

TERMS AND CONDITIONS

United States and Canada

**Avis Preferred® Terms and Conditions
United States / Canada****UNITED STATES / CANADA TERMS AND CONDITIONS**

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*Updated June 2015***1. General**

A. These Terms and Conditions form a part of the Rental Agreement (described hereinafter at times as the/this "Agreement"), which consists of the following parts: the car renter's Enrollment Profile for use in enrolling the car renter into Avis Preferred, the rental document issued at the time of rental ("rental document"), a return document in a paper or electronic form with final charges, and the Terms and Conditions stated below.

B. This Agreement is between the person signing it, or otherwise indicating assent as the car renter ("you," "your" or "yours") and Avis Rent A Car System, LLC; or Aviscar Inc.; or an independent Avis Rent A Car System licensee ("we," "us," "our" or "ours") and covers the rental of each car by us to you under Avis Preferred ("rental"). You understand that these Terms and Conditions will apply to each rental of a car to you by us using Avis Preferred, as fully as if contained in a separate agreement signed by you. You agree and understand that your obligations under this Agreement are personal and are not assignable or transferable by you. Except as may be otherwise explicitly stated in a particular provision of this Agreement, if your Enrollment Profile indicates a United States address, then the terms of this Agreement are governed by the law of the State of New Jersey, without regard to its conflicts of law principles. Except as may be otherwise explicitly stated in a particular provision of this Agreement, if your Enrollment Profile indicates a Canadian address, then the terms of this Agreement are governed by the law of the Province of Ontario, without regard to its conflicts of law principles. All other rentals will be governed by the law of the country where the car was rented. You understand that each rental is solely a bailment for mutual benefit and that you are not our agent for any purpose. If any term or condition of this Agreement is prohibited or restricted by the law of a jurisdiction in which a rental commences, for only that rental such law shall control.

C. You further agree that we have the right to change these Terms and Conditions from time to time either upon written notice to you, in paper or electronic form, or upon our posting such changes on the Avis web site. Such changes will apply to rentals that you reserve after such notice has been given, as indicated by the date of such notice, if sent in written form, or the date such changes are posted on the Avis web site, which date will be indicated therein. Changes to the Terms and Conditions will be posted as they occur on the Avis web site at avis.com/terms and will govern all rentals even if the terms provided at time of enrollment are different.

D. You must keep your Enrollment Form information current by notifying Avis of any changes to such information including, not limited to your mailing address, driver's license and charge card. You are encouraged to update your profile at avis.com or you may call 1-866-842-5552. For your convenience, if your profile indicates a U.S. address, Avis will access the National Change of Address registry administered by the United States Postal Service ("USPS") to update your address from time to time. Only exact customer matches will be updated. Avis is not responsible for errors resulting from USPS processing.

2. Avis On Location

Some vehicles are equipped with in-car devices which monitor vehicle diagnostics and can be accessed remotely without your knowledge. Avis does not use this technology to track or otherwise identify the location of the vehicle unless the vehicle is suspected or reported as stolen.

These vehicles can be accessed remotely and when you establish an Avis Preferred account identifying your mobile telephone number and create a personal identification number (PIN), you create an account with us whereby we can permit you to utilize this technology.

Creation of this account is done so in accordance with our Privacy Notice.

Avis makes this smart phone process available to you as a matter of customer service and customer convenience. Avis makes no representations or warranties that the applications are compatible with your specific phone or that the technology will work every single time you attempt to access it.

Avis is not responsible for any damage that may occur to your device and any such damage is excluded from any Personal Effects Protection you may purchase incidental to the rental. In the event you utilize this technology, you understand that you will incur data usage with your provider. Subject to your plan and the amount of time you use your device, you may incur data usage charges. Avis will not reimburse or be responsible for any such charges.

In locations utilizing the technology that supports this functionality, when we charge you for fuel we will bill based on the size of the specific fuel tank. Avis will then establish 1/10th of a gallon increments for the specific fuel tank and all fuel charges for these vehicles will be based on 1/10th of a gallon. You agree that our ordinary credit/debit approval process applies to transactions which utilize smart phone technology. Should you seek to rent using a debit card, you understand and consent to a credit check to be performed in advance.

Driving or operating this car while using a hand-held wireless communication device or other device that is capable of receiving or transmitting telephonic communications, electronic data, mail or text messages shall be deemed a breach of this contract.

3. Meaning of Car

The word “car” means the vehicle rented to you or its replacement and includes tires, tools, equipment, accessories, plates and car documents.

4. Who May Drive the Car

A. You represent that you are a capable and validly licensed driver. You agree that we have the right to verify that your license has been validly issued and is in good standing; and that we may in our sole discretion refuse to rent to you if your license has been suspended, revoked, otherwise restricted in any way, or if your driving record is unsatisfactory to us.

B. We reserve the right to deny rentals based upon information about your license status or driving record provided by the Motor Vehicle Department of the State/Province/or country, which issued your license.

C. Except where otherwise specifically authorized by applicable law, only you, your spouse or domestic partner, or, if you rent from us under your employer’s corporate account agreement, your employer or a regular fellow employee incidental to business duties may drive the car, but only with your prior permission. The other driver must be at least 25 years old and must also be a capable and validly licensed driver.

NOTICE FOR RENTALS IN QUEBEC AND ONTARIO, CANADA

As the renter or signatory of this Agreement, you certify that you hold a valid driver’s license for the appropriate class authorizing you to drive the vehicle or vehicles described in the contract and you undertake to ensure that any person called upon to drive the said vehicle or vehicles also holds a valid driver’s license for the appropriate class.

5. Return of the Car

A. You agree to return the car to us in the same condition you received it, ordinary wear and tear excepted, on the due date and at the time and to the location specified by you at the time of rental. You must return it sooner upon our demand. If you return it earlier or later, a different or higher rate may apply and, if returned later, you may also be charged a late return fee. You may not return the car at a time when we are closed. If you do, your responsibility for damage to or loss of the car will continue; and all charges stated on the rental document as a periodic rate will continue to accrue until the return location reopens and we retake actual possession of the car. If we do not find the car when that location reopens, your responsibility for all charges and for damage to or loss of the car will continue until the car is actually returned or recovered and possession is returned to us.

B. If you represent in your reservation or subsequently in your rental agreement that you will return the car to a location other than the location where your rental commences, you may have to pay a “one way service fee.” If you return the car to a different location from the agreed return location without our written permission, you agree to pay the unauthorized return location fee specified by us, which is a minimum of \$45. If this fee is higher by multiplying normal mileage rate by the distance between the renting location and the actual return location, as specified on the return document/return record, you’ll pay the higher fee. You also understand that a different or higher rate may apply.

C. If you wish to extend any rental you must contact us at 1-888-897-8448 to request it before your return date. We may or may not grant an extension or decline to grant it for the entire period you request in our sole discretion. If we do grant an extension a different or higher rate may be applied to the extension period; and a service fee may also apply.

6. Reservation

You agree that you must make a reservation for each rental at least 24 hours prior to the scheduled time of rental; and must inform the reservation agent, or if made electronically, indicate that this will be an Avis Preferred rental.

7. Rental Charges

You will pay for the number of miles/kilometers you drive and the period of time you rent the car at the rate provided to you by the reservation agent or reservation system at the time of reservation, or your applicable corporate rate. The minimum charge is one day (24 hours) plus mileage/kilometerage, or a fixed fee. We will determine the miles/kilometers by reading the factory-installed odometer. The daily charge applies to consecutive 24-hour periods starting at the hour and minute the rental begins. If you fail to comply with any conditions for special rates specified on the rental document our otherwise applicable rates will be charged. You'll pay all charges that apply to the rental for miscellaneous services and, where permitted, airport facility fees and/or concession recovery fees, vehicle license recovery fees, other fees and surcharges. If you present any rewards certificates, coupons or vouchers associated with a loyalty rewards program, you may be charged a redemption fee. If you use a car with automatic toll payment capability, you will pay for all tolls incurred during your rental and all related service charges which may be applied even on days you do not use a toll or drive the car. You will also pay a reasonable fee for cleaning the car's interior upon return for excessive stains, dirt or soilage attributable to your use as determined solely by us. We maintain a non-smoking fleet. You will pay an additional charge if you return the car and it smells of smoke. You and any third party to whom any rental charges are billed, such as an insurer or employer, are jointly and severally responsible for payment of all such charges. If you direct us to bill any such charges to a third party, you represent that you are authorized to do so.⁴

Unauthorized use of discount codes

Avis issues discount codes to individuals or authorized entities for their sole use. By entering into this enrollment profile you represent you have the express authorization of Avis to use such code(s) affiliated with the enrollment. Any other use will be viewed as an unlawful use and theft of services for which Avis reserves the right to remove any discount code information from your profile(s) and/or rental(s), in addition to refusal to rent to you and can pursue legal remedies including but not limited to reasonable attorney's fees and costs.

8. Start of Rental

The rental commences when you receive the keys to the designated car from us or when you drive the designated car to the gate and show your valid driver's license to the gate attendant. You understand that in some states it may be required that we do a driver's license signature comparison at the time of rental.

9. Repossessing the Car

We may repossess the car anytime it is found illegally parked, being used to violate the law or this Agreement, or appears to be abandoned. We may also repossess the car anytime we discover you made a misrepresentation to obtain the car. You agree that we needn't notify you in advance. If the car is repossessed, you agree to pay the actual and reasonable costs incurred by us to repossess the car and agree that such costs will be charged to the card you used to rent the car.

10. Prohibited Use of the Car

Certain uses of the car and other things you or a driver may do, or fail to do, will violate this Agreement and, in addition to anything else may cause us to cancel your enrollment in Avis Preferred. **A VIOLATION OF THIS PARAGRAPH, WHICH INCLUDES USE OF THE CAR BY AN UNAUTHORIZED DRIVER, WILL AUTOMATICALLY TERMINATE YOUR RENTAL, VOID ALL LIABILITY PROTECTION AND ANY OPTIONAL SERVICES THAT YOU HAVE ACCEPTED, INCLUDING ADDITIONAL LIABILITY INSURANCE, PERSONAL ACCIDENT INSURANCE, PERSONAL EFFECTS PROTECTION, EMERGENCY SICKNESS PROTECTION AND LOSS DAMAGE WAIVER. IT ALSO MAKES YOU LIABLE TO US FOR ALL PENALTIES, FINES, FORFEITURES, LIENS AND RECOVERY AND STORAGE COSTS, INCLUDING ALL RELATED LEGAL EXPENSES, FEES AND COSTS.**

It is a violation of this paragraph if:

A. You use or permit the car to be used: 1) by anyone other than an authorized driver, as defined in paragraph 4 above; 2) to carry passengers or property for hire; 3) to tow or push anything; 4) to be operated in a test, race or contest, or on unpaved roads; 5) while the driver is under the influence of alcohol and/or a controlled substance; 6) for conduct that could properly be charged as a crime such as a felony or misdemeanor, including the transportation of a controlled substances, contraband or any other instrument or device that is considered unlawful to possess.; 7) carelessly, recklessly or while overloaded; 8) if rented in the United States, outside of the United States, or with our permission, Canada; or 9) if rented in Canada, outside of Canada, or with our permission, the United States: or

B. You or an additional driver, authorized or not: 1) fail to report any damage to or loss of the car when it occurs, or when you learn of it but, barring physical incapacity, in no event delayed more than 24 hours; 2) fail to promptly provide us with a written accident/incident report or fail to cooperate fully with our investigation; 3) obtained the car through fraud or misrepresentation; 4) Leave the car unattended for any duration of time while the vehicle engine is operating, or leave the keys or key-fob(s) in the vehicle, or lock all windows, doors and the trunk, and the car is stolen or vandalized. 5) return the

car after hours and the car is damaged, stolen or vandalized or otherwise failed to take reasonable steps to secure the vehicle, its keys or other remote entry and starting devices.

C. Driving or operating this car while using a hand-held wireless communication device or other device that is capable of receiving or transmitting telephonic communications, electronic data, mail or text messages shall be deemed a breach of this contract.

11. Roadside Assistance

Depending on the nature of the incident you may be assessed a service charge. Avis offers Roadside Assistance which provides assistance at no charge in addition to the daily fee for: lost keys, lockouts, flat tire service, towing, jump starts, and emergency fuel delivery (up to 3 gallons). Avis Roadside Assistance is optional and available at select locations for an additional fee. Roadside Assistance is available at all participating Avis locations. Coverage is void if the situation requiring Roadside Assistance was caused by the authorized driver's violation of the rental agreement. In such a case, emergency road hazard assistance will be delivered, but standard charges for services such as lost keys, fuel delivery, etc. may apply. The daily service charge for Roadside Assistance is subject to change.

12. Loss Damage Waiver (LDW)

You understand that you may choose to accept or decline the LDW option by so indicating on your Enrollment Profile. You understand that LDW is not insurance and is not mandatory. LDW may be duplicative of your personal automobile protection and you should consult with your insurance agent prior to your rental. You agree that your choice will apply to each rental you make using Avis Preferred, unless and until you **5**

change your choice for all future rentals by sending us a new Enrollment Profile indicating the changed choice in writing. On any rental for which you have chosen to accept LDW, you'll pay the applicable additional daily LDW fee in effect at the time of rental for each full or partial day that the car is rented to you. In that case if the car is used and operated in accordance with this agreement, we assume responsibility for the loss of or damage to the car except, if permitted by law, for lost, damaged or stolen keys or remote entry devices and except for your amount of "responsibility", if any, specified on the rental document at the time of rental. You understand that we have the right to change the LDW fee from time to time; and that you can be informed of the LDW fee that will apply at the time of your rental by requesting this information from the reservation agent, or checking the Avis web site at the time you reserve.

In Canada, if you accept LDW, there may nevertheless be a non-waivable amount for which you will be responsible in the event of loss or damage to the car, which amount will be specified on the rental document at the time of rental. Currently this amount is a maximum of CA \$500.

Notices About Loss Damage Waiver (LDW)

The following section meets certain state requirements for disclosure.

Indiana: Avis offers an option, for an additional daily charge, to relieve your responsibility for loss or damage to the car. If you chose not to purchase the optional LDW, you are responsible for loss or damage, including loss of use, at Avis' repair cost for parts, paint and labor (inclusive of discounts extended to Avis), up to the current fair market value if the car is stolen or Avis determines the car is beyond repair. Even if you elect to purchase the LDW option, you may be responsible for loss or damage under certain prohibited events. Check the paragraph entitled "Damage to/Loss of the Car." Read the list of prohibited events in the Terms and Conditions, including exclusions from LDW. Determine if your own insurance affords coverage for loss or damage, the limit of coverage and a deductible. Your own insurance may cover all or part of your financial responsibility for collision damage and the amount of the deductible. You should check with your insurance carrier to find out about your coverage.

Connecticut and Texas: The renter's personal automobile insurance policy may cover collision, damage, fire, theft and personal injury incurred while using a rental motor vehicle. The annualized rate for the LDW is the daily rate times 365 days. Read the list of prohibited events in the Terms and Conditions, including exclusions from LDW. In Texas, the Texas personal automobile insurance policy may or may not provide coverage for the legal liabilities of the policyholder in connection with the loss of or damage to a rented vehicle or may otherwise exclude or restrict such coverage. Loss damage waiver is not insurance. In Texas and in Connecticut, the purchase of loss damage waiver is not mandatory.

Hawaii: LDW Notice: Avis offers an option for an additional daily charge (\$11.99—\$15.99, depending on car group, rented in Hawaii) to relieve your responsibility for loss of or damage to the car. If LDW is not accepted, you are responsible for loss or damage, including loss of use, at Avis' repair costs for parts, paint and labor up to a maximum of the current fair market value if the car is stolen or Avis determines the car is beyond repair. Even if you accept LDW, you may be responsible for loss or damage under certain prohibited events. Check your Rental Agreement or the paragraph entitled "Damage to/Loss of the Car." Read the list of prohibited events in these Terms and Conditions, including exclusions from LDW. Determine if your own insurance affords coverage for loss or damage, the limit of coverage and a deductible. Your own insurance may cover all or part of your financial responsibility for collision damage and the amount of the deductible. You should check with your insurance carrier to find out about your coverage.

California and Nevada: You are responsible for loss or damage to the rented vehicle even if someone else caused it or the cause is unknown. You are responsible for the cost of repair up to the value of the vehicle, loss of use where allowed by law, and towing, storage and impound fees. Your own insurance may cover all or part of your financial responsibility for the rented

vehicle. Check with your insurance company to find out about your coverage. Avis will not hold you responsible if you buy LDW, but LDW will not protect you for loss or damage under certain prohibited events. Read the list of prohibited events in these Terms and Conditions, including exclusions from LDW. The daily cost of optional LDW in California is either \$9.00 or \$15.00 or a fair market rate based expressly upon the MSRP of the vehicle as set forth by California law and \$15.00 in Nevada, per day. In California and Nevada, the purchase of LDW is not mandatory.

Virginia, Maryland and Kansas: This contract offers, for an additional charge, an LDW to cover your responsibility for loss or damage to the vehicle. Before deciding whether to purchase LDW, you may wish to determine whether your own vehicle insurance affords you coverage for loss or damage to the rental vehicle and amount of the deductible under your own insurance coverage. The purchase of this loss damage waiver is not mandatory and may be declined. Maryland residents holding auto insurance covering collision damage have automatic coverage for collision damage to rental cars rented for 30 days or less.

Missouri and Iowa: Collision Damage Waiver and Car Rental Insurance Notice: This contract offers for an additional charge collision damage and car rental insurance products. Before deciding whether to purchase any of these optional products, you may wish to determine whether your personal insurance or credit card provides you coverage during the rental period. The purchase of any of these optional products is not required to rent a vehicle.

Colorado: This contract offers, for an additional charge, an LDW to cover your responsibility for loss of or damage to the vehicle. You are advised not to accept this waiver if you have rental vehicle coverage provided by certain gold or platinum credit cards or insurance on your own vehicle. Before deciding whether to purchase the LDW, you may wish to determine whether your own vehicle insurance affords you coverage for loss or damage to the rental vehicle and the amount of the deductible under your own insurance coverage. The purchase of this LDW is not mandatory and may be declined.

Louisiana: If you have collision coverage under your own automobile insurance policy written in Louisiana

ana, your collision coverage automatically extends to rental motor vehicles pursuant to R.S.22:1406(F). Even if you are not a Louisiana insured renter, the purchase of loss damage waiver is not mandatory and may be declined. This contract offers, for an additional charge, a loss damage waiver to cover your responsibility for damage to the vehicle. Before deciding whether to purchase the loss damage waiver, you may wish to determine whether your own automobile insurance affords you coverage for damage to the rental vehicle and the amount of the deductible under such coverage.

Minnesota Consumer Protection: Under Minnesota law, a personal automobile insurance policy must: (1) cover the rental of this motor vehicle against damage to the vehicle and against loss of use of the vehicle; (2) extend the policy's basic economic loss benefits, residual liability insurance, and uninsured and underinsured motorist coverage to the operation or use of a rented motor vehicle. Therefore, purchase of any collision damage waiver or similar insurance affected in this rental contract is not necessary. In addition, purchase of any additional liability insurance is not necessary if your policy was issued in Minnesota unless you wish to have coverage for liability that exceeds the amount specified in your personal automobile insurance policy.

NOTICE: THIS CONTRACT OFFERS, FOR AN ADDITIONAL CHARGE, A COLLISION LOSS DAMAGE WAIVER (LDW) TO COVER ALL OR PART OF YOUR RESPONSIBILITY FOR DAMAGE TO THE RENTAL VEHICLE. BEFORE DECIDING WHETHER TO PURCHASE THE COLLISION LOSS DAMAGE WAIVER, YOU MAY WISH TO DETERMINE WHETHER YOUR OWN PERSONAL AUTOMOBILE INSURANCE AFFORDS YOU COVERAGE FOR DAMAGE TO THE RENTAL VEHICLE AND THE AMOUNT OF THE DEDUCTIBLE UNDER YOU OWN INSURANCE COVERAGE. THE PURCHASE OF THIS COLLISION LOSS DAMAGE WAIVER IS NOT MANDATORY AND MAY BE DECLINED.

Massachusetts: This contract offers, for an additional charge, a collision damage waiver to cover your financial responsibility for damage to the rental vehicle. Your personal automobile insurance may already cover you for damage to a rental car. The purchase of a collision damage waiver is optional and may be declined. For Massachusetts drivers: If the commonwealth adopts a law, regulation or legally binding policy that requires private passenger automobile insurance policies approved for sale in the commonwealth to extend comprehensive coverage to rental vehicles, then the disclosure notice which follows shall apply. If you have an automobile policy on your personal vehicle with coverage for collision, your policy will cover collision damage to a rental vehicle less the deductible on your policy. Drivers who hold policies in other states should check with their insurance agents to determine whether their policies extend to rental vehicles.

Illinois: This contract offers, for an additional charge, a collision damage waiver to cover your financial responsibility for damage to the rental vehicle. The purchase of a collision damage waiver is optional and may be declined. You are advised to carefully consider whether to sign this waiver if you have rental vehicle collision coverage provided by your credit card or collision insurance on your own vehicle. The additional daily fee for LDW is \$10.50 per full or partial rental day for vehicles with an MSRP of \$30,000 or less and \$13.50 per full or partial rental day for vehicles with an MSRP over \$30,000. Before deciding whether to purchase the collision damage waiver, you may wish to determine whether your own vehicle insurance affords you coverage for damage to the rental vehicle and the amount of deductible under your own insurance coverage. In the event you elect not to purchase the Loss Damage Waiver, you may be held responsible for actual damage to the rental vehicle not to exceed \$12,500 from 6/1/06 through 5/31/2007 and an additional \$500 each year thereafter, with the year running from 6/1 and ending 5/31. If the vehicle is stolen, you may be responsible for up to \$2,000 unless you failed to exercise ordinary care while the vehicle was in your control, or if you aided or abetted in

the theft of the vehicle, in which case you will be responsible for the fair market value of the vehicle.

New York: This contract will offer, for an additional charge, optional vehicle protection to cover your financial responsibility for damage or loss to the rental vehicle. The purchase of optional vehicle protection is optional and may be declined. You are advised to carefully consider whether to purchase this vehicle protection if you have rental vehicle collision coverage provided by your credit card or your vehicle insurance affords you coverage for damage to the rental vehicle and the amount of deductible under such coverage. The additional daily charge for the optional vehicle protection is either \$9.00 per day or \$12.00 per day based on the manufacturer's suggested retail price of the car. If you rent the car for 2 days or more, you may void the optional vehicle protection within the first 24 hours by personally bringing the car back to an Avis location for inspection and signing a cancellation notice.

Right To Inspect

Failure to completely and accurately fill out and return an incident report within 10 days of receipt of notice may make the authorized driver liable for damages sustained to the rental vehicle. EXCEPT where the damaged vehicle is deemed to be a total loss and subject to salvage, the authorized driver or his or her insurer has 72 hours from the return of the vehicle to notify the rental vehicle company that he/she wishes to inspect the damaged vehicle. The inspection must be completed within 7 business days of the return date of the vehicle. If the authorized driver or his/her insurer does not request this inspection within the 72-hour period, the authorized driver or his/her insurer will be deemed to have waived this right. If the rental vehicle company determined the damaged vehicle to be a total loss and subject to salvage, such 72-hour period for notification or waiver of the wish to inspect the damaged vehicle shall not apply, and such right to inspect the damaged vehicle shall expire 10 business days from the authorized driver's receipt of this notice from the rental vehicle company at the return of the vehicle or receipt of the first mailing of this notice in the event of return of the vehicle by automation or after hours. Upon request of the authorized driver or his/her insurer, we will provide a copy of our estimate of the costs of repairing the damaged motor vehicle.**7**

Prohibited Practices

New York State law prohibits the following practices by rental vehicle companies based on race, color, ethnic origin, religion, disability, sex, marital status or age:

1. Refusal to rent;
2. The imposition of any additional charge (except where the renter is under the age of 25). In addition, it is unlawful for any rental vehicle company to refuse to rent a vehicle solely on the requirement of ownership of a credit card.

Rhode Island: This contract offers, for an additional charge, a collision damage waiver to cover your responsibility for damage to the vehicle. Before deciding whether to purchase the collision damage waiver, you may wish to determine whether your own automobile insurance affords you coverage for damage to the rental vehicle and the amount of the deductible under your own insurance coverage. Read the collision damage waiver disclosure provision contained in the rental agreement before signing the rental agreement. The purchase of collision damage waiver is not mandatory under this contract. **Notice about Liability for Damage to the Rental Car:** The State of Rhode Island requires us to provide the following information about your liability for damage to the rental car and the purchase of a damage waiver. **Insurance or Credit Card Coverage:** Liability for any damage to the rental vehicle may be covered by your personal insurance policy or credit agreement. Check your insurance policy or credit card agreement about coverage. **Damage Waiver Coverage:** A damage waiver is not insurance coverage. You do not have to purchase the Collision Damage Waiver. You can decline it. If you purchase a damage waiver, we will waive our right to hold you or any authorized driver liable for damage. Even if you buy the damage waiver, you and any authorized driver will remain liable for damage if any of the following apply: (1) damage or loss caused intentionally, willfully or wantonly by an authorized driver; (2) damage or loss occurring while an authorized driver operates the rental vehicle while legally intoxicated or under the influence of any illegal drug or chemical as defined or determined under the law of the state in which the damage occurred; (3) damage or loss caused while an authorized driver is engaging in any speed contest; (4) damage or loss caused while an authorized driver is using the vehicle to push or tow anything or using the vehicle to carry persons or property for hire, unless expressly authorized in the rental agreement; (5) damage or loss incurred while an authorized driver is driving outside the United States or Canada, unless expressly authorized in the rental agreement; (6) damage or loss incurred while the vehicle is driven, with the renter's permission or accession, by anyone other than an authorized driver; (7) damage or loss incurred after the private passenger automobile was rented or an authorized driver was approved as a result of fraudulent information provided to the rental company; and (8) damage or loss incurred as a result of commission of a felony by an authorized driver.

Wisconsin:

NOTICE ABOUT LIABILITY FOR DAMAGE TO THE RENTAL CAR

The State of Wisconsin requires us to provide the following information about your liability for damage to a rental car and the purchase of a damage waiver.

LIABILITY FOR DAMAGE TO THE RENTAL CAR

The rental agreement makes you and any authorized driver liable for any damage to the rental car caused by an accident, or by intentional reckless or wanton misconduct, or by theft that you may have intentionally caused. Total liability for any damage is limited to:

- 1) reasonable repair costs, less discounts available to us, or the fair market value of the car, whichever is less, and
- 2) actual and reasonable towing costs, and for storage costs during the period before you notify the rental company of the damage to the vehicle or for 11 days after the damage occurs, whichever period is shorter.

LIABILITY FOR DAMAGE AFTER THE RENTAL CAR HAS BEEN STOLEN

If a person who drives the rental car without your authorization causes damage to the car, you may be liable for the damage as though you or an authorized person was driving the car unless you do all of the following:

- 1) Restrain from leaving the ignition key in the car when you are not in the car.
- 2) Always keep the ignition key in your possession.
- 3) Immediately report to the local police if you learn the car has been stolen, or that an unauthorized person is driving the car.
- 4) Cooperate fully with the local police by providing any information you know that may be helpful.

INSURANCE OR CREDIT CARD COVERAGE

Liability for any damage may be covered by your personal insurance policy or credit card agreement. Check your insurance policy or credit card agreement about coverage.

DAMAGE WAIVER COVERAGE

A damage waiver is not insurance coverage. If you purchase a damage waiver for \$_____ per day, we will waive our right to hold you or any authorized driver liable for damage. Even if you buy a damage waiver, you and any authorized driver will remain liable for damage if any of the following apply:

- 1) You cause, or any authorized driver causes, the damage intentionally or by reckless or wanton misconduct.
- 2) The damage occurs while you, or any authorized driver, operates the car in this state while under the influence of an intoxicant or other drug, as described by the laws of this state.
- 3) The damage occurs while you, or any authorized driver, operates the car in another state while under the influence of an intoxicant or other drug, as described by the laws of that state.
- 4) The damage occurs while you, or any authorized driver, is engaged in a race, speed, or endurance contest.
- 5) The damage occurs while you or any authorized driver is using, or has directed another to use, the car in the commission of a misdemeanor, or a felony, as defined by s. 939.60, Stats.
- 6) The damage occurs while you are using, or any authorized driver, is using the car to carry persons or property for hire.
- 7) The damage occurs while you are using, or any authorized driver is using, the car outside the United States and Canada, except as is permitted under the rental agreement.
- 8) The damage occurs while the car is operated on a surface not intended for use by private passenger vehicles.

- 9) You provide us misleading or false information in order to rent the car, which causes us to rent you the car when we would not have otherwise done so, or on terms to which we would not have otherwise agreed.
- 10) You, or an authorized driver who was operating the car when the accident occurred, fail to promptly report to us and the police, the accident resulting in damage to the car.
- 11) The damage is caused by an unauthorized driver if you did not report a theft to the police within 24 hours after you learned the unauthorized driver took possession of the car, did not cooperate with the police in providing information about the theft, or left the ignition key in the car at the time of the theft.

NOTICE OF RIGHT TO INSPECT DAMAGE

If the car is damaged, we may not collect any amount for the damage unless you, or an authorized driver against whom we claim liability, have been promptly notified of your and your Insurers' right to inspect the unrepaired car within two working days after we were notified of the damage. If you request, we must also give you a copy of any estimate we have obtained from a repair shop regarding any damage claim. Within 2 working days after receiving the estimates, you may request a second estimate from a competing repair shop and we must give you a copy of the second estimate.

COMPLAINTS

If you have any complaints about our attempt to hold you liable for damage or would like a copy of the state law that fully sets for your rights and obligations, contact:

Wisconsin Consumer Protection Bureau
P.O. Box 8911, Madison, WI 53708-8911
608-224-4960 (Madison area) or toll-free 1-800-422-7128

13. Damage to/Loss of the Car

If you do not accept LDW, or if the car is lost or damaged as a direct or indirect result of a violation of paragraph 10, you are responsible; and you will pay us for all loss of or damage to the car regardless of cause, or who, or what caused it. If the car is damaged, you will pay our estimated repair cost, or if, in our sole discretion, we determine to sell the car in its damaged condition, you will pay the difference between the car's retail fair market value before it was damaged and the sale proceeds except in California, New York, Illinois and Canada. In California, New York and Illinois you will pay the lesser of the difference between the car's retail fair market value before it was damaged and the sale proceeds, or our estimated repair cost. If the car is stolen and not recovered you will pay the car's fair market value before it was stolen. In Canada, you will pay the greater of the car's retail fair market value or its value on our books of account (also known as depreciated book value)

before theft or, in the case of damage, the sale proceeds. Depreciated book value may be higher than retail fair market value.

Where permitted by law, you authorize us to charge you for the actual cost of repair or replacement of lost or damaged items such as glass, mirrors, tires and antenna, as part of your rental charges at the time of return. If the car is stolen and not recovered you will pay us the car's fair market value before it was stolen. As part of our loss, you'll also pay for loss of use of the car, without regard to our fleet utilization, plus an administrative fee, plus towing and storage charges, if any ("Incidental Loss"). If your responsibility is covered by any insurance, you will provide us with the name of the insurer and policy number, or if the insurance is provided by your card issuer, its insurer. You authorize us to process any or all of our Incidental Loss to your card at or after the completion of your rental. You also authorize us to collect any or all of our loss from any third party that is responsible for it. If we collect our loss from a third party after we have collected our loss from you, we will refund the difference, if any, between what you paid and what we collected from the third party. If the law of a jurisdiction covering this rental requires conditions on LDW that are different than the terms of this agreement, such as if your liability for ordinary negligence is limited by such law, that law prevails. You understand that you are not authorized to repair or have the car repaired without our express prior written consent. If you repair or have the car repaired without our consent, you will pay the estimated cost to restore the car to the condition it was in prior to your rental. If we authorize you to have the car repaired, we will reimburse you for those repairs only if you give us the repair receipt.

14. Personal Accident Insurance (PAI)

You acknowledge that you have read and understand the summary in this Agreement, which describes your option to purchase Personal Accident Insurance (PAI) in connection with each car rental from us, where such coverage is available, and the terms and conditions of such insurance. You understand that a copy of the policy is available for your inspection at the rental counter and that you may choose the PAI option by so **8**

indicating on your Enrollment Profile. You agree that your choice will apply to each rental that you make using Avis Preferred, unless and until you change your choice for all future rentals by sending us a new Enrollment Profile indicating the changed choice in writing. On any rental for which you have chosen to accept PAI, you agree to pay the PAI fee in effect at time of rental for each full or partial day that the car is rented to you. You understand that we have the right to change the PAI fee from time to time and that you can be informed of the PAI fee in effect at the time of your rental by requesting this information from the reservation agent or checking the Avis web site at the time you reserve the car. You also understand that we reserve the right to offer PAI and PEP (see below) as a combined option only. In such event, you agree that if you have chosen either option on your Enrollment Profile you will be provided both options on each Avis Preferred rental that you make at the fee then in effect for the combined option, unless and until you notify us, as provided above, of a change of your choice to decline both optional services.

15. Personal Accident Insurance Plus (PAI Plus)

You acknowledge that you have read and understand the summary in this Agreement, which describes your option to purchase Personal Accident Insurance Plus (PAI Plus) in connection with each car rental from us, where such coverage is available, and the terms and conditions of such insurance. You understand that a copy of the policy is available for your inspection at the rental counter and that you may choose the PAI Plus option by so indicating on your Enrollment Profile. You agree that your choice will apply to each rental that you make using Avis Preferred, unless and until you change your choice for all future rentals by sending us a new Enrollment Profile indicating the changed choice in writing. On any rental for which you have chosen to accept PAI Plus, you agree to pay the PAI Plus fee in effect at time of rental for each full or partial day that the car is rented to you. You understand that we have the right to change the PAI Plus fee from time to time and that you can be informed of the PAI Plus fee in effect at the time of your rental by requesting this information from the reservation agent or checking the Avis web site at the time you reserve the car. You also understand that we reserve the right to offer PAI Plus and PEP (see below) as a combined option only. In such event, you agree that if you have chosen either option on your Enrollment Profile you will be provided both options on each Avis Preferred rental that you make at the fee then in effect for the combined option, unless and until you notify us, as provided above, of a change of your choice to decline both optional services.

16. Personal Effects Protection (PEP)

You acknowledge that you have read and understand the summary in this Agreement, which describes your option to purchase Personal Effects Protection Insurance (PEP) in connection with each car rental from us, where such coverage is available, and the terms and conditions of such insurance. You understand that a copy of the policy is available for inspection at the rental counter and that you may choose the PEP option by so indicating on your Enrollment Profile. You agree that your choice will apply to all rentals that you make using Avis Preferred, unless and until you change your choice for all future rentals by sending us a new Enrollment Profile indicating the changed choice in writing. On any rental for which you have chosen to accept PEP, you agree to pay the PEP fee in effect at the time of rental for each full or partial day that the car is rented to you. You understand that we have the right to change the PEP fee from time to time and that you can be informed of the PEP fee in effect at time of your rental by requesting this information from the reservation agent, or by checking the Avis web site at the time you reserve the car. You also understand that we reserve the right to offer PAI and PEP as a combined option only. In such event, you agree that if you have chosen either option on your Enrollment Profile you will be provided both options on each Avis Preferred rental that you make at the fee then in effect for the combined option unless and until you notify us, as provided above, of a change of your choice to decline for both optional services.

17. Emergency Sickness Protection (ESP)

You acknowledge that you have read and understand the summary in this Agreement, which describes your option to purchase Emergency Sickness Protection (ESP) in connection with each car rental from us, where such coverage is available, and the terms and conditions of such insurance. You understand that a copy of the policy is available for your inspection at the rental counter and that you may choose the ESP option by so indicating on your Enrollment Profile. You agree that your choice will apply to each rental that you make using Avis Preferred, unless and until you change your choice for all future rentals by sending us a new Enrollment Profile indicating the changed choice in writing. On any rental for which you have chosen to accept ESP, you agree to pay the ESP fee in effect at time of rental for each full or partial day that the car is rented to you. You understand that we have the right to change the ESP fee from time to time and that you can be informed of the ESP fee in effect at the time of your rental by requesting this information from the reservation agent or checking the Avis web site at the time you reserve the car.

18. Liability Protection and Your Indemnity

Anyone driving the car who is permitted to drive it by this Agreement will be protected against liability for causing bodily injury or death to others or damaging the property of someone other than the driver and/or you up to the minimum financial responsibility limits required by the law of the jurisdiction in which the accident occurs. Although the driver is protected against liability for causing bodily injury or death to others or damaging the property of someone other than the driver and/or you up to the minimum financial responsibility limits, this protection does not relieve you from the indemnity owed to us per your agreement to paragraph 18 B below.

United States⁹

A. (Except in California and Texas) While we comply with the requirements of the financial responsibility laws applicable to vehicle owners, in California and Texas, this Agreement does not afford you, or any other driver, any insurance or protection against liability in those two states. The limit for bodily injury sustained by any one person includes any claim for loss of that person's consortium or services. Where the law extends this protection to a non-permitted driver, the same limits will apply. When other insurance is available to you or any other driver from any other source, whether primary, excess, secondary or contingent in any way, and except where required by law to be primary, any protection provided by us will be secondary to, not excess over, any applicable insurance available to you or any other driver from any other source, whether primary, excess, secondary or contingent in any way. If there is no other insurance available to you or any other driver from any other source, whether primary, excess, secondary or contingent in any way, and we are not required by law to be primary, any protection provided by us is still only provided on a secondary basis. Otherwise, any such protection will be provided by us according to the terms, and subject to all of the conditions, of a standard automobile liability insurance policy issued in the jurisdiction in which the accident occurs, including all requirements as to notice and cooperation on your part, which are hereby made a part of this Agreement. If this protection is extended by operation of law to anyone not permitted by this Agreement to drive the car, or to any person or instance where coverage is not intended to be afforded by this Agreement, the financial responsibility limits of the jurisdiction in which the accident occurred will apply. You agree that we can provide coverage under a certificate of self-insurance or an insurance policy, or both, as we choose. In any case, a copy of the policy and/or certificate will be available for your inspection at our main office. You understand that unless required by applicable law, we will not provide (a) coverage for fines, penalties, punitive or exemplary damages; (b) coverage for bodily injury to you, or your death while not a driver, or any member of your family or the driver's family; (c) defense against any claim, unless we are required to provide primary protection but in such event not after the applicable limits of protection that we furnish are tendered; (d) supplementary no fault, noncompulsory uninsured or underinsured motorist coverage, and any other optional or rejectable coverage. Where any of these coverages are required or implied by law, the limits will be the minimum required under the applicable statute. There is no coverage in Mexico, and the car may not be taken into Mexico under any circumstances unless special arrangements are made at the renting location for separate Mexican insurance, where such insurance is available.

B. You also agree to indemnify us, our parent and affiliated companies for any loss, liability or expense arising out of the use of the car that exceeds the limits of liability protection provided above, or which results from any unauthorized use or prohibited operation of the car. You waive any claim against us for incidental, special or consequential damages in connection with the rental. Where the law extends protection to a person or instance where no coverage is intended to be afforded by this Agreement, anyone so protected will be responsible to indemnify us for all amounts that we are thus required to pay.

C. Where and to the extent permitted by law, you and we are rejecting uninsured or underinsured motorist and all optional or rejectable automobile insurance coverages for all rentals; and under any policy of insurance or certificate of self-insurance in connection with this Agreement, for you and all other passengers in the car. You understand that uninsured and underinsured motorist coverage protects you and other passengers in a car for losses and damages suffered if injury is caused by the negligence of a driver who does not have any insurance or insufficient insurance to pay for losses and damages.

D. The owner does not extend any of its motor vehicle financial responsibility or provide public liability insurance to the renter, authorized driver or any other driver.

E. You agree and give us the right to conduct an insurance check on you and/or driver for the sole purposes of determining other insurance in the jurisdictions allowed by law.

F. **Florida:** In Florida, the renters/authorized driver's insurance is primary pursuant to Florida Statute 627.7263 (2); the valid and collectible liability insurance and personal injury protection insurance of any authorized rental or leasing driver is primary for the limits of liability and personal injury protection coverage required by Sec. 324.021 (7) and 6327.736 Florida Statutes.

G. **Pennsylvania:** REJECTION OF UNINSURED MOTORIST PROTECTION: You are rejecting uninsured motorist coverage under this rental or lease agreement, and any policy of insurance or self-insurance issued under this agreement, for yourself and all other passengers of this vehicle. Uninsured coverage protects you and other passengers in the vehicle for losses and damages suffered if injury is caused by the negligence of a driver who does not have any insurance to pay for losses and damages.

H. **Michigan:** Under Michigan law, Avis is liable for an injury caused by the negligent operation of the rented vehicle only up to the maximum amounts of \$20,000 because of bodily injury to or death of one (1) person in any one (1) accident and \$40,000 because of bodily injury or death of two (2) or more persons in any one accident, and only if the vehicle was being operated by the renter or other authorized driver or by the renter's spouse, domestic partner, father, mother, brother, sister, son, daughter or other immediate family member. The renter may be liable to Avis up to those amounts, and to injured persons for amounts awarded in excess of those amounts.

I. **Texas:** Under Texas law, Avis is obliged to notify renters that their personal automobile liability insurance may provide coverage.

Liability Protection

Canada: Anyone driving the car who is permitted to drive it by this Agreement will be protected against liability for causing bodily injury or death to others or damaging the property of someone other than the driver and/or the renter up to the minimum financial responsibility limits required by the law of the **10**

jurisdiction in which the accident occurs. The limit for bodily injury sustained by one person includes any claim for loss of that person's consortium or services. Where the law extends this protection to a non-permitted driver, the same limits apply. Except where required by law to be primary, any protection provided by us shall be secondary to any applicable insurance available to you or any other driver from any other source, whether primary, excess, secondary or contingent in any way. Such protection will be provided by us according to the terms and subject to all of the conditions of a standard automobile liability insurance policy, issued in the jurisdiction in which the accident occurs, including all requirements as to notice and cooperation on your part, which are hereby made a part of this Agreement. You agree that we can provide this protection under a certificate of self-insurance or an insurance policy or both as we choose. In any case, a copy of the policy and/or certificate will be available for your inspection at our main office. You understand and agree that unless required by applicable law we will not provide:

- a. coverage for fines, penalties, punitive or exemplary damages;
- b. coverage for bodily injury to you, or your death, while not a driver, or any member of your family or the driver's family;
- c. defense against any claim after applicable limits or coverage that you furnish have been tendered;
- d. supplementary no fault, non-compulsory uninsured or undersigned motorist coverage, and any other optional or rejectable coverage, and you and we reject all such coverages where and to the extent permitted by law. Where any of these coverages are required or implied by law, the limits shall be the minimum required under the applicable statute.

There is no coverage in Mexico and the car may not be taken into Mexico under any circumstances.

19. Additional Liability Insurance (ALI)

UNITED STATES: You acknowledge that you have read and understand the summary in this Agreement, which describes your option to purchase Additional Liability Insurance (ALI) in connection with each car rental from us, where such coverage is available, and the terms and conditions of such insurance. You understand that a copy of the policy is available for inspection at the rental counter and that you may choose the ALI option by so indicating on your Enrollment Profile. You agree that your choice will apply to each rental you make under this using Avis Preferred, unless and until you change your choice for all future rentals by sending us a new Enrollment Profile indicating the change of your choice in writing. On any rental for which you have chosen to accept the ALI option, the coverage provided in paragraph 18 above shall be primary; and you agree to pay the ALI fee in effect at the time of rental for each full or partial day that the car is rented to you. You understand that we have the right to change the ALI fee from time to time and that you can be informed of the ALI fee in effect at time of rental by requesting this information from the reservation agent or by checking the Avis web site at the time you reserve the car.

Summary of Optional Coverages

UNITED STATES

The following are the summaries only of these optional coverages and are subject to all of the terms, conditions, limitations and exceptions of the applicable insurance policies and this Agreement.

Additional Liability Insurance (ALI) Coverage

Primary coverage is provided to you and authorized operators for third party automobile liability claims in excess of the limits ordinarily provided under the Rental Agreement. Coverage is subject to the Terms and Conditions described under paragraph 18 above, of these Terms and

Conditions, including all requirements of notice and cooperation. The provisions of the policy itself shall control at all times.

Limits

ALI will provide coverage for the difference between the liability limits provided under paragraph 20 of these Terms and Conditions and a maximum combined single limit of \$1,000,000 or \$2,000,000 (depending on jurisdiction of rental) per occurrence for bodily injury, including death, and property damage. In no event, where ALI applies, shall the combined limit of coverage provided by you and by ALI either exceed or be less than that amount unless the limit of a jurisdiction is \$1MM.

Exclusions

All exclusions are set forth in the policy. These include violating the "Prohibited Use of the Car" section, of these Terms and Conditions; and coverage excluded under paragraph 18.A. of these Terms and Conditions heretofore stated. Coverage does not apply in Mexico.

Obtaining Coverage

If you indicate "Accept" in the ALI box when completing the Avis Preferred Master Rental Agreement Enrollment Profile, coverage will be provided for the rental vehicle. The daily fee currently charged for this optional coverage varies between US \$10.95 per day and US \$16.84 per day depending upon the state of rental, and is subject to change. Such daily fee is due for each full or partial rental day.

Indemnification and Waiver

You shall defend, indemnify, and hold us, our parent and affiliated companies harmless from all losses, liabilities, damages, injuries, claims, demands, awards, costs, attorney fees, and other expenses incurred by us in any manner from this rental transaction or from the use of the car by you or any **11**

person, including claims of, or liabilities to, third parties. You may present a claim to your insurance carrier for such events or losses; but in any event, you shall have final responsibility to us for all such losses. You waive any claim against us for incidental, special or consequential damages in connection with the rental. If the rental takes place at a location operated by an Avis System Licensee and a claim relating to this transaction is made against Avis Rent A Car System, LLC, that alleges unfair, deceptive or unconscionable conduct that renting Avis licensee agrees to indemnify and hold Avis Rent a Car System

LLC, harmless from and against such claim, including the related costs and expenses.

Personal Accident Insurance (PAI) and Personal Effects Protection (PEP)

Personal Accident Insurance Coverage (PAI)

PAI is provided for accidental death, medical expenses and ambulance expenses for injuries due to an accident. The renter is covered during the entire rental period. Passengers are also provided coverage for accidental bodily injuries sustained in an accident occurring while in or on, boarding or alighting from the vehicle specified in the rental agreement.

| BENEFITS | RENTER | EACH PASSENGER |
|--------------------|---------------|-----------------------|
| Loss of Life: | US \$175,000* | US \$17,500 |
| Medical Expenses | US \$2,500** | US \$2,500** |
| Ambulance Expense: | US \$250 | US \$250 |