Franchise Group arising out of or related to the Franchise Agreement or any collateral agreements that are part of the Franchise relationship.

## **7. CROSS DEFAULT**

Any default of this Assignment is a default of the Franchise Agreement.

## **8. GUARANTIES**

The Operating Company absolutely and unconditionally guarantees the full and prompt performance of Your obligations, duties and liabilities under the Franchise Agreement and guarantees payment of all sums that are or may become due to NP Franchise Group under the Franchise Agreement or any collateral agreement. You absolutely and unconditionally guarantee the full and prompt performance of all obligations, duties and liabilities owed to NP Franchise Group by the Operating Company. These guaranties will continue in effect until all of Your obligations, duties and liabilities under the Franchise Agreement have been completely performed or discharged, even if this Assignment has been terminated. The Operating Company's liability under this guaranty may be enforced without requiring NP Franchise Group to exhaust any other remedy. NP Franchise Group may make, alter, and renew any contracts and agreements between You and NP Franchise Group and between NP Franchise Group and the Operating Company without affecting or discharging either guaranty.

## **9. COMPETING BUSINESSES**

9.1. During the term of this Assignment the Operating Company may not directly or indirectly, for its own benefit or the benefit of any other person or entity, own, engage in, advise, assist, lease or sublease to, invest in, franchise, lend money to, agree to sell, or sell all or substantially all of its assets to, or have any financial or other interest in, any other Vehicle Rental Business except for vehicle rental businesses operated under Franchise agreements with NP Franchise Group or a NP Franchise Group affiliate.

9.2. For a period of 2 years after the effective date of termination of the Franchise Agreement, the Operating Company may not directly or indirectly, on its own or on behalf of any

other person or entity, own, engage in, invest in, franchise, lend money to, agree to sell or sell all or substantially all of its assets to, or have any financial or other interest in, any Vehicle Rental Business located within a 20-mile radius of the Franchised Business.

**10. GOVERNING LAW; DISPUTE RESOLUTION**

This Assignment will be construed and governed by the law of the State of Maryland. Section 16.D. of the Franchise Agreement (“Resolution of Disputes”) is incorporated by reference into this Agreement.

**11. WAIVER OF JURY TRIAL**

**NP Franchise Group, You and the Operating Company irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by any of them to enforce the terms of this Assignment.**

**12. EFFECTIVE DATE**

This Assignment will take effect on the date it is signed by NP Franchise Group.

\_\_\_\_\_  
**NAME OF OPERATING COMPANY**

By: \_\_\_\_\_

Its: \_\_\_\_\_  
Print Title

\_\_\_\_\_  
Your Printed Name

\_\_\_\_\_  
Your Signature

\_\_\_\_\_  
Date Signed by You

**NP Franchise Group , LLC**

By: \_\_\_\_\_  
President

\_\_\_\_\_  
Date Signed

**EXHIBIT 3**  
**AUTHORIZATION AGREEMENT FOR PAYMENTS BY AUTOMATED CLEARING  
HOUSE (ACH) NETWORK (DIRECT DEBITS)**

\_\_\_\_\_ (Name of Person or Legal Entity)

\_\_\_\_\_ (ID Number)

The undersigned depositor (“**Depositor**” or “**Franchisee**”) authorizes NP Franchise Group, LLC (“**Franchisor**”) to initiate debit entries and/or credit correction entries to the undersigned’s checking and/or savings account(s) indicated below and the depository designated below to debit or credit such account(s) pursuant to Franchisor’s instructions.

\_\_\_\_\_ Depository

\_\_\_\_\_ Branch

\_\_\_\_\_ City

\_\_\_\_\_ State

\_\_\_\_\_ Zip Code

\_\_\_\_\_ Bank Transit/ABA Number

\_\_\_\_\_ Account Number

This authorization is to remain in full and effect until sixty days after Franchisor has received written notification from Franchisee of its termination.

\_\_\_\_\_ Depositor

\_\_\_\_\_ Depositor

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A1**

**STATE ADDENDA TO THE PRICELESS CAR AND TRUCK RENTAL**

**FRANCHISE AGREEMENT**

**ILLINOIS ADDENDUM  
TO THE PRICELESS CAR AND TRUCK RENTAL  
FRANCHISE AGREEMENT**

THIS ADDENDUM is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between NP FRANCHISE GROUP, LLC, a Maryland limited liability company (“NP Franchise Group”), and \_\_\_\_\_ (“Franchisee”).

1. **Background.** NP Franchise Group and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_ (the "Franchise Agreement") that has been executed concurrently with the execution of this Addendum. This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being executed because (a) the offer or sale of the Franchised Business that Franchisee will operate under the Franchise Agreement was made in the State of Illinois and Franchisee will operate the Franchised Business in the State of Illinois; and/or (b) Franchisee is a resident of the State of Illinois.

2. **Consent to Jurisdiction.** Section 16.D of the Franchise Agreement is hereby amended to add the following:

“Claims arising under the Illinois Franchise Disclosure Act of 1987 (the “Act”) will be governed by Section 4 of the Act, which provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void. ”

3. **Governing Law.** Section 16.E of the Franchise Agreement is hereby amended to read as follows:

The Franchise Agreement will be governed by Illinois law.

4. **Limitations of Action.** Section 16.D.6 of the Franchise Agreement is hereby amended to add the following:

“No action shall be maintained under Section 26 of Act to enforce claims arising under the Illinois Franchise Disclosure Act of 1987 (the “Act”) unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of one year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim under the Act, or 90 days after delivery to the franchisee by NP Franchise Group of a written notice disclosing the violation, whichever shall first expire.

5. **Construction.** The first sentence of Section 16.G of the Franchise Agreement is hereby amended to read as follows:



The preambles and exhibit(s) are a part of this Agreement, which, along with the franchise disclosure document and exhibits, constitute the entire agreement of the parties, and there are no other verbal or written understandings or agreements between NP Franchise Group and Franchisee relating to the subject matter of this Agreement

7. **Enforcement.** The following sentence is added to the end of Section 16:

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or other Illinois law is void.

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

**NP FRANCHISE GROUP, LLC**

**FRANCHISEE**

a Maryland limited liability company

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_, an individual  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**MARYLAND ADDENDUM  
TO THE PRICELESS CAR AND TRUCK RENTAL  
FRANCHISE AGREEMENT**

**THIS ADDENDUM** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between **NP FRANCHISE GROUP, LLC**, a Maryland limited liability company (“NP Franchise Group”), and \_\_\_\_\_ (“Franchisee”).

1. **Background.** NP Franchise Group and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_ (the "Franchise Agreement") that has been executed concurrently with the execution of this Addendum. This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being executed because (a) Franchisee is a resident of the State of Maryland, and/or (b) the Franchised Business that Franchisee will operate under the Franchise Agreement is located in the State of Maryland.

2. **Preambles. The following language is hereby added to the end of Section 1A:**

However, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. **The Franchise Agreement is amended to include the following:**

Pursuant to the Interpretive Opinion “Adopting NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments” dated January 23, 2023 (the “Interpretive Opinion”), issued by the State of Maryland Office of the Attorney General Securities Division (the “Division”), the Division requires franchisors selling franchises that are subject to the Maryland Franchise Registration and Disclosure Law to include the following statement in their franchise agreements: “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.”

Accordingly, any statement, questionnaire, or acknowledgment in this Agreement that is not permitted under the Interpretive Opinion is deleted in its entirety and shall have no force or effect.

4. **Conditions for Approval of Assignment.** The following statement is hereby added at the end of Section 13D(6):

, provided, however, this release shall not apply to any liability NP Franchise Group may have under the Maryland Franchise Registration and Disclosure Law.

5. **Limitations of Actions.** Section 16.D.6 of the Franchise Agreement is hereby deleted in its entirety and is replaced by the following:

Except for claims arising from Franchisee's non-payment or underpayment of amounts Franchisee owed to NP Franchise Group, or Franchisee's refusal to submit to an audit under Section 12 of this Agreement, any and all claims arising out of or relating to this Agreement or NP Franchise Group's relationship with Franchisee will be barred unless a judicial proceeding is commenced within twelve (12) months from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims. For purposes of this Agreement, a judicial proceeding is commenced on the date a Complaint or other request for relief is filed in a court of law in a jurisdiction permitted by the terms of this Agreement; except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg., §§ 14-201 through 14-233) shall be commenced within three (3) years after the grant of the franchise.

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

**NP FRANCHISE GROUP, LLC**

**FRANCHISEE**

a Maryland limited liability company

By: \_\_\_\_\_

\_\_\_\_\_, an individual

Title: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**MINNESOTA ADDENDUM  
TO THE PRICELESS CAR AND TRUCK RENTAL  
FRANCHISE AGREEMENT**

**THIS ADDENDUM** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between **NP FRANCHISE GROUP, LLC**, a Maryland limited liability company (“NP Franchise Group”), and \_\_\_\_\_ (“Franchisee”).

1. **Background.** NP Franchise Group and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_ (the "Franchise Agreement") that has been executed concurrently with the execution of this Addendum. This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being executed because (a) the Franchised Business that Franchisee will operate under the Franchise Agreement will be located in the State of Minnesota, and/or (b) the offer or sale of the Franchise occurred in the State of Minnesota.

2. **Conditions for Approval of Assignment.** The following language is added at the end of Section 13D(6) of the Franchise Agreement:

; provided, however, that such release shall not apply to any claim arising under the Minnesota Franchises Law.

3. **Termination of the Franchise By NP Franchise Group.** The following statement is hereby added at the end of Section 14A:

Minnesota law provides Franchisee with certain termination and non-renewal rights. Minn. Stat. Sec. 80C.14 Subd.3, 4 and 5 require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of this Agreement.

4. **Governing Law/Consent to Jurisdiction.** The following statement is hereby added to Section 16.D.2:

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J, prohibit NP Franchise Group from requiring litigation to be conducted outside Minnesota. Additionally, this Section shall not in any way abrogate or reduce your rights as provided for in Minnesota Statutes 1984, Chapter 80C, to any procedure, forum or remedies provided for by the laws of the jurisdiction.

5. **Jury Trial.** Section 16.D.5 of the Franchise Agreement is hereby deleted.

6. **Limitations of Actions.** Section 16.D.6. of the Franchise Agreement is hereby deleted in its entirety and is replaced by the following:

Except for claims arising from Franchisee's non-payment or underpayment of amounts Franchisee owed to NP Franchise Group, or Franchisee's refusal to submit to an audit under Section 12 of this Agreement, any and all claims arising out of or relating to this Agreement or the relationship of NP Franchise Group with Franchisee will be barred unless a judicial proceeding is commenced within twelve (12) months from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims. For purposes of this Agreement, a judicial proceeding is commenced on the date a Complaint or other request for relief is filed in a court of law in a jurisdiction permitted by the terms of this Agreement; except that 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.

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

**NP FRANCHISE GROUP, LLC**

**FRANCHISEE**

a Maryland limited liability company

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_, an individual

By: \_\_\_\_\_

Date: \_\_\_\_\_

**NEW YORK ADDENDUM  
TO THE PRICELESS CAR AND TRUCK RENTAL  
FRANCHISE AGREEMENT**

**THIS ADDENDUM** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between **NP FRANCHISE GROUP, LLC**, a Maryland limited liability company (“NP Franchise Group”), and \_\_\_\_\_ (“Franchisee”).

1. **Background.** NP Franchise Group and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_ (the "Franchise Agreement") that has been executed concurrently with the execution of this Addendum. This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being executed because (a) the offer or sale of the Franchised Business that Franchisee will operate under the Franchise Agreement was made in the State of New York and Franchisee will operate the Franchised Business in the State of New York; and/or (b) Franchisee is a resident of the State of New York

2. **Assignment of Contract by NP Franchise Group.** The following is added to the end of Section 13.A. of the Franchise Agreement:

“However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.”

3. **Conditions for NP Franchise Group Approval of Transfer.** The following is added to the end of Section 13.D. of the Franchise Agreement:

“However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.”

4. **Termination of This Agreement by Franchisee.** Section 14.C.1. of the Franchise Agreement is hereby deleted and replaced in its entirety by the following:

Franchisee shall have the right to terminate this Agreement upon any grounds available by law.

5. **Choice of Forum and Choice of Law.** The following is added to the end of Section 16.E. of the Franchise Agreement:

“The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.”

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

**NP FRANCHISE GROUP, LLC**

**FRANCHISEE**

a Maryland limited liability company

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_, an individual

By: \_\_\_\_\_

Date: \_\_\_\_\_



**NORTH DAKOTA ADDENDUM  
TO THE PRICELESS CAR AND TRUCK RENTAL  
FRANCHISE AGREEMENT**

THIS ADDENDUM is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between NP FRANCHISE GROUP, LLC, a Maryland limited liability company (“NP Franchise Group”), and \_\_\_\_\_ (“Franchisee”).

1. **Background.** NP Franchise Group and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_ (the "Franchise Agreement") that has been executed concurrently with the execution of this Addendum. This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being executed because (a) Franchisee is a resident of the State of North Dakota and the Franchised Business that Franchisee will operate under the Franchise Agreement is located in the State of North Dakota, and/or (b) the offering or sales activity occurs within the State of North Dakota.

2. **Conditions for Approval of Assignment.** The following statements are hereby added to Section 13D(6):

(Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.)

(Any release executed in connection herewith shall not apply to any claims that may arise under North Dakota law.)

3. **Covenant Not to Compete.** The following statement is hereby added to Section 9.C. of the Franchise Agreement:

(Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.)

4. **Costs and Attorneys' Fees.** Section 16.C of the Franchise Agreement is hereby amended by adding the following paragraph:

If Franchisee asserts a claim for amounts owed by NP Franchise Group to Franchisee in any legal proceeding before a court, or if Franchisee is required to enforce any other of its rights under this Agreement in a judicial proceeding, Franchisee and NP Franchise Group shall each pay its own costs and expenses associated with such proceeding, including all attorneys' and accountants' fees.

5. **Governing Law; Consent to Jurisdiction.** Section 16.E of the Franchise Agreement is hereby deleted in its entirety and is replaced with the following:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) and except as required by North Dakota law, this Agreement and the Franchise shall be governed by the laws of the State of Maryland.

6. **Special and Punitive Damages; Jury Trial.** Section 16.D.5 and 16.D.7 of the Franchise Agreement are hereby deleted.

7. **Limitations of Actions.** Section 16.D.6 of the Franchise Agreement is hereby deleted in its entirety and is replaced by the following:

Except for claims arising from Franchisee's non-payment or underpayment of amounts Franchisee owed to NP Franchise Group, or Franchisee's refusal to submit to an audit under Section 12 of this Agreement, and except as required by North Dakota law for claims arising under the North Dakota Franchise Investment Law or otherwise, any and all claims arising out of or relating to this Agreement or the relationship of NP Franchise Group with Franchisee will be barred unless a judicial proceeding is commenced within twelve (12) months from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims. For purposes of this Agreement, a judicial proceeding is commenced on the date a Complaint or other request for relief is filed in a court of law in a jurisdiction permitted by the terms of this Agreement.

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

**NP FRANCHISE GROUP, LLC**

**FRANCHISEE**

a Maryland limited liability company

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_, an individual  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**RHODE ISLAND ADDENDUM  
TO THE PRICELESS CAR AND TRUCK RENTAL  
FRANCHISE AGREEMENT**

**THIS ADDENDUM** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between **NP FRANCHISE GROUP, LLC**, a Maryland limited liability company (“NP Franchise Group”), and \_\_\_\_\_ (“Franchisee”).

1. **Background.** NP Franchise Group and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_ that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) the offer or sale of the franchise for the Franchised Business that Franchisee will operate under the Franchise Agreement was made in the State of Rhode Island; and/or (b) Franchisee is a resident of the State of Rhode Island and will operate the Franchised Business in the State of Rhode Island.

2. **Governing Law; Consent to Jurisdiction.** The first sentence of Section 16.E is hereby deleted in its entirety and the following shall be substituted in its place:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et Seq.) and excluding claims arising under the Rhode Island Franchise Investment Act, this Agreement and the Franchise shall be governed by the laws of the State of Maryland.

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

**NP FRANCHISE GROUP, LLC**

**FRANCHISEE**

a Maryland limited liability company

By: \_\_\_\_\_

\_\_\_\_\_, an individual

Title: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SOUTH DAKOTA ADDENDUM  
TO THE PRICELESS CAR AND TRUCK RENTAL  
FRANCHISE AGREEMENT**

**THIS ADDENDUM** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between **NP FRANCHISE GROUP, LLC**, a Maryland limited liability company (“NP Franchise Group”), and \_\_\_\_\_ (“Franchisee”).

1. **Background.** NP Franchise Group and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_ (the "Franchise Agreement") that has been executed concurrently with the execution of this Addendum. This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) the offer or sale of the franchise for the Priceless Car & Truck Rental Business that Franchisee will operate under the Franchise Agreement was made in the State of South Dakota, and/or (b) Franchisee is a resident of the State of South Dakota and will operate the Priceless Car & Truck Rental Business in the State of South Dakota.

2. **Conditions for Approval of Assignment.** The following statement is hereby added at the end of Section 13D(6):

(Covenants not to compete are generally unenforceable in the State of South Dakota, except in certain instances provided by law.)

3. **Termination of This Agreement By NP Franchise Group.** The following statement is hereby added at the end of Section 14A:

Notwithstanding the above provisions of this Section 14A, if NP Franchise Group may terminate this Agreement for Franchisee's breach hereof, failure to meet performance and quality standards or failure to make royalty payments, NP Franchise Group shall give Franchisee thirty (30) days' written notice of default with an opportunity to cure such default prior to terminating this Agreement; provided, however, that such written notice and opportunity to cure shall apply only to the first default by Franchisee.

4. **Covenant Not to Compete.** The following statement is hereby added at the end of Section 9.C. of the Franchise Agreement:

(Covenants not to compete are generally unenforceable in the State of South Dakota, except in certain instances provided by law.)

5. **Governing Law; Consent to Jurisdiction.** The first sentence of Section 16.E of the Franchise Agreement is hereby deleted in its entirety and is replaced with the following:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) and except as required under the South Dakota Franchises for Brand-Name Goods and Services Law, this Agreement and the Franchise shall be governed by the laws of the State of Maryland.

6. **Special and Punitive Damages; Jury Trial.** Sections 16.E.5 and 16.E.7 are hereby deleted.

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

**NP FRANCHISE GROUP, LLC**

**FRANCHISEE**

a Maryland limited liability company

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_, an individual  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**Exhibit A-2**

**BRAND SHARE INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT**

This Brand Share Incentive Addendum (“**Addendum**”) is made as of \_\_\_\_\_ (“**Effective Date**”) by and between NP Franchise Group, LLC, a Maryland limited liability company (“**we,**” “**us,**” or “**NP Franchise Group**”); \_\_\_\_\_, an individual (“**you**” or “**Franchisee**”); and \_\_\_\_\_, a \_\_\_\_\_ (“**Operating Company**”).

**RECITALS**

A. NP Franchise Group has developed an incentive program (“**Priceless Brand Share Plan**”) to encourage independent car rental operators to join the Priceless franchise system.

B. Franchisee owns and operates a vehicle rental business under the “\_\_\_\_\_” name and marks (“**Existing Business**”) at \_\_\_\_\_ (“**Premises**”).

C. The parties entered into a franchise agreement (“**Franchise Agreement**”) of even date to convert the Existing Business at the Premises to a “Priceless” Vehicle Rental Business (the “**Franchised Business**”) through the Priceless Brand Share Plan. Franchisee assigned the operating rights of the Franchised Business to Operating Company via an Assignment Agreement to Operating Company of even date.

D. The parties desire to amend the Franchise Agreement as set forth below.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties agree as follows:

1. All capitalized terms used but not defined in this Addendum shall have the meaning given to them in the Franchise Agreement.

2. “**Dual Branding Period**” means the time period between the Effective Date and the date on which the conversion of the Existing Business at the Premises to the Franchised Business is complete, which in any event shall be no later than the third anniversary of the Effective Date.

3. You agree to complete the conversion of the Existing Business at the Premises to the Franchised Business on or before the third anniversary of the Effective Date. During the Dual Branding Period, NP Franchise Group agrees to permit you to operate both the Existing Business and the Franchised Business at the Premises, provided that:

a. You do not display on the Premises any sign or advertisement for the Existing Business that is more prominent than the corresponding sign or advertisement for the Franchised Business; and

b. You do not list or advertise the Existing Business in any internet, telephone directory or other advertisement in conjunction with the Priceless Trademarks or the Franchised Business; and

c. You do not list or advertise the Existing Business in any internet, telephone directory or other advertisement that is more prominent than any corresponding advertisement for the Franchised Business; and

d. You use and advertise telephone numbers for the Existing Business that are separate and distinct from the Telephone Numbers used in the Franchised Business, per 8.D. of the Franchise Agreement.

4. During the Dual Branding Period, the Royalty Fee described in Section 4.B. of the Franchise Agreement and the Marketing and Advertising Fee described in Section 4.C. of the Franchise Agreement are modified as follows:

(a) For the first calendar year of the Dual Branding Period, we will reimburse you for your expenditures (up to an amount equal to 66% of total Royalty Fees and Marketing and Advertising Fees paid by you during that year) on approved brand building activities, including store level signs and branding, local market advertising and promotions, Internet advertising through approved vendors, and other preapproved advertising and brand building efforts (collectively “**Brand Building Activities**”). Reservation Fees payable to us for reservations received from any source, including the Priceless website or call center, online or traditional travel agencies, or the global distribution system, are approved Brand Building Activities and eligible for reimbursement. Other fees payable under the Franchise Agreement or other agreements between you and NP Franchise Group or one of our affiliates will **not** be eligible for reimbursement.

(b) For the second calendar year of the Dual Branding Period, we will reimburse you for your expenditures on approved Brand Building Activities, up to an amount equal to 50% of total Royalty Fees and Marketing and Advertising Fees paid by you during that year.

(c) For the third calendar year of the Dual Branding Period, we will reimburse you for expenditures on approved Brand Building Activities, up to an amount equal to 33% of total Royalty Fees and Marketing and Advertising Fees paid by you during that year.

Upon expiration of the Dual Branding Period, you will pay the Royalty Fee set forth in Section 4.B. of the Franchise Agreement and the Marketing and Advertising Fee set forth in Section 4.C. of the Franchise Agreement for the remainder of the term of the Franchise Agreement.

5. Section 9.B. of the Franchise Agreement is amended to provide that the Covenant Not to Compete will not apply to your operation of the Existing Business at the Premises during the Dual Branding Period, and Section 9.1 of Exhibit 2 to the Franchise Agreement (Assignment to Operating Company) is amended to provided that the restrictions on operation of a competing business shall not apply to the operation of the Existing Business at the Premises during the Dual Branding Period.

6. If the Franchise Agreement is terminated during the Dual Branding Period, the Post-Termination Business Continuance Buyout Fee described in Section 15.C. of the Franchise Agreement will be calculated by multiplying \$100 by the greater of: (a) the minimum number of Rental Vehicles described in Exhibit 1 of your Franchise Agreement; or (b) the most recent 12-month average of the actual number of Rental Vehicles in the Franchised Business.

7. Except as expressly modified and supplemented by this Addendum, the terms of the Franchise Agreement are ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum as of the Effective Date of the Franchise Agreement.

**NP FRANCHISE GROUP, LLC,**  
a Maryland limited liability company

**FRANCHISEE**  
\_\_\_\_\_, individually

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**OPERATING COMPANY**

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_

Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT B**  
**FINANCIAL STATEMENTS**

# **NP FRANCHISE GROUP**

**NP FRANCHISE GROUP, LLC**

**FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED JANUARY 31, 2023, AND  
FOR THE YEARS ENDED JULY 31, 2022 AND 2021**

**NP FRANCHISE GROUP, LLC**

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FOR THE SIX MONTHS ENDED JANUARY 31, 2023, AND  
FOR THE YEARS ENDED JULY 31, 2022 AND 2021**

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## **Independent Auditor's Report**

To the Board of Directors  
NP Franchise Group, LLC  
Rockville, Maryland

### ***Opinion***

We have audited the accompanying financial statements of NP Franchise Group, LLC (the Company), which comprise the balance sheets as of January 31, 2023, and as of July 31, 2022 and 2021, and the related statements of operations and members' equity (deficit), and cash flows for the six months ended January 31, 2023, and for the years ended July 31, 2022 and 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2023, and as of July 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

To the Board of Directors  
NP Franchise Group, LLC

***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

*Councilor, Buchanan + Mitchell, P.C.*

Bethesda, Maryland  
March 20, 2023

Certified Public Accountants

**NP FRANCHISE GROUP, LLC**

**BALANCE SHEETS  
AS OF JANUARY 31, 2023, AND  
AS OF JULY 31, 2022 AND 2021**

|  | <u>January 31,<br/>2023</u> | <u>July 31,<br/>2022</u> | <u>July 31,<br/>2021</u> |
|--|-----------------------------|--------------------------|--------------------------|
| <b>Assets</b>  |                             |                          |                          |
| <b>Current Assets</b>                                  |                             |                          |                          |
| Cash   | \$ 177,421                  | \$ 1,008,128             | \$ (80,233)              |
| Cash Held for Reservation System Deposits              | 1,089,516                   | 955,528                  | 292,298                  |
| Accounts Receivable, Net                               | 98,614                      | 104,085                  | 78,203                   |
| Prepaid Expenses and Other Current Assets              | 52,316                      | 9,162                    | 15,934                   |
| Contract Assets, Current Portion                       | 16,956                      | 19,783                   | 22,021                   |
| Due from Affiliates                                    | 765,625                     | -                        | -                        |
|  | <u>2,200,448</u>            | <u>2,096,686</u>         | <u>328,223</u>           |
| <b>Total Current Assets</b>                            |                             |                          |                          |
| <b>Long-Term Assets</b>                                |                             |                          |                          |
| Contract Assets, Net of Current Portion                | 11,298                      | 17,627                   | 11,295                   |
| Property and Equipment, Net                            | -                           | -                        | 1,662                    |
| Intangible Assets                                      | 23,552                      | 23,552                   | 23,552                   |
|  | <u>34,850</u>               | <u>41,179</u>            | <u>36,509</u>            |
| <b>Total Long-Term Assets</b>                          |                             |                          |                          |
|  | <u>\$ 2,235,298</u>         | <u>\$ 2,137,865</u>      | <u>\$ 364,732</u>        |
| <b>Total Assets</b>                                    |                             |                          |                          |
| <b>Liabilities and Members' Equity (Deficit)</b>       |                             |                          |                          |
| <b>Current Liabilities</b>                             |                             |                          |                          |
| Accounts Payable and Accrued Expenses                  | \$ 58,005                   | \$ 138,554               | \$ 84,818                |
| Deferred Revenue, Current Portion                      | 72,692                      | 82,170                   | 79,802                   |
| Reservation System Deposits                            | 1,089,516                   | 955,528                  | 292,298                  |
| Due to Affiliates                                      | -                           | 326,511                  | 313,078                  |
|  | <u>1,220,213</u>            | <u>1,502,763</u>         | <u>769,996</u>           |
| <b>Total Current Liabilities</b>                       |                             |                          |                          |
| <b>Deferred Revenue, Net of Current Portion</b>        | <u>33,433</u>               | <u>47,644</u>            | <u>33,041</u>            |
| <b>Total Liabilities</b>                               | <u>1,253,646</u>            | <u>1,550,407</u>         | <u>803,037</u>           |
| <b>Members' Equity (Deficit)</b>                       | <u>981,652</u>              | <u>587,458</u>           | <u>(438,305)</u>         |
| <b>Total Liabilities and Members' Equity (Deficit)</b> | <u>\$ 2,235,298</u>         | <u>\$ 2,137,865</u>      | <u>\$ 364,732</u>        |

*See accompanying Notes to Financial Statements.*

**NP FRANCHISE GROUP, LLC**

**STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY (DEFICIT)  
FOR THE SIX MONTHS ENDED JANUARY 31, 2023, AND  
FOR THE YEARS ENDED JULY 31, 2022 AND 2021**

|   | <b>Six Months<br/>Ended<br/>January 31,<br/>2023</b> | <b>July 31,<br/>2022</b> | <b>July 31,<br/>2021</b> |
|---|--|--------------------------|--------------------------|
| <b>Revenues</b>   |  |                          |                          |
| Continuing License Fees   | \$ 442,244   | \$ 757,876               | \$ 501,610               |
| Reservation Income  | 296,593  | 668,520                  | 354,470                  |
| Advertising Fees  | 106,681  | 183,930                  | 81,436                   |
| Initial Franchise Fees  | 34,193   | 169,940                  | 94,034                   |
| Reservation Services Set-Up Fees  | 24,468   | 28,589                   | 7,608                    |
|   | <b>904,179</b>                                       | <b>1,808,855</b>         | <b>1,039,158</b>         |
| <b>Expenses</b>   |  |                          |                          |
| Salaries, Administrative Services, and Employee Benefits                  | 155,796  | 251,485                  | 227,246                  |
| Advertising   | 81,484   | 160,037                  | 45,449                   |
| Sales and Marketing   | 134,142  | 228,783                  | 110,463                  |
| Contract Acquisition Costs  | 20,645   | 43,306                   | 28,588                   |
| General and Administrative  | 117,918  | 188,119                  | 158,783                  |
| Bad Debts (Recovery), Net   | -  | -                        | (24)                     |
| Depreciation and Amortization - Nonrental Operations                      | -  | 1,662                    | 2,850                    |
|   | <b>509,985</b>                                       | <b>873,392</b>           | <b>573,355</b>           |
| Net Income  | <b>394,194</b>                                       | <b>935,463</b>           | <b>465,803</b>           |
| Members' Equity (Deficit) at Beginning of Year,<br>As Originally Reported | <b>587,458</b>                                       | <b>(438,305)</b>         | <b>(819,780)</b>         |
| Adjustment to Adopt ASU 2014-09   | -  | -                        | (84,328)                 |
| Members' Equity (Deficit) at Beginning of Year, As Restated               | <b>587,458</b>                                       | <b>(438,305)</b>         | <b>(904,108)</b>         |
| Capital Contributions   | -  | 90,300                   | -                        |
| <b>Members' Equity (Deficit) at End of Year</b>                           | <b>\$ 981,652</b>                                    | <b>\$ 587,458</b>        | <b>\$ (438,305)</b>      |

*See accompanying Notes to Financial Statements.*

**NP FRANCHISE GROUP, LLC**

**STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS ENDED JANUARY 31, 2023, AND  
FOR THE YEARS ENDED JULY 31, 2022 AND 2021**

|   | <u>January 31,<br/>2023</u> | <u>July 31,<br/>2022</u>   | <u>July 31,<br/>2021</u> |
|---|-----------------------------|----------------------------|--------------------------|
| <b>Cash Flows from Operating Activities</b>   |                             |                            |                          |
| Net Income  | \$ 394,194                  | \$ 935,463                 | \$ 465,803               |
| Adjustments to Reconcile Net Income to<br>Net Cash (Used in) Provided by Operating Activities |                             |                            |                          |
| Adjustment to Adopt ASU 2014-09   | -                           | -                          | (84,328)                 |
| Depreciation and Amortization   | -                           | 1,662                      | 2,850                    |
| <u>(Increase) Decrease in Assets</u>  |                             |                            |                          |
| Accounts and Note Receivable  | 5,471                       | (25,882)                   | (27,917)                 |
| Prepaid Expenses and Other Current Assets   | (43,154)                    | 6,772                      | (1,671)                  |
| Contract Assets   | 9,156                       | (4,094)                    | (33,316)                 |
| Due from Affiliates   | (765,625)                   | -                          | -                        |
| <u>Increase (Decrease) in Liabilities</u>   |                             |                            |                          |
| Accounts Payable and Accrued Expenses   | (80,549)                    | 53,736                     | 4,692                    |
| Reservation System Deposits   | 133,988                     | 663,230                    | 166,933                  |
| Deferred Revenue  | (23,689)                    | 16,971                     | 112,843                  |
| Due to Affiliates   | (326,511)                   | 103,733                    | (402,525)                |
| Net Cash (Used in) Provided by Operating Activities   | <u>(696,719)</u>            | <u>1,751,591</u>           | <u>203,364</u>           |
| Net (Decrease) Increase in Cash   | <u>(696,719)</u>            | <u>1,751,591</u>           | <u>203,364</u>           |
| Cash at Beginning of Year   | <u>1,963,656</u>            | <u>212,065</u>             | <u>8,701</u>             |
| <b>Cash at End of Year</b>  | <u><u>\$ 1,266,937</u></u>  | <u><u>\$ 1,963,656</u></u> | <u><u>\$ 212,065</u></u> |
| <b>Noncash Transaction from Operating Activities</b>  |                             |                            |                          |
| Capital Contributions Exchanged for Due from Affiliates                                       | \$ -                        | \$ 90,300                  | \$ -                     |

*See accompanying Notes to Financial Statements.*



# NP FRANCHISE GROUP, LLC

## NOTES TO FINANCIAL STATEMENTS JANUARY 31, 2023, AND JULY 31, 2022 AND 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Business*

NP Franchise Group, LLC (the Company), is a Maryland limited liability company and a wholly owned subsidiary of NP Auto Group, Inc. (NP Auto Group). The Company markets and administers vehicle rental franchise programs throughout the United States and various foreign countries. The Company's operations are subject to numerous federal, state, local, and foreign laws, including federal and state laws governing the offer and sale of franchises and relationships with franchisees.

#### *Fiscal Year Change*

Effective February 1, 2023, the Company will change from a fiscal year end of July 31 to January 31. A six-month fiscal transition period from August 1, 2022 through January 31, 2023, precedes the start of the new fiscal year cycle. The statements of operations and members' equity (deficit) represents six months of operations for the period ending January 31, 2023, as compared to 12 months for the periods ending July 31, 2022, and July 31, 2021.

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Accounts and Note Receivable*

Receivables are stated at their outstanding balances, reduced by an allowance for doubtful receivables. Substantially all receivables derived from franchises granted by the Company are personally guaranteed by the officers or directors of the franchisees. Initial franchise fees and reservation services set-up fees are collected upon execution of the contract and recognized over the term of the agreements. The Company maintains an allowance for doubtful receivables based upon the expected collectability of all receivables, which takes into consideration historical loss experience and creditworthiness of the customers and franchisees. Receivables are considered past due when payments are not timely received in accordance with the receivables' payment terms. Receivables are written off based on management's case-by-case determination that they are uncollectible.

#### *Property and Equipment*

Property and equipment are depreciated and amortized over their estimated service lives, primarily under the straight-line method for financial reporting purposes. Accelerated methods of depreciation and amortization are used for income tax purposes. The estimated service lives used for financial reporting purposes are from 3 to 7 years.

#### *Intangible Assets*

Intangible assets consist of the values of trademarks. The Company's trademarks are deemed to have an indefinite useful life; therefore, the Company does not amortize these assets. The values of intangible assets are evaluated at least annually for impairment. The primary indicators are

NP FRANCHISE GROUP, LLC

NOTES TO FINANCIAL STATEMENTS  
JANUARY 31, 2023, AND  
JULY 31, 2022 AND 2021

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Intangible Assets (Continued)*

current or forecasted cash flows from the related businesses, which are dependent on the ability of the Company to renew or extend franchise agreements associated with the trademarks and to acquire new such franchise agreements. There have been no adjustments to the carrying values of intangible assets resulting from these evaluations.

*Reservation System Deposits*

Reservation system deposits represent refundable deposits from franchisees and other unaffiliated car rental operators that use the Company's various reservation channels. The deposits serve as security against any future obligations that a franchisee or unaffiliated car rental operator may have to the Company. Unused deposits are returned to the depositor upon termination of the operating agreement. These balances are presented as an asset, cash held for reservation system deposits, as well as a liability, reservation system deposits, on the balance sheets.

*Revenue Recognition*

Revenues consist of initial franchise fees, reservation services set-up fees, continuing license fees, reservation income, and advertising fees. Franchisees have the rights to use the Company's trademarked names in specified geographic areas. Additionally, franchisees have continuing access to the use of certain company resources, experience, and knowledge.

The Company recognizes revenue in accordance with FASB Topic ASC 606 as follows:

*Initial Franchise Fees*

Initial franchise fees are typically billed upon execution of the franchise agreement and recognized over the term of the franchise agreement. Since the franchise agreements do not have a stated expiration date, management has determined that these initial franchise fees should be recognized over three years. Management has concluded this to be a reasonable estimate because the franchisee can cancel the agreement at any time and the initial fees are non-refundable.

Topic 606 requires that the Company assesses contracts to determine each separate and distinct performance obligation. However, in accordance with the specific provisions of the Franchisors Topic, Section 952-606-25-2, of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), a franchisor that is not a public business entity that enters into a franchise agreement may use a practical expedient to account for the following pre-opening services provided to a franchisee as a single performance obligation:

- Assistance in the selection of a site.
- Assistance in obtaining and preparing the facilities for their intended use, including related financing, architectural, engineering, and lease negotiation services.
- Training of the franchisee's personnel or the franchisee.
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping.

**NP FRANCHISE GROUP, LLC**

**NOTES TO FINANCIAL STATEMENTS  
JANUARY 31, 2023, AND  
JULY 31, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Initial Franchise Fees (Continued)***

The Company has elected to use a practical expedient to recognize the pre-opening services as a single performance obligation, distinct from the franchise license. Therefore, the cost of these pre-opening services may be recognized as revenue when the franchisee begins operations, instead of over the estimated term of the contract as part of the initial franchise fee.

Initial franchise fees collected in advance of revenues earned are included in deferred revenue on the balance sheets. As of January 31, 2023, and July 31, 2022 and 2021, deferred revenue attributable to initial franchise fees totaled \$83,318, \$105,011, and \$101,451, respectively.

The changes in deferred revenue attributable to initial franchise fees were as follows:

|  | <u>January 31,<br/>2023</u> | <u>July 31,<br/>2022</u> | <u>July 31,<br/>2021</u> |
|--|-----------------------------|--------------------------|--------------------------|
| Deferred Revenue from Initial Franchise Fees,<br>Beginning of Period | \$ 105,011                  | \$ 101,451               | \$ 139,235               |
| Initial Franchise Fees Collected                                     | 12,500                      | 85,300                   | 31,900                   |
| Less Initial Franchise Fee Revenue Earned                            | <u>(34,193)</u>             | <u>(81,740)</u>          | <u>(69,684)</u>          |
| Deferred Revenue from Initial Franchise Fees, End of Period          | <u>\$ 83,318</u>            | <u>\$ 105,011</u>        | <u>\$ 101,451</u>        |

Initial franchise fee revenue recognized for the six months ended January 31, 2023, and for the years ended July 31, 2022 and 2021, that was included in the deferred revenue balance at the beginning of each period was \$34,193, \$68,410, and \$63,159, respectively.

***Reservation Services Set-Up Fees***

Reservation services set-up fees represent fees paid to the Company by unaffiliated third-party car rental operators to set up and launch their profile on the Company's various reservation channels. Reservation set-up fees are billed upon execution of the reservation services agreement and are recognized on a pro-rata basis over the stated agreement term of one year.

Reservation services set-up fees collected in advance of the earnings process are included in deferred revenue on the balance sheets. As of January 31, 2023, and July 31, 2022 and 2021, deferred revenue attributable to reservation services set-up fees totaled \$22,807, \$24,803, and \$11,392, respectively.

The changes in deferred revenue attributable to reservation services set-up fees were as follows:

|  | <u>January 31,<br/>2023</u> | <u>July 31,<br/>2022</u> | <u>July 31,<br/>2021</u> |
|--|-----------------------------|--------------------------|--------------------------|
| Deferred Revenue from Reservation Services Set-Up Fees,<br>Beginning of Period | \$ 24,803                   | \$ 11,392                | \$ -                     |
| Reservation Services Set-Up Fees Collected                                     | 22,472                      | 42,000                   | 19,000                   |
| Less Reservation Services Set-Up Fees Earned                                   | <u>(24,468)</u>             | <u>(28,589)</u>          | <u>(7,608)</u>           |
| Deferred Revenue from Reservation Services Set-Up Fees,<br>End of Period       | <u>\$ 22,807</u>            | <u>\$ 24,803</u>         | <u>\$ 11,392</u>         |

NP FRANCHISE GROUP, LLC

NOTES TO FINANCIAL STATEMENTS  
JANUARY 31, 2023, AND  
JULY 31, 2022 AND 2021

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Reservation Services Set-Up Fees (Continued)*

Reservation services set-up fee revenue recognized for the six months ended January 31, 2023, and for the year ended July 31, 2022, that was included in the deferred revenue balance, at the beginning of each period was \$17,915 and \$11,392, respectively.

*Continuing License Fees*

Continuing license fees represent royalty fees paid by the franchisee to the Company. They are recognized as revenue monthly, based primarily on the franchisees' reported gross revenues or fleet sizes.

*Reservation Income*

Reservation income represents commissions paid to the Company for the use of its rental vehicle reservation system. The income is recognized as revenue monthly and is based on the amount of reservations booked through the Company's rental vehicle reservation system.

*Advertising Fees*

Advertising fees represent advertising fund contributions collected and recognized as revenue monthly from franchisees. The fees are based primarily on the franchisees' reported gross revenues or fleet sizes.

*Timing of Revenue Recognition*

The Company recognized revenue from contacts with customers for the six months ended January 31, 2023, and for the years ended July 31, 2022 and 2021, as follows:

|  | January 31,<br>2023 | July 31,<br>2022    | July 31,<br>2021    |
|--|---------------------|---------------------|---------------------|
| Revenues Recognized at a Point in Time | \$ 845,518          | \$ 1,610,326        | \$ 937,516          |
| Revenues Recognized Over Time          | 58,661              | 198,529             | 101,642             |
|  | <u>\$ 904,179</u>   | <u>\$ 1,808,855</u> | <u>\$ 1,039,158</u> |

*Contract Acquisition Costs and Contract Assets*

The Company's contract acquisition costs for franchise agreements or reservation services agreements consisted of sales commissions. These expenses are recorded as contract acquisition costs on the statements of operations and members' equity (deficit).

Sales commissions related to obtaining a franchise agreement are capitalized and amortized over the same three-year term as the associated initial franchise fee. Any amount that has not yet been amortized is recorded as a contract asset on the balance sheets.

NP FRANCHISE GROUP, LLC

NOTES TO FINANCIAL STATEMENTS  
JANUARY 31, 2023, AND  
JULY 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Contract Acquisition Costs and Contract Assets (Continued)*

The changes in contract assets were as follows:

|                                      | January 31,<br>2023 | July 31,<br>2022 | July 31,<br>2021 |
|--------------------------------------|---------------------|------------------|------------------|
| Contract Assets, Beginning of Period | \$ 37,410           | \$ 33,316        | \$ 42,504        |
| New Contract Assets                  | 2,500               | 30,600           | 11,800           |
| Less Contract Assets Amortized       | (11,656)            | (26,506)         | (20,988)         |
| Contract Assets, End of Period       | <u>\$ 28,254</u>    | <u>\$ 37,410</u> | <u>\$ 33,316</u> |

The Company has elected to apply a practical expedient provided under Topic 606 to sales commissions related to the acquisition of reservation services agreements. The practical expedient allows the Company to expense the contract acquisition costs when incurred since the amortization period is one year or less.

*Advertising Costs*

Advertising costs are expensed as incurred and reported as advertising expense.

*Allocated General and Administration Costs*

The financial statements reflect allocations of certain administrative service expenses from NP Auto Group to the Company. The amount of expense allocated to the Company is determined based upon estimated proportions of total hours spent by administrative employees, which management believes to be reasonable. However, since NP Auto Group operates certain other businesses and provides various administrative services to the Company, expense allocations to the Company may not be representative of the costs of such services if they were incurred by a separate entity (see Note 4).

*Income Taxes*

Under provisions of the Internal Revenue Code, the Company is not a taxable entity and, accordingly, the net income or loss of the Company is included in the income tax returns of its parent company. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company or its members will not be subject to additional tax, penalties, and interest as a result of such a challenge.

*Reclassifications*

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications' adjustments had no effect on the Company's previously reported members' equity (deficit).

## NP FRANCHISE GROUP, LLC

### NOTES TO FINANCIAL STATEMENTS JANUARY 31, 2023, AND JULY 31, 2022 AND 2021

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#### 2. ADOPTION OF ACCOUNTING STANDARDS CODIFICATION TOPIC 606

In May 2014, the FASB issued ASC Topic 606, *Revenue from Contracts with Customers*, which supersedes nearly all existing revenue recognition guidance under GAAP, including industry-specific requirements, and provides companies with a single framework for recognizing revenue from contracts with customers. This update and subsequently issued amendments require companies to recognize revenue at amounts that reflect the consideration to which the companies expect to be entitled in exchange for those goods or services at the time of transfer.

The Company adopted Topic 606 using the modified retrospective transition method effective August 1, 2020. Results for reporting periods beginning after August 1, 2020, are presented in accordance with Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with historical accounting under Topic 605, *Revenue Recognition*.

The adoption impacted the timing and presentation of the following areas of the financial statements:

- *Initial Franchise Fees*
  - Prior to adoption, initial franchise fees were recognized when the Company met substantial performance requirements, such as providing an initial orientation and training course. Under Topic 606, initial franchise fees, less any distinct pre-opening obligations to the franchisee, are recognized over the estimated term of the franchise agreement.

The initial application of Topic 606 was applied to all open franchise agreements at August 1, 2020, except for those which had distinct pre-opening obligations greater than their initial franchise fees. This change resulted in the recognition of deferred revenue on the Company's balance sheet and a decrease in members' deficit as of August 1, 2020.
- *Reservation Services Set-Up Fees*
  - Prior to adoption, revenue recognition for reservation services set-up fees were recognized upon execution of the agreement. Under Topic 606, these fees are billed upon execution of the agreement and are recognized over the stated agreement term of one year. The change did not materially affect the members' deficit as of August 31, 2020; however, in the year of adoption, it caused a decrease in revenue and an increase in deferred revenue.
- *Advertising Fees*
  - Advertising fees represent advertising fund contributions collected from franchisees, based primarily on the franchisees' reported gross revenues or fleet sizes. The adoption of Topic 606 revised the determination of whether these funds are considered principal versus agent. Prior to adoption, the Company was treated as an agent and did not recognize the fees as revenue until off-setting advertising costs were incurred. Under Topic 606, the funds collected are recognized as revenue monthly. The change caused a decrease to revenue and an increase in members' deficit as of August 1, 2020.

**NP FRANCHISE GROUP, LLC**

**NOTES TO FINANCIAL STATEMENTS  
JANUARY 31, 2023, AND  
JULY 31, 2022 AND 2021**

**2. ADOPTION OF ACCOUNTING STANDARDS CODIFICATION TOPIC 606 (CONTINUED)**

- *Contract Acquisition Costs*

- Prior to adoption, contract acquisition costs in the form of sales commissions were expensed upon execution of the associated agreement. Under Topic 606, sales commissions for the acquisition of franchise agreements are capitalized and amortized over the same three-year period as the contract's initial franchise fees. Sales commissions for the acquisition of reservation services agreements are expensed when incurred because the contract term is one year or less, as allowed by a practical expedient under Topic 606. This change resulted in the recognition of a contract asset on the Company's balance sheet and an increase in members' deficit as of August 1, 2020.

The cumulative effect to the Company's July 31, 2021 balance sheet and statement of operations and members' deficit from the adoption of Topic 606 standard was as follows:

|   | July 31, 2021<br>Prior to<br>Adoption | Adjustments<br>Due to<br>ASC 606 | July 31, 2021<br>After<br>Adoption |
|---|---------------------------------------|----------------------------------|------------------------------------|
| <b>Balance Sheet</b>                                |                                       |                                  |                                    |
| Contract Assets                                     | \$ -                                  | \$ 22,021                        | \$ 22,021                          |
| Deferred Revenue                                    | -                                     | 112,843                          | 112,843                            |
| Members' Deficit                                    | (382,573)                             | (55,732)                         | (438,305)                          |
| <b>Statement of Operations and Members' Deficit</b> |                                       |                                  |                                    |
| Initial Franchise Fees                              | \$ 56,250                             | \$ 37,784                        | \$ 94,034                          |
| Reservation Services Set-Up Fees                    | 19,000                                | (11,392)                         | 7,608                              |
| Advertising Fees                                    | 93,839                                | (12,403)                         | 81,436                             |
| Contract Acquisition Costs                          | 19,400                                | 9,188                            | 28,588                             |
| Members' Deficit, at Beginning of Year              | (819,780)                             | (84,328)                         | (904,108)                          |
| Change in Member's Deficit                          | 437,207                               | 28,596                           | 465,803                            |

Continuing license fees and reservation income, the Company's two largest sources of revenue, were not impacted by the adoption of Topic 606.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable at January 31, 2023, and July 31, 2022 and 2021, consisted of the following:

|   | January 31,<br>2023 | July 31,<br>2022 | July 31,<br>2021 |
|---|---------------------|------------------|------------------|
| Continuing License Fees Receivable      | \$ 97,536           | \$ 81,186        | \$ 74,181        |
| Initial Franchise Fees Receivable       | 3,000               | 25,000           | 7,500            |
| Less Allowance for Doubtful Receivables | (1,922)             | (2,101)          | (3,478)          |
| Current Accounts Receivable, Net        | \$ 98,614           | \$ 104,085       | \$ 78,203        |

## NP FRANCHISE GROUP, LLC

### NOTES TO FINANCIAL STATEMENTS JANUARY 31, 2023, AND JULY 31, 2022 AND 2021

#### 4. RELATED PARTY TRANSACTIONS

At January 31, 2023, the Company had receivables from NP Auto Group and All Car Leasing, Inc., in the amount of \$765,625. At July 31, 2022 and 2021, the Company had payables to NP Auto Group, Bundy American, LLC, and other affiliates in the amounts of \$326,511 and \$313,078, respectively.

During the year ended July 31, 2022, the Company exchanged \$90,300 of amount due from Rent-A-Wreck Leasing, LLC, for capital contributions.

The Company does not have any employees. Instead, the Company pays fees to NP Auto Group and Rent-a-Wreck of America, Inc., for administrative services. Administrative fees were \$113,641, \$240,844, and \$220,189 for the six months ended January 31, 2023, and for the years ended July 31, 2022 and 2021, respectively.

#### 5. PROPERTY AND EQUIPMENT

Property and equipment at January 31, 2023, and July 31, 2022 and 2021, consisted of the following:

|   | <u>January 31,<br/>2023</u> | <u>July 31,<br/>2022</u> | <u>July 31,<br/>2021</u> |
|---|-----------------------------|--------------------------|--------------------------|
| Computer Hardware and Software                    | \$ 82,501                   | \$ 82,501                | \$ 82,501                |
| Less Accumulated Depreciation<br>and Amortization | <u>(82,501)</u>             | <u>(82,501)</u>          | <u>(80,839)</u>          |
| Net Property and Equipment                        | <u>\$ -</u>                 | <u>\$ -</u>              | <u>\$ 1,662</u>          |

#### 6. CONCENTRATIONS

##### *Concentrations of Credit Risk*

The Company maintains cash balances in federally insured financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, the Company exceeded these limits. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant financial risk on cash.

##### *Concentrations of Revenue and Receivables*

During the six months ended January 31, 2023, and for the years ended July 31, 2022 and 2021, the Company had revenue from certain franchisees that represented 10% or more of the Company's total revenue or whose accounts receivable balances represented 10% or more of the Company's total accounts receivable.

For the six months ended January 31, 2023, revenue from two franchisees accounted for 32% of total revenue, and four franchisees accounted for 63% of accounts receivable. For the year ended July 31, 2022, two franchisees accounted for 28% of total revenue and 41% of accounts receivable. For the year ended July 31, 2021, revenue from five franchisees accounted for 63% of total revenue, and four franchisees accounted for 61% of accounts receivable.



**NP FRANCHISE GROUP, LLC**

**NOTES TO FINANCIAL STATEMENTS  
JANUARY 31, 2023, AND  
JULY 31, 2022 AND 2021**

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**7. CONTINGENCIES**

The Company is party to routine legal proceedings incidental to its business from time to time. Certain claims, suits, and complaints arise in the ordinary course of business and may be filed against the Company. Based on facts known to the Company at the date of the auditor's report, management believes all such matters are adequately provided for, covered by insurance, or, if not so provided for or covered, are without merit, or involve such amounts that would not have a material adverse effect on the results of operations or financial position of the Company.

**8. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 20, 2023, the date on which the financial statements were available to be issued.

# **NP** FRANCHISE GROUP

**NP FRANCHISE GROUP, LLC**

**FINANCIAL STATEMENTS**

**JULY 31, 2022, 2021, AND 2020**

**NP FRANCHISE GROUP, LLC**

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JULY 31, 2022, 2021, AND 2020**

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## Independent Auditor's Report

To the Board of Directors  
NP Franchise Group, LLC  
Rockville, Maryland

### *Opinion*

We have audited the accompanying financial statements of NP Franchise Group, LLC (the Company), which comprise the balance sheets as of July 31, 2022, 2021, and 2020, and the related statements of operations and members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of July 31, 2022, 2021, and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

To the Board of Directors  
NP Franchise Group, LLC

***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

*Councilor, Buchanan & Mitchell, P.C.*

Bethesda, Maryland  
November 29, 2022

Certified Public Accountants

**NP FRANCHISE GROUP, LLC**  
**BALANCE SHEETS**  
**AS OF JULY 31, 2022, 2021, AND 2020**

|  | <u>July 31, 2022</u>       | <u>July 31, 2021</u>     | <u>July 31, 2020</u>     |
|--|----------------------------|--------------------------|--------------------------|
| <b>Assets</b>  |                            |                          |                          |
| <b>Current Assets</b>                                  |                            |                          |                          |
| Cash   | \$ 1,008,128               | \$ (80,233)              | \$ (116,664)             |
| Cash Held for Reservation System Deposits              | 955,528                    | 292,298                  | 125,365                  |
| Accounts Receivable, Net                               | 104,085                    | 78,203                   | 50,286                   |
| Prepaid Expenses and Other Current Assets              | 9,162                      | 15,934                   | 14,263                   |
| Contract Assets, Current Portion                       | <u>19,783</u>              | <u>22,021</u>            | <u>-</u>                 |
| Total Current Assets                                   | <u>2,096,686</u>           | <u>328,223</u>           | <u>73,250</u>            |
| <b>Long-Term Assets</b>                                |                            |                          |                          |
| Contract Assets, Net of Current Portion                | 17,627                     | 11,295                   | -                        |
| Property and Equipment, Net                            | -                          | 1,662                    | 4,512                    |
| Intangible Assets                                      | <u>23,552</u>              | <u>23,552</u>            | <u>23,552</u>            |
| Total Long-Term Assets                                 | <u>41,179</u>              | <u>36,509</u>            | <u>28,064</u>            |
| <b>Total Assets</b>                                    | <u><u>\$ 2,137,865</u></u> | <u><u>\$ 364,732</u></u> | <u><u>\$ 101,314</u></u> |
| <b>Liabilities and Members' Equity (Deficit)</b>       |                            |                          |                          |
| <b>Current Liabilities</b>                             |                            |                          |                          |
| Accounts Payable and Accrued Expenses                  | \$ 138,554                 | \$ 84,818                | \$ 80,126                |
| Deferred Revenue, Current Portion                      | 82,170                     | 79,802                   | -                        |
| Reservation System Deposits                            | 955,528                    | 292,298                  | 125,365                  |
| Due to Affiliates                                      | <u>326,511</u>             | <u>313,078</u>           | <u>715,603</u>           |
| Total Current Liabilities                              | <u>1,502,763</u>           | <u>769,996</u>           | <u>921,094</u>           |
| <b>Deferred Revenue, Net of Current Portion</b>        | <u>47,644</u>              | <u>33,041</u>            | <u>-</u>                 |
| Total Liabilities                                      | <u>1,550,407</u>           | <u>803,037</u>           | <u>921,094</u>           |
| <b>Members' Equity (Deficit)</b>                       | <u>587,458</u>             | <u>(438,305)</u>         | <u>(819,780)</u>         |
| <b>Total Liabilities and Members' Equity (Deficit)</b> | <u><u>\$ 2,137,865</u></u> | <u><u>\$ 364,732</u></u> | <u><u>\$ 101,314</u></u> |

*See accompanying Notes to Financial Statements.*

**NP FRANCHISE GROUP, LLC**

**STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY (DEFICIT)  
FOR THE YEARS ENDED JULY 31, 2022, 2021, AND 2020**

|   | <u>July 31, 2022</u> | <u>July 31, 2021</u> | <u>July 31, 2020</u> |
|---|----------------------|----------------------|----------------------|
| <b>Revenues</b>   |                      |                      |                      |
| Initial Franchise Fees  | \$ 169,940           | \$ 94,034            | \$ 278,127           |
| Reservation Services Set-Up Fees                              | 28,589               | 7,608                | 31,365               |
| Continuing License Fees                                       | 757,876              | 501,610              | 326,182              |
| Reservation Income  | 668,520              | 354,470              | -                    |
| Advertising Fees  | 183,930              | 81,436               | 52,256               |
|   | <u>1,808,855</u>     | <u>1,039,158</u>     | <u>687,930</u>       |
| <b>Expenses</b>   |                      |                      |                      |
| Salaries, Administrative Services, and Employee Benefits      | 251,485              | 227,246              | 365,458              |
| Advertising   | 160,037              | 45,449               | 52,257               |
| Sales and Marketing   | 228,783              | 110,463              | 151,742              |
| Contract Acquisition Costs                                    | 43,306               | 28,588               | 57,926               |
| General and Administrative                                    | 188,119              | 158,783              | 174,748              |
| Bad Debts (Recovery), Net                                     | -                    | (24)                 | 30,000               |
| Depreciation and Amortization - Nonrental Operations          | 1,662                | 2,850                | 2,850                |
|   | <u>873,392</u>       | <u>573,355</u>       | <u>834,981</u>       |
| Total Expenses  |                      |                      |                      |
|   | <u>873,392</u>       | <u>573,355</u>       | <u>834,981</u>       |
| Net Income (Loss)   | 935,463              | 465,803              | (147,051)            |
| Members' Deficit at Beginning of Year, As Originally Reported | (438,305)            | (819,780)            | (672,729)            |
| Adjustment to Adopt ASU 2014-09                               | -                    | (84,328)             | -                    |
|   | <u>          -</u>   | <u>          -</u>   | <u>          -</u>   |
| Members' Deficit at Beginning of Year, As Restated            | (438,305)            | (904,108)            | (672,729)            |
| Capital Contributions   | 90,300               | -                    | -                    |
|   | <u>90,300</u>        | <u>          -</u>   | <u>          -</u>   |
| <b>Members' Equity (Deficit) at End of Year</b>               | <u>\$ 587,458</u>    | <u>\$ (438,305)</u>  | <u>\$ (819,780)</u>  |

*See accompanying Notes to Financial Statements.*

**NP FRANCHISE GROUP, LLC**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JULY 31, 2022, 2021, AND 2020**

|  | <u>July 31, 2022</u>       | <u>July 31, 2021</u>     | <u>July 31, 2020</u>   |
|--|----------------------------|--------------------------|------------------------|
| <b>Cash Flows from Operating Activities</b>  |                            |                          |                        |
| Net Income (Loss)  | \$ 935,463                 | \$ 465,803               | \$ (147,051)           |
| Adjustments to Reconcile Net Income (Loss) to<br>Net Cash Provided by (Used in) Operating Activities |                            |                          |                        |
| Adjustment to Adopt ASU 2014-09  | -                          | (84,328)                 | -                      |
| Depreciation and Amortization  | 1,662                      | 2,850                    | 2,850                  |
| <u>(Increase) Decrease in Assets</u>   |                            |                          |                        |
| Accounts and Note Receivable   | (25,882)                   | (27,917)                 | (4,205)                |
| Prepaid Expenses and Other Current Assets  | 6,772                      | (1,671)                  | (5,205)                |
| Contract Assets  | (4,094)                    | (33,316)                 | -                      |
| <u>Increase (Decrease) in Liabilities</u>  |                            |                          |                        |
| Accounts Payable and Accrued Expenses  | 53,736                     | 4,692                    | 13,819                 |
| Reservation System Deposits  | 663,230                    | 166,933                  | (237,725)              |
| Deferred Revenue   | 16,971                     | 112,843                  | -                      |
| Due from (to) Affiliates   | 103,733                    | (402,525)                | 340,144                |
| Net Cash Provided by (Used in) Operating Activities  | <u>1,751,591</u>           | <u>203,364</u>           | <u>(37,373)</u>        |
| Net Increase (Decrease) in Cash  | 1,751,591                  | 203,364                  | (37,373)               |
| Cash at Beginning of Year  | <u>212,065</u>             | <u>8,701</u>             | <u>46,074</u>          |
| <b>Cash at End of Year</b>   | <u><u>\$ 1,963,656</u></u> | <u><u>\$ 212,065</u></u> | <u><u>\$ 8,701</u></u> |
| <b>Noncash Transaction from Operating and Financing Activities</b>                                   |                            |                          |                        |
| Capital Contributions Exchanged for Due from Affiliate   | \$ 90,300                  | \$ -                     | \$ -                   |

*See accompanying Notes to Financial Statements.*



## NP FRANCHISE GROUP, LLC

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2022, 2021, AND 2020

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *Nature of Business*

NP Franchise Group, LLC (the Company), is a Maryland limited liability company and a wholly owned subsidiary of NP Auto Group, Inc. (NP Auto Group). The Company markets and administers vehicle rental franchise programs throughout the United States and various foreign countries. The Company's operations are subject to numerous federal, state, local, and foreign laws, including federal and state laws governing the offer and sale of franchises and relationships with franchisees.

##### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### *Concentration of Credit Risk*

The Company maintains cash balances in federally insured financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, the Company exceeded these limits. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant financial risk on cash.

##### *Accounts and Note Receivable*

Receivables are stated at their outstanding balances, reduced by an allowance for doubtful receivables. Substantially all receivables derived from franchises granted by the Company are personally guaranteed by the officers or directors of the franchisees. Initial franchise fees and reservation services set-up fees are collected upon execution of the contract and recognized over the term of the agreements. The Company maintains an allowance for doubtful receivables based upon the expected collectability of all receivables, which takes into consideration historical loss experience and creditworthiness of the customers and franchisees. Receivables are considered past due when payments are not timely received in accordance with the receivables' payment terms. Receivables are written off based on management's case-by-case determination that they are uncollectible.

##### *Property and Equipment*

Property and equipment are depreciated and amortized over their estimated service lives, primarily under the straight-line method for financial reporting purposes. Accelerated methods of depreciation and amortization are used for income tax purposes. The estimated service lives used for financial reporting purposes are from 3 to 7 years.

## NP FRANCHISE GROUP, LLC

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2022, 2021, AND 2020

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *Intangible Assets*

Intangible assets consist of the values of trademarks. The Company's trademarks are deemed to have an indefinite useful life; therefore, the Company does not amortize these assets. The values of intangible assets are evaluated at least annually for impairment. The primary indicators are current or forecasted cash flows from the related businesses, which are dependent on the ability of the Company to renew or extend franchise agreements associated with the trademarks and to acquire new such franchise agreements. There have been no adjustments to the carrying values of intangible assets resulting from these evaluations.

##### *Reservation System Deposits*

Reservation system deposits represent refundable deposits from franchisees, which serve as security against any future obligations that a franchisee may have to the Company. Unused deposits are returned to the franchisees upon termination of the franchise agreement. These balances are presented as an asset, cash held for reservation system deposits, as well as a liability, reservation system deposits, on the balance sheets.

##### *Revenue Recognition*

Revenues consist of initial franchise fees, reservation services set-up fees, continuing license fees, reservation income, and advertising fees. Franchisees have the rights to use the Company's trademarked names in specified geographic areas. Additionally, franchisees have continuing access to the use of certain company resources, experience, and knowledge.

The Company recognizes revenue in accordance with FASB Topic ASC 606 as follows:

##### *Initial Franchise Fees*

Initial franchise fees are typically billed upon execution of the franchise agreement and recognized over the term of the franchise agreement. Since the franchise agreements do not have a stated expiration date, management has determined that these initial franchise fees should be recognized over three years. Management has concluded this to be a reasonable estimate because the franchisee can cancel the agreement at any time and the initial fees are non-refundable.

Topic 606 requires that the Company assesses contracts to determine each separate and distinct performance obligation. However, in accordance with the specific provisions of the Franchisors Topic, Section 952-606-25-2, of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), a franchisor that is not a public business entity that enters into a franchise agreement may use a practical expedient to account for the following pre-opening services provided to a franchisee as a single performance obligation:

- Assistance in the selection of a site.
- Assistance in obtaining and preparing the facilities for their intended use, including related financing, architectural, engineering, and lease negotiation services.

NP FRANCHISE GROUP, LLC

NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2022, 2021, AND 2020

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Initial Franchise Fees (Continued)*

- Training of the franchisee's personnel or the franchisee.
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping.
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business.
- Inspection, testing, and other quality control programs.

The Company has elected to use a practical expedient to recognize the pre-opening services as a single performance obligation, distinct from the franchise license. Therefore, the cost of these pre-opening services may be recognized as revenue when the franchisee begins operations, instead of over the estimated term of the contract as part of the initial franchise fee. Initial franchise fees collected in advance of the earnings process are included in deferred revenue on the balance sheets. As of July 31, 2022 and 2021, deferred revenue attributable to initial franchise fees totaled \$105,011 and \$101,451, respectively.

*Reservation Services Set-Up Fees*

Reservation services set-up fees represent fees paid to the Company by unaffiliated third-party car rental operators to set up and launch their profile on the Company's various reservation channels. Reservation set-up fees are billed upon execution of the reservation services agreement and are recognized on a pro-rata basis over the stated agreement term of one year. Reservation services set-up fees collected in advance of the earnings process are included in deferred revenue on the balance sheets. As of July 31, 2022 and 2021, deferred revenue attributable to reservation services set-up fees totaled \$24,803 and \$11,392, respectively.

*Continuing License Fees*

Continuing license fees represent royalty fees paid by the franchisee to the Company. They are recognized as revenue monthly, based primarily on the franchisees' reported gross revenues or fleet sizes.

*Reservation Income*

Reservation income represents commissions paid by to the Company for the use of its rental vehicle reservation system. The income is recognized as revenue monthly and is based on the amount of reservations booked through the Company's rental vehicle reservation system.

*Advertising Fees*

Advertising fees represent advertising fund contributions collected and recognized as revenue monthly from franchisees. The fees are based primarily on the franchisees' reported gross revenues or fleet sizes.

NP FRANCHISE GROUP, LLC

NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2022, 2021, AND 2020

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Timing of Revenue Recognition*

The Company recognized revenue from contracts with customers for the years ended July 31, 2022 and 2021, as follows:

|  | <u>July 31, 2022</u> | <u>July 31, 2021</u> |
|--|----------------------|----------------------|
| Revenues Recognized at a Point in Time | \$ 198,529           | \$ 101,642           |
| Revenues Recognized Over Time          | <u>1,610,326</u>     | <u>937,516</u>       |
|  | <u>\$ 1,808,855</u>  | <u>\$ 1,039,158</u>  |

*Contract Acquisition Costs and Contract Assets*

The Company's contract acquisition costs for franchise agreements or reservation services agreements consisted of sales commissions. These expenses are recorded as contract acquisition costs on the statements of operations and members' equity (deficit).

Sales commissions related to obtaining a franchise agreement are capitalized and amortized over the same three-year term as the associated initial franchise fee. Any amount that has not yet been amortized is recorded as a contract asset on the balance sheets.

The Company has elected to apply a practical expedient provided under Topic 606 to sales commissions related to the acquisition of reservation services agreements. The practical expedient allows the Company to expense the contract acquisition costs when incurred since the amortization period is one year or less.

*Advertising Costs*

Advertising costs are expensed as incurred and reported as advertising expense.

*Allocated General and Administration Costs*

The financial statements reflect allocations of certain administrative service expenses from NP Auto Group to the Company. The amount of expense allocated to the Company is determined based upon estimated proportions of total hours spent by administrative employees, which management believes to be reasonable. However, since NP Auto Group operates certain other businesses and provides various administrative services to the Company, expense allocations to the Company may not be representative of the costs of such services if they were incurred by a separate entity (see Note 4).

*Income Taxes*

Under provisions of the Internal Revenue Code, the Company is not a taxable entity and, accordingly, the net income or loss of the Company is included in the income tax returns of its parent company. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

NP FRANCHISE GROUP, LLC

NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2022, 2021, AND 2020

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Income Taxes (Continued)*

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company or its members will not be subject to additional tax, penalties, and interest as a result of such a challenge.

*Reclassifications*

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications' adjustments had no effect on the Company's previously reported members' equity (deficit).

2. ADOPTION OF ACCOUNTING STANDARDS CODIFICATION TOPIC 606

In May 2014, the FASB issued ASC Topic 606, *Revenue from Contracts with Customers*, which supersedes nearly all existing revenue recognition guidance under GAAP, including industry-specific requirements, and provides companies with a single framework for recognizing revenue from contracts with customers. This update and subsequently issued amendments require companies to recognize revenue at amounts that reflect the consideration to which the companies expect to be entitled in exchange for those goods or services at the time of transfer.

The Company adopted Topic 606 using the modified retrospective transition method effective August 1, 2020. Results for reporting periods beginning after August 1, 2020, are presented in accordance with Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with historical accounting under Topic 605, *Revenue Recognition*.

The adoption impacted the timing and presentation of the following areas of the financial statements:

- *Initial Franchise Fees*
  - Prior to adoption, initial franchise fees were recognized when the Company met substantial performance requirements, such as providing an initial orientation and training course. Under Topic 606, initial franchise fees, less any distinct pre-opening obligations to the franchisee, are recognized over the estimated term of the franchise agreement.
  - The initial application of Topic 606 was applied to all open franchise agreements at August 1, 2020, except for those which had distinct pre-opening obligations greater than their initial franchise fees. This change resulted in the recognition of deferred revenue on the Company's balance sheet and a decrease in members' deficit as of August 1, 2020.
- *Reservation Services Set-Up Fees*
  - Prior to adoption, revenue recognition for reservation services set-up fees were recognized upon execution of the agreement. Under Topic 606, these fees are billed upon execution

**NP FRANCHISE GROUP, LLC**

**NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2022, 2021, AND 2020**

**2. ADOPTION OF ACCOUNTING STANDARDS CODIFICATION TOPIC 606 (CONTINUED)**

- *Reservation Services Set-Up Fees (Continued)*

of the agreement and are recognized over the stated agreement term of one year. The change did not materially affect the members' deficit as of August 31, 2020; however, in the year of adoption, it caused a decrease in revenue and an increase in deferred revenue.

- *Advertising Fees*

- Advertising fees represent advertising fund contributions collected from franchisees, based primarily on the franchisees' reported gross revenues or fleet sizes. The adoption of Topic 606 revised the determination of whether these funds are considered principal versus agent. Prior to adoption, the Company was treated as an agent and did not recognize the fees as revenue until off-setting advertising costs were incurred. Under Topic 606, the funds collected are recognized as revenue monthly. The change caused a decrease to revenue and an increase in members' deficit as of August 1, 2020.

- *Contract Acquisition Costs*

- Prior to adoption, contract acquisition costs in the form of sales commissions were expensed upon execution of the associated agreement. Under Topic 606, sales commissions for the acquisition of franchise agreements are capitalized and amortized over the same three-year period as the contract's initial franchise fees. Sales commissions for the acquisition of reservation services agreements are expensed when incurred because the contract term is one year or less, as allowed by a practical expedient under Topic 606. This change resulted in the recognition of a contract asset on the Company's balance sheet and an increase in members' deficit as of August 1, 2020.

The cumulative effect to the Company's July 31, 2021 balance sheet and statement of operations and members' deficit from the adoption of Topic 606 standard was as follows:

|   | July 31, 2021<br>Prior to<br>Adoption | Adjustments<br>Due to<br>ASC 606 | July 31, 2021<br>After<br>Adoption |
|---|---------------------------------------|----------------------------------|------------------------------------|
| <b>Balance Sheet</b>                                |                                       |                                  |                                    |
| Contract Assets                                     | \$ -                                  | \$ 22,021                        | \$ 22,021                          |
| Deferred Revenue                                    | -                                     | 112,843                          | 112,843                            |
| Members' Deficit                                    | (382,573)                             | (55,732)                         | (438,305)                          |
| <b>Statement of Operations and Members' Deficit</b> |                                       |                                  |                                    |
| Initial Franchise Fees                              | \$ 56,250                             | \$ 37,784                        | \$ 94,034                          |
| Reservation Services Set-Up Fees                    | 19,000                                | (11,392)                         | 7,608                              |
| Advertising Fees                                    | 93,839                                | (12,403)                         | 81,436                             |
| Contract Acquisition Costs                          | 19,400                                | 9,188                            | 28,588                             |
| Members' Deficit, at Beginning of Year              | (819,780)                             | (84,328)                         | (904,108)                          |
| Change in Member's Deficit                          | 437,207                               | 28,596                           | 465,803                            |

Continuing license fees and reservation income, the Company's two largest sources of revenue, were not impacted by the adoption of Topic 606.

**NP FRANCHISE GROUP, LLC**

**NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2022, 2021, AND 2020**

**3. ACCOUNTS RECEIVABLE**

Accounts receivable at July 31, 2022, 2021, and 2020, consisted of the following:

|   | <u>July 31, 2022</u> | <u>July 31, 2021</u> | <u>July 31, 2020</u> |
|---|----------------------|----------------------|----------------------|
| Continuing License Fees Receivable      | \$ 81,186            | \$ 74,181            | \$ 90,988            |
| Initial Franchise Fees Receivable       | 25,000               | 7,500                | 18,215               |
| Less Allowance for Doubtful Receivables | <u>(2,101)</u>       | <u>(3,478)</u>       | <u>(58,917)</u>      |
| Current Accounts Receivable, Net        | <u>\$ 104,085</u>    | <u>\$ 78,203</u>     | <u>\$ 50,286</u>     |

**4. RELATED PARTY TRANSACTIONS**

At July 31, 2022, 2021, and 2020, the Company had payables to NP Auto Group, Bundy American, LLC (Bundy), Rent-A-Wreck of America, Inc. (RAWA), and other affiliates in the amounts of \$326,511, \$313,078, and \$715,603, respectively.

During the year ended July 31, 2022, the Company exchanged \$90,300 of amount due from Rent-A-Wreck Leasing, LLC, for capital contributions.

For the years ended July 31, 2022, 2021, and 2020, the Company did not have any employees. Instead, the Company paid fees for administrative services to NP Auto Group and RAWA. Administrative fees were \$240,844, \$220,189, and \$365,458 for the years ended July 31, 2022, 2021, and 2020, respectively.

**5. PROPERTY AND EQUIPMENT**

Property and equipment at July 31, 2022, 2021, and 2020, consisted of the following:

|   | <u>July 31, 2022</u> | <u>July 31, 2021</u> | <u>July 31, 2020</u> |
|---|----------------------|----------------------|----------------------|
| Computer Hardware and Software                    | \$ 82,501            | \$ 82,501            | \$ 82,501            |
| Less Accumulated Depreciation<br>and Amortization | <u>(82,501)</u>      | <u>(80,839)</u>      | <u>(77,989)</u>      |
| Net Property and Equipment                        | <u>\$ -</u>          | <u>\$ 1,662</u>      | <u>\$ 4,512</u>      |

**6. CONTINGENCIES**

The Company is party to routine legal proceedings incidental to its business from time to time. Certain claims, suits, and complaints arise in the ordinary course of business and may be filed against the Company. Based on facts known to the Company at the date of the auditor's report, management believes all such matters are adequately provided for, covered by insurance, or, if not so provided for or covered, are without merit, or involve such amounts that would not have a material adverse effect on the results of operations or financial position of the Company.

**7. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 29, 2022, the date on which the financial statements were available to be issued.

**NP FRANCHISE GROUP, LLC**

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.



| <b>NP Franchise Group</b>                 |                 |  |                  |
|---|-----------------|--|------------------|
| <b>Balance Sheet</b>                      |                 |  |                  |
| <b>as of 5/31/23</b>                      |                 |  |                  |
| <b>(unaudited)</b>                        |                 |  |                  |
|   | 5/31/2023       |  |                  |
| <b>Assets</b>                             |                 | <b>Liabilities and Member's Equity</b> |                  |
| Current Assets                            |                 | Current Liabilities                    |                  |
| Cash and Cash Equivalents                 | \$629,836       | Accounts Payable and Accrued Expenses  | 1,294,843        |
| Account Receivable, Net                   | (299,125)       | Deferred Revenue                       | 105,011          |
| Prepaid Expenses and Other current Assets | 25,899          | Due From Affiliates                    | (2,317,218)      |
| <b>Total Current Assets</b>               | <b>356,610</b>  | <b>Total Current Liabilities</b>       | <b>(917,364)</b> |
|   |                 | UNSECURED DEBT PRE PETITION            |                  |
|   |                 | JJF PAYABLE                            |                  |
| Other Assets                              |                 |  |                  |
| Contract Assets                           | 37,410          | Member's Equity                        | 1,334,936        |
| Intangible Assets                         | 23,552          | Total Liabilities & Member's Equity    | \$417,572        |
| <b>Total Other Assets</b>                 | <b>\$60,962</b> |  |                  |
| <b>Total Assets</b>                       | <b>417,572</b>  |  |                  |
|   |                 |  |                  |
|   |                 |  |                  |

| <b>NP Franchise Group</b>                        |           |
|--|-----------|
| <b>Statement of Income</b>                       |           |
| <b>For the Fourth Month ending, May 31, 2023</b> |           |
| <b>(unaudited)</b>                               |           |
|  | 5/31/2023 |
| <b>Revenue</b>                                   |           |
| Initial Fees                                     | \$14,000  |
| Reservation Services Set Up Fees                 | 20,073    |
| License Fees                                     | 337,094   |
| National Advertising                             | 78,719    |
| Reservation Income                               | 217,930   |
| Revenue  | 667,816   |
| <b>Expense</b>                                   |           |
| Salaries and Employee Benefits                   | 127,714   |
| Advertising and Promotion                        | 67,805    |
| Sales and Marketing                              | 112,819   |
| General Administrative                           | 73,131    |
| Provisions for Doubtful Receivables              | (15,000)  |
| Total Expenses                                   | 366,469   |
| Net Earnings (Loss)                              | 301,347   |
|  |           |

**EXHIBIT C**  
**GENERAL RELEASE**

## EXHIBIT C

### GENERAL RELEASE

**THIS GENERAL RELEASE** (“Release”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **NP FRANCHISE GROUP, LLC**, a Maryland limited liability company (“**NP Franchise Group**”), and \_\_\_\_\_ (“**Franchisee**”), \_\_\_\_\_ (“**Operating Company**”), and \_\_\_\_\_ (“**Guarantor**”).

1. NP Franchise Group and Franchisee entered into a certain Franchise Agreement dated \_\_\_\_\_ (the “**Franchise Agreement**”), whereby NP Franchise Group granted to Franchisee the right to own and operate a vehicle rental business using the name “Priceless” located at \_\_\_\_\_ (the “**Franchised Business**”).
2. Franchisee assigned the operating rights under the Franchise Agreement to Operating Company.
3. Franchisee, Guarantor, and Operating Company sign this Release as an express condition of either (i) the consent of NP Franchise Group to Franchisee’s transfer of the Franchise Agreement or the transfer of an interest in Operating Company; or (ii) the consent of NP Franchise Group to mutually terminate the Franchise Agreement.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements contained herein and other good and valuable consideration, receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. Release by Franchisee, Guarantor, and Operating Company. Franchisee, Guarantor, and Operating Company, for themselves and their respective successors, assigns, heirs, personal representatives and all other persons acting on their behalf or claiming under them (collectively, the “**Franchisee Releasors**”), hereby release and forever discharge NP Franchise Group and its past and present officers, directors, shareholders, members, parents, subsidiaries, affiliates, agents, employees, attorneys, insurers, representatives, predecessors, successors, and assigns, and each of them, from any and all claims, debts, liabilities, demands, obligations, costs, expenses, suits, actions, and causes of action, of whatever nature, known or unknown, suspected or unsuspected, vested or contingent (collectively, “**Claims**”) that the Franchisee Releasors ever had, now have, or may in the future have, arising out of or relating to any act, omission or event occurring on or before the date of this Release.

2. Waiver Of Civil Code Section 1542. To the extent California (or similar) law applies to this Release, the Franchisee Releasors hereby expressly, voluntarily and knowingly waive, relinquish and abandon each and every right, protection and benefit to which they would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any applicable laws of similar effect to Section 1542, whether now or hereinafter existing under the laws of California or any other applicable federal and state law

with jurisdiction over the parties' relationship. The Franchisee Releasors acknowledge that Section 1542 of the Civil Code of the State of California provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

3. Risk of changed facts. The Franchisee Releasors understand that the facts in respect of which the release in Section 1 above is given may turn out to be different from the facts now known or believed by the parties to be true. The Franchisee Releasors hereby accept and assume the risk of the facts turning out to be different and agree that the release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

4. No prior assignment. The Franchisee Releasors represent and warrant that they are the sole owners of all Claims and rights released by them hereunder and that they have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1 above.

5. Covenant not to sue. The Franchisee Releasors covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 above with respect to any Claim released under Section 1 above.

6. Complete defense. Franchisee Releasors: (i) acknowledge that this Release shall be a complete defense to any Claim released under Section 1 above; and (ii) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

7. Governing law. This Release shall be governed by, and interpreted and construed under, the laws of the State of Maryland.

8. Authorization. The person who executes this Release on behalf of Franchisee represents and warrants that Franchisee has authorized that person to enter into this Release on behalf of Franchisee. Franchisee, Guarantor, and Operating Company represent and warrant that they have the authority to enter into this Release on behalf of themselves and the other persons and entities to be bound by their signature.

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

**NP FRANCHISE GROUP, LLC**  
a Maryland limited liability company

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:** \_\_\_\_\_  
An individual

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**GUARANTOR:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**OPERATING COMPANY**  
\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT C

### MARYLAND ADDENDUM TO GENERAL RELEASE

**THIS ADDENDUM TO GENERAL RELEASE** (“Addendum”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **NP FRANCHISE GROUP, LLC**, a Maryland limited liability company (“NP Franchise Group”), and \_\_\_\_\_ (“Franchisee”), \_\_\_\_\_ (“Operating Company”), and \_\_\_\_\_ (“Guarantor”).

1. NP Franchise Group and Franchisee entered into a certain Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement"), whereby NP Franchise Group granted to Franchisee the right to own and operate a vehicle rental business using the name “Priceless” located at \_\_\_\_\_ (the "Franchised Business");
2. Franchisee assigned the operating rights under the Franchise Agreement to Operating Company.
3. Franchisee, Guarantor, and Operating Company signed a Release concurrently with this Addendum as an express condition of the consent of NP Franchise Group to Franchisee’s transfer of the Franchise Agreement or the transfer of an interest in Operating Company.
4. This Addendum is annexed to and forms part of the Release. This Addendum is being executed because (a) Franchisee is a resident of the State of Maryland, and/or (b) the Franchised Business that Franchisee operated under the Franchise Agreement is located in the State of Maryland.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements contained herein and other good and valuable consideration, receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. Effect of Release. The release by Franchisee, Operating Company, and Guarantor set forth in Section 1 of the Release shall not apply to any liability NP Franchise Group may have under the Maryland Franchise Registration and Disclosure Law.

2. Effect of Addendum. In the event of any inconsistency between the terms of the Release and the terms of this Addendum, the terms of this Addendum will supersede and control. In all other respects, the terms of the Release are ratified and confirmed.

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

**NP FRANCHISE GROUP, LLC**  
a Maryland limited liability company

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:** \_\_\_\_\_  
An individual

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**GUARANTOR:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**OPERATING COMPANY**  
\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**EXHIBIT D**  
**LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

**Exhibit D**  
**LIST OF STATE ADMINISTRATORS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

|  |   |
|--|---|
| <p><b>CALIFORNIA</b><br/>Commissioner of Financial Protection and Innovation<br/>Department of Financial Protection and Innovation<br/>320 West Fourth Street, Suite 750<br/>Los Angeles, California 90013-2344<br/>(213) 576-7500<br/>Toll Free: (866) 275-2677<br/>Email: ASK.DFPI@dfpi.ca.gov</p> | <p><b>NEW YORK</b><br/>NYS Department of Law<br/>Investor Protection Bureau<br/>28 Liberty St. 21st Fl<br/>New York, NY 10005<br/>(212) 416-8222</p>  |
| <p><b>HAWAII</b><br/>Commissioner of Securities<br/>Department of Commerce &amp; Consumer Affairs<br/>Business Registration Division<br/>Securities Compliance Branch<br/>335 Merchant Street, Room 203<br/>Honolulu, Hawaii 96813<br/>(808) 586-2722</p>  | <p><b>NORTH DAKOTA</b><br/>North Dakota Securities Department<br/>State Capitol<br/>Department 414<br/>600 East Boulevard Avenue, Fourteenth Floor<br/>Bismarck, North Dakota 58505-0510<br/>(701) 328-4712</p>           |
| <p><b>ILLINOIS</b><br/>Illinois Office of the Attorney General<br/>Franchise Bureau<br/>500 South Second Street<br/>Springfield, Illinois 62706<br/>(217) 782-4465</p>   | <p><b>RHODE ISLAND</b><br/>Department of Business Regulation<br/>Securities Division, Building 69, First Floor<br/>John O. Pastore Center<br/>1511 Pontiac Avenue<br/>Cranston, Rhode Island 02920<br/>(401) 462-9527</p> |
| <p><b>INDIANA</b><br/>Secretary of State<br/>Franchise Section<br/>302 West Washington, Room E-111<br/>Indianapolis, Indiana 46204<br/>(317) 232-6681</p>  | <p><b>SOUTH DAKOTA</b><br/>Division of Insurance<br/>Securities Regulation<br/>124 South Euclid Avenue, 2<sup>nd</sup> Floor<br/>Pierre, South Dakota 57501<br/>(605) 773-3563</p>  |
| <p><b>MARYLAND</b><br/>Office of the Attorney General<br/>Securities Division<br/>200 St. Paul Place<br/>Baltimore, Maryland 21202-2020<br/>(410) 576-6360</p>   | <p><b>VIRGINIA</b><br/>State Corporation Commission<br/>Division of Securities and Retail Franchising<br/>1300 East Main Street, 9th Floor<br/>Richmond, Virginia 23219<br/>(804) 371-9051</p>                            |
| <p><b>MICHIGAN</b><br/>Michigan Attorney General’s Office<br/>Corporate Oversight Division, Franchise Section<br/>525 West Ottawa Street<br/>G. Mennen Williams Building, 1<sup>st</sup> Floor<br/>Lansing, Michigan 48913<br/>(517) 335-7567</p>  | <p><b>WASHINGTON</b><br/>Department of Financial Institutions<br/>Securities Division – 3<sup>rd</sup> Floor<br/>150 Israel Road, Southwest<br/>Tumwater, Washington 98501<br/>(360) 902-8760</p>                         |
| <p><b>MINNESOTA</b><br/>Minnesota Department of Commerce<br/>85 7<sup>th</sup> Place East, Suite 280<br/>St. Paul, Minnesota 55101<br/>(651) 539-1600</p>  | <p><b>WISCONSIN</b><br/>Division of Securities<br/>4822 Madison Yards Way, North Tower<br/>Madison, Wisconsin 53705<br/>(608) 266-2139</p>  |

**AGENTS FOR SERVICE OF PROCESS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

|   |  |
|---|--|
| <p><b>CALIFORNIA</b><br/>         Commissioner of Financial Protection and Innovation<br/>         Department of Financial Protection and Innovation<br/>         320 West Fourth Street, Suite 750<br/>         Los Angeles, California 90013-2344<br/>         (213) 576-7500<br/>         Toll Free: (866) 275-2677<br/>         Email: ASK.DFPI@dfpi.ca.gov</p> | <p><b>NEW YORK</b><br/>         New York Secretary of State<br/>         One Commerce Plaza<br/>         99 Washington Avenue<br/>         Albany, NY 12231<br/>         (518) 473-2492</p>  |
| <p><b>HAWAII</b><br/>         Commissioner of Securities<br/>         Department of Commerce &amp; Consumer Affairs<br/>         Business Registration Division<br/>         Securities Compliance Branch<br/>         335 Merchant Street, Room 203<br/>         Honolulu, Hawaii 96813<br/>         (808) 586-2722</p>  | <p><b>NORTH DAKOTA</b><br/>         North Dakota Securities Commissioner<br/>         State Capitol<br/>         Department 414<br/>         600 East Boulevard Avenue, Fourteenth Floor<br/>         Bismarck, North Dakota 58505-0510<br/>         (701) 328-4712</p>  |
| <p><b>ILLINOIS</b><br/>         Illinois Attorney General<br/>         500 South Second Street<br/>         Springfield, Illinois 62706<br/>         (217) 782-4465</p>   | <p><b>RHODE ISLAND</b><br/>         Director of Department of Business Regulation<br/>         Department of Business Regulation<br/>         Securities Division, Building 69, First Floor<br/>         John O. Pastore Center<br/>         1511 Pontiac Avenue<br/>         Cranston, Rhode Island 02920<br/>         (401) 462-9527</p> |
| <p><b>INDIANA</b><br/>         Secretary of State<br/>         Franchise Section<br/>         302 West Washington, Room E-111<br/>         Indianapolis, Indiana 46204<br/>         (317) 232-6681</p>  | <p><b>SOUTH DAKOTA</b><br/>         Division of Insurance<br/>         Director of the Securities Regulation<br/>         124 South Euclid Avenue, 2<sup>nd</sup> Floor<br/>         Pierre, South Dakota 57501<br/>         (605) 773-3563</p>  |
| <p><b>MARYLAND</b><br/>         Maryland Securities Commissioner<br/>         200 St. Paul Place<br/>         Baltimore, Maryland 21202-2020<br/>         (410) 576-6360</p>  | <p><b>VIRGINIA</b><br/>         Clerk of the State Corporation Commission<br/>         1300 East Main Street, 1<sup>st</sup> Floor<br/>         Richmond, Virginia 23219<br/>         (804) 371-9733</p>   |
| <p><b>MICHIGAN</b><br/>         Michigan Attorney General’s Office<br/>         Corporate Oversight Division, Franchise Section<br/>         525 West Ottawa Street<br/>         G. Mennen Williams Building, 1<sup>st</sup> Floor<br/>         Lansing, Michigan 48913<br/>         (517) 335-7567</p>   | <p><b>WASHINGTON</b><br/>         Director of Department of Financial Institutions<br/>         Securities Division – 3<sup>rd</sup> Floor<br/>         150 Israel Road, Southwest<br/>         Tumwater, Washington 98501<br/>         (360) 902-8760</p>   |
| <p><b>MINNESOTA</b><br/>         Commissioner of Commerce<br/>         Minnesota Department of Commerce<br/>         85 7<sup>th</sup> Place East, Suite 280<br/>         St. Paul, Minnesota 55101<br/>         (651) 539-1600</p>   | <p><b>WISCONSIN</b><br/>         Division of Securities<br/>         4822 Madison Yards Way, North Tower<br/>         Madison, Wisconsin 53705<br/>         (608) 266-2139</p>   |

**EXHIBIT E**  
**COLLISION DAMAGE WAIVER INDEMNIFICATION AND FEE**  
**AGREEMENT**

**Exhibit E**

**COLLISION DAMAGE WAIVER INDEMNIFICATION AND FEE AGREEMENT**

This INDEMNIFICATION AND FEE AGREEMENT (“**Agreement**”), dated as of \_\_\_\_\_, 20\_\_\_\_ (“**Effective Date**”), is entered into by and between NP Auto Group, Inc., a Maryland corporation (“**Company**” or “**NP Auto Group**”), and \_\_\_\_\_, (“**Franchisee**”).

WHEREAS, Company and its affiliates have established a Collision Damage Waiver (CDW) program (the “**CDW Program**”) that permits franchisees to sell CDW to customers and seek indemnification from Company for certain Covered Losses to Covered Vehicles (as defined below) incurred by customers who purchase CDW.

WHEREAS Franchisee wishes to participate in the CDW Program and offer optional damage coverage to its vehicle rental customers.

WHEREAS, Company has agreed to indemnify the Franchisee for certain vehicle property damage claims arising out of the CDW program.

**NOW, THEREFORE**, in consideration of the mutual promises herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Franchisee Appointment; Fee; Termination.
  - a. Franchisee agrees to participate in the CDW program, subject to the terms and conditions of this Agreement.
  - b. In consideration of the services provided by Company (or its affiliates) under this Agreement, for each collision damage waiver sold to customers under the CDW Program, Franchisee agrees to pay to Company (or its affiliate) the sum of \$19.60 multiplied by the number of days of CDW coverage purchased.
  - c. Company and Franchisee each may terminate this Agreement at any time, with or without cause, upon one (1) month's written notice to the other party, and Company shall be obligated to pay to Franchisee the compensation and expenses due up to the date of the termination.

2. Indemnification by Company.

- a. In consideration of Franchisee's agreement to sell CDW under the CDW program to its customers that rent motor vehicles owned or leased by Franchisee, Company hereby indemnifies and agrees, subject to paragraph 2(c), to indemnify and hold harmless Franchisee from and against Covered Losses. A “**Covered Loss**” under this Agreement means any and all vehicle property damage claims, liabilities, losses, or damages (each a “**Loss**”) resulting from collision, vandalism or acts of nature that are covered under the CDW agreements between Franchisee and its customers for vehicles owned or leased by Franchisee (“**Covered Vehicles**”), other than Losses resulting from theft of a Covered Vehicle; theft-related damage to a Covered Vehicle; damage to the roof or overhead of a Covered Vehicle; hail damage; or towing, storage, or impound charges. The exclusions to the definition of “Covered Loss” described in the preceding sentence apply even if Franchisee is required by law or contract to waive its right to recover for such Losses from customers that purchase CDW. Company’s indemnification obligation is subject to:
  - i. a \$100 per occurrence deductible, which deductible Franchisee shall not pass on to any customer (“**Retention**”); and
  - ii. a maximum limit per claim of the actual cost of repair of the vehicle up to the lesser of: (A) the Manheim MMR average value of the Vehicle at the date of Loss; and (B) \$40,000 per vehicle.
- b. Company may, in its sole discretion, insure its obligations under paragraph 2(a) through an insurer of its choice (“**Insurer**”) with a provision for the Insurer to pay the Loss proceeds, less a \$100 per-occurrence deductible directly to Franchisee or its heirs, executors, administrators, successors or assigns upon documentation of a claim.
- c. Company shall not be obligated to indemnify Franchisee under paragraph 2(a) for a specific Loss to the extent such Loss is attributable to a finding contained in a final, non-appealable judgment by a court of competent jurisdiction that holds that the act or omission in connection with such Loss resulted from a bad faith violation of law, willful misconduct, or self-dealing by Franchisee.

3. Company's Continuing Duty. All agreements and obligations of Company contained herein shall continue during the period Franchisee participates in the CDW Program and shall continue thereafter so long as Franchisee has any unresolved vehicle property damage claims in connection with CDW sold to customers under the CDW program, including the indemnification obligation described in paragraph 2(a) above.

4. Notice of Claims.

- a. Notice. If Franchisee receives a complaint, claim, or other notice of any legal action (“**Action**”), Loss or other liability that may give rise to indemnification under paragraph 2 above, Franchisee shall promptly notify Company of each such complaint, claim, or other notice; however, the failure to notify Company will not relieve Company from any liability under this Agreement.
- b. Proof of Loss. Within 60 days of the vehicle property damage CDW Loss, Franchisee will provide the Company and any Insurer or administrator with complete documentation of the Loss, including the Date of Loss, proof of ownership or lease of the vehicle .proof of the customer's purchase of the CDW property damage waiver, a detailed description of the vehicle damage, identification of any third parties that may be responsible, a copy of any police reports related to the damage, two *bona fide* estimates of the costs of repair, evidence of the purchase price of the vehicle and evidence of the Average Wholesale Value of the Vehicle at the Date of Loss.

5. Examination of Books and Records. The Company shall have the right to examine Franchisee's books and records as follows:

- a. Franchisee shall allow the Company to access its digital rental records on an ongoing basis.
- b. Franchisee shall allow Company to have ongoing access to WebRent on a live, 24/7/365 basis.
- c. Franchisee shall provide Company with the claim documentation identified in section 4(b) above and on reasonable request thereafter.
- d. Company shall have the ongoing right, upon reasonable request, to audit the Franchisee’s records regarding CDW sold under the CDW program, including all rental agreements.

6. Notices. Any notice or other communication under this Agreement shall be in writing and shall be deemed given upon receipt by a party at its address set forth below or at such other address as such party shall hereafter furnish in writing to the other party hereto.

7. Subrogation. There is no waiver of subrogation against any third parties who are at fault or partially at fault for the damage to a vehicle. However, the CDW program will be “primary” before the collision insurance benefits purchased by the Franchisee, and the CDW program will not subrogate against the Franchisee's collision insurance policy.

8. Dispute Resolution. If Franchisee and Company are unable to resolve a dispute or controversy under this Agreement through informal negotiation, Franchisee and Company agree to the following dispute resolution process:

- a. Face-to-Face Meeting. Before initiating a judicial proceeding, Franchisee and Company agree to make a good faith effort to resolve the dispute at a face-to-face meeting (“**Face-to-Face Meeting**”) between Franchisee and one of our representatives, each of whom is authorized to making binding commitments on behalf of their respective parties. The Face-to-Face Meeting will be held at Company’s Franchisee Service Center where located at the time of the dispute (currently, Laurel, Maryland) within 30 days after the date of written notice proposing the meeting, unless Franchisee and Company agree otherwise in writing. If the Face-to-Face Meeting is not held within 30 days (or within the otherwise agreed-upon time period), the request for a Face-to-Face Meeting will expire, and the requesting party may file a demand for arbitration without making additional attempts to resolve the dispute informally.
- b. Choice of Venue. The parties agree that any action that you bring against us, in any court, whether federal or state, must be brought only within the state and judicial district for Frederick, Maryland. Any action that we bring against you in any court, whether federal or state, may be brought within the state and judicial district for Frederick, Maryland, waiving any other jurisdiction that may correspond to them by virtue of their domiciles, current or future.
  - i. The parties agree that this Section 8.b. will not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue will be as set forth above.
  - ii. The parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.
  - iii. ANY SUCH ACTION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A CONSOLIDATED, COMMON, OR CLASS ACTION.
- c. Parties Rights are Cumulative. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy provided under this Agreement or provided or permitted under law or equity; rather, each remedy will be cumulative of every other right or remedy.
- d. Injunctions. Nothing in this Agreement will bar our right to obtain precautionary measures or injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.



- e. Waiver of Jury Trials. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.
  
- f. Must Bring Claims Within One Year. EACH PARTY TO THIS AGREEMENT AGREES THAT ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES' RELATIONSHIP, OR YOUR OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER, SHALL BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE IRREVOCABLY BARRED; PROVIDED, HOWEVER, THAT THE PARTIES AGREE THAT THIS SECTION 8.f. SHALL NOT APPLY TO A CLAIM BY US SEEKING INDEMNIFICATION UNDER THIS AGREEMENT OR CLAIMS ARISING FROM YOUR NONPAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWED TO NP FRANCHIS0045 GROUP, OR YOUR REFUSAL TO SUBMIT TO AN AUDIT AS PROVIDED IN THIS AGREEMENT.
  
- g. Waiver of Punitive Damages. EXCEPT FOR CLAIMS NP FRANCHISE GROUP BRINGS AGAINST YOU FOR UNAUTHORIZED USE OF THE PRICELESS TRADEMARKS OR UNAUTHORIZED USE OR DISCLOSURE OF KNOW-HOW, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES IT HAS SUSTAINED.
  
- h. Payment of Legal Fees. You agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement; and/or (b) successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship.
  
- i. Survivability. The provisions of this Section 8 will continue in full force and effect after termination of this Agreement.

9. Confidentiality. Company and Franchisee each acknowledge that, in order for the intents and purposes of this Agreement to be accomplished, Franchisee will at times obtain access to certain confidential information concerning the Company and its affairs, including, but not limited to, business methods, information systems, financial data and strategic plans which are unique assets of Company (“**Confidential Information**”). Franchisee covenants not to, either directly or indirectly, in any manner, utilize or disclose to any person, firm, corporation, association or other entity, other than a retained attorney or accountant, any Confidential Information, except to the extent as may be required by law or a court order.
  
10. Counterparts: Entire Agreement; Modification; Headings.
  - a. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall be deemed to constitute one and the same instrument.
  - b. This Agreement contains the entire agreement of the parties and supersedes any previous agreements; all representations, inducements, promises or agreements oral or otherwise not written herein will be of no force or effect. No modification of this Agreement shall be binding unless executed in writing by each of the parties hereto.
  - c. Section headings are not part of this Agreement, are solely for convenience of reference, and shall not affect the meaning or interpretation of any provision of this Agreement.
  
11. Successors and Assigns.
  - a. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns. Nothing expressed or referred to herein is intended or shall be construed to give any person other than Company, Franchisee and their heirs, executors, administrators, successors or assigns any legal or equitable right remedy, or claim under or with respect to any provision of this Agreement.
  - b. Franchisee shall not assign any of its rights or delegate any of its duties under this Agreement without the prior consent of Company.
  - c. Company will have the right to transfer or assign this Agreement and all or any part of its rights or obligations under this Agreement to any person or legal entity, and any assignee of Company will become solely responsible for all of its obligations under this Agreement from the date of assignment.
  
12. Relationship of Company to Franchisee. The Company acknowledges that payment made to Franchisee is valid and sufficient consideration for the Representative's duties as set forth in this Agreement.

13. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, in whole or in part, the remainder of this Agreement shall be unaffected thereby and shall remain in full force and effect.

14. Governing Law. This Agreement shall in all respects be governed by and construed and enforced in accordance with the laws of the State of Maryland (without reference to principles of conflict of laws).

15. Effect of Waiver. The waiver by either party of the breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach thereof

**[Signature Page Follow]**

IN WITNESS WHEREOF, Franchisee and Company have each caused this Agreement- to be duly executed as of the day and year first above written.

**NP AUTO GROUP, INC.,**  
a Maryland corporation

**FRANCHISEE**

-

By: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

13900 Laurel Lakes Avenue  
Suite 100  
Laurel, Maryland 20707  
Telephone (240) 581-1300

**EXHIBIT F**  
**OPERATING MANUAL TABLE OF CONTENTS**

**EXHIBIT F**  
**MANUAL TABLE OF CONTENTS**

The number of pages devoted to each subject are as follows:

|                                   |            |
|-----------------------------------|------------|
| Starting up.....                  | 17         |
| Customer Service.....             | 10         |
| Telephone Technique.....          | 8          |
| Fleet Management.....             | 28         |
| Maintenance.....                  | 20         |
| Insurance.....                    | 9          |
| Rates.....                        | 6          |
| Operations.....                   | 30         |
| Marketing.....                    | 85         |
| Accounting/Finance.....           | 15         |
| Supplementary Businesses.....     | 5          |
| Expansion.....                    | 2          |
| Forms/Appendix.....               | 30         |
| <br>                              |            |
| <b>Total Number of Pages.....</b> | <b>265</b> |

**EXHIBIT G**  
**SAMPLE MASTER LEASE AGREEMENT**

Exhibit G



**MASTER LEASE AGREEMENT**

This agreement (“Master Lease Agreement”) is made as of \_\_\_\_\_ by and among:

1. KFL, LLC, a Maryland limited liability company having its principal place of business at 11411 Rockville Pike, Rockville, Maryland 20852 with administrative offices at 13900 Laurel Lakes Avenue, Suite 100., Laurel, MD 20707, (hereinafter referred to as "we," "us," "our," or “lessor”); and,
2. \_\_\_\_\_, residing at \_\_\_\_\_ (“Franchisee”), a franchisee of NP Franchise Group, LLC ("NP Franchise Group") under the terms of a Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”); and,
3. \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (the “Operating Company”) (Franchisee and Operating Company are referred to in this agreement jointly and severally as “lessee,” "you" or "your"); and,
4. the Guarantor named on the Signature Page hereof ("Guarantor").

This agreement describes the rights, duties, and obligations of the parties respecting the lease of motor vehicles ("leased vehicles"). You will submit to us a Vehicle Lease Order ("VLO") describing the desired vehicle(s), vehicle delivery date(s) and estimated initial cost and lease payment for each vehicle that you wish added to this Master Lease Agreement. Each leased vehicle will be particularly described in a Vehicle Delivery Receipt (“VDR”) that you will sign upon accepting delivery of the leased vehicle. Each VLO and each VDR, whether now or hereafter executed, are part of this master agreement. A sample VLO and a sample VDR are attached as Exhibit 1 and 2.

This constitutes a master agreement between you and us and covers all vehicles leased by you from us. It continues in force as long as at least 1 vehicle remains on lease.

You do not acquire any right, title, or interest in any leased vehicle except as a lessee. We will acquire each leased vehicle only upon receipt of your VLO. The date on which we acquire a leased vehicle is the “Acquisition Date.” Title to leased vehicles remains in lessor’s name from the Acquisition Date until purchased by you.



## 1. TERM

Each vehicle is leased for a period beginning on the date the vehicle is delivered to you and continuing for a minimum of 12 months or a maximum of 18 months thereafter, unless the term is extended in writing by mutual agreement of the parties.

This agreement is terminable at our option in the event you fail to cure a default under this agreement or a default under the Franchise Agreement. Termination for default will be effective on delivery of written notice to you.

## 2. LEASE PAYMENTS AND OTHER CHARGES

- a. Monthly Lease Payments. You will pay us in advance on the 1<sup>st</sup> day of each month for each leased vehicle the Monthly Lease Payment specified in its VDR, without abatement, setoff or counterclaim arising out of any circumstances whatever. If delivery is taken on any day other than the 1<sup>st</sup> day of a month, at the time of delivery, you will pay prorated interest for the total number of days between the date of delivery and the 1<sup>st</sup> day of the following month. You will continue to pay us Monthly Lease Payments until the vehicle is purchased by you regardless of any written extension of the lease term for a vehicle.
- b. Deposits. You will deposit with us \$750 per leased vehicle. One-half this amount is due with each signed VLO. The balance is due on delivery of each leased vehicle. Deposits will be credited to you at the close of each lease, provided you are in compliance with the terms of this lease. If you default under the terms of this Lease Agreement, we have the right to apply all the deposits you paid to us to all amounts due us under this Lease Agreement.
- c. Excess Mileage. If you default under the terms of this Lease Agreement, you will pay us an Excess Mileage Fee of \$0.15/mile for each mile in excess of 2,200 miles per month for each leased vehicle that you do not purchase under the terms of Paragraph 7, below.
- d. Shipping and Transport Charges. The cost of shipping each leased vehicle is payable to us on delivery of each lease vehicle.
- e. All Other Charges. Inspection, Get-Ready Costs, Registration, Titling and Taxes are your sole responsibility and shall be paid by you to those service providers and/or respective state agencies. You agree to immediately reimburse us upon receipt of invoice if we pay all or a portion of the inspection, get-ready costs, registration, titling or tax charges on your behalf.

All amounts due us shall be paid by automatic electronic debit from a bank account satisfactory to us on the first business day after the 1<sup>st</sup> of each month or, if applicable, upon invoice. If a payment fails for any reason, you will pay us a late fee of 5% of the total amount due. In addition to the late charge, lease payments and any other sums due under this Lease Agreement will bear interest at the rate of 1-1/2% per month calculated from the date the payment was due until paid.

### **3. MAINTENANCE, TAXES AND FEES**

a. Fees and Taxes. Leased vehicles shall be titled and registered in our name or that of any other party we designate. You will have each vehicle safety inspected whether or not required by a state or other authority, at your expense, and you will make alterations and repairs necessary to comply with the manufacturer's specifications or the regulations of a state or other authority. You will pay any costs or fines imposed as a result of your failure to properly complete inspections. If we elect, or are required, to pay any of the foregoing expenses, you will reimburse us on receipt of our invoice.

b. Parking and Traffic Citations. You will pay traffic and parking citations incurred as a result of the use of a leased vehicle. If we receive notice of delinquent citations, you will pay us the amount due to the charging authority plus \$50.00 for each such citation.

c. Safety Inspection. You will conduct a comprehensive safety inspection of each leased vehicle before you rent it to the public.

c. Maintenance. Maintenance and repair of leased vehicles are your responsibility. You will maintain leased vehicles in good operating condition and in compliance with maintenance procedures required or recommended by a vehicle's manufacturer and/or NP Franchise Group. You will perform the maintenance and repairs necessary to keep each vehicle manufacturer's warranty in effect. You will keep your vehicle maintenance records in the Webrent computer system, and will grant us the right to audit and access all Webrent computer system data, including, but not limited to, rental transactions, maintenance transactions, and fleet transactions.

d. Manufacturer Recalls. Before you rent a leased vehicle to the public, and periodically throughout the lease term, you will verify with its manufacturer that it is not subject to any active or open factory recall. If a leased vehicle is subject to a manufacturer's recall, you will comply with the terms of the recall and return the vehicle to an authorized dealer within 15 days of knowledge of or receipt of a recall notice. Leased vehicles that are subject to manufacturer's recalls may not be rented to the public unless and until the vehicle has been inspected and serviced at an authorized dealership.

### **4. LIMITATION ON USE OF LEASED VEHICLES**

a. Leased vehicles will be used only in the ordinary course of the operation of your franchised auto rental business.

b. You will not use a leased vehicle for transportation of persons for hire. You will not permit leased vehicles to be used in violation of federal, state or municipal laws or ordinances, or contrary to the provisions of an applicable insurance policy. You will indemnify, hold harmless, and defend us and NP Franchise Group from and against fines, forfeitures, seizures, damages or penalties resulting from violations of the laws of any state or other public authority.

c. The use of leased vehicles is limited to the United States, and Canada.

d. You indemnify us for all loss we incur as a result of the conversion, abandonment, unauthorized use, sale or concealment of leased vehicles. You will immediately reimburse us for such loss.

e. You will not place advertising signs, lettering, insignia, or other devices in or upon a leased vehicle without our prior written consent.

f. You will not convey, assign or transfer a leased vehicle or any interest under this agreement without our prior written consent.

## **5. INSURANCE AND INDEMNITY**

a. **Liability Insurance.** During the term of this Agreement and until each leased vehicle is purchased by you, you will provide and maintain the automobile liability insurance required by the terms of the Franchise Agreement. Coverage will begin on the Acquisition Date.

b. **Collision and Comprehensive Insurance.** You will maintain comprehensive and collision insurance with deductibles satisfactory to us, covering loss from collision, fire, theft, windstorm and other comprehensive hazards. Coverage will begin on the Acquisition Date.

c. **Other Requirements.**

- (i) You must provide us with written evidence of insurance prior to delivery of leased vehicles. The evidence of insurance must name us, NP Franchise Group, and any other party we designate as an additional insured and loss payees. Any notice of cancellation, expiration or material change in the insurance coverage must be delivered to us at least 30 days in advance of the noticed event.
- (ii) You will cooperate fully with us and any insurer in the investigation, prosecution, or defense of any accidents, claims and suits arising out of the use or operation of leased vehicles.

d. **Failure to Provide and Maintain Insurance.** If you fail to provide or maintain the insurance coverage called for in this Lease Agreement, or fail to furnish us with the required evidence of insurance coverage, we may at our option, immediately terminate this Lease Agreement and repossess the leased vehicles without prior notice. In the alternative we may, but are not required to, obtain insurance coverage on your behalf; if we do, you will pay us the cost of said insurance.

e. **Indemnification.** You will indemnify us and hold us, our agents and employees, free and harmless from all losses or liability of any kind, including costs of suit and attorney's fees, arising from the condition (including, without limitation, latent or other defects, whether raised under the doctrine of strict liability or otherwise) or operation of any leased vehicle. You will defend all claims brought against us in connection with the condition or operation of a leased vehicle. The termination of this agreement will not

terminate your obligations under this provision. We will give you prompt notice of any claim subject to this indemnity, and you will be entitled to control its defense, provided that we may, at our option, participate in the defense.

## **6. LOSS OR DAMAGE**

a. **Responsibility for Payments.** Your responsibility for payment of charges due under this agreement will continue during the time a leased vehicle is stolen, converted, destroyed, damaged, or missing and during the time required for any repair, adjustment, or servicing, unless you and we agree in a writing signed by both of us to cancel the lease for that vehicle.

b. **Limitation of Our Liability.** We are not liable to you for business loss, or interruption of, or damage to, your business or profits, or for other damages of any kind caused by reason of theft, conversion, destruction, loss, repairs, adjustments, servicing, replacement or unavailability, for any reason, of a leased vehicle. We will not be liable to you for failure to deliver a requested or promised vehicle.

c. **Damage or Destruction of Leased Vehicles.** You bear the risk of loss or damage to leased vehicles. If a leased vehicle is lost, stolen, or so damaged that it cannot, in our judgment be economically repaired, then its lease will be terminated after receipt of notice by us of such loss or damage. On termination you will pay us an amount equal to the Book Value (as shown on the Statement for that vehicle) of the vehicle for the month in which the loss was reported to us. You will be credited any insurance proceeds received by us with respect to such vehicle.

## **7. PURCHASE OF VEHICLES**

You must purchase each leased vehicle in "as is" condition for a price equal to the Book Value for the month of settlement of the purchase as provided in your monthly statement. The purchase must be completed on or before the end of the lease term for that vehicle. If you purchase the leased vehicle before the end of the lease term, there will be no prepayment penalty.

After you pay the purchase price in cash or certified funds, plus fees, taxes and other amounts necessary to prepare the vehicle to conform with legal requirements for sale, we will deliver documents of title to you via overnight mail.

To exercise your option to purchase a lease vehicle, you must give us notice in writing of your intent to do so no less than 10 days prior to the requested settlement date. The notice must include a copy of the VDR or the most recent monthly statement for that vehicle.

## **8. DEFAULT BY YOU**

a. If at any time during the lease term, we deem ourselves insecure with respect to this lease or any VDR, or if you:

(i) fail in the performance of any covenant, term, condition or obligation in this agreement;

(ii) fail to cure a default in your Priceless franchise agreement;

(iii) become insolvent, or make an assignment for the benefit of creditors,  
Or if a receiver is appointed for your property;

(iv) permit an attachment, garnishment, levy or execution against a leased vehicle,

we may, but will not be required to, terminate this Lease Agreement, and we may do so without prior notice to you. We may repossess the leased vehicles without prior notice and without process of law. You expressly waive any further interest in the vehicle and any right of action arising out of such entry and repossession. We shall not be liable in damages for any termination pursuant to this paragraph. A default as to one leased vehicle constitutes a default as to all leased vehicles.

b. If we exercise our right to terminate this agreement by reason of your default, you will pay us upon demand the difference (if any) between the total of the Book Values of the leased vehicles for the month in which your default occurred and the net value of liquidation of all leased vehicles subject to this Lease Agreement (“Net Liquidation Value”). The Net Liquidation Value is equal to the actual sales price that we receive from the sale of the leased vehicles minus: (i) all amounts due under the Lease Agreement through the date of termination; (ii) Excess Mileage Fees; (iii) all costs that we incur in the repossession and disposal of leased vehicles, such as, but not limited to, auction fees, transportation costs, management, management travel and per diem, investigation, inspection, and towing; (iv) all fees and costs incurred by us as a result of your failure to comply with the Vehicle Return Condition Standards set forth in Exhibit A; and (v) an administration fee of \$100 for each leased vehicle subject to this Lease Agreement. If the Net Liquidation Value exceeds the total Book Values for the leased vehicles, we will pay the surplus amount to you.

c. Our repossession of a leased vehicle will not constitute a payment, release, novation, or accord and satisfaction of any of your obligations hereunder. All of your obligations under this lease agreement will remain in force until fully satisfied.

d. If we employ an attorney to enforce our rights, you will pay us the actual attorneys fees and related expenses, including court costs we incur in obtaining and collecting a judgment against you.

## **9. DISCLAIMER OF WARRANTIES**

Vehicles are leased as is, and we make no warranties, express or implied, as to any vehicle or its equipment. We disclaim any implied warranty of merchantability and any express or implied warranty of fitness for any particular purpose. No defect or unfitness of a vehicle or its equipment will relieve you of your obligations under this agreement.

## **10. GUARANTY**

The undersigned Guarantor hereby irrevocably, absolutely and unconditionally guarantees your performance under this agreement. In the event of default, we may proceed at our option against you or Guarantor in any order or concurrently. This guaranty is continuing and applies to all leased vehicles and to all VDRs executed by you and to all amendments hereto, even if you or we fail to give notice to Guarantor of subsequent VDRs or amendments to this agreement.

## 11. DISPUTE RESOLUTION

a. Face-to-Face Meeting. Before initiating a judicial proceeding, You and KFL agree to make a good faith effort to resolve the dispute at a face-to-face meeting (“Face-to-Face Meeting”) between you and one of our representatives, each of whom is authorized to making binding commitments on behalf of their respective parties. The Face-to-Face Meeting will be held at the NP Franchise Group Franchisee Service Center where located at the time of the dispute (currently, Laurel, Maryland) within 30 days after the date of written notice proposing the meeting, unless You and KFL agree otherwise in writing. If the Face-to-Face Meeting is not held within 30 days (or within the otherwise agreed-upon time period), the request for a Face-to-Face Meeting will expire, and the requesting party may file a claim with without making additional attempts to resolve the dispute informally. You and KFL agree that the written notice proposing a Face-to-Face Meeting must be dated before the expiration of the applicable limitation on the period of time in which a claim may be brought under Section 11.b.

b. Choice of Venue. The parties agree that any action that you bring against us, in any court, whether federal or state, must be brought only within the state and judicial district for Frederick, Maryland. Any action that we bring against you in any court, whether federal or state, may be brought within the state and judicial district for Frederick, Maryland, waiving any other jurisdiction that may correspond to them by virtue of their domiciles, current or future.

1. The parties agree that this Section 11.b. will not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue will be as set forth above.
2. The parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.
3. Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action.

c. Parties Rights are Cumulative. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy provided under this Agreement or provided or permitted under law or equity; rather, each remedy will be cumulative of every other right or remedy.

d. Injunctions. Nothing in this Agreement will bar our right to obtain precautionary measures or injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

e. Waiver of Jury Trials. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

f. Must Bring Claims Within One Year. EACH PARTY TO THIS AGREEMENT AGREES THAT ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES' RELATIONSHIP, OR YOUR OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER, SHALL BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE IRREVOCABLY BARRED; PROVIDED, HOWEVER, THAT THE PARTIES AGREE THAT THIS SECTION 11.f SHALL NOT APPLY TO A CLAIM BY US SEEKING INDEMNIFICATION UNDER THIS AGREEMENT OR CLAIMS ARISING FROM YOUR NONPAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWED TO KFL, OR YOUR REFUSAL TO SUBMIT TO AN AUDIT AS PROVIDED IN THIS AGREEMENT.

g. Waiver of Punitive Damages. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES IT HAS SUSTAINED.

h. Payment of Legal Fees. You agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement; and/or (b) successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship.

i. Survivability. The provisions of this Section 11 will continue in full force and effect after termination of this Agreement

## 12. MISCELLANEOUS

a. We have the right to lease, or finance leased vehicles via security interest or by assigning our interest under this agreement, or both. Any such security interest and its lien will be superior to this lease. You will recognize any such assignment and will not assert against the assignee any defense, counterclaim or setoff that you have or may have against us.

b. This instrument, the VLOs, and the VDRs constitute the entire agreement between the parties in regard to the lease of vehicles and may be modified only in a writing executed by you and us.

c. Neither the failure of a party to insist upon the performance of any term or condition of this agreement, or to exercise any right or privilege conferred by this agreement, nor the waiver by a party of any such term or condition will be construed as thereafter waiving any such term, condition right or privilege, or waiver of the right to thereafter insist upon strict compliance with this agreement.

d. Should any part, term or provision of this contract be held by any court to be invalid or in conflict with any law, the validity of the remaining portions or provisions shall not be affected thereby but shall remain in force.

e. This agreement is binding on the parties, their successors, legal representatives and assigns; however, you have no right to assign, sublet, transfer, encumber or convey this agreement or any interest in it without our prior written consent.

f. This agreement is made in, and will be construed in accordance with the laws of, the state of Maryland.

g. Any notice required to be given by a party herein to the other must be in writing and will be deemed delivered when deposited in the United States Mail, postage prepaid, and sent to the other party at its address as the same appears herein or at an address of which such party may have previously notified the other party in writing. Delivery may also be accomplished by email, fax or overnight courier.

**[Signature page Follows]**



**SIGNATURE PAGE**

**FRANCHISEE**

\_\_\_\_\_  
Signature of Priceless Franchisee

\_\_\_\_\_  
Home Street Address of Franchisee

\_\_\_\_\_  
Printed Name of Franchisee

\_\_\_\_\_  
City, State, Zip Code of Franchisee

---

**OPERATING COMPANY**

\_\_\_\_\_  
Printed name of Operating Company

\_\_\_\_\_  
Street Address of Operating Company

By: \_\_\_\_\_  
Signature of Operating Company

\_\_\_\_\_  
City, State, Zip Code Operating Company

Title: \_\_\_\_\_

Date signed: \_\_\_\_\_

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**GUARANTOR 1**

**GUARANTOR 2**

\_\_\_\_\_  
Signature of Guarantor 1

\_\_\_\_\_  
Signature of Guarantor 2

\_\_\_\_\_  
Printed name of Guarantor 1

\_\_\_\_\_  
Printed name of Guarantor 2

Dated Signed: \_\_\_\_\_

Dated Signed: \_\_\_\_\_

---

**KFL, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date signed: \_\_\_\_\_

**Exhibit G**  
**ADDENDUM TO NP FRANCHISE GROUP, LLC MASTER LEASE AGREEMENT**  
**(ILLINOIS)**

This Addendum to NP Franchise Group, LLC Master Lease Agreement (“Addendum”) is made and entered into by and between NP Franchise Group, LLC, a Maryland limited liability company (“NP Franchise Group,” “we” or “us”) and \_\_\_\_\_ (“Franchisee” or “you”).

Recitals

1. You are (a) a resident of the state of Illinois or (b) a non-resident who is obtaining a license to use the System to operate a Priceless Vehicle Rental Business at a Franchised Location and/or within a Primary Service Area in the State of Illinois; and you have entered into a Priceless Master Lease Agreement with us dated as of \_\_\_\_\_ (“Master Lease Agreement”).

2. The parties desire to amend the Master Lease Agreement as set forth below.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties agree as follows:

1. Section 12.f. of the Master Lease Agreement is hereby amended to read as follows:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), and the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.), this Agreement shall be governed by the laws of the State of Illinois.

2. Section 11.b. of the Master Lease is hereby amended to read as follows:

Claims arising under the Illinois Franchise Disclosure Act of 1987 (the “Act”) will be governed by Section 4 of the Act, which provides that “any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void, provided that a franchise agreement may provide for arbitration in a forum outside of this State. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), this Agreement shall be governed by the laws of the State of Illinois.

**IN WITNESS WHEREOF**, you and we have executed and delivered this Addendum as of the Effective Date of the Master Lease Agreement.

**NP Franchise Group, LLC**

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT 1

VEHICLE LEASE ORDER - VLO (Excel File)

EXHIBIT 2

VEHICLE DELIVERY RECEIPT – VDR (Excel File)

EXHIBIT 3

MONTHLY STATEMENT - (Excel File)

EXHIBIT A  
VEHICLE RETURN CONDITION STANDARDS

Set forth below are the standards to be used by Lessee and Lessor in inspecting Vehicles returned by Lessee to Lessor.

**GENERAL CONDITIONS**

- 1) Vehicle will be returned washed and vacuumed. Vehicles not returned in this condition will be washed and vacuumed by the lessor or the auction and the Lessee will be responsible for any charges for this service.
- 2) Two sets of keys are required.
- 3) Operations and warranty books must be in the vehicle.
- 4) Previously repaired collision damage in excess of \$300 must be reported and accompanied by repair orders.
- 5) Lessor will absorb the repair cost of those units returned with less than \$300 chargeable damage. Lessee will be charged for all repair amounts above \$300.

**MAINTENANCE**

Vehicles must be maintained as described in the Owner's Manual and Limited Warranty Statement. Any failures of engines/transmissions due to noncompliance will be chargeable to Lessee.

**SHEET METAL AND PAINT**

All dings and dents above normal wear and tear, poorly repaired paint or metal, a scratch or multiple scratches that break the paint and make a panel objectionable because of quantity or length are to be considered chargeable against the maximum damage allowance of \$300. Chargeable dings and dents will be considered above normal wear and tear when a single panel contains damage that will require more than one half hour sheet metal repair (painting excluded).

**FRONT AND REAR BUMPERS, BUMPER GUARDS, BODY SIDE MOLDINGS, WHEEL OPENING MOLDINGS, EXTERIOR MOLDINGS AND WINDOW MOLDINGS.**

Only minor dents, nicks and scratches are allowed to these protective guards and moldings.

## **TIRES**

All tires must have 5/32 of an inch or better original tread across all tread, including the spare. All tires must match by make, size and type and be to manufacturer's original equipment standards. No gouges, cuts, plugs or vulcanized sidewalls allowed.

None should be returned with a "spare" on the vehicle. All tires should be usable at the time of turn-in.

## **WHEELS AND WHEEL COVERS**

All must be original equipment. Damages will be chargeable to the damage allowance. Wheels and wheel covers must not be missing. If unit has wheel covers requiring wrenches or keys, these must be returned with the unit.

## **GLASS**

The Lessee will be charged if the windshield, rear window or side windows are in such condition that they require replacement due to sandblasting, cracks or chips. All glass replacements will require replacement or related window seal. Failure to replace the seal can result in a chargeback to the Lessee of the cost of seal and any resulting damage. All glass replaced must be manufacturer original equipment and is the responsibility of Lessee and will be chargeable to the damage allowance.

## **LIGHTS**

Damage to headlights, taillights, turn signals, running lights and coach lamps will be chargeable to the damage allowance.

## **INTERIOR SOFT TRIM AND CARPETS**

Damage to carpet or upholstery will be charged to the damage allowance. This includes non-cleanable stains, cuts, tears, burns, mildew and offensive odors.

## **ORIGINAL EQUIPMENT AND ACCESSORIES**

All original equipment and accessories must be on the Vehicle. All missing parts (such as body side moldings, wheel covers, trunk rugs, spare tires, jacks and wheel wrenches) are to be replaced with manufacturer's original equipment. Warranty books and owner's manuals must be in the Vehicle.

## **OPERATING CONDITION**

Each Vehicle and all its accessories shall be in sound mechanical and electrical operating condition. Repairs of these items must be made prior to turn-in or the chargeable damage allowance will be excluded.

Vehicle Lease Order - VLO

VLO - Vehicle Lease Order for Master Lease Number #

You order for lease, under the terms of the Master Lease Agreement, which is incorporated by reference, the vehicles listed below. You understand that you are ordering Used Vehicles that may be purchased at an Auction (if approved by lessor) and that the price may vary by up to \$\_\_\_\_\_. You also agree that the vehicles will be in Clean Wholesale or Average Wholesale condition and they will not be in "like new" condition. You agree that the amount due below shall be electronically transferred from your account to the lessor's account. The vehicles are to be delivered to:

Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Delivery Contact Name \_\_\_\_\_ Delivery Contact Telephone Number \_\_\_\_\_ Delivery Contact Days and Hours of Availability \_\_\_\_\_

Lessee Signature \_\_\_\_\_ Date \_\_\_\_\_

Cash Needed to complete transactions

| Desired Vehicle Delivery Date (the accepted window is 30 days before or after) | Year | Make   | Model  | Trim    | Mileage Range | Estimated Initial Cost Of Vehicle Block Price Plus Auction Fees | \$300                     | Estimated Capitalized Cost at Start of Lease | Estimated Monthly Depreciation Estimate @ 2.25% per Month | 7.5%  | \$15.00                     | Estimated Cost of Monthly Lease Payment |
|--|------|--------|--------|---------|---------------|---|---------------------------|--|---|---|-----------------------------|---|
|  |      |        |        |         |               |   | Estimated Acquisition Fee |  |   | Estimated Interest Cost at Prime Rate plus 4 Points | Estimated Monthly Admin fee |   |
| 1 #####  | 2010 | Kia    | Sedona | LX      | <12k          | \$16,200  | \$300.00                  | \$16,500                                     | \$371.25  | \$103.10  | \$15.00                     | \$489.35                                |
| 2 #####  | 2010 | Nissan | Sentra | S       | <15k          | \$12,200  | \$300.00                  | \$12,500                                     | \$281.25  | \$77.05   | \$15.00                     | \$373.30                                |
| 3 #####  | 2009 | Nissan | Versa  | S       | <19k          | \$10,200  | \$300.00                  | \$10,500                                     | \$236.25  | \$64.73   | \$15.00                     | \$315.98                                |
| 4 #####  | 2008 | Ford   | Fusion | SE-4    | <19k          | \$11,800  | \$300.00                  | \$12,100                                     | \$272.25  | \$74.59   | \$15.00                     | \$361.84                                |
| 5 #####  | 2008 | Mazda  | Mazda  | Sedan i | <19k          | \$11,400  | \$300.00                  | \$11,700                                     | \$263.25  | \$72.12   | \$15.00                     | \$350.37                                |
| 6  |      |        |        |         |               |   | \$0.00                    | \$0  | \$0.00  | \$0.00  | \$0.00                      | \$0.00                                  |
| 7  |      |        |        |         |               |   | \$0.00                    | \$0  | \$0.00  | \$0.00  | \$0.00                      | \$0.00                                  |
| 8  |      |        |        |         |               |   | \$0.00                    | \$0  | \$0.00  | \$0.00  | \$0.00                      | \$0.00                                  |
| 9  |      |        |        |         |               |   | \$0.00                    | \$0  | \$0.00  | \$0.00  | \$0.00                      | \$0.00                                  |
| 10   |      |        |        |         |               |   | \$0.00                    | \$0  | \$0.00  | \$0.00  | \$0.00                      | \$0.00                                  |
| <b>Totals ---&gt;</b>  |      |        |        |         |               | \$61,800  | \$1,500.00                | \$63,300                                     | \$1,424.25  | \$391.60  | \$75.00                     | \$1,890.85                              |

| Pay to Lessor                                    |  | Service Provider   | Pay State Agency   | Total Cash needed to get vehicle in rental service. |
|--|--|--|--|---|
| \$375  | \$375                                  | Estimated Vehicle Safety Inspection, Satellite Tracking and general get ready. | Estimated State - Title License Plate and Taxes (if any) |   |
| 50% of Lease Deposit Due with Signed Lease Order | 50% of Lease Deposit Due upon delivery | Estimated Shipping and Transport Due Upon Delivery                             |  |   |
| \$375.00   | \$375.00                               | \$200.00   | \$275.00   | \$1,350.00  |
| \$375.00   | \$375.00                               | \$200.00   | \$275.00   | \$1,350.00  |
| \$375.00   | \$375.00                               | \$200.00   | \$275.00   | \$1,350.00  |
| \$375.00   | \$375.00                               | \$200.00   | \$275.00   | \$1,350.00  |
| \$375.00   | \$375.00                               | \$200.00   | \$275.00   | \$1,350.00  |
| \$0.00   | \$0.00                                 |  |  | \$0.00  |
| \$0.00   | \$0.00                                 |  |  | \$0.00  |
| \$0.00   | \$0.00                                 |  |  | \$0.00  |
| \$0.00   | \$0.00                                 |  |  | \$0.00  |
| \$0.00   | \$0.00                                 |  |  | \$0.00  |
| \$0.00   | \$0.00                                 |  |  | \$0.00  |
| \$1,875.00                                       | \$1,875.00                             | \$1,000.00   | \$1,375.00   | \$6,750.00  |

Pay This Amount with completed Lease Order \$ 1,875.00

# Vehicle Delivery Receipt- VDR

VDR - Vehicle Delivery Receipt for Master Lease Number #

You accept for lease the vehicles listed below, under the terms of the Master Lease Agreement, which is incorporated by reference. You agree to accept these vehicles in their current as delivered condition. You agree to conduct a comprehensive safety inspection before You begin using these vehicles. :

Lessee Signature \_\_\_\_\_ Date \_\_\_\_\_

| Vehicle Shipped Date | Auction Location Shipped from | Transport Carrier | Transport Cost | Vehicle Delivery Date | Monthly Statement Start Date | Unit Stock Number | Year | Make   | Model  | Trim  | Vin                 | Start Miles | Cost Of Vehicle (Block Price Plus Auction Fees) | \$300     | Caapitalized Cost at Start of Lease | Monthly Depreciation Charge @ 2.25% per Month | 7.5%  | \$15.00              | Monthly Lease Payment | Additional Days Charged | 7.50%                           | \$375                                  | Total Amount Due |
|----------------------|-------------------------------|-------------------|----------------|-----------------------|------------------------------|-------------------|------|--------|--------|-------|---------------------|-------------|---|-----------|-------------------------------------|---|---|----------------------|-----------------------|-------------------------|---------------------------------|--|------------------|
|                      |                               |                   |                |                       |                              |                   |      |        |        |       |                     |             |   | Buyer Fee |                                     |   | Interest Charge at Prime Rate plus 4 Points | Monthly Admin Charge |                       |                         | Additional Days Interest Charge | 50% of Lease Deposit Due upon delivery |                  |
| 07/18/10             |                               |                   | 309.00         | 07/21/10              | 08/01/10                     | 89724             | 2010 | Kia    | Sedona | LX    | ab12345678912345678 | 16715       | 16,200.00                                       | 300.00    | 16,500.00                           | 371.25  | 103.10                                      | 15.00                | 489.35                | 14                      | 36.62                           | 375.00                                 | 720.62           |
| 07/07/10             |                               |                   | 309.00         | 07/10/10              | 08/01/10                     | 39367             | 2010 | Nissan | Sentra | S     | ab12345678912345678 | 14234       | 12,200.00                                       | 300.00    | 12,500.00                           | 281.25  | 78.11                                       | 15.00                | 374.36                | 25                      | 27.58                           | 375.00                                 | 711.58           |
| 07/07/10             |                               |                   | 309.00         | 07/10/10              | 08/01/10                     | 39367             | 2009 | Nissan | Versa  | S     | ab12345678912345678 | 18234       | 10,200.00                                       | 300.00    | 10,500.00                           | 236.25  | 65.61                                       | 15.00                | 316.86                | 25                      | 23.05                           | 375.00                                 | 707.05           |
| 07/07/10             |                               |                   | 309.00         | 07/10/10              | 08/01/10                     | 39367             | 2008 | Ford   | Fusion | SE-4  | ab12345678912345678 | 19100       | 11,800.00                                       | 300.00    | 12,100.00                           | 272.25  | 75.61                                       | 15.00                | 362.86                | 25                      | 26.67                           | 375.00                                 | 710.67           |
| 07/07/10             |                               |                   | 309.00         | 07/10/10              | 08/01/10                     | 39367             | 2008 | Mazda  | Mazda  | Sedan | ab12345678912345678 | 20202       | 11,400.00                                       | 300.00    | 11,700.00                           | 263.25  | 73.11                                       | 15.00                | 351.36                | 25                      | 25.77                           | 375.00                                 | 709.77           |
|                      |                               |                   |                |                       |                              |                   |      |        |        |       |                     |             |   | 0.00      | 0.00                                | 0.00  | 0.00  | 0.00                 | 0.00                  | 0                       | 0.00                            | 0.00                                   | 0.00             |
|                      |                               |                   |                |                       |                              |                   |      |        |        |       |                     |             |   | 0.00      | 0.00                                | 0.00  | 0.00  | 0.00                 | 0.00                  | 0                       | 0.00                            | 0.00                                   | 0.00             |
|                      |                               |                   |                |                       |                              |                   |      |        |        |       |                     |             |   | 0.00      | 0.00                                | 0.00  | 0.00  | 0.00                 | 0.00                  | 0                       | 0.00                            | 0.00                                   | 0.00             |
|                      |                               |                   |                |                       |                              |                   |      |        |        |       |                     |             |   | 0.00      | 0.00                                | 0.00  | 0.00  | 0.00                 | 0.00                  | 0                       | 0.00                            | 0.00                                   | 0.00             |
|                      |                               |                   |                |                       |                              |                   |      |        |        |       |                     |             |   | 0.00      | 0.00                                | 0.00  | 0.00  | 0.00                 | 0.00                  | 0                       | 0.00                            | 0.00                                   | 0.00             |
|                      |                               |                   |                |                       |                              |                   |      |        |        |       |                     |             |   | 0.00      | 0.00                                | 0.00  | 0.00  | 0.00                 | 0.00                  | 0                       | 0.00                            | 0.00                                   | 0.00             |
| <b>Total</b>         |                               |                   | 1,545.00       |                       |                              |                   |      |        |        |       |                     |             | 61,800.00                                       | 1,500.00  | 63,300.00                           | 1,424.25                                      | 395.54                                      | 75.00                | 1,894.79              | 114                     | 139.68                          | 1,875.00                               | 3,559.68         |

This Amount Due within 5 Days of Delivery \$ 3,559.68

| Invoice Date<br>08/01/10         |                      | Sample Statement<br>123 Main Street<br>Anytown, Md. 20707 |      |         |        |     |                 |                                 |                         | Security<br>Deposit<br>Per Unit<br>750.00 | Credit Limit<br>Available<br>Credit<br>\$400,000<br>\$51,130 | Next Invoice Date<br>9/1/2010 |   | Prime plus<br>Margin<br>3.25<br>4.00                              | Interest Days<br>charged this<br>period<br>31                       |  |                            |   |                 |                    |        |
|----------------------------------|----------------------|---|------|---------|--------|-----|-----------------|---------------------------------|-------------------------|---|--|-------------------------------|---|---|---|--|----------------------------|---|-----------------|--------------------|--------|
| Monthly<br>Payment Start<br>Date | Unit Stock<br>Number | Year  | Make | Model   | Trim   | Vin | Start<br>Miles  | Original<br>Capitalized<br>Cost | Lease<br>Term<br>Months | Security<br>Deposit                       | End of Lease<br>Term Value                                   | End of Term Date              | Number of<br>Prior<br>Payments<br>Completed | Interest Value<br>before this<br>month's<br>payment is<br>applied | 2.25%<br>Monthly<br>Reduction of<br>Original<br>Capitalized<br>Cost | Book Value<br>after this<br>month's<br>payment and<br>deposit is<br>Posted | Interest Due<br>in Advance | Statement<br>Admin<br>Monthly<br>Charge | Misc<br>Charges | Monthly<br>Payment |        |
| 1                                | 08/01/10             | 89724   | 2009 | Kia     | Sedona | LX  | 17 digit vin 17 | 19715                           | 16,500.00               | 12  | 750.00   | 12,045.00                     | 08/01/11                                    | 0   | 16,500.00   | 371.25   | 15,378.75                  | 101.60                                  | 15.00           |                    | 487.85 |
| 2                                | 06/01/10             | 39367   | 2009 | PONT    | G6     | SE1 | 17 digit vin 17 | 18234                           | 11,550.00               | 12  | 750.00   | 8,431.50                      | 06/01/11                                    | 2   | 11,030.25   | 259.88   | 10,020.38                  | 67.92                                   | 15.00           |                    | 342.79 |
| 3                                | 05/01/10             | 30004   | 2010 | PONT    | G6     | SE1 | 17 digit vin 17 | 7473                            | 12,500.00               | 12  | 750.00   | 9,125.00                      | 05/01/11                                    | 3   | 11,656.25   | 281.25   | 10,625.00                  | 71.77                                   | 15.00           |                    | 368.02 |
| 4                                | 08/01/09             | 37068   | 2007 | HONDA   | ACCORD | SE1 | 17 digit vin 17 | 34430                           | 12,100.00               | 18  | 750.00   | 7,199.50                      | 02/01/11                                    | 12  | 8,833.00  | 272.25   | 7,810.75                   | 54.39                                   | 15.00           |                    | 341.64 |
| 5                                | 07/01/09             | 39479   | 2009 | Kia     | OPTIMA | LX  | 17 digit vin 17 | 18933                           | 11,650.00               | 18  | 750.00   | 6,931.75                      | 01/01/11                                    | 13  | 8,242.38  | 262.13   | 7,230.25                   | 50.75                                   | 15.00           |                    | 327.88 |
| 6                                | 04/01/09             | 29480   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 12929                           | 10,150.00               | 18  | 750.00   | 6,039.25                      | 10/01/10                                    | 16  | 6,496.00  | 228.38   | 5,517.63                   | 40.00                                   | 15.00           |                    | 283.37 |
| 7                                | 04/01/09             | 39368   | 2009 | FORD    | FOCUS  | SE1 | 17 digit vin 17 | 18515                           | 11,300.00               | 18  | 750.00   | 6,723.50                      | 10/01/10                                    | 16  | 7,232.00  | 254.25   | 6,227.75                   | 44.53                                   | 15.00           |                    | 313.78 |
| 8                                | 04/01/09             | 28499   | 2008 | CHEV    | AVEO   | LS  | 17 digit vin 17 | 25301                           | 7,350.00                | 18  | 750.00   | 4,373.25                      | 10/01/10                                    | 16  | 4,704.00  | 165.38   | 3,788.63                   | 28.97                                   | 15.00           |                    | 209.34 |
| 9                                | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 10                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 11                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 12                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 13                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 14                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 15                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 16                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 17                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 18                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 19                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 20                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 21                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 22                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 23                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 24                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |
| 25                               | 04/01/09             | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00   | 6,069.00                      | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70 |



| Invoice Date<br>08/01/10         |                       | Sample Statement<br>123 Main Street<br>Anytown, Md. 20707 |      |         |        |     |                 |                                 |                         | Security<br>Deposit<br>Per Unit<br>750.00 | Credit Limit<br>Available<br>Credit<br>\$51,130 | Next Invoice Date<br>9/1/2010<br>Prime Rate<br>3.25 | Prime plus<br>Margin<br>4.00                | Interest Days<br>charged this<br>period<br>31                     |   |  |                            |   |                 |                    |           |
|----------------------------------|-----------------------|---|------|---------|--------|-----|-----------------|---------------------------------|-------------------------|---|---|---|---|---|---|--|----------------------------|---|-----------------|--------------------|-----------|
| Account Number<br>12345678       | Interest Rate -> 7.25 |   |      |         |        |     |                 |                                 |                         |   |   |   |   |   | 2.25%<br>Monthly<br>Reduction of<br>Original<br>Capitalized<br>Cost | Book Value<br>after this<br>month's<br>payment and<br>deposit is<br>Posted | Interest Due<br>in Advance | Statement<br>Admin<br>Monthly<br>Charge | Misc<br>Charges | Monthly<br>Payment |           |
| Monthly<br>Payment Start<br>Date | Unit Stock<br>Number  | Year  | Make | Model   | Trim   | Vin | Start<br>Miles  | Original<br>Capitalized<br>Cost | Lease<br>Term<br>Months | Security<br>Deposit                       | End of Lease<br>Term Value                      | End of Term Date                                    | Number of<br>Prior<br>Payments<br>Completed | Interest Value<br>before this<br>month's<br>payment is<br>applied |   |  |                            |   |                 |                    |           |
| 26                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 27                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 28                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 29                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 30                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 31                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 32                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 33                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 34                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 35                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 36                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 37                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 38                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 39                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 40                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 41                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 42                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 43                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 44                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 45                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 46                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 47                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 48                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 49                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| 50                               | 04/01/09              | 29483   | 2009 | HYUNDAI | ACCENT | GLS | 17 digit vin 17 | 14130                           | 10,200.00               | 18  | 750.00  | 6,069.00  | 10/01/10                                    | 16  | 6,528.00  | 229.50   | 5,548.50                   | 40.20                                   | 15.00           |                    | 284.70    |
| <b>Totals</b>                    |                       |   |      |         |        |     |                 |                                 | 521,500.00              |   | 37,500.00                                       | 315,766.75  |   |   | 348,869.88  | 11,733.75  | 299,636.13                 | 2,148.18                                | 750.00          | 0.00               | 14,631.93 |

Payments are due on the 1st day of each month. A late payment charge equal to 5% of total payment due will be assessed on payments received by us after the 10th day of the month.

\$ -  
Payment Due 14,631.93

**EXHIBIT H**  
**LIST OF CURRENT FRANCHISEES**

**Exhibit H**  
**List of Current Franchisees as of January 31, 2023**

| Name                                      | Franchise Owner                  | Address   | City             | State | Zip Code | Phone          |
|---|----------------------------------|---|------------------|-------|----------|----------------|
| <b>CALIFORNIA</b>                         |                                  |   |                  |       |          |                |
| PRICELESS OF BAKERSFIELD                  | Otilia and Albert Herrera        | 1222 GOLDEN STATE AVENUE                                  | BAKERSFIELD      | CA    | 93301    | (661) 843-7866 |
| PRICELESS OF GORMAN                       | Otilia Herrera                   | 49717 PEACE VALLEY ROAD                                   | GORMAN           | CA    | 93243    | (661) 248-6707 |
| PRICELESS OF INGLEWOOD                    | Salem Furha                      | 2701 MAIN STREET  | IRVINE           | CA    | 92614    | (310) 815-1715 |
| PRICELESS OF LAX                          | Liyakatali R. Patel              | 9620 AIRPORT BOULEVARD                                    | LOS ANGELES      | CA    | 90034    | (310) 216-0000 |
| PRICELESS OF LOS ANGELES                  | Liyakatali R. Patel              | 7125 WEST MANCHESTER AVE                                  | LOS ANGELES      | CA    | 90045    | (310) 815-1715 |
| PRICELESS OF MEADOWS FIELD (BFL)          | Alberto Herrera                  | 1601 SKYWAY DRIVE #201                                    | BAKERSFIELD      | CA    | 93301    | (661) 527-7842 |
| <b>CONNECTICUT</b>                        |                                  |   |                  |       |          |                |
| PRICELESS OF EAST HAVEN                   | Ernie & Sons, Inc.               | 925 FOXON ROAD  | EAST HAVEN       | CT    | 6513     | (203) 466-5315 |
| <b>FLORIDA</b>                            |                                  |   |                  |       |          |                |
| PRICELESS OF FORT LAUDERDALE, FLL AIRPORT | Miguel Cuadrado                  | 3265 SE 6TH AVENUE  | FORT LAUDERDALE  | FL    | 33316    | (855) 616-6011 |
| PRICELESS OF MIAMI BEACH                  | Miguel Cuadrado                  | 3801 COLLINS AVE UNIT L-2                                 | MIAMI BEACH      | FL    |          |                |
| PRICELESS OF MIAMI INT'L AIRPORT          | Miguel Cuadrado                  | 4121 NW 25TH STREET                                       | MIAMI            | FL    | 33142    | (786) 567-0943 |
| PRICELESS OF MIAMI (LOCAL)                | Miguel Cuadrado                  | 4121 NW 25TH STREET                                       | MIAMI            | FL    | 33142    | (786) 669-0255 |
| PRICELESS OF TALLAHASSEE - AIRPORT        | Ahmed Salem                      | 8394 BLOUNTSTOWN HWY                                      | TALLAHASSEE      | FL    | 32304    | (850) 368-6620 |
| PRICELESS OF TALLAHASSEE                  | Ahmed Salem                      | 8394 BLOUNTSTOWN HWY                                      | TALLAHASSEE      | FL    | 32304    | (850) 368-6620 |
| PRICELESS OF ORLANDO                      | Marlene Aziz                     | 7652 NARCOOSSEE ROAD                                      | ORLANDO          | FL    | 32822    | (888) 422-3782 |
| PRICELESS OF TAMPA AIRPORT                | Miguel Cuadrado                  | 4220 WEST CAYUGA ST                                       | TAMPA            | FL    | 33614    | (813) 820-4141 |
| PRICELESS OF TAMPA (LOCAL)                | Miguel Cuadrado                  | 4220 WEST CAYUGA ST                                       | TAMPA            | FL    | 33614    | (813) 820-4141 |
| <b>GEORGIA</b>                            |                                  |   |                  |       |          |                |
| PRICELESS OF MARIETTA                     | Mohammad Rizwan                  | 350 WHITE AVE SE  | MARIETTA         | GA    | 30060    | (770) 485-8104 |
| <b>MARYLAND</b>                           |                                  |   |                  |       |          |                |
| PRICELESS OF ODENTON                      | Omid Ilkhan & Jodi C. Mahdavi    | 1600 ANNAPOLIS ROAD                                       | ODENTON          | MD    | 21113    | (410) 672-0200 |
| <b>MICHIGAN</b>                           |                                  |   |                  |       |          |                |
| PRICELESS OF WARREN                       | Larry and Darin Ode              | 23830 GROESBECK   | WARREN           | MI    | 49922    | (906) 482-5666 |
| <b>NEW JERSEY</b>                         |                                  |   |                  |       |          |                |
| PRICELESS OF CHESTER                      | Warren Potter                    | 383 ROUTE 206 S   | CHESTER          | NJ    | 07930    | (888) 609-7368 |
| PRICELESS OF DOVER                        | Warren Potter                    | 33 NORTH MORRIS ST.                                       | DOVER            | NJ    | 07801    | (888) 609-7368 |
| PRICELESS OF HACKETTSTOWN                 | Martin Mehalko                   | 141 MOUNTAIN AVE.   | HACKETTSTOWN     | NJ    | 07840    | (973) 813-1155 |
| PRICELESS OF JERSEY CITY                  | Martin Mehalko                   | 597 MARIN BLVD  | JERSEY CITY      | NJ    | 07310    | (973) 361-3044 |
| PRICELESS OF LAKE HIAWATHA                | Martin Mehalko                   | 141 BEVERWYCK ROAD  | LAKE HIAWATHA    | NJ    | 07054    | (973) 361-3044 |
| PRICELESS OF NEWARK                       | Marty Mehalko                    | 1142 BROAD STREET   | NEWARK           | NJ    | 07114    | (973) 383-8890 |
| PRICELESS OF NEWTON                       | Martin Mehalko                   | 55 NEWTON SPARTA RD.                                      | NEWTON           | NJ    | 07860    | (973) 383-6286 |
| <b>NEW YORK</b>                           |                                  |   |                  |       |          |                |
| PRICELESS OF NEW HARTFORD                 | Winner's Circle Automotive, Inc. | 1 ONTARIO AVENUE  | NEW HARTFORD     | NY    | 13413    | (315) 736-8222 |
| PRICELESS OF YORKVILLE                    | Nick Mariano                     | 4946 COMMERCIAL DRIVE                                     | YORKVILLE        | NY    | 13495    | (315) 736-8222 |
| <b>NORTH CAROLINA</b>                     |                                  |   |                  |       |          |                |
| PRICELESS OF GREENSBORO                   | Monarch Car Rental, Inc.         | 4519 WEST MARKET ST.                                      | GREENSBORO       | NC    | 27407    | (336) 856-9559 |
| PRICELESS OF WINSTON-SALEM                | Richard Hermann                  | 375 PETERS CREEK PARKWAY                                  | WINSTON-SALEM    | NC    | 27101    | (336) 748-9021 |
| <b>PENNSYLVANIA</b>                       |                                  |   |                  |       |          |                |
| PRICELESS OF MEADVILLE                    | Merle Swift                      | 433 BALDWIN STREET  | MEADVILLE        | PA    | 16335    | (814) 336-1000 |
| <b>PUERTO RICO</b>                        |                                  |   |                  |       |          |                |
| PRICELESS OF AGUADILLA AIRPORT (BQN)      | Allied Holdings, LLC             | WINGS ST, #335 RAMEY BASE<br>10200 CALLE CELESTIAL IV LOS | AGUADILLO PUEBLO | PR    |          | (787) 890-3010 |
| PRICELESS OF SAN JUAN                     | Allied Holdings, LLC             | ANGELES LOTE B  | CAROLINA         | PR    |          | (787) 726-7350 |
| <b>WYOMING</b>                            |                                  |   |                  |       |          |                |
| PRICELESS OF GILLETTE                     | Maxwell Lacroix                  | 513 E 2ND STREET  | GILLETTE         | WY    | 82716    | (307) 363-4388 |
| PRICELESS OF LANDER                       | Mike Bailey                      | 1305 MAIN ST.   | LANDER           | WY    | 82520    | (307) 332-9965 |
| PRICELESS OF RIVERTON                     | Mike Bailey                      | 755 SOUTH FEDERAL BLVD.                                   | RIVERTON         | WY    | 82501    | (307) 857-7505 |
| PRICELESS OF RIVERTON - AIRPORT           | Mike Bailey                      | 4800 AIRPORT ROAD   | RIVERTON         | WY    | 82501    | (307) 857-7505 |

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**FRANCHISE AGREEMENT SIGNED, NOT YET OPEN AS OF JANUARY 31, 2023**

**NEVADA**  
PRICELESS OF RENO  
Ali Jarrar  
(775) 830-8047

**EXHIBIT I**  
**LIST OF FORMER FRANCHISEES**

**Exhibit I**  
**List of Franchisees Who Left the Priceless System - August 1, 2021 through July 31, 2022**  
**and August 1, 2022 through January 31, 2023**

If you buy this franchise, your contact information may be disclosed to other buyers.

**August 1, 2021 - July 31, 2022**

| <b>Franchise Name</b>            | <b>Owner Name</b> | <b>City</b>  | <b>State</b> | <b>Phone</b>   |
|----------------------------------|-------------------|--------------|--------------|----------------|
| PRICELESS OF VINELAND            | Ron Rossi         | VINELAND     | NJ           | (856) 692-1700 |
| PRICELESS OF PHIL. INT'L AIRPORT | Heather Feinstein | PHILADELPHIA | PA           | (215) 868-4402 |

**August 1, 2022 - January 31, 2023**

| <b>Franchise Name</b>            | <b>Owner Name</b> | <b>City</b>  | <b>State</b> | <b>Phone</b>   |
|----------------------------------|-------------------|--------------|--------------|----------------|
| PRICELESS OF DOLLAR BAY          | Richard Carne     | DOLLAR BAY   | MI           | (906) 482-5666 |
| PRICELESS OF PHIL. INT'L AIRPORT | Carlos Machuga    | PHILADELPHIA | PA           | (215) 253-4144 |

There are no franchisees who have not communicated with us within the 10 weeks preceding the issuance date of the disclosure document.

**EXHIBIT J**  
**RESERVATION SERVICES ENROLLMENT FORM**

**Exhibit J**  
**Priceless Reservation Services – Booking Channel Participation Agreement**  
**(“Participation Agreement” or “Agreement”)**

Effective Date: \_\_\_\_\_

This Participation Agreement outlines the terms and conditions for the Priceless Car and Truck Rental franchisee identified below (“Franchisee” or “you”) to participate in the “Priceless Reservation System” provided by NP Auto Group, Inc. (“Company,” “we,” or “us”). For purposes of this Agreement, the “Priceless Reservations System” or “Reservation Services” means car rental services provided by NP Auto Group through various channels, including the “Priceless” website and toll-free telephone numbers, as well as via third-party providers, such as traditional and online travel agencies and the Global Distribution System. We reserve the right to alter or amend this Agreement from time to time in the event that system wide changes are deemed prudent or as our channel agreements are altered or amended.

1. Fees and Commissions. The “Reservation Channel Fees and Commissions” and “Deposit” listed on Schedule 1 of this Participation Agreement are in effect as of the date you sign below. You will be notified of fee, commission or deposit changes at least 30 days in advance.
2. Deposit. NP Auto Group reserves the right to require a deposit (“Deposit”) for any reservation source, based upon the volume of reservations that you receive from the source(s). The Deposit is a security deposit against future Priceless Reservation System reservation invoices and obligations, and will be maintained at a level commensurate with location volume at the discretion of NP Auto Group. You agree that:
  - a. Our deposit policy exists to protect our supplier relationships and the other franchise owners and stakeholders in our reservation system whose interests are all vitally tied to the preservation and development of the reservation system.
  - b. Our expectation is that you will maintain a Deposit equal to an average of two months of reservation fees for all locations that you operate. We reserve the right to increase the amount of your Deposit based upon the volume of reservations that you receive. We also will monitor your Deposit amount and will require that a sufficient deposit be maintained to meet anticipated commissions on existing reservations. In addition, we may, in our discretion, increase Deposit amounts for all Reservation System participants at any time. We may use your Deposit to cover any past-due amounts at any time and will return any unused Deposit amounts to you upon termination of your participation in the Priceless Reservation System.
3. Prepaid Reservation Withholding and Prepaid Proceeds. Customers who use the Priceless Reservation System have an option to prepay their reservation. The prepayments are deposited with NP Auto Group (not the franchisee) and remain in NP Auto Group’s possession until they have been applied as a credit to your monthly Priceless Reservation System invoice after the vehicle rental has taken place. You agree to an ongoing 10 percent withholding of “Prepaid Reservation Proceeds” (defined below) generated by the Priceless Reservation System and its

central merchant account; provided that the ongoing withholding for Prepaid Reservation Proceeds generated by the Priceless Reservation System and processed through select OTA channels who process prepaid reservations as merchant of record on our behalf will be two percent. “Prepaid Reservation Proceeds” means the net amount of the funds from prepaid reservations that are disbursed to the location, less the commissions due on the total reservation invoice. Prepaid Reservation Proceeds will be withheld from the monthly prepaid reservation proceeds, and this amount will be added to your reservation deposit account and tracked as a credit memo on your monthly Priceless Reservation System invoice.

4. Method of Payment. On the Reservation Services invoice due date, your bank account will be debited or your payment card charged for the total balance due. It is your responsibility to notify NP Auto Group of any changes to your relevant bank or payment card account information. If method of payment is rejected, your reservation services will be immediately suspended and any Deposit will be applied to the balance due. In order to have service reestablished, you must pay a \$250 reconnection fee, (except in the case of an expired payment card) and an additional Deposit may be required. **We may terminate your participation in the reservation system immediately without notice if you fail to timely pay any amounts due in connection with the Priceless Reservation System.** We reserve the right to modify, at our option, the timing and method by which you pay the amounts due under this Agreement
5. You also agree to comply with the following Priceless Reservation System policies:
  - a. Honoring Reservations. You agree to honor all confirmed reservations for a minimum of two hours after the quoted arrival time at the rates and during the business hours established by you and published by NP Auto Group. If, for any reason, You do not or cannot honor the reservation at the time a rental was scheduled to begin, including if the reserved vehicle is unavailable or you do not have sufficient inventory, you agree, at your sole expense, to either: (a) upgrade the customer to a higher-class vehicle at no additional charge, or (b) obtain a vehicle from another company for the customer. In any event, you shall be responsible, and make arrangements to pay or reimburse the customer, for any price differential and reasonable expenses and costs incurred by the customer. In addition, the following guidelines apply if a customer arrives more than two hours after the quoted arrival time:
    - i. If a customer provides NP Auto Group with accurate flight information at the time the reservation is made and the reservation is confirmed, you should honor the reservation for a minimum of 24 hours after the quoted arrival time at the rates and during the business hours established by you and published by NP Auto Group, when customers flight was delayed.
    - ii. If a customer has made a Reservation Deposit or Prepayment to NP Auto Group, and arrives for rental more than two hours after the scheduled arrival, but within the reserved rental period, you must make best efforts to provide a comparable vehicle to the customer at the earliest time practical, and at a cost no higher than the total price quoted in the reservation.



- iii. On those occasions when a customer arrives beyond the time limits set forth above, you agree to use your best efforts to accommodate the customer with a vehicle similar in rate, size and type to the vehicle originally reserved.
- b. Franchisee's Station Information and Policies; Third-Party Booking System Policies. We agree to maintain a current data bank of: (A) Franchisee's station information, rental qualifications and policies, vehicles, rental rates and availability, as made available to us by you and as requested from time to time by us; and (B) the rules and regulations established by the owners of each applicable automated reservation system included in the Priceless Reservation System.
- c. Your Responsibility for Rates and Other Information. Franchisee acknowledges and agrees that it is Franchisee's responsibility to maintain its own rates, blackouts and promotions through the ASAP RATE system. Franchisee further acknowledges and agrees that: NP AUTO GROUP SHALL NOT BE RESPONSIBLE, NOR SHALL IT BE LIABLE FOR, ANY INCORRECT RATE(S) QUOTED OR POSTED THROUGH NO FAULT OF ITS OWN. FRANCHISEE ACKNOWLEDGES THAT THE FRANCHISEE SHALL BE RESPONSIBLE FOR RATE MANAGEMENT SERVICES, AND THOSE SERVICES WILL INCLUDE INFORMATION INPUT FROM HUMAN BEINGS. NP AUTO GROUP SHALL NOT BE RESPONSIBLE FOR ANY LOSS OF REVENUE CAUSED BY RENTAL RATE MISCALCULATIONS THAT MAY OCCUR WITHIN THE RESERVATION SYSTEM FORMAT (INTERNET OR GLOBAL DISTRIBUTION SYSTEM ("GDS")). NP AUTO GROUP MAKES NO REPRESENTATION THAT THE RESERVATION SYSTEM WILL BE UNINTERRUPTED OR ERROR-FREE, AND NP AUTO GROUP WILL NOT BE LIABLE FOR THE CONSEQUENCES OF ANY INTERRUPTIONS OR ERRORS, INCLUDING BUT NOT LIMITED TO LOSS OF BUSINESS, LOSS OF REVENUE, LOSS OF CUSTOMERS OR ANY LIABILITIES RESULTING DIRECTLY OR INDIRECTLY, FROM CUSTOMER COMPLAINTS OR POTENTIAL PRICING OFFSETS TO SETTLE CUSTOMER COMPLAINTS.
- d. Overbooking. You acknowledge and agree that the Priceless Reservation System, and the relationship of NP Auto Group and its affiliates with various reservation channels are valuable assets of NP Auto Group and its affiliates. You further understand that various reservation channels have specific requirements for local rental agencies, and that NP Auto Group has discretion to determine if you meet reservation channel requirements and whether to allow and/or suspend and/or terminate Franchisee's listing on various channels. You agree that you will not knowingly overbook on the Priceless Reservation System, nor make provisional reservations directly with other reservation channels in anticipation of the potential for overbooking. If you unintentionally overbook on the Priceless Reservation System, you agree that immediately upon discovering the overbooking, you will contact the NP Auto Group reservation center to resolve the overbooking issue.
- e. Inspection and Audit. You understand that various reservation channels have specific requirements with which NP Auto Group (and its affiliates) and you must comply. To confirm compliance with their requirements, these reservation channels have the right to

conduct a limited audit of both NP Auto Group and your reservation records to confirm compliance. You agree to cooperate fully with any such audit and that you will bear the local costs associated with such an audit (i.e., copying charges).

6. Assignment. NP Auto Group has the right to transfer or assign this Agreement or any part of our rights or obligations under this Agreement to any person or legal entity. Franchisee may not assign this Agreement without the prior written approval of NP Auto Group. Any assignment or transfer without the prior written approval of NP Auto Group will be deemed void, constitute a material breach of this Agreement, and will result in the immediate termination of this Agreement.

[Signature Page Follows]

By signing below, you agree to the terms and conditions above and agree to pay the Reservation Fees and Commissions described on the following page. The reservation billing period will begin on the 1st day of the month and end on the last day of the month. You understand that the status of all reservations, including actual time and mileage amounts charged, must be reported using the Priceless Reservation Services Management System by the close of each monthly billing cycle. Reservations that are not reported will be charged commission based on the time and mileage reserved.

**FRANCHISEE:**

Company Name: \_\_\_\_\_

Signed by: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**NP AUTO GROUP, INC.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## GUARANTY

Each Guarantor named below unconditionally guarantees the full and faithful performance of You, and the Operating Company under the Reservation Services Agreement, and each Guarantor agrees to be personally liable for every breach by You or the Operating Company of the Reservation Services Agreement. These guaranties are continuing and will be unaffected by any modification, amendment or extension of the Reservation Services Agreement. In the event of a default, NP Auto Group may proceed against You or any or all of the Guarantors in any order. Each guaranty given hereunder will apply to any and all agreements between NP Auto Group, NP Franchise Group and You respecting the Vehicle Rental Business operated under the Reservation Services Agreement.

### GUARANTOR(S)

1. \_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

**Schedule 1**  
**Reservation Channel – Fees and Commissions**

1. Per-Channel Fees and Commissions

The following are the Reservation Fees and Commissions as of the Effective Date:

| <b>Channel</b>                    | <b>Charge per Completed Reservation</b> | <b>Commission Expense Percentage of Time and Mileage on Completed Reservations<sup>(1)</sup></b> | <b>Commission Expense - Percentage of Time &amp; Mileage on Cancellations<sup>(2)</sup></b> | <b>Commission - Percentage of Time &amp; Mileage on Direct Cancellation and No-Show Reservations</b> |
|-----------------------------------|---|--|---|--|
| Priceless Website and Call Center | \$3.50                                  | 3.5%   | 0%  | 0%   |
| GDS Travel Agents                 | \$11.70                                 | 13.5% - 32%  | 0%  | 0% - 32%   |
| XML/Online Travel brokers         | \$3.50                                  | 10% - 23.5%  | 0%  | 0%   |

Note 1: Commission expenses include delivery fees associated with your participation in the applicable third-party booking channels that we pay on your behalf. “Completed reservations” mean all non-cancelled reservations.

Note 2: Cancellations will be considered reservations cancelled at the source of the booking. Reservations must be cancelled at the source with which they were booked to be credited.

2. Deposit

You agree to pay an initial deposit of US\$ \_\_\_\_\_ for reservations taken on your behalf upon signing this Agreement.

\_\_\_\_\_ Initial here to Accept.

**EXHIBIT K**

**ASAP RENTAL MANAGEMENT SYSTEM ORDER FORM AND  
SOFTWARE AS A SERVICE TERMS AND CONDITIONS**

**ASAP RENTAL MANAGEMENT SYSTEM ORDER FORM**

This ASAP Rental Management System Order Form (this “**Order**”) describes the relationship between NP Auto Group Inc., a Maryland USA corporation with its franchise service center located at 13900 Laurel Lakes Ave. Suite 100, Laurel, Maryland, United States 20707 (“**Licensor**”) and the Subscriber named below (each a “**Party**” and collectively the “**Parties**”), and hereby incorporates the ASAP Rental Management System Software as a Service Terms and Conditions (“**T&Cs**”) and any documents referenced or attached therein or herein (collectively, the “**Agreement**”). A copy of the T&Cs has been provided to Subscriber and Subscriber acknowledges it has read and agrees thereto. This Agreement may be executed in two counterparts, each of which shall be an original and both of which taken together binds Licensor and the Subscriber to the Agreement. Capitalized terms used but not defined in this Order shall have the meanings given elsewhere in the Agreement.

Order Effective Date: (insert date)

Initial Number of Vehicles in Fleet (insert number of vehicles for first month)

Usage Fees: (all fees are in U.S. dollars and exclude applicable taxes)

The fee schedule is based on the number of vehicles that are operated in the fleet and is automatically calculated each month by the SaaS Services.

| <b>Vehicles in Fleet</b> | <b>Monthly Cost</b>      | <b>Maximum Monthly Amount</b> | <b>Max Authorized Users</b> |
|--------------------------|--------------------------|-------------------------------|-----------------------------|
| 1 to 100 Vehicles        | \$5.00 per car per month | \$500.00                      | 10 (ten)                    |
| 101 to 300               | \$4.50 per car per month | \$1350.00                     | 30 (thirty)                 |
| 301 to 500               | \$4.05 per car per month | \$2025.00                     | 50 (fifty)                  |
| 501 to 1000              | \$3.65 per car per month | \$3650.00                     | 100 (one-hundred)           |
| 1001 to 2000             | \$3.30 per car per month | \$6600.00                     | 150(one-hundred-fifty)      |
| 2001 and up              | \$3.00 per car per month | \$TBD                         | TBD                         |

The existence and terms of the Agreement, including this Order and the Terms and Conditions, shall be considered Confidential Information of Licensor.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute and be bound to this Agreement, effective as of the dates set forth below by their duly authorized representatives.

SUBSCRIBER: (Type Entity Name)

Name: (Type Individual Name)

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: (Type Street Address)

Address: (Type City, State, Country, Postal Code)

Phone: (Type Individual Mobile Phone Number - 2FA)

Email Address: (Type Individual E-Mail Address – 2FA)

LICENSOR: NP Auto Group Inc.

Name: Michael L. DeLorenzo

Signature: \_\_\_\_\_

Title: President

Date: \_\_\_\_\_



## ASAP RENTAL MANAGEMENT SYSTEM SOFTWARE AS A SERVICE TERMS AND CONDITIONS

These ASAP Rental Management System Software as a Service Terms and Conditions (“**T&Cs**”), including any Schedules incorporated herein, govern and are incorporated into any Order between NP Auto Group Inc. (“**Licensor**”) and the Subscriber identified on the applicable Order (each a “**Party**” and collectively the “**Parties**”). The “**Agreement**” has the meaning given in the Order and includes these T&Cs.

### 1. DEFINITIONS

“**Administrator User**” means a named Authorized User who is responsible for identifying the other Authorized Users and managing log in credentials for Authorized Users.

“**Authorized Users**” means Subscriber’s employees and independent contractors working for Subscriber in the ordinary course of Subscriber’s business who: (i) agree to be bound by the terms of the Agreement; and (ii) are specifically authorized by Subscriber to access the Service. All authorized users will be required to use “**two factor authentication**” (**2FA**) which may include both a unique user password and an authentication code received by SMS TEXT on user’s mobile device or through an APP on user’s mobile device.

“**Documentation**” means the user guides, online help, release notes, training materials and other documentation provided or made available by Licensor to Subscriber regarding the use or operation of the SaaS Services.

“**Franchise Agreement**” means any franchise agreement entered into between the Parties.

“**Licensor Technology**” means all of Licensor’s proprietary technology (including software, hardware, products, processes, algorithms, user interfaces, know-how, techniques, designs and other tangible or intangible technical material or information) made available to Subscriber by Licensor in providing the SaaS Services.

“**Maintenance Services**” means the support and maintenance services provided by Licensor to Subscriber pursuant to the Agreement and Schedule A.

“**Order**” means an ordering form or quote executed by the Parties in which Subscriber orders the SaaS Services. The Order shall identify or describe the applicable Subscriber, rights and licenses to the SaaS Services, the corresponding fees and expenses, and payment options. The Subscriber shall have no obligation to pay Licensor for licenses to the SaaS Services unless documented in an Order. All services acquired by Subscriber shall be governed exclusively by the T&Cs and the applicable Order. In the event of a conflict between the terms of an Order and the T&Cs, the terms of the Order shall govern the conflicting terms.

“**Other Services**” means all technical and non-technical services performed or delivered by Licensor under the Agreement, including, without limitation, implementation services and other professional services, training and education services but excluding the SaaS Services and the Maintenance Services.

Other Services will be provided on a time and material basis at such times or during such periods, as may be specified in a Schedule and mutually agreed to by the parties. All Other Services will be provided on a non-work for hire basis.

“**SaaS Services**” refer to the Licensor’s internet-accessible rental management service as identified in an Order.

“**Schedule**” is a written document attached to these T&Cs including but not limited to the Service Level Agreement.

“**Subscriber Content**” means all data and materials provided by Subscriber to Licensor for use in connection with the SaaS Services, including, without limitation, subscriber applications, data files, graphics, and Subscriber’s customer data.

## **2. SAAS SERVICES**

During the Subscription Term, Licensor will provide Subscriber a limited, nonexclusive, non-assignable, and royalty free right for Subscriber’s Authorized Users to access and use the SaaS Services solely for Subscriber’s internal business operations subject to the terms and conditions of the Agreement and up to the number of Authorized Users documented in the applicable Order. To access and use the SaaS Services, Subscriber must have an active Order in effect and is responsible at its own expense for obtaining its own Internet access, and any required hardware, software (including without limitation Microsoft Excel), or other technology as necessary to use the Services. Subscriber acknowledges that the Agreement is a services agreement and Licensor will not deliver copies of the object code software to Subscriber as part of the SaaS Services.

## **3. RESTRICTIONS**

Subscriber shall not (and shall not permit any Authorized User or third party to): (i) copy or republish the SaaS Services, (ii) make the SaaS Services available to any third party other than Authorized Users, (iii) use or access the SaaS Services to provide service bureau, time-sharing or other computer hosting services to third parties, (iv) modify or create derivative works based upon the SaaS Services or Documentation, (v) remove, modify or obscure any copyright, trademark or other proprietary notices contained in the software used to provide the SaaS Services or in the Documentation, (vi) reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code of the SaaS Services, except and only to the extent such activity is expressly permitted by applicable law, (vii) access the SaaS Services or use the Documentation in order to build a similar product or competitive product, or (viii) provide false identity information to gain access to or use the SaaS Services. Subject to the limited rights granted herein, Licensor shall own all right, title and interest in and to the SaaS Services, Documentation, and other deliverables provided under the Agreement, including all modifications, improvements, upgrades, derivative works and feedback related thereto and intellectual property rights therein. Subscriber agrees to assign all right, title and interest it may have in the foregoing to Licensor. Without limiting any of its other rights or remedies, Licensor reserves the right to suspend any Authorized User’s right to access the SaaS Services if Licensor reasonably believes that such Authorized User has materially violated the restrictions and obligations in the Agreement or to protect

against fraudulent or suspected fraudulent activity. Subscriber shall be solely responsible for the acts and omissions of its Authorized Users.

#### **4. SUBSCRIBER RESPONSIBILITIES**

##### **4.1 Assistance.**

Subscriber shall (and shall cause each Authorized User to) provide commercially reasonable information and assistance to Licensor to enable Licensor to deliver the SaaS Services. Upon request from Licensor, Subscriber shall promptly deliver Subscriber Content to Licensor in an electronic file format specified and accessible by Licensor. Subscriber acknowledges that Licensor's ability to deliver the SaaS Services in accordance with the Documentation may depend upon the accuracy and timeliness of such information and assistance.

##### **4.2 Compliance with Laws.**

Subscriber shall comply with all applicable local, state, national and foreign laws in connection with its use of the SaaS Services, including those laws related to data privacy, international communications, and the transmission of technical or personal data. Subscriber acknowledges that Licensor exercises no control over Subscriber Content transmitted by Subscriber or the Authorized Users through the SaaS Services. Subscriber and its Authorized Users shall not upload, post, reproduce or distribute any information, software or other material protected by copyright, privacy rights, or any other intellectual property right without first obtaining the permission of the owner of such rights.

##### **4.3 Unauthorized Use; False Information.**

Subscriber shall: (i) immediately notify Licensor in writing of any known or suspected unauthorized use of any password or user id or any other known or suspected breach of security and (ii) report to Licensor immediately and use reasonable efforts to stop any unauthorized use of the SaaS Services that is known or suspected by Subscriber or any Authorized User.

##### **4.4 Subscriber Input.**

Subscriber is solely responsible for collecting, inputting and updating all Subscriber Content stored on the SaaS Services, and for ensuring that the Subscriber Content does not (i) include anything that actually or potentially infringes or misappropriates the copyright, trade secret, trademark or other intellectual property right of any third party, or (ii) contain anything that is obscene, defamatory, harassing, offensive or malicious. For the avoidance of doubt, Subscriber is solely responsible for the information and terms contained within its consumer agreements and Licensor shall have no responsibility or liability in connection with the same, including without limitation in connection with counter products, upgrades, or surcharges applied with respect to any consumer transaction.

##### **4.5 Subscriber Content.**

Subscriber acknowledges and agrees that as between Subscriber and Licensor, Licensor shall own all rights, title, and interest in and to the Subscriber Content. The Parties agree that Licensor may use Subscriber Content for any and all internal or commercial purposes. Subscriber Content may be combined and analyzed with other subscribers' data and learnings by Licensor or a third party as described in Section 12.14.

#### 4.6 Licensor Technology

Subscriber acknowledges and agrees that as between Licensor and Subscriber, all right, title and interest in and to the SaaS Services (including the software, data, information, text, images, designs, sound, music, videos, marks, logos, compilations (meaning the collection, arrangement and assembly of information) and other content on or made available through the SaaS Services, Documentation, the Licensor Technology and all improvements and derivatives of the foregoing (including all trade secrets and other intellectual property and proprietary rights embodied therein or associated therewith) are and shall remain owned by Licensor or its licensors or other providers, and the Agreement in no way conveys any right, title or interest in the Licensor Technology other than a limited right to use the SaaS Services in accordance with the terms and conditions herein. No right or license is granted hereunder to Subscriber under any trademarks, service marks, trade names or logos.

#### 4.7 Third-Party Technology

Third-party technology that may be appropriate or necessary for use with some Licensor programs is specified in the program Documentation or Order as applicable (i.e., Credit card processing software). Subscriber's right to use such third-party technology is governed by the terms of the applicable third-party technology license agreement.

#### 4.8 Suggestions.

Licensor shall have a royalty-free, worldwide, irrevocable, transferable, perpetual license to use and incorporate into the SaaS Services any suggestions, enhancement requests, recommendation or other feedback provided by Subscriber, including Authorized Users, relating to the operation of the SaaS Services.

### **5. ORDERS AND PAYMENT**

5.1 Fees. In consideration of the limited right granted herein, Subscriber shall pay Licensor, without offset or deduction, the fees and expenses set forth in the applicable Order. Licensor reserves the right to increase the fees once per year during the Subscription Term.

#### 5.2 Invoicing and Payment.

Unless otherwise provided in the Order, all such fees will be deducted from receipts of payments received through the SaaS Services. Receipts for payments received through the SaaS Services will be paid to Subscriber monthly within thirty (30) calendar days after the applicable calendar month end,

and Licensor shall provide to Subscriber a statement of all payments received via the SaaS Services, together with all fees and taxes to be deducted from such payments, within thirty (30) calendar days after the applicable calendar month end. Except as expressly provided otherwise, fees are non-cancellable and non-refundable.

### 5.3 Taxes.

Licensor may list applicable taxes as a separate line item on each monthly report. Subscriber shall be responsible for payment of all sales and use taxes, value added taxes (VAT), or similar charges relating to Subscriber's purchase and/or use of the SaaS Services. Subscriber shall not be liable for taxes based on Licensor's net income, capital or corporate franchise.

## 6. TERM AND TERMINATION

### 6.1 Term of Agreement.

The term of the Agreement ("**Subscription Term**") shall begin on the Order Effective Date and shall continue for a minimum of twelve (12) months, after which the Agreement will continue unless and until either Party provides the other Party at least 180 days' advance written notice of its desire to terminate this agreement.

### 6.2 Termination.

Either Party may terminate this Agreement immediately by written notice to the other Party, if the other Party materially breaches the Agreement (including any non-payment of fees) and the other Party fails to cure such breach within thirty (30) days after receipt of notice of such breach.

### 6.3 Suspension for Non-Payment.

Licensor reserves the right to suspend delivery of the SaaS Services if Subscriber fails to timely pay any undisputed amounts due to Licensor under the Agreement, but only after Licensor notifies Subscriber of such failure and Subscriber fails to pay the owed fees within fifteen (15) days of the notice. Suspension of the SaaS Services shall not release Subscriber of its payment obligations under the Agreement. Subscriber agrees that Licensor shall not be liable to Subscriber or to any third party for any liabilities, claims or expenses arising from or relating to suspension of the SaaS Services resulting from Subscriber's nonpayment. Nothing in this Section 6.3 will limit Licensor's rights under Section 6.5 below.

### 6.4 Suspension for Ongoing Harm.

Licensor reserves the right to suspend delivery of the SaaS Services if Licensor reasonably concludes that Subscriber or an Authorized User's use of the SaaS Services is causing immediate and ongoing harm to Licensor or others. In the extraordinary case that Licensor must suspend delivery of the SaaS Services under this Section 6.4, Licensor shall immediately notify Subscriber of the suspension and the Parties shall diligently attempt to resolve the issue. Licensor shall not be liable to Subscriber or to any

third party for any liabilities, claims or expenses arising from or relating to any suspension of the SaaS Services in accordance with this Section 6.4. Nothing in this Section 6.4 will limit Licensor's rights under Section 6.5 below.

#### 6.5 Effect of Termination.

(i) Upon termination of the Agreement or expiration of the Subscription Term, Licensor shall immediately cease providing the SaaS Services and all usage rights granted under the Agreement shall terminate.

(ii) If Licensor terminates the Agreement due to a breach by Subscriber, then Subscriber shall immediately pay to Licensor all amounts then due under the Agreement and to become due during the remaining term of the Agreement, but for such termination. If Subscriber terminates the Agreement due to a breach by Licensor, then Licensor shall immediately repay to Subscriber all pre-paid, unused subscription fees.

(iii) Upon termination of the Agreement and upon subsequent written request by the disclosing party, the receiving party of Confidential Information shall immediately return such information or destroy such information and provide written certification of such destruction, provided that the receiving party may permit its legal counsel to retain one archival copy of such information in the event of a subsequent dispute between the Parties.

### **7. SERVICE LEVEL AGREEMENT**

The Service Level SaaS Agreement ("**SLA**") for the SaaS Services is set forth in Schedule A hereto. The SLA sets forth Subscriber's sole remedies for availability or quality of the SaaS Services including any failure to meet any guarantee set forth in the SLA.

### **8. WARRANTIES**

#### 8.1 Mutual Warranties.

Each Party represents and warrants to the other that: (i) the Agreement has been duly authorized, executed, and delivered and constitutes a valid and binding agreement enforceable against such Party in accordance with its terms, (ii) no authorization or approval from any third party is required in connection with such Party's execution, delivery or performance of the Agreement, and (iii) the execution, delivery and performance of the Agreement does not violate the terms or conditions of any other agreement to which it is a party or by which it is otherwise bound.

#### 8.2 Limited Warranty.

Licensor represents and warrants that it will provide the Other Services and/or Maintenance Services in a professional manner consistent with general industry standards and that the SaaS Services will perform substantially in accordance with the Documentation. Subscriber's sole and exclusive remedy and Licensor's entire liability for a breach of this warranty shall be for Licensor to use commercially

reasonable efforts to modify the SaaS Services to conform to the functionality described in the Documentation. If Licensor is unable to restore such functionality, Subscriber shall be entitled to terminate the Agreement and receive a pro-rata refund of the unused fees pre-paid by Subscriber for the applicable Subscription Term. The warranties set forth herein are made to and for the benefit of Subscriber only.

### 8.3 Disclaimer.

THE LICENSOR TECHNOLOGY IS PROVIDED "AS IS" AND LICENSOR MAKES NO REPRESENTATIONS OR WARRANTIES, ORAL OR WRITTEN, EXPRESS OR IMPLIED, ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OR TRADE, OR OTHERWISE, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INTERFERENCE, OR NON-INFRINGEMENT. LICENSOR DOES NOT GUARANTEE THAT THE LICENSOR TECHNOLOGY WILL PERFORM ERROR-FREE OR UNINTERRUPTED, OR THAT LICENSOR WILL CORRECT ALL ERRORS. SUBSCRIBER ACKNOWLEDGES THAT LICENSOR DOES NOT CONTROL THE TRANSFER OF DATA OVER COMMUNICATIONS FACILITIES, INCLUDING THE INTERNET, AND THAT THE LICENSOR TECHNOLOGY MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF SUCH COMMUNICATIONS FACILITIES. THIS SECTION SETS FORTH THE SOLE AND EXCLUSIVE WARRANTY GIVEN BY LICENSOR (EXPRESS OR IMPLIED) WITH RESPECT TO THE SUBJECT MATTER OF THE AGREEMENT. NEITHER LICENSOR OR ANY OF ITS SERVICE PROVIDERS SHALL BE LIABLE FOR UNAUTHORIZED ALTERATION, THEFT OR DESTRUCTION OF SUBSCRIBER'S OR ANY USER'S DATA, FILES, OR PROGRAMS.

## **9. LIMITATIONS OF LIABILITY**

TO THE FULLEST EXTENT PERMISSIBLE BY LAW AND EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 9, NEITHER PARTY (NOR LICENSOR'S LICENSORS OR OTHER SUPPLIERS) SHALL BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOST BUSINESS, PROFITS, DATA OR USE OF ANY SERVICE, INCURRED BY EITHER PARTY OR ANY THIRD PARTY IN CONNECTION WITH THE AGREEMENT OR LICENSOR TECHNOLOGY, REGARDLESS IF THE DAMAGES ARISE IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NEITHER PARTY'S AGGREGATE LIABILITY FOR DAMAGES UNDER THE AGREEMENT OR RELATED TO THE LICENSOR TECHNOLOGY, REGARDLESS IF THE DAMAGES ARISE IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), SHALL EXCEED THE FEES PAID BY SUBSCRIBER UNDER THE AGREEMENT DURING THE TWELVE (12) MONTHS PRECEDING THE DATE THE CLAIM AROSE. THE FOREGOING LIMITATIONS SHALL NOT APPLY TO EITHER PARTY'S WILLFUL MISCONDUCT, THE PARTIES' CONFIDENTIALITY AND INDEMNIFICATION OBLIGATIONS, SUBSCRIBER'S (OR AN AUTHORIZED USER'S) BREACH OF SECTION 3, OR SUBSCRIBER'S (OR AN AUTHORIZED USER'S) VIOLATION OF LICENSOR'S INTELLECTUAL PROPERTY RIGHTS.

## **10. INDEMNIFICATION**

### 10.1 Indemnification by Licensor.

If a third party makes a claim against Subscriber that the SaaS Services infringes any patent, copyright or trademark, or misappropriates any trade secret, Licensor shall defend Subscriber and its directors, officers and employees against the claim at Licensor's expense and Licensor shall pay all losses, damages and expenses (including reasonable attorneys' fees) finally awarded against such parties or agreed to in a written settlement agreement signed by Licensor, to the extent arising from the claim. Licensor shall have no liability for any claim based on (i) the Subscriber Content, (ii) modification of the SaaS Services not authorized by Licensor, or (iii) use of the SaaS Services other than in accordance with the Documentation and the Agreement. Licensor may, at its sole option and expense, procure for Subscriber the right to continue use of the SaaS Services, modify the SaaS Services in a manner that does not materially impair the functionality, or terminate the Subscription Term and repay to Subscriber any unused amount pre-paid by Subscriber with respect to the applicable Subscription Term following the termination date.

#### 10.2 Indemnification by Subscriber.

If a third party makes a claim against Licensor related to: (i) the Subscriber Content, (ii) Subscriber's or an Authorized User's unauthorized use or disclosure of the Licensor Technology or Licensor's Confidential Information, (iii) Subscriber's violation of applicable laws or regulations, (iv) the rental or sale of any vehicle, including without limitation any vehicular accidents, maintenance, charges, or other claim relating to any use, rental or sale of any vehicle, or (v) Subscriber's gross negligence or willful misconduct, Subscriber shall defend Licensor and its directors, officers and employees against the claim at Subscriber's expense and Subscriber shall pay all losses, damages and expenses (including reasonable attorneys' fees) finally awarded against such parties or agreed to in a written settlement agreement signed by Subscriber.

#### 10.3 Conditions for Indemnification.

A Party seeking indemnification under this section shall (i) promptly notify the other Party of the claim, (ii) give the other Party control of the defense of the claim, and (iii) provide, at the other Party's expense for out-of-pocket expenses, the assistance, information and authority reasonably requested by the other Party in the defense and settlement of the claim. Notwithstanding the foregoing, the indemnitor shall have no right to settle any claim arising under this Section 10 without the prior written consent from the indemnitee.

### **11. CONFIDENTIALITY**

#### 11.1 Definition.

**"Confidential Information"** means any information disclosed by a Party to the other Party, directly or indirectly, which, (i) if in written, graphic, machine-readable or other tangible form, is marked as "confidential" or "proprietary," (ii) if disclosed orally or by demonstration, is identified at the time of initial disclosure as confidential and is confirmed in writing to the receiving Party to be "confidential" or "proprietary" within thirty (30) days of such disclosure, (iii) is specifically deemed to be confidential by the terms of this Agreement, or (iv) reasonably appears to be confidential or proprietary because of the circumstances of disclosure and the nature of the information itself. Confidential Information will



also include information disclosed by third parties to a disclosing Party under an obligation of confidentiality. Subject to the display of Subscriber Content as contemplated by this Agreement, Subscriber Content is deemed Confidential Information of Subscriber. Licensor software and Documentation are deemed Confidential Information of Licensor.

### 11.2 Confidentiality.

During the term of this Agreement and for five (5) years thereafter (perpetually in the case of software), each Party shall treat as confidential all Confidential Information of the other Party, shall not use such Confidential Information except to exercise its rights and perform its obligations under this Agreement, and shall not disclose such Confidential Information to any third party. Without limiting the foregoing, each Party shall use at least the same degree of care, but not less than a reasonable degree of care, it uses to prevent the disclosure of its own confidential information to prevent the disclosure of Confidential Information of the other Party. Each Party shall promptly notify the other Party of any actual or suspected misuse or unauthorized disclosure of the other Party's Confidential Information. Neither Party shall reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody the other Party's Confidential Information and which are provided to the Party hereunder. Each party may disclose Confidential Information of the other Party on a need-to-know basis to its contractors who are subject to confidentiality agreements requiring them to maintain such information in confidence and use it only to facilitate the performance of their services on behalf of the receiving Party.

### 11.3 Exceptions.

Confidential Information excludes information that: (i) is known publicly at the time of the disclosure or becomes known publicly after disclosure through no fault of the receiving Party, (ii) is known to the receiving Party, without restriction, at the time of disclosure or becomes known to the receiving Party, without restriction, from a source other than the disclosing Party not bound by confidentiality obligations to the disclosing Party, or (iii) is independently developed by the receiving Party without use of the Confidential Information as demonstrated by the written records of the receiving Party. The receiving Party may disclose Confidential Information of the other Party to the extent such disclosure is required by law or order of a court or other governmental authority, provided that the receiving Party shall use reasonable efforts to promptly notify the other Party prior to such disclosure to enable the disclosing Party to seek a protective order or otherwise prevent or restrict such disclosure. Each Party may disclose the existence of this Agreement and the relationship of the Parties, but agrees that the specific terms of this Agreement will be treated as Confidential Information; provided, however, that each Party may disclose the terms of this Agreement to those with a need to know and under a duty of confidentiality such as accountants, lawyers, bankers and investors.

## **12. GENERAL PROVISIONS**

### 12.1 Non-Exclusive Service.

Subscriber acknowledges that the SaaS Services are provided on a non-exclusive basis. Nothing shall be deemed to prevent or restrict Licensor's ability to provide the SaaS Services or other technology, including any features or functionality first developed for Subscriber, to other parties.

#### 12.2 Personal Data.

Subscriber hereby acknowledges and agrees that Licensor's performance of this Agreement may require Licensor to process Personal Information on behalf of Subscriber. Licensor shall process such Personal Information only to the extent necessary for, and for the sole purpose of, performance of its obligations under this Agreement; provided, however, that nothing set forth in this Agreement shall limit or restrict Licensor's rights to any such Personal Information under the Franchise Agreement. Notwithstanding any provision in this Agreement or the Franchise Agreement to the contrary, Subscriber shall be responsible for providing all notices, and obtaining all consents, required in connection with Licensor's processing of Personal Data in connection with its provision of the SaaS Services, and Subscriber shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, and appropriateness of all such Personal Information. For purposes of this Agreement, "Personal Information" means any information from which an individual or household may be identified.

#### 12.3 Assignment.

Neither Party may assign the Agreement or any right under the Agreement, without the consent of the other Party, which consent shall not be unreasonably withheld or delayed; provided however, that either Party may assign the Agreement to an acquirer of all or substantially all of the business of such Party to which the Agreement relates, whether by merger, asset sale or otherwise. The Agreement shall be binding upon and inure to the benefit of the Parties' successors and permitted assigns. Either Party may employ subcontractors in performing its duties under the Agreement, provided, however, that such Party shall not be relieved of any obligation under the Agreement.

#### 12.4 Notices.

Except as otherwise permitted in the Agreement, notices under the Agreement shall be in writing and shall be deemed to have been given (i) five (5) business days after mailing if sent by registered or certified U.S. mail, (ii) when transmitted if sent by facsimile, email or SMS text provided that a copy of the notice is promptly sent by another means specified in this section, or (iii) when delivered if delivered personally or sent by express courier service. All notices shall be sent to the other Party at the address set forth on the order page of the Agreement.

#### 12.5 Force Majeure.

Each Party will be excused from performance for any period during which, and to the extent that, such Party or any subcontractor is prevented from performing any obligation or service, in whole or in part, as a result of causes beyond its reasonable control, and without its fault or negligence, including without limitation, acts of God, strikes, lockouts, riots, acts of terrorism or war, epidemics, communication line failures, and power failures.

#### 12.6 Waiver.

No waiver shall be effective unless it is in writing and signed by the waiving Party. A waiver by either Party of any breach of the Agreement shall not constitute a waiver of any other or subsequent breach.

#### 12.7 Severability.

If any term of the Agreement is held to be invalid or unenforceable, that term shall be reformed to achieve as nearly as possible the same effect as the original term, and the remainder of the Agreement shall remain in full force.

#### 12.8 Entire Agreement.

The Agreement contains the entire agreement of the Parties and supersedes all previous oral and written communications by the Parties, concerning the subject matter of the Agreement. In the event of a conflict between the Agreement and the terms of the applicable Franchisee Agreement, this Agreement shall control but only with respect to its subject matter. This Agreement may be amended solely in a writing signed by both Parties.

#### 12.9 Survival.

Sections 3, 6, and 8 through 12 of the Agreement shall survive the expiration or termination of the Agreement for any reason.

#### 12.10 Publicity.

Licensor may include Subscriber's name and logo in its Subscriber lists and on its website. Upon signing, Licensor may issue a high-level press release announcing the relationship and the manner in which Subscriber will use the SaaS Services. Licensor shall coordinate its efforts with appropriate communications personnel in Subscriber's organization to secure approval of the press release if necessary.

#### 12.11 Export Regulations.

Export laws and regulations of the United States and any other relevant local export laws and regulations apply to the SaaS Services. Subscriber agrees that such export control laws govern its use of the SaaS Services (including technical data) and any services deliverables provided under the Agreement, and Subscriber agrees to comply with all such export laws and regulations. Subscriber agrees that no data, information, software programs and/or materials resulting from services (or direct product thereof) will be exported, directly or indirectly, in violation of these laws.

#### 12.12 No Third Party Beneficiaries.

The Agreement is an agreement between the Parties, and confers no rights upon either Party's employees, agents, contractors, partners of Subscribers or upon any other person or entity.

#### 12.13 Independent Contractor.

The Parties have the status of independent contractors, and nothing in the Agreement nor the conduct of the parties will be deemed to place the parties in any other relationship. Except as provided in this Agreement, neither party shall be responsible for the acts or omissions of the other party or the other party's personnel.

#### 12.14 Statistical Information.

Licensor may aggregate and anonymize any data or information relating to Subscriber Content ("**De-Identified Data**") to monitor, improve, or expand the SaaS Services or Licensor's commercial offerings. De-Identified Data may be combined and analyzed with other Subscriber's data and learnings by Licensor.

#### 12.15 Governing Law.

The laws of the United States and the State of Maryland, without reference to conflicts of laws principles that would require the application of the laws of any other state, govern all matters arising out of or relating to the Agreement and all of the transactions it contemplates, including its validity, interpretation, construction, performance, and enforcement. The United Nations Convention on Contracts for the International Sale of Goods shall not apply. Any claims arising out of or related to this agreement shall be heard exclusively in the courts of Frederick County, Maryland.

#### 12.16 Dispute Resolution.

Subscriber's satisfaction is an important objective to Licensor in performing its obligations under the Agreement. Except with respect to intellectual property rights, if a dispute arises between the Parties relating to the interpretation or performance of the Agreement or the grounds for the termination hereof, the Parties agree to hold a face to face meeting within fifteen (15) days of written request by either Party, attended by individuals with decision-making authority, regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute prior to pursuing other available remedies. If, within 15 days after such meeting, the Parties have not succeeded in resolving the dispute, either Party may protect its interests by any lawful means available to it.

**SCHEDULE A**  
**SERVICE LEVEL AGREEMENT (SLA)**

- 1. System Availability Definition.** “System Availability” means the number of minutes in a year that the key components of the SaaS Services are operational as a percentage of the total number of minutes in such year, excluding downtime resulting from (a) scheduled maintenance, (b) events of Force Majeure, (c) malicious attacks on the system, (d) issues associated with the Subscriber’s computing devices, local area networks or internet service provider connections, or (e) inability to deliver services because of acts or omissions of Subscriber or any Authorized User.
- 2. Applicable Levels.** Licensor shall provide the SaaS Services to Subscriber with a System Availability of at least 99% during each calendar year of the Subscription Term following initial implementation completion, excluding any scheduled maintenance.
- 3. Scheduled Maintenance.** Licensor reserves the right to take the SaaS Service offline for scheduled maintenance for which Subscriber has been provided reasonable notice and Licensor reserves the right to change its maintenance window upon prior notice to Subscriber.
- 4. Remedies.** If Licensor fails to meet the System Availability in a calendar year, upon written request by Subscriber within 30 days after the end of the agreement year, and subject to Licensor’s verification of the claim, Licensor will issue a credit in Subscriber’s next invoice in an amount equal to 1% of the yearly fee for the affected SaaS Services for each 1% loss of System Availability per SaaS Services, up to a maximum of the Subscriber’s fee for the affected SaaS Services. Subscriber shall, in connection with such written request, include all information necessary for Licensor to validate the claim, such as (a) a detailed description of the incident, (b) information regarding the time and duration of the incident, (c) the number and location(s) of affected Authorized Users (if applicable), and (d) descriptions of Subscriber’s attempts to resolve the incident at the time of occurrence when it occurred. All claims are subject to review and verification by License prior to any credits being granted. The remedy stated in this paragraph is Subscriber’s sole and exclusive remedy for interruption of SaaS Services and Licensor’s failure to meet System Availability.

## **RECEIPTS**

## STATE EFFECTIVE DATES

The following states 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:

|               |                |
|---------------|----------------|
| Hawaii:       | <b>Pending</b> |
| Illinois:     | <b>Pending</b> |
| Indiana:      | <b>Pending</b> |
| Maryland:     | <b>Pending</b> |
| Michigan:     | <b>Pending</b> |
| Minnesota:    | <b>Pending</b> |
| New York:     | <b>Pending</b> |
| North Dakota: | <b>Pending</b> |
| Rhode Island: | <b>Pending</b> |
| South Dakota: | <b>Pending</b> |
| Virginia:     | <b>Pending</b> |
| Wisconsin:    | <b>Pending</b> |

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.

# RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If NP Franchise Group, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement with, or make a payment to, NP Franchise Group, LLC or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement and the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement and the payment of any consideration that relates to the franchise relationship.

If NP Franchise Group, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit D.

## Franchise Seller Information:

Names: Michael DeLorenzo, George Moorhead, Jon Dill, and Andres Lezcano  
Address: 13900 Laurel Lakes Avenue, Suite 100, Laurel, Maryland 20707  
Telephone Number: 240-455-0672

Date of Issuance: July 20, 2023.

NP Franchise Group, LLC authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I received a Disclosure Document dated July 20, 2023 that included the following Exhibits:

- |  |  |
|--|--|
| A. Franchise Agreement, State Riders, and Brand Share Incentive Addendum | F. Operating Manual Table of Contents  |
| B. Financial Statements  | G. Sample Master Lease Agreement   |
| C. General Release   | H. List of Current Franchisees   |
| D. List of State Agencies/Agents for Service of Process                  | I. List of Former Franchisees e  |
| E. Collision Damage Waiver Indemnification and Fee Agreement             | J. Reservation System Participation Agreement  |
|  | K. ASAP Rental Management System Order Form and Software as a Service Terms Receipts |

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Print Your Name (Prospective Franchisee)

\_\_\_\_\_  
Your Signature (Prospective Franchisee)

Please sign this copy of the receipt, date your signature, and return it to NP Franchise Group, LLC, at 13900 Laurel Lakes Avenue, Suite 100, Laurel, Maryland 20707. This Disclosure Document is also available via email from our website [www.pricelesscarrental.com](http://www.pricelesscarrental.com).



## RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If NP Franchise Group, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement with, or make a payment to, NP Franchise Group, LLC or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise and other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement and the payment of any consideration that relates to the franchise relationship.

If NP Franchise Group, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit D.

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| D. List of State Agencies/Agents for Service of Process                  | I. List of Former Franchisees e  |
| E. Collision Damage Waiver Indemnification and Fee Agreement             | J. Reservation System Participation Agreement  |
|  | K. ASAP Rental Management System Order Form and Software as a Service Terms Receipts |

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Print Your Name (Prospective Franchisee)

\_\_\_\_\_  
Your Signature (Prospective Franchisee)

Please sign this copy of the receipt, date your signature, and retain it for your records. This Disclosure Document is also available via email from our website [www.pricelesscarrental.com](http://www.pricelesscarrental.com).