

FRANCHISE DISCLOSURE DOCUMENT

**Bundy American, LLC d/b/a Rent-A-Wreck System International,
a Maryland limited liability company**

**11411 Rockville Pike
Kensington, Maryland 20895
(240) 581-1350**

**Franchisc@rentawreck.com
www.rentawreck.com**

http://www.rentawreck.com/franchises.htm



The primary purpose of the franchised business will be the rental of motor vehicles to the general public

The total investment necessary to begin operation of a Rent-A-Wreck franchised business ranges from \$161,005.50 - \$462,276.50. This includes an initial franchisee fee of \$18,000 to \$75,000 that must be paid to the franchisor or affiliate.

This Disclosure Document summarizes information about Rent-A-Wreck and certain provisions of the franchise agreement 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 government 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@Rent-A-Wreck.com, or by telephone at 240-455-0672.

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 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 December 12, 2016

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit D for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise.

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE MOST DISPUTES WITH RENT-A-WRECK BY ARBITRATION OR LITIGATION ONLY IN WASHINGTON, D.C. OR MARYLAND. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN WASHINGTON, D.C. OR MARYLAND THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT MARYLAND LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. IF YOU PURCHASE A SINGLE POINT FRANCHISE, YOU WILL NOT BE GRANTED AN EXCLUSIVE TERRITORY. REGARDLESS OF THE TYPE OF FRANCHISE YOU PURCHASE, WE AND OUR AFFILIATES MAY ESTABLISH COMPANY-OWNED AND FRANCHISED LOCATIONS AND OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC UNDER THE SAME TRADEMARK OR A DIFFERENT TRADEMARK IN COMPETITION WITH YOUR FRANCHISE.

4. YOU MUST PAY US MINIMUM CONTINUING FRANCHISE FEES OF \$408 PER MONTH AND MINIMUM MONTHLY MARKETING AND ADVERTISING FEES OF \$96 PER MONTH, EVEN IF THE FRANCHISE HAS NO REVENUE.

5. YOU MUST MAINTAIN A MINIMUM NUMBER OF VEHICLES IN YOUR FLEET OR WE MAY TERMINATE YOUR FRANCHISE AGREEMENT.

6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

<u>State</u>	<u>Effective Date</u>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

The Effective Date in all other states is December 12, 2016

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State Addenda to FDD

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “We,” “Us,” “Our,” **Rent-A-Wreck**,” or “**The Company**” means Bundy American, LLC d/b/a Rent-A-Wreck System International, the Franchisor “You” or “Yours” means the individual who buys the franchise We sell franchises only to individuals

The Franchisor - Bundy American, LLC d/b/a Rent-A-Wreck System International (“Rent-A-Wreck” or “Rent-A-Wreck System International”)

Bundy American, LLC (“**Rent-A-Wreck**” or “**Rent-A-Wreck System International**”) is a Maryland limited liability company, organized on March 29, 2004 We were originally incorporated as Bundy American Corporation (“**BAC**”) in California on April 22, 1977 BAC was merged into a Maryland corporation on October 22, 1996, and the surviving Maryland company changed its name to BAC BAC later merged into Rent-A-Wreck on March 30, 2004, and Rent-A-Wreck was the surviving company BAC had no predecessors

We operate under the names and marks RENT-A-WRECK®, RENT-A-WRECK SYSTEM INTERNATIONAL, and RENT-A-WRECK USED CAR RENTAL AND LEASING We own marks that include the phrase “Rent-A-Wreck” and other similar marks that are licensed to you (“**Rent-A-Wreck Trademarks**”) The principal business address of Rent-A-Wreck is 11411 Rockville Pike, Kensington, MD 20895 Our Franchisee 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 to this Disclosure Document

BAC offered Rent-A-Wreck franchises from 1978 through March 2004, and we have offered “Rent-A-Wreck” franchises as Bundy American LLC since April 2004 BAC also offered sub-franchise rights through a regional franchise program from August 1986 to February 1988 One regional Rent-A-Wreck franchise was granted, but is no longer in effect In addition, BAC was the franchisor of the PRICELESS franchise system from 1996 through July 2000 We have not offered franchises in any other line of business (as either BAC or Rent-A-Wreck)

We do not operate any Rent-A-Wreck car rental businesses However, our wholly-owned subsidiary, MBRC, LLC, has operated a Rent-A-Wreck vehicle rental business in Baltimore, Maryland since March 2010 and in Glen Burnie, Maryland from June 2012 through October 2015 In addition, another of our wholly-owned subsidiaries, Embarc Chicago, LLC, operated a Rent-A-Wreck vehicle rental business in Bedford Park (Chicago), Illinois from November 2011 through November 2015 We and our affiliates reserve the right to operate additional, company-owned business under the Rent-A-Wreck Trademarks or other marks in the future

Rent-A-Wreck’s Parent – International Franchisee Systems

Rent-A-Wreck’s parent company, sole member and managing member is Rent-A-Wreck of America, Inc., d/b/a International Franchise Systems, a Delaware Corporation (“**International Franchise Systems**” or “**IFS**”) All of the common and preferred stock of International Franchise Systems was acquired on January 20, 2006 by JJF Management Services, Inc (“**JJF**”) IFS is now a wholly-owned subsidiary of JJF, a Maryland corporation also with a principal place of business at

11411 Rockville Pike, Kensington, MD 20895 JJF owns and operates directly or indirectly new car dealerships in Pennsylvania, Maryland and Florida JJF also owns All Car Leasing, which operates car rental businesses trading under the "NextCar" name in the states of Florida and Maryland An affiliate of JJF operated more than 2,000 rental cars as an off-airport franchisee of Budget Rent-A-Car System, Inc in Maryland from July 1985 to September 2007 The principals of IFS and Rent-A-Wreck who are listed in Item 2, below, are also principal officers or managers of other subsidiaries of JJF Although IFS is the parent (or indirect parent) of Rent-A-Wreck and Priceless Rent-A-Car, LLC, which offer vehicle rental franchises under the Rent-A-Wreck, Priceless and NextCar names and marks However, neither JJF nor IFS has offered franchises in any line of business

Affiliates of Rent-A-Wreck

Rent-A-Wreck has 6 affiliates that either offer franchises under other names and marks, provide services to our franchisees, or operate rental vehicle businesses, including (a) our wholly-owned subsidiary, Priceless Rent-A-Car, LLC ("**Priceless**"), which is located in Laurel, Maryland and offers vehicle rental franchises under the "Priceless" and "NextCar" marks, (b) CAR, Inc ("**CAR**"), a Washington, DC-based insurance company that may offer insurance services to Rent-A-Wreck franchisees, (c) MBRC, LLC, which has operated Rent-A-Wreck vehicle rental businesses in Baltimore, Maryland since March 2010 and in Glen Burnie, Maryland from June 2012 to October 2015, (d) Embarc Chicago, LLC, which operated a Rent-A-Wreck vehicle rental business at Chicago Midway airport from November 2011 through November 2015, (e) All Car Leasing, which operates 16 vehicle rental businesses under the NextCar Trademarks, and (f) KFL, LLC, a Kensington, Maryland company that may lease vehicles to qualified Rent-A-Wreck franchisees under a Master Lease Agreement The principal business addresses for all of our affiliates is 11411 Rockville Pike, Kensington, Maryland 20895 Priceless is the only affiliate that has offered franchises in any line of business Priceless (formerly known as Priceless Rent-A-Car, Inc) has offered "Priceless" franchises since 1996 and NextCar franchises since 2015 As of the date of this disclosure document, there are 35 Priceless franchises and 1 NextCar franchise that are open and operating in the United States

The Franchise

This franchise offering is for the operation of a vehicle rental, leasing, car sharing and other mobility service, rent-to-purchase, rent-to-own, lease-to-own, and used vehicle sales business (collectively "**Vehicle Rental Business**") identified by the Rent-A-Wreck Trademarks Our franchised businesses use the distinctive systems, standards, operating software, guidelines and operational procedures (collectively, "**Rent-A-Wreck Systems**") that we have developed for the overall success of Rent-A-Wreck and our independent franchisees In this Disclosure Document, "**Franchised Business**" or "**Rent-A-Wreck Business**" means a Vehicle Rental Business that is operated under a Franchise Agreement with us and that uses the Rent-A-Wreck Trademarks and Rent-A-Wreck Systems 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 operate a Vehicle Rental Business A Rent-A-Wreck Business is the ultimate value brand and typically services the local market and the airport market from off-airport locations

We offer the following types of franchises, and you may select the one that best meets your needs

(1) **Six Mile Primary Service Area** – you have the exclusive right to operate a franchised Rent-A-Wreck 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 12 cars within 180 days of opening your Rent-A-Wreck Business. The Single Point Franchise may be appropriate for certain smaller markets.

(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 limited territorial exclusivity within a territory specified in the Franchise Agreement (“**Airport Primary Service Area**”).

The Franchised Business rents all types of motorized vehicles other than recreational vehicles, motorcycles, scooters, ATVs/UTVs and similar specialty vehicles. For example, the Franchised Business may rent automobiles, trucks, mini-vans, SUVs, and full size vans. Rent-A-Wreck franchisees offer for rent vehicles that are no older than 8 model years, as defined by subtracting 8 from the current calendar year. You may not offer for rent vehicles with “salvage” titles. Your Rent-A-Wreck Business also may include lease-to-own/rent-to-own, car sharing 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 Rent-A-Wreck 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**”).

Conditions of Competition

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. In the case of a Single Point Franchise, you may compete with other Rent-A-Wreck businesses. We rely upon your local market knowledge, motivation and commitment to compete effectively in the neighborhood or airport-based rental market. The primary source of your customers will depend on the nature of your location, whether it is based at a car dealership, a stand-alone neighborhood location, or an in-terminal or airport-based consolidated rental facility. For example:

- For neighborhood and dealership-based Rent-A-Wreck locations (Single-Point and Six-Mile Primary Service Area Franchises), your customers should come from the local community, corporate, commercial and leisure travel markets. 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 serving airports, customers will primarily be sourced from reservation system channels such as our own website, 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 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

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.

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.

a **Americans with Disabilities Act** This statute, and federal regulations issued under the statute, requires 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 collision 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 and its exclusions.

c **Limitation on amounts recoverable from renters** A few states limit the amount and/or type of damages that you may recover from renters who damage your vehicles.

d **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.

e **Rent-to-Purchase and Lease-to-Own Laws** Rent-to-Purchase and Lease-to-Own transactions are part of our business method. Most states have Rent-to-Purchase laws, general Lease-to-Own laws, and/or motor vehicle Lease-to-Own laws. In addition, the federal Truth in Lending Act, 15 U.S.C. § 1601 (and following) and Regulation M – Consumer Leasing, 12 C.F.R. part 213, regulate consumer lease transactions. These laws govern rent-to-own transactions. The laws generally require detailed disclosures about the transaction, including interest charges (the amount the customer will eventually pay that exceeds the fair market value of the vehicle). Consult your attorney regarding compliance with your federal and state law.

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)

You also must comply with laws that apply generally to all businesses, including health, safety, insurance, tax, zoning, discrimination, employment, sexual harassment, privacy, and consumer protection laws You are responsible for knowing and complying with all laws and licensing requirements related to the operation of your Franchised Business 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

Director and Chairman of the Board of Directors, RAWA John J Fitzgerald, Jr

Mr Fitzgerald has been a Director and Chairman of the Board of Directors of International Franchise Systems in Kensington, Maryland since January 2006 Mr Fitzgerald has also been the President, CEO and Chairman of the Board of JJF Management Services Inc in Kensington, Maryland since December 1974

President James William Cash

Mr Cash has been President of Rent-A-Wreck and Priceless since January 2006 He has also been a Director and President of International Franchise Systems in Laurel and Kensington, Maryland since January 2006 Since January 1982, Mr Cash has been Vice President of JJF Management Services Inc in Kensington, Maryland

Director, Vice President and Secretary Michael DeLorenzo

Mr DeLorenzo has been Vice President of Rent-A-Wreck and Priceless since January 2006 He has also been a Director and Vice President of International Franchise Systems in Laurel and Kensington, Maryland since January 2006 Mr DeLorenzo also has been President of All Car Leasing, Inc in Laurel and Kensington, Maryland since September 2003 Previously, he was Vice President of DMF Leasing, Inc in Laurel and Kensington, Maryland from September 1987 through September 2007

Director and Assistant Secretary Gregg Steinbarth

Mr Steinbarth has been a Director of International Franchise Systems in Kensington, Maryland since January 2006 Since February 1999, Mr Steinbarth has been General Counsel of JJF Management Services, Inc in Kensington, Maryland

Treasurer and Assistant Secretary Ronald Jaffe

Mr Jaffe has been Treasurer and Assistant Secretary of International Franchise Systems in Kensington, Maryland since January 2006 Since June 1997, Mr Jaffe has been the Chief Financial Officer of JJF Management Services, Inc in Kensington, Maryland

Vice President of Marketing and Communications Jason Manelli

Mr Manelli has been Vice President of Marketing and Communications for Rent-A-Wreck and Priceless in Laurel, Maryland since November 2013 Previously, he served as our Director of Marketing and Communications in Laurel, Maryland from January 2006 through November 2013 Mr Manelli was Rent-A-Wreck's Director of Public Relations in Owings Mill, Maryland from September 1999 through January 2006 Mr Manelli has also been the Marketing Manager for the NextCar brand since January 2015

Director of Business Development John Poisson

Mr Poisson has been Director of Business Development for Rent-A-Wreck, Priceless, and NextCar in Nashville, Tennessee since December 2014 Previously, he served as Area Development Manager, Western U S from January of 2012 through December 2014 and Director of Field Operations in Nashville, Tennessee for Rent-A-Wreck and Priceless from January 2005 through December 2014

Director of Operations George Moorhead

Mr Moorhead has been Director of Operations for Rent-A-Wreck, Priceless, and NextCar in Wayne, New Jersey since December 2014 Previously, Mr Moorhead served as the Rent-A-Wreck and 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

Area Development Manager Penny Sottile

Ms Sottile has been our Area Development Manager in Baltimore, Maryland since November 2014 Previously, she served as the General Manager of our company-owned outlets in Baltimore, Maryland from May 2007 through November 2014 and as our Franchise Support Manager in Laurel, Maryland from October 2001 through May 2007

Business Development Manager Wayne Webb

Mr Webb is an independent contractor who has served as Rent-A-Wreck's Business Development Manager in Marietta Georgia since January 2012 Previously, Mr Webb served as our Area Development Manager for the Southeast United States in Marietta, Georgia from April 2007 through December 2011 From January 1999 through the present, Mr Webb has owned Peer Group Resources,

Inc , a company located in Marietta, GA that provides consulting services to the car and truck rental industry

Controller Debbie Zadera

Ms Zadera has been the Controller for International Franchise System in Laurel, Maryland since January 2016 and was the Assistant Controller for IFS from November 2014 through December 2015. Previously Ms Zadera worked as an accountant at Fitzgerald Automall in Annapolis, Maryland from May 2008 through October 2014.

Director of Training and Development Genevieve (Pat) Bowie

Ms Bowie has been Director of Training and Development for IFS in Kensington, Maryland since March 2006. She also has been the Director of Training and Development for JJF Management and its affiliates located in Kensington, Maryland since January 2004.

(Note 1 IFS is the managing member for Rent-A-Wreck and Priceless Rent-A-Car, LLC. Rent-A-Wreck and Priceless Rent-A-Car, LLC have elected to have no directors.)

Item 3

LITIGATION

Pending Actions

There are no pending actions that are required to be disclosed in this Item.

Litigation Against Franchisees Commenced in the Past Fiscal Year

There was no litigation against franchisees commenced in the past fiscal year that is required to be disclosed in this Item.

Concluded Matters

1 David Schwartz v. JJF Management Services, Inc., Rent-A-Wreck of America, Inc. ("IFS") and Bundy American, LLC ("Rent-A-Wreck") U.S. District Court for the District of Maryland, Southern Division, case number 07E1679-TJM. On June 25, 2007, Schwartz alleged wrongful termination of his franchise. Rent-A-Wreck of America, Inc. and Rent-A-Wreck filed counterclaims alleging violation of trademark right. In April 2010, the jury found in favor of IFS. On September 23, 2010, the court entered a final order of Declaratory Judgment revising the jury's verdict and finding that Schwartz had an exclusive, royalty-free franchise for his lifetime. We and our affiliates filed an appeal with the U.S. Court of Appeals for the Fourth Circuit on September 28, 2010. The United States Court of Appeals for the Fourth Circuit issued its decision and Mandate on March 9, 2012. The Court ruled that Schwartz must adhere to most of the obligations of the Rent-A-Wreck franchise. The Court remanded to the United States District for trial on the issue of Mr. Schwartz's exclusive territory. On August 23, 2013, the District Court entered a final judgment based on a jury's finding Rent-A-Wreck has a right to exercise control to protect its trade name, trademark, and good will, and that Schwartz's

exclusive territory under an implied contract does not foreclose competition in a substantial share of the market for rental cars. We and our affiliates filed an appeal with the U S Court of Appeals for the Fourth Circuit on September 20, 2013. The Fourth Circuit affirmed the District Court's opinion on March 10, 2015.

2 Steve Cannon v. Bundy American, LLC, American Arbitration Association, Petition No. 16 114 00792 06, filed October 17, 2006. Cannon, a franchisee in Ingleside, Texas, filed an arbitration action in Baltimore, Maryland claiming Bundy committed fraud in the inducement by promising Cannon a specific telephone number for use in his territory and asked for \$114,000 in lost profits. Bundy denied Cannon's allegations.

On June 19-20, 2007 the matter was heard before the American Arbitration Association. Just prior to the hearing, Cannon increased his demand to \$183,000. On July 24, 2007, the arbitrator issued an Award finding that 1) Rent-A-Wreck did not engage in fraud in the inducement, 2) Bundy tried but failed to transfer the telephone number, 3) Cannon relied on Rent-A-Wreck's attempts to transfer the telephone number, and, 4) Cannon experienced loss of profits as a result of Rent-A-Wreck's failure to obtain the telephone number. The arbitrator awarded Cannon the sum of \$10,732.

On August 20, 2007, the parties settled the matter. Rent-A-Wreck and Cannon agreed to mutually terminate Cannon's franchise agreement, and Rent-A-Wreck agreed to pay Cannon the sum of \$729 in full and final settlement.

Other than these 2 actions, no litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

Item 5

INITIAL FEES

Initial Franchise Fee

The Initial Franchise Fee (the "**Initial Franchise Fee**") for new franchisees is as follows:

- Six-Mile Primary Service Area -- \$20,000
- Single Point Franchise -- \$18,000

- 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

\$75,000 Los Angeles, CA, Orlando, FL

\$45,000 Atlanta, GA, Denver, CO, Miami, FL, Phoenix, AZ, San Francisco, CA, Tampa, FL

\$35,000 Dallas/Ft Worth, TX, Ft Lauderdale, FL, Las Vegas, NV, Newark, NJ, Seattle, WA

\$30,000 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

\$27,500 Albuquerque, NM, Honolulu, HI, Kansas City, MO, 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

\$25,000 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

\$22,500 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, 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 \$22,500

During the fiscal year ended July 31, 2016, we sold 10 new franchises at initial fees ranging from \$0 to \$14,000

Incentives

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.

Initial Web Rent Fee

Your Initial Franchise Fee also includes an initial Web Rent fee of \$2,750 to cover the costs of initial software, licenses, signature pads, credit card processors, and interfaces necessary to participate in the Web Rent system. As of the date of this disclosure document, Web Rent is provided by Bluebird Auto Rental Systems ("**Bluebird**"), and we will pass through the \$2,750 fee to Bluebird. You will place your software order directly with Bluebird before the Franchised Business opens. If your actual software costs are less than \$2,750, we will refund the difference. If your actual software costs exceed \$2,750, you will pay the additional amount directly to Bluebird. The initial software fee is refundable only if the Franchised Business does not open within 180 days after you sign the Franchise Agreement, and you have not received the Web Rent software package from Bluebird.

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Except as noted above with respect to the Initial Web Rent Fee, 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 ¹	Amount	Due Date	Remarks
Continuing Franchise Fee	\$34 per month per Rental Vehicle multiplied by the greater of (1) the actual number of Rental Vehicles in your Fleet during the previous month, and (2) the minimum number of Rental Vehicles required under your Franchise Agreement	Payable on or before the 10th day of each month for the prior month	Your Continuing Franchise Fee will be calculated based on your minimum fleet requirements even if you do not maintain the required number of Rental Vehicles in your fleet ² The minimum monthly continuing franchise fee is \$408
Marketing and Advertising Fee	\$8 per month per Rental Vehicle multiplied by the greater of (1) the actual number of Rental Vehicles in your Fleet during the previous month, and (2) the minimum number of Rental Vehicles	Payable on or before the 10 th day of each month for the prior month	Your Marketing and Advertising Fee will be calculated based on your minimum fleet requirements even if you do not maintain the required number of Rental Vehicles in your fleet ² The minimum monthly Marketing and Advertising Fee is \$96
Lease to Own Fee	\$200 per lease to-own/ rent to own contract	As incurred	If you participate in the Rent A-Wreck Lease to-Own Program (" Program "), you will pay an upfront fee for each lease to-own/rent to own vehicle leased to customers through the Program. Vehicles will not be included in your fleet for purposes of calculating the Continuing Franchise and Marketing and Advertising Fees or for meeting your minimum fleet obligations during the time that they are subject to a lease to own/rent-to-own agreement
Rent A-Wreck Reservation Fee ³	Currently, \$2.50 per reservation plus 2.5% commission on time and mileage revenue for all reservations received through Rentawreck.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 ³	Currently \$7.25 - \$10 per reservation for reservations received from the following GDS sources: Galileo, Worldspan, and SABRE and GDS online travel agencies, such as Expedia, Travelocity, Orbitz, and carrentals.com	Payable by ACH or credit card on or before the 10 th day of each month for the previous month	The GDS Fee is a "pass through" fee that we collect from you on behalf of the GDS providers if you use our Reservation System. Fees are subject to change. 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 ¹	Amount	Due Date	Remarks
XML Online Travel Agent ('OTA') Channel Fee ³	Currently \$2 50 per reservation for reservations received from the following XML OTA channels Kayak autorentals com, carrentalexpress, and economybookings com	Payable by ACH or credit card on or before the 10 th day of each month for the previous month	The XML OTA Fee is a "pass through" fee that we collect from you on behalf of the GDS providers if you use our Reservation System Fees are subject to change Cancellations will be credited "No shows" will not be credited
Travel Agency Commissions (including traditional and GDS and XML OTAs) ³	10% to 30% of time and mileage revenue	Payable by ACH or credit card on or before the 10 th day of each month for the previous month	The Travel Agency Commission varies depending upon the source of the reservation Sources, such as OTAs (Expedia, Travelocity, carrental com Orbitz, Kayak, autorentals com, Carrentalexpress, and others) charge a varying percentage Travel Agency Commissions are a "pass through" fee that we collect from you on behalf of certain GDS and OTAs in addition to their per reservation fees Cancellations will be credited "No shows" will not be credited
Reservations Reconnection Fee	\$100	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
Vehicle Acquisition Fee	\$200 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 will be responsible for paying the cost of the vehicle and any auction and transportation fees
CDW/LDW Fee	Up to \$18 for each damage waiver sold Currently, the fee is \$17 60	Payable on or before the 10 th day of each month	If you participate in the CDW/LDW program administered by our affiliate CAR, you will remit \$18 for each damage waiver sold during the previous month and retain the balance This fee is subject to change
Late Payments Fee	Late Payment Fee is 5% of amount owed minimum late fee equal to \$15	As incurred	Assessed the 1st 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

Type of Fee ¹	Amount	Due Date	Remarks
Transfer Fee	\$3,000	Before transfer completed	Due when you sell any interest in the Franchised Business. The Transfer Fee is separate from and does not include other costs and expenses that you may incur in negotiating or completing a transfer, including attorneys' fees and third party broker fees.
Audits	No charge, unless we discover irregularities	As incurred	You may have to pay the cost of our audit of your books and records. ⁴
Guidance	Will vary under circumstances	As incurred	If you request guidance beyond what we customarily provide, 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 th 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 even if the total amount of your monthly pre payments for that year is less than \$700.
Missing Rental Agreements	\$100 per missing rental agreement	As incurred	You must pay us a fee of \$100 for each rental agreement that is not provided to Rent-A Wreck and not recorded in the Web Rent Computer System.
Web Rent Computer System ('Web Rent')	\$135 per month license fee or \$0.75 per rental agreement per month license fee whichever is greater plus an additional \$105 per month for services related to web hosting, accounting system and signature pad interfaces and linking to our Reservation System. If you elect to purchase optional program modules (such as credit card processing, accident claim tracking, and handheld devices for curbside check-in) or additional user licenses for more than 1 user at the Franchised Business, there may be advance payments required in addition to separate monthly fees.	Payable on or before the tenth day of each month	Participation in this program is mandatory. All fees are payable to Bluebird Auto Rental Systems. There are additional one time setup fees, which are described in greater detail in Items 7 and 11.

Type of Fee ¹	Amount	Due Date	Remarks
Post Termination Business Continuance Buyout	\$665 multiplied 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	With notice of termination or upon demand	You do not pay the Post Termination Business Continuance Buyout if you leave the Rent-A Wreck 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 only if you operate a competitive vehicle rental business within 20 miles of the Franchised Business after your Franchise Agreement is terminated.
Operating Manual Fee	\$1 000	Upon Demand	The Operating Manual Fee is payable only if you fail to return the Manual to us after termination of the Franchise Agreement.
Telephone Transfer Fee	\$250 multiplied 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	Upon Demand	The Telephone Transfer Fee is payable to us at our election if you fail to have telephone numbers and listings associated with the Rent-A Wreck Trademarks transferred to us within 30 days of the termination of the Franchise Agreement.
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.

^{1/} Unless noted, the payments described on this chart are non-refundable, imposed uniformly and are not collected in whole or in part on behalf of any party other than Rent-A-Wreck. All fees payable to Rent-A-Wreck may be collected via electronic funds transfer or by other electronic means. If you become indebted to Rent-A-Wreck or its affiliates, Rent-A-Wreck has the right to obtain a report of your credit and to report the amounts due to credit reporting agencies. 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 Rent-A-Wreck.

All fee that we impose and collect may be increased annually. 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. 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/} Payment of the minimum Continuing Franchise Fee and Marketing and Advertising Fees will not satisfy your obligation to meet the minimum fleet requirements

^{3/} As of the date of this disclosure document, you must participate in the Rent-A-Wreck portion of the Reservation System, but participation in the other distribution channels used in our Reservation System is voluntary. However, we reserve the right to require you to use the full Rent-A-Wreck Reservation System, including third-party distribution channels, as your sole Reservation System at any time. In addition to the per-reservation and commission fees noted, you must maintain a Deposit with us that we may use to cover any past-due amounts owing to us. The Deposit will be an amount equal to \$100 - \$500, depending upon the distribution channel(s) you select. We may increase your Deposit amount, depending upon your volume of reservations. We 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 the GDS, GDS OTAs, and XML OTAs are subordinate to our agreements with the various providers. The current version of the Reservation Services Enrollment Form Agreement that you will sign is included as Exhibit 4 to the Franchise Agreement (attached as Exhibit A to this disclosure document).

^{4/} 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.

Item 7

ESTIMATED INITIAL INVESTMENT YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial franchise fee (1)	\$18,000	\$75,000	Cash	When Franchise Agreement Signed	Rent-A-Wreck
Real Estate (2)	Varies	Varies	As agreed	As agreed	Suppliers
Leasehold Improvements (3)	\$2,000	\$12,000	As agreed	As ordered	Suppliers
Equipment, Fixtures, Furniture and Signs (3)	\$2,000	\$20,000	As agreed	As ordered	Suppliers

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Rental vehicles, 12 vehicles is the minimum fleet requirement (4)	\$120,000	\$300,000	As agreed	As ordered	Auctions, Dealers, Wholesalers, Fleet Companies
Training and Travel Expenses (5)	\$1,000	\$2,000	Cash	As incurred	Suppliers
Computer Equipment (Hardware)(6)	\$1,794	\$5 397	Cash	As incurred	Suppliers
Computer Software (6)	\$1,711 50	\$2,579 50	Cash	When Franchise Agreement Signed	Rent-A-Wreck, Suppliers
Additional Onsite Computer Software Training(7)	\$0	\$3,300	Cash	As incurred	Suppliers
Opening Advertising, Deposits, and Miscellaneous Costs (8)	\$2 500	\$5,000	As agreed	As incurred	Suppliers
Vehicle Insurance (9)	\$7,000	\$12,000	As agreed	As ordered	Broker
Additional Funds - 3 months (10)	\$5,000	\$25,000	As agreed	As incurred	Suppliers and Employees
TOTAL ESTIMATED INITIAL INVESTMENT (9)(10)	\$161,005 50	\$462,276 50			

Notes to Chart

*The preceding table presents an estimate of the initial investment required to establish and operate a Franchised Business. The cost of establishing a Franchised Business has the potential to vary greatly and will depend on factors unique to your situation and location. Therefore, your actual costs may fall outside the estimated ranges stated above. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your area.

(1) Your Initial Franchise Fee includes Initial Training, as well as \$2,750 toward your Web Rent initial start-up fee. The Initial Franchise Fee varies depending upon the type of franchise that you select. The Initial Franchise Fee is \$18,000 for a Single Point Franchise and \$20,000 for a Six-Mile

Primary Service Area The Initial Franchise Fee for an Airport Franchise varies from \$22,500 to \$75,000 depending upon the airport's enplanement/deplanement and car rental revenue statistics

(2) You may locate the Franchised Business in a free-standing location, 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. For these reasons, Rent-A-Wreck cannot accurately estimate your occupancy expenses.

(3) 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. We do not have data for all market areas or all situations. Your costs may be more or less than this estimate depending on where you plan to operate your Franchised Business and the choices you make in the construction process. Your actual construction/remodeling costs will vary, depending on the site's location, size, condition and previous use, the extent and nature of the build-out required to conform the site for your Franchised Business, your local market and economic conditions (including taxes and overall demand for construction services), landlord requirements (such as union labor or green building requirements or atypical requirements for temporary utilities), your design choices and finish selections, efficiency of communication and project management, and any construction or other allowances the landlord may grant. 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 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.

(4) 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. As described in Item 10, our affiliate, KFL, LLC, may lease up to 50 vehicles to qualified Rent-A-Wreck franchisees.

(5) 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.

(6) To access Web Rent, you will need the following computer hardware and software. **Hardware** a minimum of 1 computer, a current operating system, and printer that is compatible with Web Rent (\$800-\$1,500), along with high-speed Internet access. High-speed Internet access could cost in excess of \$60 per month. You also will need to obtain the following hardware from Bluebird Auto Rental Systems for each Web Rent point-of-sale user: color signature pad (\$695 per pad) and chip and pin payment card reader (\$299 per reader). **Software** Your initial software expenses will include an initial Web Rent startup fee ranging from approximately \$1,711.50 to \$2,579.50 (\$696.50 for one user).

license and \$346.50 for each additional user license plus \$1,015 for accounting system, signature pad, and browser interfaces and cloud hosting startup fees, \$125 set-up fee for an optional Ericom browser to permit you to use an iPad or other tablet in connection with your Franchised Business included in high end of the estimate) Your initial Web Rent startup fee is included in the Initial Franchise Fee (up to \$2,750) You will order the Web Rent software, interfaces, and other materials directly from the current Web Rent supplier, Bluebird Auto Rental Systems, and we will remit the \$2,750 fee to Bluebird. If the actual costs are less than \$2,750, we will refund the difference. If the actual costs exceed \$2,750, you will pay the additional amount directly to Bluebird.

The low end of the estimate is based on the purchase and use of one computer with Web Rent access, and the high end of the estimate is based on the purchase and use of 3 computers with Web Rent access for simultaneous use of Web Rent by 3 users.

(7) Initial phone training on Web Rent is included in the Initial Operations Training Program that we provide. At your request, Bluebird Auto Rental Systems will provide additional onsite training at the Franchised Business for an additional fee of \$650 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 4 above). The additional training is not mandatory. The high end of the estimate is based on 2 days of training plus travel and living expenses for one trainer.

(7) 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.

(8) 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 12 vehicles.

(9) 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 3-month period is not intended, and should not be interpreted, to identify a point at which your Franchised Business will break even. Your costs will depend on how much you follow our methods and procedures, your management skill, experience, and business acumen, local economic conditions, the prevailing wage rate, competition, and sales by your Franchised Business during the initial period. This range of expenses is our estimate based on our own experience in the vehicle rental business since 1977, the experience of our affiliates, and the anecdotal evidence given to us by our current franchisees.

(10) 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

WEB RENT COMPUTER SYSTEM (“Web Rent”) Operating Software You must use Web Rent, our proprietary software program and operating system designed specifically for the Rent-A-Wreck system. Web Rent 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. It will also enable Rent-A-Wreck to access the rental records of the Franchised Business. We reserve the right to subcontract Web Rent development and maintenance to a third party provider (currently, Bluebird Auto Rental Systems (“Bluebird”)). As of the date of this disclosure document, your Initial Fee includes payment for the basic Web Rent package (\$2,750), which we will remit to Bluebird. You will order the Web Rent software and accessories directly from Bluebird and sign a separate agreement with Bluebird. If the actual cost of your software is less than \$2,750, we will refund the difference to you. If the actual cost exceeds \$2,750, you will pay the additional amount directly to Bluebird.

Reservations Our Reservation System includes reservations delivered through the Rentawreck.com website and our call center, reservations delivered through Web Rent 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 website reservations delivered through our website and call center. In the future, we may require you to use the full Reservation System (including reservations delivered through third-party providers). You must pay us 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 for failure to pay or other default. In addition, you may be required to pay fees and commissions to third-party providers. In the fiscal year ended July 31, 2016, we received \$197,312 in reservations fees from franchisees, which represented 15% of our total revenue of \$1,302,395.

PURCHASES BASED ON STANDARDS AND SPECIFICATIONS

You will operate the Franchised Business according to the specifications, standards and suggestions described in our Operating Manual. 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 electronically. We have the right to designate approved suppliers, including us or our affiliates, for goods or services that you use. Currently, there are no items for which we or any of our affiliates are the only approved supplier. However, we are an approved vendor for printed materials, and our affiliates are approved suppliers for insurance, optional insurance and counter products, and vehicle leases. In addition, we were an approved supplier for signs in the past and may be again in the future.

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 advertising and sales materials. All signs and printed materials that you use in your Rent-A-Wreck Business must bear the Rent-A-Wreck Trademarks. You can purchase signs and printed materials from any supplier as long as the materials meet our specifications. If you want to use a different type or brand of sign or

printed materials, or utilize 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 Rent-A-Wreck's requirements for quality, cost, availability, design, appearance and other standards.

Rent-to-Own/Lease-to-Own Program We plan to implement a rent-to-own/lease-to-own program in the future that will enable your customers to apply their periodic payments toward the purchase of a car. If you wish to offer vehicles for rent-to-own or lease-to-own at your Franchised Business, we require you to participate in our program. As part of the rent-to-own/lease-to-own program, you will provide a service contract and maintenance program to ensure that routine maintenance is performed on the vehicle during the rental/lease term. We will provide the necessary rent-to-own/lease-to-own agreements and other forms. You will pay us the one-time fee of \$200 for each lease-to-own/rent-to-own agreement that a customer signs under the Program.

Fax Machine and E-mail You must use a dedicated fax machine, as well as a Rent-A-Wreck e-mail address that we will assign to you in connection with the Franchised Business.

Credit Cards Rent-A-Wreck requires that you use Web Rent to accept a wide range of customer credit cards. You must honor all credit card programs adopted by Rent-A-Wreck.

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:

Auto 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. The insurance coverage minimum 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 affiliate, CAR. CAR has developed an insurance program with group underwriting for all brands in the IFS family, including Rent-A-Wreck, Priceless, and NextCar. Previously, franchisees paid us an administrative fee in exchange for our services in administering and processing premium payments. We stopped collecting administrative fees in May 2016 and began collecting a fee to deposit in an escrow account to establish a permanent reserve ("**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 also must agree to waive any rights that you may have to subrogate against us under your workers compensation policy.

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

Insurance Certificates Bundy American, LLC, Priceless Rent-a-Car, LLC, and Rent-A-Wreck of America, Inc. d/b/a International Franchise Systems must be named as additional insureds on all vehicle and general liability insurance policies. You or your insurer must notify Bundy American, LLC, Priceless Rent-a-Car, LLC, and Rent-A-Wreck of America, Inc. d/b/a International Franchise Systems of any policy change or cancellation. All liability policies must permit Bundy American, LLC, Priceless Rent-a-Car, LLC, and Rent-A-Wreck of America, Inc. d/b/a International Franchise Systems to retain outside counsel of their choosing, at your expense, to defend Bundy American, LLC, Priceless Rent-a-Car, LLC, and Rent-A-Wreck of America, Inc. d/b/a International Franchise Systems from any claim arising directly or indirectly out of the operation of the Franchised Business, including any claim that Bundy American, LLC, Priceless Rent-a-Car, LLC, and Rent-A-Wreck of America, Inc. d/b/a International Franchise Systems is vicariously liable for the actions or omissions of you, your customers or the Franchised Business.

Insurance Tracking and Lessor's Contingent Liability Insurance If you participate in the rent-to-own/lease-to-own program, you will need to obtain insurance tracking services to ensure that your customers maintain required insurance, and you also must purchase lessor's contingent liability insurance.

Optional Products and Services Where permitted by law, you may choose to sell optional counter products, such as collision damage waiver/loss damage waiver (CDW/LDW), supplemental liability insurance, and other similar products, to your customers. Our affiliate, CAR, may be an approved supplier of those products and services. If you participate in the CDW/LDW program offered by CAR ("Company CDW/LDW Program"), you will pay up to \$18 for each damage waiver sold to customers in consideration of your service in selling optional products under the Company CDW/LDW Program.

Rental Vehicles There are no approved or designated suppliers of vehicles used in the Franchised Business. Your fleet may consist of new or used vehicles. Your fleet may include all types of motorized vehicles, including but not limited to cars, trucks, SUVs and passenger vans. Fleet vehicles must be no older than 8 model years, as defined by subtracting 8 from the current calendar year. You may not use vehicles with "salvage" titles in your fleet. All your rental vehicles must be clean, safe to operate, mechanically sound, and in good running condition, and you must comply with all applicable federal and state safety recall laws.

Approval of Other Suppliers and Products 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 has our approval. 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.

* * * * *

Except as disclosed in this Item, neither Rent-A-Wreck nor our affiliates will derive revenue or other material consideration based on required purchases or leases made by franchisees. There are no approved suppliers in which any of our officers owns an interest. No purchasing or distribution cooperatives currently exist for our franchise system. Rent-A-Wreck 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.

In the fiscal year ended July 31, 2016, we received \$6,632.00 from our franchisees for our services in administering the auto liability insurance program, which represented approximately 0.5% of our total revenue of \$1,302,395 and \$45,050.75 from our franchisees for deposit in the franchisee Reserve, which represented approximately 3.5% of our total revenue of \$1,302,395. CAR received \$113,357.02 in revenues from Rent-A-Wreck and Priceless franchisees from sales of the optional CDW/LDW during the fiscal year ended July 31, 2016, which represented approximately 95% of CAR's total revenue of \$97,985. Our affiliate, KFL, received \$86,424 in revenue from Rent-A-Wreck and Priceless franchisees for fleet leasing during the fiscal year ended July 31, 2016, which represented 100% of KFL's total revenue of \$86,424. The sources of information for CAR and KFL are the financial records of those companies. We estimate that source-restricted purchases 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.

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 Master Lease Not applicable	Items 7 and 11
(b) Pre-opening purchases/leases	FA Sections 2 A, 2 C, 3 B & 6 E Master Lease Not applicable	Items 7 and 8
(c) Site development and other pre-opening requirements	FA Sections 2 and 3 Master Lease Not applicable	Items 7, 8 and 11
(d) Initial and ongoing training	FA Section 5 Master Lease Not applicable	Item 11
(e) Opening	FA Section 2 B Master Lease Not applicable	Item 11
(f) Fees	FA Section 4 Master Lease Section 2	Items 5, 6, 7 and 10

Obligation	Section in agreement	Disclosure Document Item
(g) Compliance with standards and policies/operating manual	FA Sections 6 Master Lease Sections 3 & 4	Items 8, 11 and 16
(h) Trademarks and proprietary information	FA Sections 8 and 9 Master Lease Not applicable	Items 13 and 14
(i) Restrictions on products/services offered	FA Section 6 B Master Lease Section 4	Items 8, 11 and 16
(j) Warranty and customer service requirements	FA Section 6 G Master Lease Section 3	Not Applicable
(k) Territorial development and sales quotas	FA Section 1 B Master Lease Not applicable	Item 12
(l) On-going product/service purchases	FA Sections 2 C, 3 and 6 Master Lease Not applicable	Item 8
(m) Maintenance, appearance and remodeling requirements	FA Section 6 A Master Lease Section 3	Item 8
(n) Insurance	FA Section 6 E Master Lease Section 5	Items 7, 8 and 15
(o) Advertising	FA Section 7 Master Lease Section 4(e)	Items 6 and 11
(p) Indemnification	FA Section 10 Master Lease Section 5	Item 6
(q) Owner's participation/management/staffing	FA Section 6 D Master Lease Not applicable	Item 15
(r) Records and reports	FA Section 11 Master Lease Section 2	Items 8 and 15
(s) Inspections and audits	FA Section 12 Master Lease Not applicable	Item 6
(t) Transfer	FA Section 13 Master Lease Section 11(e)	Item 17
(u) Renewal	FA Not applicable Master Lease Section 11 (e)	Item 17
(v) Post-termination obligations	FA Section 15 Master Lease Section 8	Item 17
(w) Non-competition covenants	FA Sections 9 and 15 C Master Lease Not applicable	Item 17
(x) Dispute resolution	FA Section 16 Master Lease Section 11(g)	Item 17
(y) Operating System Software	FA Sections 9 and 11 Master Lease Not applicable	Items 6, 7, 8 and 11
(y) Personal Guaranty	FA Signature Page Master Lease Signature page	Item 15

Item 10

FINANCING

Fleet Leasing Program

Our affiliate, KFL, LLC, will lease up to 50 vehicles to Rent-A-Wreck 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 F. 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 Rent-A-Wreck Business within the United States or Canada.

The following table summarizes the fleet leasing program.

Source of Financing	KFL, LLC (our affiliate)
Amount Financed	Varies depending upon number of vehicles financed (50 car maximum). Total amount financed per vehicle includes the costs of the vehicle block price plus auction fees plus \$300 acquisition fee ¹ .
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 ² .
Rate of Interest	Varies – Prime +4% (calculated monthly) ³ .
Monthly Administrative Payment	\$15 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) ⁴ .
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 (i) all amounts due under the Master Lease Agreement as of the termination date, (ii) excess mileage fees, (iii) 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, (iv) all costs incurred as a result of your failure to comply with the Vehicle Return Condition Standards, and (v) an administration 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 November 30, 2016, the *WSJ* prime rate was 3.5%, and the interest rate for the Master Lease Agreement was 7.5%.

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

(2) Lending you a copy of the Operating Manual that you will receive at the Initial Operations Training program. If you fail to attend Initial Operations Training, you must request a copy of the Operating Manual from Rent-A-Wreck (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 E to this Disclosure Document. As of the date of this disclosure document, the total number of pages of the Operating Manual is 383.

(3) Providing 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 Rent-A-Wreck 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) Providing access to, at your expense, the WEB RENT COMPUTER SYSTEM operating system (Franchise Agreement – Section 11)

(5) Approving Your Site (Franchise Agreement – Section 2 A) We do not assist you with conforming the premises to local ordinances and building codes and obtaining any required permits, nor do we assist you in hiring or training employees.

POST-OPENING OBLIGATIONS During your operation of the Franchised Business, Rent-A-Wreck 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 Rent-A-Wreck 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)

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

(5) Administer the National Advertising Fund (Franchise Agreement - Section 7 A)

Marketing Program

National Fund

We have the right to maintain, collect fees for, and administer a National Fund (the “**National Fund**”) for marketing, advertising, and promoting the Rent-A-Wreck Vehicle Rental Business and Trademarks on a national basis. You will pay us a monthly Marketing and Advertising Fee of \$8 per Rental Vehicle per month as a contribution to the National Fund. The Marketing and Advertising Fee will be increased every three years by an amount equal to the greater of 1% or the applicable CPI rate as described in Item 6. As of the date of this disclosure document, each franchisor or affiliate-owned store must pay Marketing and Advertising Fees and contribute to the National Fund on the same basis as our franchisees.

Franchisee contributions to the National Fund may be used by us to meet any and all costs of maintaining, administering, directing and preparing national, regional or local marketing, advertising, promotional and public relations activities, including, without limitation, the costs of preparing and conducting television, radio, magazine, billboard, newspaper and other media advertising and activities, employing in-house advertising and public relations personnel, retaining in-house and outside advertising agencies, establishing and maintaining a website using the Rent-A-Wreck Trademarks, and similar activities at our sole discretion. We also may use Marketing and Advertising Fees in joint marketing efforts for the entire IFS portfolio, including the “Priceless” and “NextCar” brands, if we determine that doing so would be appropriate and would benefit the Rent-A-Wreck system.

The National Fund is our sole property. The Fund will be part of the general funds of Rent-A-Wreck, but will be accounted for separately from other assets and funds of Rent-A-Wreck. The Fund will not be independently audited. However, we shall 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. 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, 2016, Rent-A-Wreck allocated National Fund expenditures as follows: 53% for production costs, 24% for media placement, and 23% for administration. Rent-A-Wreck did not use any National 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 we 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 Rent-A-Wreck 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. All social media channels and review sites, including Facebook, Twitter, LinkedIn, YouTube, Google Plus, Pinterest, Instagram, SnapChat, etc., will be monitored by Rent-A-Wreck, 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, 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 Web Rent Computer System. Web Rent, which you currently must obtain from Bluebird Auto Rental Systems, 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. Web Rent will also enable Rent-A-Wreck to access the rental records of the Franchised Business. We will not have access to data that is electronically collected by you other than through Web Rent. There are no contractual limitations on our right to access information from Web Rent.

Almost any PC-type computer running a current operating system with a high-speed internet connection will allow you to participate in Web Rent. The costs and fees for participating in Web Rent include:

- Computer equipment -- \$800 - \$1,500 (payable to your suppliers)
- Web Rent Initial Start-up Software Fees (one-time fee payable to your supplier, currently Bluebird)* – User License \$696.50 for the first user license and database/\$346.50 for each additional user, Interfaces (for accounting system, signature pad with electronic contracts, and browser) \$990.00, Amazon cloud setup fees \$25.00 for the first user and \$25 for each additional user
- Initial Start-up Hardware Fees (one-time fee payable to your supplier, currently Bluebird)*-
- Color Signature Pad \$695 per pad (at least 1 required), Chip and Pin Payment Card Reader \$299 per reader (at least 1 required)

*(*Your Initial Fee includes a \$2,750 Initial Web Rent Fee which we will remit to Bluebird to cover all or part of your initial start up software and hardware fees for the Web Rent Computer System. If your actual Initial Start-up Software and Hardware Fees are less than \$2,750 we will refund the difference. If they exceed \$2,750 you will pay the excess amount directly to Bluebird.)*

- Chip and Pin Payment Card Reader – \$299 per reader (payable to Bluebird)
- Optional Ericom browser permitting use of iPad or other tablet in connection with the Franchised Business – \$125 set-up fee plus \$7/month service charge (payable to Bluebird)
- High-speed Internet access connection cost -- approximately \$60 per month or more (payable to your supplier)
- Web Rent License Fee (includes maintenance, credit card processing, software updating, upgrades and support) -- \$135 per month or \$0 75 per rental agreement per month, whichever is greater (payable to Bluebird) for the first user and \$10 per month for each additional user
- Other monthly Web Rent fees (payable to your supplier, currently Bluebird) – Amazon hosting \$40 per month for the first user plus \$20 per month for each additional user, Accounting System Interface \$15 per month, Reservation System link \$15 per month per location, signature pad support \$15 per month for all devices
- Optional Ericom browser that will permit use of iPad/Android in connection with the business -- \$125 set-up fee plus \$7 monthly charge (payable to Bluebird)
- After Hours and Weekend Support -- \$75 per hour (payable to Bluebird)
- Optional onsite initial training -- \$650 per day plus expenses (payable to your supplier, currently Bluebird)

Ongoing Maintenance, Repairs, Updates to Web Rent Your monthly Web Rent 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 sole discretion, may, but are not obligated to, replace, modify and upgrade Web Rent from time to time in consultation with Bluebird. Also in consultation with Bluebird, we may increase, via amendment to the Manual, the Web Rent license fee that you must pay. We may require you to upgrade or update Web Rent, and there are no contractual limitations on the frequency or cost of that obligation.

Although you agree to buy, license, use, and maintain Web Rent 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 Web Rent and any other Computer System, (2) the manner in which Web Rent 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 Web Rent (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 Web Rent 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

We are required in the Franchise Agreement 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 approve it in advance. We will provide written approval or disapproval within 60 days of 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, Rent-A-Wreck has 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 Rent-A-Wreck 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. 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 Rent-A-Wreck 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
Yellow Page Advertising	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
Web Rent Source of Business Tracking	1.0	0	Laurel, MD or regional site
Graphic Forms – Business Supplies	0.5	0	Laurel, MD or regional site
Planning and Purchasing your Fleet 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

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location (1)
Web Rent Computer System Training 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	75	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
TOTALS	37	8 75	

(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 the 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 there is no additional fee for the Initial Operations Training, 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 travelling 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 ("RCOL") training program. RCOL 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 RCOL, as well as whether to offer an RCOL course to your employees in connection with the training that you provide to your staff. There are no additional fees associated with enrollment in RCOL or individual courses, however, you must have the current version of Web Rent to participate in RCOL. 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, our Director of Training and Development. Ms. Bowie has approximately 20 years' experience in the subject matter taught and over 5 years' experience with our operations. She also has been the Director of Training and Development for JJF Management and its affiliates located in Kensington, Maryland since January 2004. Previously, Ms. Bowie was a Training Manager for Budget Rent-A-Car Corporation for approximately 10 years.

Franchise Advisory Council – The Rent-A-Wreck 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.

Item 12

TERRITORY

As described in Item 1, we grant franchises for Six-Mile Primary Service Areas, Airport Franchises, and non-exclusive franchises at single sites ("**Single Point Franchises**") You will not receive an exclusive territory for all channels of distribution. 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 Rent-A-Wreck 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 Rent-A-Wreck Trademarks within your Primary Service Area. During the term of the Franchise Agreement, Rent-A-Wreck and our affiliates reserve the following rights: (a) the right to establish and operate or franchise others to establish and operate Vehicle Rental Businesses and other businesses using the Rent-A-Wreck 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 Rent-A-Wreck 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 an exclusive right to serve deplaning passengers

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 lower minimum fleet requirement, (b) reduce the size of your exclusive Primary Service Area by 50%, (c) reduce your Primary Service Area to a non-exclusive Single Point Franchise, or (d) terminate your franchise. Except as described above, there are no circumstances that will permit us to modify a Primary Service Area unilaterally.

Single Point Franchise If you purchase a Single Point Franchise, you must have a minimum fleet of 12 cars within 180 days of opening your Single Point Franchise. If you purchase a Single Point franchise, Rent-A-Wreck and our affiliates have the right to establish, own, operate, and franchise others to establish and operate Vehicle Rental Businesses using the Rent-A-Wreck Trademarks anywhere regardless of proximity to the Franchised Business. In addition, Rent-A-Wreck 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 Rent-A-Wreck 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. 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 our sales through Alternative Distribution Channels, except to the extent that you fulfill reservations made as a result of our use of Alternative Distribution Channels. You also may use Alternative Distribution Channels to make sales within or outside your Primary Service Area as long as those sales are made through our Reservation System.

National Accounts Only we and our affiliates will have the right to enter into contracts with National Accounts. A “**National 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 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. National 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 National Account, you must comply with the price and contract terms we agree on with the National Account, except as may otherwise be required by applicable law.

Intrabrand Issues – We will resolve conflicts between us and our franchisees and franchisees of NextCar, Rent-A-Wreck, and Priceless systems through an informal mediation process with company representatives. Rent-A-Wreck, Priceless and NextCar do not maintain physically separate offices or training facilities.

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 Rent-A-Wreck 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.

Our principal service mark consists of the words, "Rent-A-Wreck ". This service mark was registered on the principal register of the United States Patent & Trademark Office ("the PTO") as No 1,439,533 on May 12, 1987. Additionally, BAC registered the mark "Rent-A-Wreck" and design on the principal register of the PTO as No 1,226,201 on February 1, 1983 and the "Family Logo" mark as No 1,271,100 on March 20, 1984. BAC also registered the marks "The Smart Alternative" and "Stuff Movers" on the principal register as Reg No 1,582,899 on February 13, 1990 and Reg No 1,601,428 on June 12, 1990, respectively. All required affidavits and renewals have been filed.

You must follow our standards and specifications when you use the Rent-A-Wreck Trademarks. Any goodwill created by your use of the Rent-A-Wreck Trademarks belongs exclusively to Rent-A-Wreck. You retain no right in the Rent-A-Wreck Trademarks after the termination of the Franchise Agreement. You may not use any Mark or any corporate or business name of Rent-A-Wreck, (i) as part of any corporate or trade name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols, (iii) in any modified form, (iv) as part of any domain name, website, homepage, 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 (v) in any manner that Rent-A-Wreck has not expressly authorized in writing. You must prominently display the Rent-A-Wreck Trademarks on prescribed items and in the manner Rent-A-Wreck 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 Rent-A-Wreck 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 Rent-A-Wreck Trademarks. Rent-A-Wreck is not aware of any infringing uses that could materially affect your use of the Rent-A-Wreck Trademarks. No agreements are currently in effect which significantly limit the rights of Rent-A-Wreck to use or franchise the use of the Rent-A-Wreck Trademarks in any manner material to you. Rent-A-Wreck does not know of either superior rights or infringing uses that could materially affect your use of the principal Rent-A-Wreck Trademarks in any

state We have the right to control any administrative proceedings or litigation involving a trademark licensed by Rent-A-Wreck to you

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

We will own all Telephone Numbers used in association with the Rent-A-Wreck Trademarks upon termination of the Franchise All Telephone Numbers used by you in association with the Rent-A-Wreck Trademarks are our property and must be assigned to us on termination of the Franchise Agreement This may require annual assignment of the Telephone Numbers each time a Yellow Page directory advertisement is renewed

If Rent-A-Wreck decides to modify or discontinue any of the Rent-A-Wreck Trademarks or use additional or substitute trade or service marks ("**New Trademarks**"), you must comply with our decisions Rent-A-Wreck will not reimburse you for your reasonable direct expenses in modifying or discontinuing the use of the Marks and substituting a new mark Rent-A-Wreck 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

Rent-A-Wreck does not own rights in, or licenses to, any patents and does not have any pending patent applications that are material to the franchise

Rent-A-Wreck claims copyright protection for the Operating Manual, business processes for use with Web Rent, and related materials, and our promotional and advertising materials Rent-A-Wreck 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 Rent-A-Wreck does not know of any infringing uses that could materially affect your use of the copyrighted materials in any state No agreement requires Rent-A-Wreck to protect or defend copyrights

Through the Operating Manual and other means, Rent-A-Wreck provides you with proprietary and confidential information about the development and operation of franchised businesses using the Rent-A-Wreck Trademarks You must keep this information completely confidential

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 Rent-A-Wreck 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.

At our discretion, you 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 may sell only those services approved by Rent-A-Wreck.

Generally, you are free to set prices for the services that you sell with the following limited exceptions. If you agree to serve a National Account, you must comply with the price and contract terms we agree on with the National Account, except as may otherwise be required by applicable law. If you participate in the Company CDW/LDW Program, we may set a minimum daily price for the CDW/LDW 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 Rent-A-Wreck Trademarks. Our loss prevention criteria or insurance requirements may limit the customers to whom you rent vehicles. Rent-A-Wreck 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 Rent-A-Wreck 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
(d) Termination by franchisee	Section 14 D	You may terminate if Rent-A-Wreck defaults under the terms of the Franchise Agreement and fails 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 and payment of the Post-Termination Business Continuance Buyout if you operate a competitive vehicle rental business within 20 miles of the Franchised Business after your Franchised Agreement is terminated
(e) Termination by franchisor without cause	None	No specific provision
(f) Termination by franchisor with cause	Section 14	Rent-A-Wreck has 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

Provision	Section in Franchise Agreement	Summary
(h) "Cause" defined – non-curable defaults	Section 14	Failure to begin operating within 180 days, Abandonment of the franchised business for 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 Rent-A-Wreck 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, and failure to accept or implement material changes to the System that apply uniformly to all similarly-situated franchisees
(i) Franchisee's obligations on termination/non-renewal	Section 15	Obligations include payment of amounts due to Rent-A-Wreck, including Post-Termination Business Continuance Buyout (if applicable), within 15 days after termination, cessation of the use of the Rent-A-Wreck Trademarks, notification of the telephone company and listing agencies to authorize the transfer of the telephone number and directory listings to Rent-A-Wreck, 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 Rent-A-Wreck
(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	Rent-A-Wreck 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 Rent-A-Wreck (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 Rent-A-Wreck Business

Provision	Section in Franchise Agreement	Summary
(o) Franchisor's option to purchase the franchised business	None	Not Applicable
(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
(q) Non-competition covenants during the term of the franchise	Section 9	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 15 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 J	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 J	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
(u) Dispute resolution by arbitration or mediation	Section 16 E	Except for certain claims, all disputes must be arbitrated. You and we must have a face-to-face meeting to attempt to resolve disputes at our headquarters before initiating arbitration.
(v) Choice of forum	Section 16 E and 16 F	Arbitration must be held in the District of Columbia or Montgomery County, Maryland. Subject to state law, litigation must be held in Montgomery County, Maryland.
(w) Choice of law	Section 16 F and 16 G	Subject to state law, Maryland law applies.

Some states may have court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise, venue for disputes and governing law. See the state addenda to the franchise agreement and Disclosure Document for special state disclosures.

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
(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
(l) Franchisor approval of transfer by franchisee	None	No specific provision
(m) Conditions for franchisor approval of transfer	None	No specific provision

Provision	Section in master lease agreement	Summary
(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 11 b	No modification generally, unless by mutual written agreement
(t) Integration/merger clause	Section 11 b	Only the terms of the Lease Agreement and other related written agreements are binding (subject to state law) Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable
(u) Dispute resolution by arbitration or mediation	Section 11 g	Except for certain claims, all disputes must be arbitrated You and we must have a face-to-face meeting to attempt to resolve disputes at our headquarters before initiating arbitration
(v) Choice of forum	Section 11 g	Arbitration must be held in the District of Columbia or Montgomery County, Maryland Subject to state law, litigation must be held in Montgomery County, Maryland
(w) Choice of law	Section 11 g	Subject to state law, laws of Maryland

Some states may have court decisions that supersede the Franchise Agreement in your relationship with the Franchisor including termination and renewal of your franchise, venue for disputes and governing law See the state addenda to the franchise agreement and Disclosure Document for special state disclosures

Item 18

PUBLIC FIGURES

Rent-A-Wreck does not use public figures to promote the Rent-A-Wreck 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 Rent-A-Wreck system's existing franchised businesses and the company-operated Rent-A-Wreck business in Baltimore, Maryland ("Corporate Store"). The franchisee data in this Item 19 were reported voluntarily to us.

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Table 1
FINANCIAL PERFORMANCE SUMMARY FOR YEAR ENDED 7/31/2016
Data sorted by Average Monthly Revenue per Vehicle

	Average Revenue per Day	Average Revenue per Closed Agreement	Average Monthly Revenue per Vehicle	Average Utilization	Average Length of Rental
Corporate Store	\$41 72	\$363 25	\$1044 69	82 91%	8 79
Top 25% Franchise Locations Locations in this sub-group 10	\$47 92	\$290 70	\$928 12	65 41%	6 2
Number and percentage of Franchise Locations in this sub- group with results greater than the average	4 40%	5 50%	5 50%	5 50%	3 30%
Low – high range	\$37 93- \$69 55	\$185 70 – \$351 41	\$1,050 89- \$826 72	47 16%- 77 87%	4 8- 8 5
Mean	\$47 92	\$290 70	\$910 52-	65 41%	5 9
Median	\$45 90	\$288 05	\$928 12	65 80%	6 2
Mid 50% Franchise Locations Locations in this sub-group 20	\$39 05	\$266 23	\$615 08	57 27%	7 8
Number and percentage of Franchise Locations in this sub group with results greater than the average	9 45%	9 45%	8 40%	10 50%	8 40%
Low – high range	22 38 - \$73 07	\$136 48 \$520 58	\$816 82 - \$496 44	88 43% 33 43%	17 02 - 2 8
Mean	\$39 05	\$266 23	\$615 08	57 27%	7 8
Median	\$37 52	\$239 20	\$603 35	59 22%	6 47
Low 25% Franchise locations Locations in this sub-group 10	\$37 46	\$297 60	\$418 40	42 45%	9 71
Number and percentage of Franchise Locations in this sub group with results greater than the average	4 40%	4 40%	4 40%	6 60%	6 60%
Low – high range	\$22 02 - \$65 18	\$162 90 - \$727 30	\$347 67 \$536 05	18 92% - 60 64%	3 79 23 49
Mean	\$37 46	\$297 60	\$418 40	42 45%	9 71
Median	\$31 84	\$239 02	\$417 57	46 15%	8 25

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 each by “Number of Rental Days ” The following items are included in “revenue” time and mileage charges received from customers, revenues from sales of loss 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 the entire Rent-A-Wreck system for the 12-month period ended July 31, 2016 (the **“2016 Sample Period”**) As of July 31, 2016, there were 76 Rent-A-Wreck Franchised Businesses that had been open and operating during the entire 2016 Sample Period We requested information for each of the categories presented in Table 1 from all open and operating Rent-A-Wreck Franchised Businesses during the 2016 Sample Period The revenue data presented in Table 1 are derived from the actual historical performance of all Rent-A-Wreck franchisees who, as of the date of this disclosure document, had reported complete revenue information for the entire 2016 Sample Period Table 1 also presents

information on the actual historical performance of the Corporate Store during the 2016 Sample Period

Of the 76 Rent-A-Wreck Franchised Businesses that had been open and operating during the entire 2016 Sample Period, 40 (approximately 53%) provided us complete reporting for each month of the 2016 Sample Period (the “**2016 Sample Franchised Businesses**” or “**2016 Sample**”) Of the 76 open and operating Rent-A-Wreck Franchised Businesses, 36 (approximately 47%) did not provide complete reporting for each month of the 2016 Sample Period and were not included in the 2016 Sample

We studied the data received from the Corporate Store and the Sample Franchised Businesses Table 1 summarizes our study of the 2016 Sample Period and presents information separately for the following subgroups of the total Sample the Corporate Store, the Top 25% Franchised Locations based on Average Revenue Per Vehicle, the Middle 50% Franchised Locations Based on Average Revenue per Vehicle, and the Lowest 25% Franchised Locations Based on Average Monthly Revenue per Vehicle The number of franchised locations that achieved or surpassed the average revenue figures presented for each subgroup in each Sample Period is shown directly in Table 1, as well as in Table 2 below

Table 2
Numbers and Approximate Percentages of Franchised Location in Each Subgroup
Achieving or Surpassing Table 1 Average Revenue Figure for the 2016 Sample Period

	Average Revenue Per Rental Day	Average Revenue Per Closed Rental Day	Average Monthly Revenue per Vehicle	Average Utilization	Average Length of Rental
Top 25% Franchised Locations	4 out of 10 (40% of subgroup)	5 out of 10 (50% of subgroup)	5 out of 10 (50% of subgroup)	5 out of 10 (50% of subgroup)	3 out of 10 (30% of subgroup)
Mid 50% Franchised Locations	9 out of 20 (45% of subgroup)	9 out of 20 (45% of subgroup)	8 out of 20 (40% of subgroup)	10 out of 20 (50% of subgroup)	8 out of 20 (40% of subgroup)
Low 25% Franchised Locations	4 out of 10 (40% of subgroup)	4 out of 10 (40% of subgroup)	4 out of 10 (40% of subgroup)	6 out of 10 (60% of subgroup)	6 out of 10 (60% of subgroup)

Assumptions

Franchised Businesses As noted above, we requested the revenue data from all open and operating Rent-A-Wreck Franchised Businesses for the 2016 Sample Periods We studied and included the data for the 2016 Sample Franchised Businesses only, because they submitted complete information for all 12 months of the relevant Sample Period The 2016 Sample Franchised Businesses are representative of the entire Rent-A-Wreck system and include Rent-A-Wreck 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), and length of operations. Revenue can vary widely, depending upon geographic location, fleet size, site, and market type. 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.

Corporate Store As noted above, we included information from the one Corporate Store that was open and operating for the full 2016 Sample Period. The Baltimore Corporate Store is a stand-alone unit in a large metropolitan area that has been operational since March 2010, and is the one Corporate Store that was open and operating for the entire 2016 Sample Period. The market where your Rent-A-Wreck Franchised Business is located may be in a smaller urban or suburban area or at an airport. In addition, your Rent-A-Wreck Franchised Business may be operated from the site of an existing business, such as an automotive repair shop, a new or used car dealership, or a gas station. The Corporate Store also may have access to more favorable financing options and economies of scale since it is our wholly-owned subsidiary and therefore ultimately owned by JJF Management Services, Inc., a “multi-unit operator.” Multi-unit operators are operators that either directly operate more than one vehicle rental business, or are part of a corporate organization whose affiliates operate similar businesses. By being part of a larger organization, the Corporate Store may benefit from economies of scale and have access to vendors and purchasing terms for supplies and inventory, as well as financing terms that may not be available to a single-unit operator.

Some outlets have earned the average revenues presented in Table 1. **Your individual results may differ. There is no assurance that you’ll earn as much.** The financial performance figures in Table 1 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 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 receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Jason Manelli, Vice President of Marketing and Communications, Bundy American, LLC, 11411 Rockville Pike, Kensington, Maryland 20895, (240) 581-1350, 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, 2014, 2015 and 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	104	97	-7
	2015	97	85	-12
	2016	85	82	-3
Corporate	2014	3	3	0
	2015	3	3	0
	2016	3	1	-2
Totals	2014	107	100	-7
	2015	100	88	-12
	2016	88	83	-5

Table 2
Transfers of Outlets from Franchisees To New Owners (Other Than the Franchisor)
For Fiscal Year Ended July 31, 2014, 2015 and 2016

State	Year	Number of Transfers
New York	2014	1
	2015	0
	2016	0
Vermont	2014	0
	2015	0
	2016	1
Totals	2014	1
	2015	0
	2016	1

Table 3
Status of Franchised Outlets For Fiscal Year Ended July 31, 2014, 2015 and 2016

State	Year	Franchised Outlets at Start of Year	Franchised Outlets Opened	Franchise Terminati ons	Non- Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Franchised Outlets at End of the Year
Arizona	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
California	2014	11	1	1	0	0	0	11
	2015	11	0	3	0	0	0	8
	2016	8	0	2	0	0	0	6
Connecticut	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	1	3
	2016	3	0	0	0	0	0	3
District of Columbia	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	1	0
	2016	0	0	0	0	0	0	0
Florida	2014	4	1	0	0	0	0	5
	2015	5	0	0	0	0	2	3
	2016	3	0	0	0	0	0	3
Georgia	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	1	0	0	0	0
Illinois	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Indiana	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Kansas	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Maine	2014	2	0	0	0	0	0	2

State	Year	Franchised Outlets at Start of Year	Franchised Outlets Opened	Franchise Terminati ons	Non Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Franchised Outlets at End of the Year
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Maryland	2014	3	0	0	0	0	1	2
	2015	2	1	0	0	0	0	3
	2016	3	1	0	0	0	0	4
Mass	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Michigan	2014	6	1	0	0	0	0	5
	2015	5	0	0	1	0	0	4
	2016	4	0	0	0	0	0	4
Mississippi	2014	3	0	1	0	0	2	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Missouri	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	1	2
	2016	2	0	0	0	0	0	2
Montana	2014	3	0	0	1	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Nevada	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New Hampshire	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New Jersey	2014	16	0	0	0	0	0	16
	2015	16	1	0	0	0	0	17
	2016	17	0	1	0	0	0	16
New Mexico	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0

State	Year	Franchised Outlets at Start of Year	Franchised Outlets Opened	Franchise Terminati ons	Non Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Franchised Outlets at End of the Year
New York	2016	0	1	0	0	0	0	1
	2014	10	1	0	0	0	1	10
	2015	10	0	0	0	0	0	10
	2016	10	1	3	1	0	1	6
North Carolina	2014	5	0	0	0	0	1	4
	2015	4	0	1	0	0	0	3
	2016	3	0	0	0	0	0	3
North Dakota	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Ohio	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Oklahoma	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Pennsylvania	2014	6	1	0	0	0	0	7
	2015	7	0	0	0	0	1	6
	2016	6	0	0	0	0	0	6
South Carolina	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	1	1
	2016	1	0	0	0	0	0	1
South Dakota	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Tennessee	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Texas	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1

State	Year	Franchised Outlets at Start of Year	Franchised Outlets Opened	Franchise Terminati ons	Non- Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Franchised Outlets at End of the Year
Utah	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	1	0
	2016	0	0	0	0	0	0	0
Vermont	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Virginia	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	1	0	0	2
Washington	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	1	2
	2016	2	0	0	0	0	0	2
Wyoming	2014	2	0	1	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	2	0	0	0	0	3
Totals	2014	104	5	5	2	0	5	97
	2015	97	2	4	0	0	10	85
	2016	85	7	8	2	0	0	82

Table 3-A
Status of International Franchised Outlets
For Fiscal Years Ended July 31, 2014, 2015 and 2016

Country	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
Iceland	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Norway	2014	27	0	0	0	0	0	27
	2015	27	2	1	1	0	0	27
	2016	27	5	2	1	0	0	29
St Maarten	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	1	1	1	0	0	0	1
Sweden	2014	10	0	0	0	0	0	10
	2015	10	14	0	0	0	0	24
	2016	24	6	1	2	0	0	27
Total	2014	37	0	0	0	0	0	37
	2015	37	17	1	1	0	0	52
	2016	52	12	4	3	0	0	57

Table 4

**Status of Company-Owned Outlets
For Fiscal Year Ended July 31, 2014, 2015 and 2016**

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
Illinois	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	1	0
Maryland	2014	2	0	0	0	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	1	0	1
Total	2014	3	0	0	0	0	3
	2015	3	0	0	0	0	3
	2016	3	0	0	0	0	1

**Table 5
Projected Openings**

As of July 31, 2016

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets In the Next Fiscal Year
California	0	2	0
Florida	0	3	0
Illinois	0	2	0
Texas	0	1	0
Washington	0	1	0
Totals	0	9	0

A list of all Franchised Businesses as of July 31, 2016 is attached as Exhibit G

A list of all former franchises who left the system during the last fiscal year, or who have not communicated with us in the 10 weeks preceding the date of this Disclosure Document is attached as Exhibit H

If you buy this franchise, your contact information may be disclosed to other buyers

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, current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Rent-A-Wreck franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Item 21

FINANCIAL STATEMENTS

Exhibit B to this Disclosure Document is Rent-A-Wreck's audited, consolidated financial statements for the fiscal years ended July 31, 2016, July 31, 2015, July 31, 2014, and July 31, 2013. Exhibit B also includes unaudited financial statements as of October 31, 2016.

Item 22

CONTRACTS

The following agreements are Exhibits to this Disclosure Document:

Exhibit A	Franchise Agreement
Exhibit A1	State Addenda to Franchise Agreement
Exhibit C	General Release
Exhibit F	Sample Master Lease Agreement, Vehicle Lease Order, Vehicle Delivery Receipt and Monthly Statement

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 RENT-A-WRECK FRANCHISE DISCLOSURE DOCUMENT

State-Specific Requirements

CALIFORNIA

Section 31125 of the Franchise Investment Law requires us to give you a disclosure document approved by the Commissioner of Corporations before we ask you to consider a material modification of your franchise agreement

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

You must sign a general release of claims if you transfer your franchise, which is attached as Exhibit C to this Disclosure Document California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516) Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043)

The following language is added to the end of Item 3 of the Disclosure Document

With regard to us, our predecessor, the persons identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark

No such party is subject to any current effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U S C A 78a et seq , suspending or expelling such person from membership in such association or exchange

The following language is added to the end of Item 17

California Law Regarding Termination and Non-renewal California Business and Professions Code Sections 20000 through 20043 provide rights to Franchisees concerning termination or non-renewal of the franchise If the Franchise Agreement contains any provision that is inconsistent with the law, the law will control

Termination Upon Bankruptcy The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A § 101, *et seq*)

Post-Termination Non-competition Covenants The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the agreement This provision may not be enforceable under California law

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

Applicable Law The Franchise Agreement requires application of the laws of the State of Maryland with certain exceptions This provision may not be enforceable under California law

The following is added to Item 19 of the Disclosure Document

The financial performance representation figures do not reflect all of 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 Franchise Business Franchisees or former franchisees, listed in the franchise disclosure document, may be one source of this information

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov

HAWAII

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

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 Illinois law)

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 that Illinois law shall be applied to, and govern, any claims between you and the Franchisor)

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 Act is void

MARYLAND

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 Rent-A-Wreck and others, transferee completes training, transferee signs the then current form of the Rent-A-Wreck

franchise agreement and related documents, a transfer fee is paid to Rent-A-Wreck, Rent-A-Wreck approves the terms of the transfer, you sign a general release of any claims against Rent-A-Wreck, however, Maryland law requires that this general release will not apply to any liability Rent-A-Wreck may have under the Maryland Franchise Registration and Disclosure Law, and you sign a non-competition covenant

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

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, Rent-A-Wreck 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 Rent-A-Wreck 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 Minnesota Statutes 1973 Supplement, sections 80C 01 to 80C 22

NEW YORK

1 In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N Y Comp Code R & Regs tit 13, §§ 200 1 through 201 16), the Disclosure Document for Bundy American, LLC for use in the State of New York shall be amended as follows

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

ADDITIONAL RISK FACTORS

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS

FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271

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

2 The following replaces the final sentence of Item 3 ("Litigation")

Except as disclosed above, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, 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

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-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

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, 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

Accordingly, no other litigation is required to be disclosed in this Item

3 The existing Item 4 (“Bankruptcy”) language is deleted and replaced with the following paragraph

Neither we, nor our predecessor or affiliate, nor any of our or their officers or general partners, during the 10-year period immediately before the date of the Disclosure Document (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 the officer or general partner of the franchisor held this position in the company or partnership

4 Item 17 (“Renewal, Termination, Transfer and Dispute Resolution”) is amended by deleting “d”, “j”, “w” and substituting the following new “d”, “j”, “w”

Provision	Section in Franchise Agreement	Summary
d Termination by you	Not Applicable	Pursuant to New York General Business Law, the franchisee may terminate the Agreement upon any grounds available by law
j Assignment of contract by us	§14 A	There are no limits on our assignment rights No assignment will be made except to an assignee who, in our judgment, is willing and able to assume our obligation under the Franchise Agreement
w Choice of law	§17 B	The law of the state of Maryland The foregoing choice of law should not be considered as a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33

5 We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33

RENT-A-WRECK REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT

NORTH DAKOTA

- 1 The following language is added to the Summary section of Item 17(r) entitled **Non-competition covenants after the franchise is terminated or expires**

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota

- 2 The following language is added to the Summary section of Item 17(w) entitled **Choice of law**

(Except as required by North Dakota law for claims arising out of the North Dakota Franchise Investment Law)

- 3 The following language is added to the table in Item 17

The Commissioner has held that requiring franchisees to consent to a waiver of trial by jury or of exemplary or punitive damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law Therefore, any provision in the Franchise Agreement requiring consent to a waiver of trial by jury or waiver of exemplary or punitive damages may be unenforceable under the North Dakota law

RHODE ISLAND

- 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

- 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

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.

WASHINGTON

The State of Washington has a statute, RCW 19.100.180 which may supersede the Agreement in your relationship with Rent-A-Wreck including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Agreement in your relationship with Rent-A-Wreck including the areas of termination and renewal of your franchise.

Washington law may require that in any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a Franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the reasonable estimate or actual costs of Rent-A-Wreck in effecting a transfer.

WISCONSIN

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

2 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 Sections 3 and 10 of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements

EXHIBIT A
FRANCHISE AGREEMENT



Exhibit A

RENT-A-WRECK

FRANCHISE AGREEMENT

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EXHIBITS

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RENT-A-WRECK Franchise Agreement

This Agreement (the "**Agreement**") is made and entered into by and between Bundy American, LLC d/b/a Rent-A-Wreck System International, a Maryland limited liability company, with its principal office at 11411 Rockville Pike, Kensington, MD 20895 ("**We**," "**Us**," or "**Rent-A-Wreck**") and

whose home address is _____ ("**You**")

1 THE FRANCHISE

A Introduction

Rent-A-Wreck has developed a system of formats, methods, standards, software and operating systems, and business procedures ("**System**") for the operation of vehicle rental businesses under the name and service marks "Rent-A-Wreck", "Rent-A-Wreck Used Car Rental and Leasing", and related logos, and other marks that Rent-A-Wreck and its affiliates have developed and may develop in the future, and that are related to the operation of businesses using the "Rent-A-Wreck" name (the "**Rent-A-Wreck Trademarks**") The Rent-A-Wreck Trademarks do not include trade names, logos, trademarks or service marks used in businesses other than businesses using the "Rent-A-Wreck" name You have applied for the right to own and operate a Franchised Business (defined below) using the Rent-A-Wreck Trademarks within an approved primary service area ("**Primary Service Area Franchise**"), or, if applicable, at an approved site ("**Single Point Franchise**")

In this Agreement "**Vehicle Rental Business**" means a business offering all or some of the following services car and truck rental, car and truck leasing, car and truck rent-to-purchase, car and truck lease-to-purchase, car sharing and other mobility services, and used vehicle sales businesses

"**Franchised Business**" means the Vehicle Rental Business you operate under this Agreement using the Rent-A-Wreck Trademarks and System

B Grant

Rent-A-Wreck grants you the right to operate a Vehicle Rental Business using the Rent-A-Wreck Trademarks and System at the site ("**Premises**"), identified in Exhibit 1 of this Agreement Your Franchised Business will receive the following territorial protections

1 For a Primary Service Area Franchise -- For as long as you operate the Franchised Business in compliance with this Agreement, we will not establish or franchise others to establish a store or office using the Rent-A-Wreck Trademarks within the Primary Service Area identified in Exhibit 1 to this Agreement Rent-A-Wreck and our affiliates have the right to establish and operate or

franchise others to establish and operate Vehicle Rental Businesses and other businesses using the Rent-A-Wreck Trademarks or other service marks or trade names outside your Primary Service Area regardless of the proximity to your Primary Service Area. We and our affiliates also have the right to establish and operate Vehicle Rental Businesses and other businesses in the Primary Service Area that use names other than the Rent-A-Wreck Trademarks.

2 For a Single Point Franchise – Rent-A-Wreck and our affiliates have the right to own, establish, operate or franchise others to establish and operate Vehicle Rental Businesses using the Rent-A-Wreck Trademarks at any location, regardless of the proximity to the Premises. Rent-A-Wreck 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 Rent-A-Wreck Trademarks at any location.

3 For both Primary Service Area and Single Point Franchises -- We and our affiliates 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 (“Alternative Distribution Channels”). You will receive no compensation for our sales through Alternative Distribution Channels. You also may use Alternative Distribution Channels to market within or outside your Primary Service Area as long as those reservations are made using our reservation system.

C Term

This Agreement begins on the Effective Date and has no expiration date. It remains in effect until terminated by you or us according to its provisions.

2 DEVELOPMENT AND OPENING OF THE FRANCHISED BUSINESS

A Location and Approval of the Franchised Business Premises

You may operate the Franchised Business only at the Premises. Before opening the Franchised Business, You will provide to Rent-A-Wreck written evidence of Your ownership of, or leasehold interest in, the Premises and will obtain Rent-A-Wreck’s written approval of the Premises for the operation of the Franchised Business, which will not be deemed to be a guaranty that the Premises will be successful or that the Premises complies with all applicable federal, state and local laws, rules and ordinances. Failure to secure a site approved by Rent-A-Wreck is cause for termination of this Agreement. Once approved, the Premises may not be moved without the prior written consent of Rent-A-Wreck. We are not required to approve a change of location. If you operate within a Primary Service Area, moving the site will not change the circular area of the Primary Service Area.

B Opening of the Franchised Business

You will open and begin operating the Franchised Business at the Premises within 180 days after the Effective Date.

C Signs, Equipment and Forms

You must prominently display on the Premises a sign approved in advance by Rent-A-Wreck bearing the Rent-A-Wreck Trademarks, as specified in the Rent-A-Wreck Operating Manual. You will also acquire and use the Computer System (as defined in Section 11 A) specified by us for operating the Franchised Business.

You will use only Rental Agreements generated using the Computer System or, before use of the Computer System, containing only the language and format that (1) you have verified complies with your local and state law, (2) Rent-A-Wreck has approved. As used in this Agreement, the phrase "**Rental Agreement**" means a sequentially-numbered retail contract form used for the renting of vehicles.

3 FLEET REQUIREMENTS

A Definition of "Rental Vehicle"

As used in this Agreement, the term "**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. As used in this Agreement, the term "**Rental**" will mean an agreement by You that permits use of a vehicle for less than one year. Rental Vehicles must be no older than 8 model years, as defined by subtracting 8 from the current calendar year.

Rental Vehicles are any vehicles without a "salvage" title that are less than 26,000 lbs GVW, including private passenger vehicles (whether for on- or off-road use), passenger or cargo vans, sport utility vehicles, specialty vehicles, pickup or light-duty trucks. Rental Vehicles 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.

B 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 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 number of Rental Vehicles 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 Rent-A-Wreck's 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.

C Calculation of Total Fleet

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 will pay in U S dollars to Rent-A-Wreck the amount of the Initial Franchise Fee stated in Exhibit 1. The Initial Franchise Fee is non-refundable and is considered fully earned by us when we counter-sign the Franchise Agreement.

B Continuing Franchise Fee

You will pay to Rent-A-Wreck each month a Continuing Franchise Fee (the "**Continuing Franchise Fee**") in the amount of \$34.00 multiplied by (1) the actual number of Rental Vehicles in your Fleet during the previous month, or (2) the minimum number of Rental Vehicles specified in Exhibit 1, whichever is greater. The first Continuing Franchise Fee is due on the 10th of the month following the date you open the Franchised Business.

C Marketing and Advertising Fees

You will pay us, on or before the 10th day of each month, a "**Marketing and Advertising Fee**" in the amount of \$8.00 multiplied by (1) the actual number of Rental Vehicles in your Fleet during the previous month, or (2) the minimum number of Rental Vehicles specified in Exhibit 1, whichever is greater. The first Marketing and Advertising Fee is due on the 10th of the month following the date you open the Franchised Business.

D Annual Meeting and Training Program Payment, Reimbursement Account

You will pay us, on or before the 10th 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 \$700.00 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 10th of the month following the date you open the Franchised Business. Any payments collected but not reimbursed to You during a calendar year will not carry over for use in another calendar year.

E Lease-To-Own/Rent-to-Own Contract Fee If You participate in a lease-to-own/rent-to-own program ("**Program**") that we administer, You will pay a one-time fee of \$200 for each lease-to-own/rent-to-own agreement that you issue. The "**Lease-to-Own/Rent-to-Own Contract Fee**" is due on or before the 10th day of the month immediately following the date that your customer signs the agreement. A vehicle that is subject to a lease-to-own/rent-to-own agreement will not be included in your fleet for purposes of calculating either the Continuing Franchise and Marketing and Advertising Fees or your Minimum Fleet during the term of that agreement, or the Post-Termination Business Continuance Buyout.

F Reservation Fees and Commissions

You will pay us, on or before the 10th day of each month, the non-refundable reservation fees and commissions described in the Reservation Services Enrollment Form attached as Exhibit 4 to

this Agreement. The method of calculation and amount of these fees is subject to change. You also will maintain a deposit ("**Deposit**") as further described in Exhibit 4 to this Agreement. Any unused amounts of the Deposit will be returned to you upon termination of the Franchise Agreement. If you participate in Rent-A-Wreck-approved programs for third-party reservations distribution channels, you must comply with (1) our program for centralized payment of Global Distribution System ("**GDS**") fees, travel agency commissions, and other reservation fees, and (2) our rules and regulations relating to all such fees.

G Fee Increases

After your Franchised Business has been open and operating for at least 3 years, the fees payable by you under Sections 4 A through 4 E of this Agreement may be increased annually by an amount equal to the greater of (a) 1%, or (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 (the "**Current Period**") and the month and year of the most recent increase applicable to all Rent-A-Wreck franchisees (the "**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. 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 systemwide increases via amendment to the Operating Manual. We will provide you at least 30 days' written notice of the fee increases. The Reservation Fees and Commissions described in Section 4 F and Exhibit 4 may be increased more frequently and by using a different methodology.

H Application of Payments

Rent-A-Wreck has the sole right to apply payments from You to any category of indebtedness owed by You to Rent-A-Wreck, whether current or past due, regardless of Your characterization of a payment.

I Credit Reports and Failure to Make Payments

If You become indebted to Rent-A-Wreck by virtue of Your failure to timely pay amounts due under this Agreement, or any other agreement between You and Rent-A-Wreck or an affiliate of Rent-A-Wreck, You hereby grant to Rent-A-Wreck the right to obtain a credit report(s) on You and the Franchised Business and to notify credit reporting companies that You and the Franchised Business are indebted to Rent-A-Wreck, and to report the amounts due.

J Payment of Minimum Amounts and Fleet Requirements

Payment of the minimum Continuing Franchise Fee and the Marketing and Advertising Fee will not satisfy your minimum Fleet requirements described in Section 3 and Exhibit 1. If you fail to maintain the minimum Fleet, you will be in default of this Agreement whether or not you pay us the minimum fees.

5 TRAINING AND GUIDANCE

A Initial Operations Training

Rent-A-Wreck will train You in the operation of the Franchised Business prior to its opening ("**Initial Operations Training**") Training focuses on our philosophy, System standards, and other material aspects of operating a franchised Rent-A-Wreck Vehicle Rental Business Initial Operations Training will be conducted at Rent-A-Wreck's office or another location designated by Rent-A-Wreck, and it will be Your obligation to schedule and attend Initial Operations Training If you prefer to train nearer the Franchised Business, training will be conducted in an office or hotel meeting room of your choice and expense You will also pay for the airfare and per diem expenses of the Rent-A-Wreck trainer Per Diem expenses are calculated at the then-current federal government rate of compensation of its employees when traveling on government business

B Hiring and Training of Employees by You

You must ensure that any new supervisory employee successfully completes Initial Operations Training according to the standards set forth in the Manual before beginning work in the Franchised Business (or within one month of employment if hired after the opening of the Franchised Business), and that 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 acknowledge and 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 further acknowledge and 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 shall be considered or deemed our employees for any purpose

C Guidance

Rent-A-Wreck will furnish to You on-going guidance in connection with the operation of the Franchised Business The guidance will consist of Rent-A-Wreck's Operating Manual (the "**Operating Manual**" or "**Manual**"), newsletters, other written materials, group meetings, online training classes, and webinars, live training classes, and consultations either in person 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 your participation

D Operations Analysis, Profit Group Program

Rent-A-Wreck has the right to ask you to participate annually in an analysis of your operating results and to compare and share your results with other Rent-A-Wreck franchisees. Rent-A-Wreck will perform the analyses and distribute the results. The Profit Group Program is 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.

6 IMAGE AND OPERATING STANDARDS

A Appearance

You will 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.

B Operating Manual

The Manual will be loaned to You and must be returned to Rent-A-Wreck upon termination of this Agreement. Rent-A-Wreck will have the right to add to, delete from, and otherwise modify the Manual from time to time to reflect changes in the specifications, standards or procedures for the Franchised Business. The Manual and all changes, modifications, additions, and amendments to the Manual may be transmitted to you electronically. We may make unilateral material changes to the Franchise Agreement or to the Operating Manual as long as the changes apply uniformly to all similarly-situated Rent-A-Wreck franchised businesses. You will keep at the Premises a current copy of the Manual. The master copy of the Manual will be maintained by Rent-A-Wreck at its principal office and will be controlling in the event of a conflict in the terms of Your copy with the master copy of the Manual.

You agree to operate the Franchised Business in accordance with the specifications, standards and procedures described in the Manual, as revised from time to time. 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 Rent-A-Wreck specifications, standards and procedures at the Franchised Business.

C Compliance with Laws and Good Business Practices

You will secure and maintain in force all required permits and certificates relating to the operation of the Franchised Business, and will operate the Franchised Business in full compliance with all applicable federal, state and local laws, ordinances and regulations. You will 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, Rent-A-Wreck and our affiliates, and the general public. You will refrain from any business or advertising practice that injures Rent-A-Wreck, the Franchised Business or the goodwill associated with the Rent-A-Wreck Trademarks. You will notify Rent-A-Wreck in writing within 3 days of service of a summons in any action, suit or proceeding which may adversely affect the Rent-A-Wreck Trademarks or the operation or financial condition of You or the Franchised Business.

D Management of the Franchised Business

The Franchised Business will be under the direct, on-premises supervision of you or a trained and competent general manager who has completed Initial Operations Training to Rent-A-Wreck's satisfaction. Either you or the general manager will be a full-time employee of the Franchised Business. You will immediately inform Rent-A-Wreck 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. The insurance coverage 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, data security insurance, key man life insurance policies on you, business interruption insurance and other insurance coverage that will be specified in the Operations 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 liability insurance policies required by this Agreement will be from a supplier approved by Rent-A-Wreck and will name Rent-A-Wreck and Rent-A-Wreck of America, Inc. d/b/a International Franchise Systems (and our respective parents, affiliates, subsidiaries, shareholders, officers, directors, agents and employees), and any other entities requested by Rent-A-Wreck as additional insureds, contain a waiver by each

insurance carrier of all subrogation rights against Rent-A-Wreck and Rent-A-Wreck of America, Inc , and will provide that Rent-A-Wreck receive 30 days prior written notice of termination, expiration, cancellation or modification of any such policy All liability policies required by this Agreement will permit Rent-A-Wreck and Rent-A-Wreck of America, Inc to retain outside counsel of our choosing, at Your expense, to defend Rent-A-Wreck and Rent-A-Wreck of America, Inc from any claim arising directly or indirectly out of the operation of the Franchised Business, including any claim that Rent-A-Wreck or Rent-A-Wreck of America, Inc is vicariously liable for Your actions or omissions

Within ten days of the Effective Date, You will 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 Rent-A-Wreck 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 Rent-A-Wreck deems, in Rent-A-Wreck's sole discretion, to be necessary or advantageous to You, to Rent-A-Wreck, to Rent-A-Wreck of America, Inc , or to the Rent-A-Wreck franchise system

6 Approved Supplier Rent-A-Wreck may designate one or more approved suppliers of liability insurance coverage required by this Agreement and direct You to purchase such insurance from the approved suppliers Rent-A-Wreck or an affiliate of Rent-A-Wreck or Rent-A-Wreck of America, Inc may be an approved supplier of insurance coverage required under this Agreement

F Rent-A-Wreck Programs

You will subscribe to, participate in and comply with all of the programs, promotions, campaigns or activities that Rent-A-Wreck reasonably prescribes (e g , credit card programs, reservation service programs, special offers, or marketing and advertising programs) You will supervise and service such programs, promotions and activities pursuant to the terms of this Agreement

G Customer, Franchisee and Approved Supplier Complaints

You will make every attempt to promptly resolve disputes with Your customers in a fair, lawful, ethical and even-handed manner Complaints from Your customers, other Rent-A-Wreck franchisees, and approved suppliers that are directed to Rent-A-Wreck will be referred first to You for resolution Rent-A-Wreck has the right to intervene in unresolved disputes, and to resolve them on terms Rent-A-Wreck deems fair and reasonable in its sole discretion Such resolutions may result in payments to other franchisees, approved suppliers, to Rent-A-Wreck, and to customers, for which You will be solely responsible Rent-A-Wreck has the right to make such payments on Your behalf In that case, You will reimburse us for those payments and pay an administrative fee as specified in the Operating Manual on demand

H Approved Suppliers

Rent-A-Wreck may negotiate purchase arrangements with suppliers for Your benefit, but You may purchase from any suppliers that meet Rent-A-Wreck's standards and have Rent-A-Wreck's advance approval ("**Approved Suppliers**") (unless we designate an exclusive supplier) 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 Rent-A-Wreck 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 Rent-A-Wreck within 45 days from the date Rent-A-Wreck receives the above information, You may assume that the product or service has Rent-A-Wreck's approval We have the right to receive commissions, rebates or other consideration based on purchases from Approved Suppliers made by you and other franchisees

I Credit and Debit Cards

You must honor all credit or debit card programs or other payment systems that are approved by Rent-A-Wreck

J National Accounts

We and our affiliates have the exclusive right to enter into contracts with National Accounts A "**National Account**" includes organizational or institutional customers whose presence is not confined to a specific area or territory, and includes 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 National 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 National Account, you must comply with the price and contract terms we agree on with the National Account, except as may otherwise be required by applicable law

K. Airport Concession Bid (Airport Franchises Only)

You agree to 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 will act diligently and with your best faith 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 will 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 You will 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 will provide Rent-A-Wreck with proof of your compliance with this requirement and with copies of all notices, applications, and other communications relating to the In-Terminal Concession

- 1 You acknowledge that your obligation to acquire and maintain the In-Terminal Concession is not only for purposes of operating the Franchised Business but also to benefit Rent-A-Wreck and the System by distributing the Rent-A-Wreck Trademarks as widely as possible and keeping services using the Trademarks available to the public for as long as possible
- 2 To comply with Section 6 K 1 above, upon termination or expiration of this Agreement for any reason, you will, at our option, transfer and assign to Rent-A-Wreck 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 Rent-A-Wreck to accept an assignment of the In-Terminal Concession

7 MARKETING, ADVERTISING AND PROMOTIONAL FUNDS

A By Rent-A-Wreck

Rent-A-Wreck has the right to maintain, collect Marketing and Advertising Fees for, and administer a National Fund (the “**National Fund**”) for marketing, advertising and promoting the Rent-A-Wreck Trademarks on a national basis. Your Marketing and Advertising Fees may be used by Rent-A-Wreck to meet any and all costs of maintaining, administering, directing and preparing national, regional or local marketing, advertising, promotional and public relations activities. These activities may include, without limitation, the costs of preparing and conducting television, radio, magazine, billboard, newspaper, online, and other media advertising and activities, employing in-house advertising and public relations personnel, retaining in-house and outside advertising agencies, establishing and maintaining a website using the Rent-A-Wreck Trademarks, and similar activities at the sole discretion of Rent-A-Wreck. Rent-A-Wreck may use a portion of Marketing and Advertising Fees to conduct advertising and marketing of the availability of Rent-A-Wreck 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 Rent-A-Wreck system.

In addition to the National Fund, Rent-A-Wreck has the right to maintain, collect fees for, and administer Regional Funds (the “**Regional Fund**” or “**Regional Funds**”) for marketing, advertising and promoting the Rent-A-Wreck Trademarks on a regional basis. Rent-A-Wreck has 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 Rent-A-Wreck notifies You that You are a member of a Regional Fund, You will pay Rent-A-Wreck the Regional Fund fee determined by Rent-A-Wreck for that Regional Fund, provided that your Regional Fund fee may not exceed the concurrent amount of Your payment obligation to the National Fund without your agreement. Rent-A-Wreck has the right to determine the frequency of payment of Your contribution to a Regional Fund.

The National Fund and Regional Funds (together the “**Funds**”) are the sole property of Rent-A-Wreck. Rent-A-Wreck assumes 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 Rent-A-Wreck, but will be accounted for separately from the other funds of Rent-A-Wreck. A report of the operations of the Funds will be prepared annually by Rent-A-Wreck 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. Rent-A-Wreck will not be 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 applicable Regional Fund’s members – all as determined and defined by Rent-A-Wreck.

Rent-A-Wreck may spend in any fiscal year an amount greater or less than the aggregate contributions of Rent-A-Wreck franchisees to the Funds in the year received. Marketing and Advertising Fees or Regional Fund contributions not spent in the year received will remain in the Funds and may be spent in subsequent years. Rent-A-Wreck may, but is not obligated to, make loans to the Funds bearing reasonable interest to cover any deficits of the Funds, and Rent-A-Wreck may invest any surplus fees or contributions for future use by the Funds.

B By You

1 **Advertising** You must comply with the advertising requirements described in the Operating Manual. Generally, You may place local advertising in media selected by You. Such advertising must use the Rent-A-Wreck Trademarks. Rent-A-Wreck has the right to approve prior to publication all advertisements using the Rent-A-Wreck 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 **Public Figures** You may not use a public figure to promote the Franchised Business without Rent-A-Wreck’s prior written approval.

8 TRADEMARKS

A Ownership of Rent-A-Wreck Trademarks and Goodwill

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

If Rent-A-Wreck determines, in its sole discretion to modify, substitute another Mark for, or discontinue use of any of the Rent-A-Wreck Trademarks, You will comply with Rent-A-Wreck's direction within a reasonable time after notice thereof

B Limitations on Your Use of Rent-A-Wreck Trademarks

You will use the Rent-A-Wreck Trademarks as the sole identification of the Franchised Business. You may not use the Rent-A-Wreck Trademarks or any corporate or business name of Rent-A-Wreck (1) as part of any corporate or trade name, including the name of the Operating Company, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos which are part of the Rent-A-Wreck Trademarks), (3) in any modified form, except as expressly approved and authorized by Rent-A-Wreck, (4) 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, (5) in any manner not expressly authorized in writing by Rent-A-Wreck

You may not establish a website, landing page or other presence on the Internet relating to your Franchised Business or referring to the Rent-A-Wreck 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 Droid apps, and co-branding arrangements. All social media channels and review sites, including Facebook, Twitter, LinkedIn, You Tube, Google Plus, Pinterest, Instagram, SnapChat, etc., will be monitored by Rent-A-Wreck, and you may be required to delete content that does not comply with System Standards

You will prominently display the Rent-A-Wreck Trademarks on all advertising, rental agreements, stationery, forms and any other materials designated by Rent-A-Wreck, in the manner prescribed by Rent-A-Wreck. You will give such notices of trademark and service mark registrations and copyrights as Rent-A-Wreck specifies, and obtain such fictitious or assumed name registrations as may be required under applicable law and the Manual

C Notification of Infringements and Claims

You will immediately notify Rent-A-Wreck of any apparent infringement of or challenge to Your right to use of the Rent-A-Wreck Trademarks. Rent-A-Wreck is not obligated to take action to protect or defend the Rent-A-Wreck Trademarks but will indemnify You for damages or costs You sustain in any proceeding arising from Your authorized use of the Rent-A-Wreck Trademarks. Indemnification will be made only if You timely notify Rent-A-Wreck of the claim or proceeding and You are otherwise in compliance with this Agreement. You must cooperate and assist Rent-A-Wreck with any action it may take in connection with an infringement or challenge to the Rent-A-Wreck Trademarks. Rent-A-Wreck will control any litigation or proceeding regarding Your use of the Rent-A-Wreck Trademarks

D Telephone Numbers

All telephone numbers used in the Franchised Business (the "**Telephone Numbers**") will be listed and identified **exclusively** with the Franchised Business and will only be associated with the Rent-A-Wreck 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 Rent-A-Wreck 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. The Telephone Numbers once used in association with the Rent-A-Wreck Trademarks are the property of Rent-A-Wreck. You will disclose the Telephone Numbers to Rent-A-Wreck within 5 days of first use. You will immediately notify Rent-A-Wreck in writing with regard to any changes to the Telephone Numbers. You will execute Rent-A-Wreck's form of Assignment of Telephone Numbers and Listings, which is attached to this Agreement as Exhibit 3 or such other form as we may require from time to time.

All Telephone Numbers are our property and must be assigned to Rent-A-Wreck or its designee on termination of this Agreement. This may require written annual assignment of the Telephone Numbers each time a yellow page directory advertisement is renewed.

You have the sole and exclusive obligation to obtain telephone numbers for use in the Franchised Business. Rent-A-Wreck 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.

Your use of any of the Telephone Numbers after termination of this Agreement is an infringement of the Rent-A-Wreck Trademarks. You agree to the entry of a restraining order, injunction, or other form of equitable relief in a court of competent jurisdiction, the terms of which order or relief will include the prevention of Your use of the Telephone Numbers, plus an award of costs and actual attorney fees incurred by Rent-A-Wreck in obtaining such relief. You may not transfer, disconnect or assign any of the Telephone Numbers used in association with the Rent-A-Wreck Trademarks without Rent-A-Wreck's 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

Rent-A-Wreck 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 Rent-A-Wreck Trademarks (the "**Know-How**") Rent-A-Wreck will disclose the Know-How to You in Rent-A-Wreck's training programs, in the Manual, and in guidance furnished to You during the term of this Agreement. Rent-A-Wreck also will furnish information and training on how to use the Web Rent Computer System (defined in Section 11 A of this Agreement). Web Rent, its business processes, and all information relating to it, are the property of Rent-A-Wreck or a third party and are part of the

Know-How Know-How is proprietary, confidential information and a trade secret of Rent-A-Wreck, whether or not marked with words so indicating

You acknowledge and agree that You (1) will 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) will not use the Know How in any other business or capacity, (3) will 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) will not make unauthorized copies of the Know How disclosed via electronic media or in written or other tangible form, (5) will 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) will not sell, trade, or otherwise profit in any way from the Know How, except as authorized by this Agreement

B Covenant Not to Compete

You acknowledge that it would not be possible for Rent-A-Wreck to protect its Know-How, 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 and Your immediate family members and the owners of the Franchised Business may not have any interest as an owner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any auto, truck, recreational vehicle, van, or other motorized Vehicle Rental Business, unless that business is operated under a franchise agreement with Rent-A-Wreck or one of our affiliates

10 RELATIONSHIP OF THE PARTIES, INDEMNIFICATION

You are an independent contractor This Agreement does not create a fiduciary or an agency relationship between Rent-A-Wreck 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 will prominently display on the Premises, in such places and in such style and form as may be designated by Rent-A-Wreck, a notification to the public and all Your customers and suppliers, that the Franchised Business is owned and operated by You and that the Franchised Business is an independently owned and operated franchise of the Rent-A-Wreck franchise system

You, and not Rent-A-Wreck, 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 Rent-A-Wreck, will have exclusive liability for any sales, use, excise, gross receipts, income, property or other taxes, whether levied upon You, the Franchised Business or its assets, or upon Rent-A-Wreck, arising out of or related to the operation of the Franchised Business

You will indemnify, defend and hold Rent-A-Wreck, its subsidiaries, affiliates, shareholders, directors, officers, employees, agents, successors and assigns harmless from and against any and all liability, claims for actual and consequential damages, taxes, attorneys' fees and costs incurred in defending any claim against any of them arising out of or related to Your acts or omissions, or arising out of or related to the operation of the Franchised Business by You or the Operating Company. 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 RECORDS AND REPORTS, RESERVATIONS

A Computer System

We have the right to specify or require, and you agree to obtain and use, 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 point-of-sale 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 necessary for use in the operation of the Franchised Business (the "**Computer System**"). 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 (1) the vehicle rental software program and system called "**Web Rent Computer System**" (or "**Web Rent**"), (2) a fax machine capable of receiving transmissions 24 hours a day/7 days a week, (3) high-speed Internet access, and (4) a personal computer (PC) running an acceptable current operating system. You also agree to use our designated e-mail system for all business related to the Franchise. We have the right to monitor and review your e-mail communications. You may not use any unapproved computer software or security access codes.

Rent-A-Wreck and a third-party supplier have developed a software program and system called the "**Web Rent Computer System**" or "**Web Rent**". You will use Web Rent exclusively in the operation of the Franchised Business and for other aspects of the Franchised Business to which Web Rent applies. Web Rent enables You to (a) 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 credit card transactions, (f) prepare the internal reports required by this Agreement, (g) read updates to the Manual, and (h) access other communications from Rent-A-Wreck. Web Rent also enables Rent-A-Wreck to have independent and unlimited access to Your business records and other information and data generated and stored by Web Rent. The standards and specification of Web Rent are subject to change by Rent-A-Wreck at any time and from time to time.

To access Web Rent, You are required to execute a separate End User License Agreement, which may be an online form that you access through our website or a third-party supplier. Your Initial Franchise Fee includes a \$2,750 Initial Web Rent Fee, which we will remit to Bluebird to

cover all or part of your initial start-up software and hardware fees for the Web Rent Computer System. If your actual Initial Start-up Software and Hardware Fees are less than \$2,750, we will refund the difference, if those fees exceed \$2,750, you will pay the excess amount directly to Bluebird. As of the Effective Date, the current license fee for Web Rent is \$135 per month or \$0.75 per rental agreement per month, whichever is greater, plus an additional \$105 per month for services related to web hosting, accounting system interface and linking to our reservation system. Your monthly fee will be higher if you purchase additional optional services. This amount is subject to change via amendment to the Manual. You must also acquire the necessary hardware, such as electronic signature pads and pin chip credit card readers, and pay the then-current initial startup fee to set up your Web Rent system. If You elect to purchase optional program modules, there may be advance payments required and additional separate monthly fees.

Although you agree to buy, license, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for (1) the acquisition, operation, maintenance, and upgrading of the Computer System, (2) the manner in which the Computer System (including Web Rent) 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 the Computer System (including Web Rent) is not properly operated, maintained, backed up, and upgraded.

We make no warranties, express or implied, concerning the information transmitted through the Computer System (including Web Rent), and we will bear no liability or responsibility for (i) errors or omissions of information contained in the Computer System (including Web Rent), or (ii) computer hardware, software, or system failures in connection with the Computer System (including Web Rent).

B Reports

You will furnish Rent-A-Wreck on the 10th day of each month, in the form prescribed by Rent-A-Wreck, a report of the previous month's activity of the Franchised Business signed and verified by You (or by a Certified Public Accountant) accurately reflecting 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 such other data, information and supporting records as Rent-A-Wreck from time to time requests. For purposes of this Agreement, the term "**Gross Revenues**" will mean all monies received or receivable under closed Rental Agreements, including without limitation time, mileage, damage waiver and any other charges for ancillary services or products provided in the conduct of the Franchised Business, excluding only taxes and vehicle damage recovery proceeds.

You will provide Rent-A-Wreck on or before the 10th day of each month with copies of each rental agreement entered into during the preceding calendar month that was not recorded in Web Rent. You will pay Rent-A-Wreck a fee of \$100, on or before the 10th day of each month, for each rental agreement that is not provided to Rent-A-Wreck and not recorded in the Web Rent Computer System.

You will also furnish Rent-A-Wreck annual reports, in such form as specified by Rent-A-Wreck, containing information supplied in Your monthly reports during the preceding 12 months, and such other data, information and records as Rent-A-Wreck may at any time and from time to time request

Rent-A-Wreck may require that You submit all reports via email or other computerized form and/or that Rent-A-Wreck 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 7 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

C Bookkeeping and Accounting Records

Rent-A-Wreck will provide guidance on establishing bookkeeping systems and charts of accounts and preparation of financial statements via the Manual and ongoing training. All reports submitted by You to Rent-A-Wreck must be substantially in the form described in the Manual. All bookkeeping, accounting records, financial statements, and other reports (for such periods as may from time to time be prescribed by Rent-A-Wreck) will be available for inspection by Rent-A-Wreck, or its agent, during normal business hours, with or without advance notice

D Reservations

Rent-A-Wreck has developed a reservation system ("**Reservation System**"), including website reservations, reservations delivered through our website and call center, the Web Rent Computer System, third party providers, and other methods of securing pre-reserved business for Rent-A-Wreck system members. As of the Effective Date, you must use website reservations delivered through our website and call center. In the future we may require you to use the full Reservation System (including reservations delivered through third-party providers) as your only reservations system. Once a reservation is transmitted to the Franchisee by Rent-A-Wreck, the applicable reservation fee must be paid to Rent-A-Wreck as described in Section 4 F and Exhibit 4 even if the customer fails to complete the transaction (a "no-show"). You agree to accept and honor all such reservations. You shall also pay all additional fees and other charges due to travel agents, on-line reservation services, airlines and other sources of reservations that are generated and delivered to the Franchised Business as further described in Section 4 F and Exhibit 4. You also will pay a reconnection fee to us if we are required to reestablish your reservations service following a suspension for your failure to pay or other default under this Agreement or any other agreement between You and us or our affiliates. Rent-A-Wreck has the right to develop future Reservation System policies, procedures and fee structures and publish them in the Operating Manual

E Ownership of Data

We own all data generated by the Computer System concerning the Franchised Business, including financial information of the Franchised Business and customer data and customer lists

Your right to access and use this data is granted pursuant to the terms of this Agreement. Upon termination of this Agreement, all rights to such data will also terminate. We have access to the Computer System at all times and we have the right to collect and retain any and all information and data from the Computer System that concerns the Franchised Business.

12 OUR RIGHT TO INSPECT AND AUDIT THE FRANCHISED BUSINESS

To determine whether or not You are complying, or have complied, with this Agreement, Rent-A-Wreck 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 owned directly or indirectly or operated by You located within 20-mile radius of the Premises, including but not limited to profit and loss statements, whether handwritten, printed, computer-generated, stored in or on a computer disc or hard drive, or any other electronic form. You will give Rent-A-Wreck access to the federal, state and local income tax and sales tax returns of the Franchised Business and the Operating Company. You hereby waive any privilege pertaining to any such tax returns. You will also allow Rent-A-Wreck full and complete access to all computers and computer systems used in the Franchised Business or by the Operating Company and other businesses described above.

You will fully cooperate with representatives or agents of Rent-A-Wreck making an inspection, review and/or audit. You will permit representatives of Rent-A-Wreck to take photographs, movies or videotapes of the Franchised Business and to interview the employees of the Franchised Business. Rent-A-Wreck will bear the cost of any such inspection, review and/or audit, provided that if any such activity reveals an overpayment by You to Rent-A-Wreck, Rent-A-Wreck will promptly refund the overpayment or apply the overpayment to any outstanding amounts owed by You to Rent-A-Wreck. If any such activity reveals an underpayment by You to Rent-A-Wreck, You will pay Rent-A-Wreck 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 Rent-A-Wreck 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 Rent-A-Wreck's 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, the Franchised Business, the Operating Company and the other businesses noted in this Section 12 will survive the termination of this Agreement.

13 ASSIGNMENT

A By Rent-A-Wreck

This Agreement is fully assignable by Rent-A-Wreck.

B By You

You understand and acknowledge that the rights and duties 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 assign, sell, transfer, or subdivide this Agreement (or any interest in this Agreement), the Franchised Business or substantially all of its assets, or a controlling interest (51% or more) in or effective management control of the Operating Company (defined below) without the prior written approval of Rent-A-Wreck. 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 are required to assign the operating rights granted in this Franchise Agreement to an Operating Company, or other type of legal entity approved by Rent-A-Wreck, controlled by You, or by You and Your immediate family.

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 the Agreement, and, 3) You and the Operating Company sign the Assignment Agreement attached to this Agreement as Exhibit 2. 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 Rent-A-Wreck or Rent-A-Wreck's 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 Rent-A-Wreck's approval to assign Your rights and obligations under this Agreement, provided that the proposed assignee(s) is, in the sole opinion of Rent-A-Wreck, an individual of good character who has sufficient business experience, aptitude and financial resources to own and operate a Vehicle Rental Business using the Rent-A-Wreck Trademarks, and who otherwise meets Rent-A-Wreck's 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 will have executed and agreed to be bound by Rent-A-Wreck's then-current form of Franchise Agreement and such ancillary agreements as are then customarily used by Rent-A-Wreck in the grant of franchises for businesses using the Rent-A-Wreck Trademarks, and,

4 You or the assignee will have paid a transfer fee of \$3,000 to Rent-A-Wreck, and,

5 Rent-A-Wreck will 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 will release any and all claims, liabilities or causes of action You have or may have, in law or in equity, against Rent-A-Wreck, parents, affiliates, and subsidiaries, 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 agree that for a period of 2 years, commencing on the effective date of the assignment, You may not have any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Vehicle Rental Business located within 20 mile radius of the Premises, unless that new or other business is operated under a Franchise Agreement with Rent-A-Wreck or one of our affiliates

E Your Death or Disability

Upon Your death or permanent disability, Your executor, administrator, conservator, personal representative, guardian or attorney-in-fact ("Your Representative") will, within 6 months from 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 Rent-A-Wreck subject to the conditions of Section 13D of this Agreement. If Your Representative fails to effect a transfer of Your interest in this Agreement within that 6-month period, Rent-A-Wreck may terminate this Agreement effective on written notice to Your Representative.

F Rent-A-Wreck's 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 Rent-A-Wreck. Rent-A-Wreck 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, provided that Rent-A-Wreck may 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, Rent-A-Wreck will not be required to purchase those other assets. If Rent-A-Wreck does 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 13D of this Agreement. If the sale to the proposed purchaser is not completed within 90 days after delivery of the offer to Rent-A-Wreck, or if there is a material change in the terms of the sale, Rent-A-Wreck shall again have the right of first refusal as provided in this Section 13F.

14 TERMINATION, SUSPENSION OF SERVICES

A By Rent-A-Wreck

Rent-A-Wreck will 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 Rent-A-Wreck's approval of the Premises as provided in this Agreement, or,
- 2 fail to open and begin operating the Franchised Business within 180 days of 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 the 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 or all or a substantial part of any of the assets of You or the Operating Company, 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 Your 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 the prior written approval of Rent-A-Wreck, 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 the prior written approval of Rent-A-Wreck, or,
- 13 submit reports on 3 or more separate occasions that understate the number of Rental Vehicles or Gross Revenues generated by the Franchised Business by more than 5%, or,
- 14 fail on 3 or more separate occasions to (i) submit when due, reports or other data, information or records, or (ii) pay to Rent-A-Wreck when due any fees required by this Agreement, or,
- 15 fail to maintain the insurance coverage, or provide to Rent-A-Wreck the Certificates of Insurance, required by this Agreement, or,
- 16 (i) are convicted of, plead guilty to, or enter a plea of *nolo contendere* to (i) any felony, or, (ii) any criminal offense related to the Franchised Business, other than minor traffic violations, or, (iii) any crime or any act, whether or not related to the Franchised Business that Rent-A-Wreck determines, in our sole discretion, threatens the integrity or reputation of Rent-A-Wreck, any of the Rent-A-Wreck Trademarks, the Franchised Business, the Operating Company, or other businesses using the Rent-A-Wreck Trademarks, or,
- 17 cease using Web Rent without Rent-A-Wreck's prior written approval, or,
- 18 default under any collateral agreement with Rent-A-Wreck or one of our affiliates, or,
- 19 have been subject to 3 or more notices of default under this Agreement, whether or not such defaults have been cured, or
- 20 fail to make payments to approved suppliers of Rent-A-Wreck when due, or

21 fail to accept and implement a material modification to the System that applies uniformly to all similarly-situated franchisees within any specified time period

Rent-A-Wreck will also have the right to terminate this Agreement effective immediately 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 prescribed by Rent-A-Wreck, and do not correct such failure within 30 days after written notice of such failure to comply is delivered to You if a non-monetary matter is involved, and 15 days after written notice in the case of a monetary default

B Suspension of Franchise Rights

If You fail to cure a default under the terms of this Agreement or any other agreement with Rent-A-Wreck or one of our affiliates within the time specified in the notice of default, or if you fail to pay reservation fees as required under the Reservation Services Enrollment Form Agreement, Rent-A-Wreck also has the right to suspend or block Your reservations services. If You cure Your default before this Agreement terminates, Rent-A-Wreck will reestablish reservations services to You upon receipt of a reconnection fee from You. Rent-A-Wreck's suspension of reservations services to You does not prejudice our rights to pursue other remedies upon Your default.

C Post-Termination Business Continuance Buyout

If we terminate this Agreement in accordance with Section 14A, and you continue to directly or indirectly own, operate or maintain a competing Vehicle Rental Business within 20 miles of the site of the Franchise Business, you must pay us a Post-Termination Business Continuance Buyout as liquidated damages – and not as a penalty – as described immediately below.

The amount of the Post-Termination Business Continuance Buyout is the product of the number of Rental Vehicles in the fleet of the Franchised Business multiplied by \$665. The number of Rental Vehicles in the fleet of the Franchised Business will be the greater of the minimum number of Rental Vehicles described in Exhibit 1 or 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.

You agree that the extent of the damages caused by the termination of the Franchise Agreement and Your failure to comply with the Non Competition Agreement contained in Section 15C is difficult or impossible to accurately estimate, and that the formula for calculating the Post-Termination Business Continuance Buyout above is a reasonable estimate of our probable loss resulting from the termination of the Franchise Agreement and your non-compliance with Section 15C. 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 By You

1 Termination for Cause You have the right to terminate this Agreement at any time if Rent-A-Wreck defaults under the terms of this Agreement and fails 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, by giving Rent-A-Wreck written notice at least 90 days in advance of termination, PROVIDED THAT, you directly and indirectly cease the direct or indirect ownership or operation of any Vehicle Rental Business within 20 miles of the Franchised Business for a period of 2 years after the effective date of termination

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 Franchise Business, PROVIDED THAT, you give Rent-A-Wreck written notice at least 90 days in advance of termination, and you pay us a Post-Termination Business Continuance Buyout as liquidated damages—and not as a penalty—as described in Section 14C

15 RIGHTS AND OBLIGATIONS UPON TERMINATION

A Payment of Amounts Owed to Rent-A-Wreck

Within 15 days after the effective date of termination of this Agreement, You will pay to Rent-A-Wreck, our affiliates, or approved suppliers, as the case may be, all unpaid amounts due Rent-A-Wreck, our affiliates or approved suppliers under the terms of this Agreement or any other agreements between us, our affiliates or approved suppliers, 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

B De-Identification, Return of Manual

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

1 return to Rent-A-Wreck all copies of the 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 Rent-A-Wreck 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 Rent-A-Wreck 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, online, or other telephone directory listings associated with any of the Rent-A-Wreck Trademarks or the Franchised Business, and to authorize transfer of the such Telephone Numbers and listings to or at the direction of Rent-A-Wreck

(a) If you commit any act or fail to act so as to prevent the transfer of the Telephone Numbers and listings to us within 30 days after the termination of this Agreement, you will pay us a Telephone Number Fee as liquidated damages and not as a penalty. The amount of the Telephone Number Fee is the product of the number of Rental Vehicles in the fleet of the Franchised Business multiplied by \$250. The number of Rental Vehicles in the fleet of the Franchised Business will be the greater number of the minimum number of Rental Vehicles described in Exhibit 1 or the most recent 12 month average of the actual number of Rental Vehicles in the fleet of the Franchised Business.

(b) You agree that the damages caused by your failure to cause the transfer the telephone numbers and listings to us is difficult or impossible to accurately estimate, and that the formula for calculating the Telephone Number Fee is a reasonable estimate of our probable loss resulting from your acts or failure to act. Payment of the Telephone Number Fee 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, and,

5 cease all use of the Rent-A-Wreck Trademarks and any colorable imitation thereof, and cease identifying Yourself, the Franchised Business and the Operating Company as a current or former franchisee of Rent-A-Wreck, or as otherwise associated with, Rent-A-Wreck 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 Rent-A-Wreck directs, or to cancel or terminate such agreements and permits, all at Rent-A-Wreck's sole election, and,

7 assign to Rent-A-Wreck 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 Rent-A-Wreck Trademarks, any imitation thereof, or any similar marks, and,

8 furnish to Rent-A-Wreck within 30 days of termination of this Agreement evidence satisfactory to Rent-A-Wreck of Your compliance with the foregoing obligations

C Covenant Not to Compete

For a period of 2 years beginning on the date of termination, or the date on which You cease to conduct the Franchised Business or the date on which You cease use of the Rent-A-Wreck Trademarks, whichever is later, You may not have any interest as an owner, partner, director, officer, employee, consultant, representative, agent, or in any other capacity, in any Vehicle Rental Business located within a 20-mile radius of the Franchised Business, unless that other business is operated under an agreement with Rent-A-Wreck or one of its affiliates

D Continuing Obligations

All obligations of Rent-A-Wreck 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 herein, or the taking of some other action not required hereunder or any provision of this Agreement or any specification, standard or operating procedure prescribed by Rent-A-Wreck is invalid or unenforceable, the notice or other action required by such law or rule will be substituted for the comparable provisions hereof

B Waiver of Obligations

A waiver by Rent-A-Wreck of any breach of this Agreement does not constitute a waiver of any additional breach or waiver of Your performance under this Agreement Rent-A-Wreck's failure or neglect to exercise any of its rights under this Agreement does not constitute a waiver of future enforcement of any other provision of this Agreement Rent-A-Wreck 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 Rent-A-Wreck to exercise any right, power or option with respect to any other franchisee of Rent-A-Wreck or the acceptance by Rent-A-Wreck 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 Rent-A-Wreck of any of its obligations under this Agreement, withhold payment of any Continuing Franchise Fees, Marketing and Advertising Fees or contributions to a Regional Fund, Reservation Fees, or any other fees and charges due Rent-A-Wreck or its affiliates under the terms of this Agreement or another agreement between You and Rent-A-Wreck or one of our affiliates or as a result of Your conduct of the Franchised Business

D Method of Payment, Late Payment Fees

Rent-A-Wreck has the right to collect Continuing Franchise Fees, contributions to the Funds and any other amounts owed by You via electronic funds transfer or other electronic means. You will be assessed a late payment fee on the first business day after the due date of any fees owed to Rent-A-Wreck 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 will pay to Rent-A-Wreck 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 Rent-A-Wreck's agreement to accept such payments after same are due or a commitment by Rent-A-Wreck to extend credit to You. If You fail to pay any amounts when due, this Agreement may be terminated.

E Resolution of Disputes

If you and Rent-A-Wreck are unable to resolve a dispute or controversy under this Agreement through informal negotiation, You and Rent-A-Wreck agree to the following dispute resolution process:

1 Face-to-Face Meeting Before initiating an arbitration proceeding, You and Rent-A-Wreck 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 Rent-A-Wreck'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 You and Rent-A-Wreck 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. You and Rent-A-Wreck 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 I

2 Arbitration You and Rent-A-Wreck agree that, except as noted below, all controversies, disputes or claims between you and your affiliates (and your respective shareholders, members, officers, managers, directors, agents, employees, personal representatives, and/or guarantors) and Rent-A-Wreck and our affiliates (and our respective shareholders, members, officers, managers, directors, agents, employees, personal representatives, and/or guarantors) arising out of or relating to (a) this Agreement or any other agreement between you and Rent-A-Wreck, (b) our relationship with you, or (c) the scope and validity of this Agreement or any other agreement between you and Rent-A-Wreck or any provision of these agreements (including the validity and scope of the arbitration obligations under this Section 16 E), or the enforcement of any right or obligation which by its nature survives the expiration or termination of this Agreement must be submitted to final and binding arbitration and must be resolved in accordance with the then-current Commercial Rules of Arbitration of the American Arbitration Association ("AAA") by one neutral arbitrator selected by both the parties. Any judgment on the binding arbitration award may be entered in any court having jurisdiction over the parties and this Agreement.

- (a) Self-Executing This arbitration provision shall be deemed to be self-executing, and if either party fails to appear at a properly noticed arbitration proceeding, an award may be entered against such party notwithstanding its failure to appear.
- (b) Choice of Law The arbitrator shall apply the substantive laws of Maryland, without reference to its conflict of laws provision. Nothing in this Section 16 E 2 (b) 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 2 (b).
- (c) All issues relating to arbitrability or the enforcement of this Section are governed by the U S Federal Arbitration Act (9 U S C §§ 1, *et seq*), the U S federal common law of arbitration, and the arbitration act, if any, of the state in which Rent-A-Wreck's principal business office is located at the time of arbitration (currently Maryland). Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and shall be binding.
- (d) No Class Action Arbitration shall be conducted solely on an individual, and not a class-wide, basis, unless all parties agree otherwise. Arbitration may not be consolidated with another arbitration proceeding. No award in arbitration will have the effect of preclusion or collateral estoppel in another adjudication or arbitration.

- (e) Venue The exclusive venue of an arbitration proceeding will be set in the District of Columbia or the city or county in which Rent-A-Wreck's principal business office is located at the time the demand for arbitration is filed (currently Montgomery County, Maryland) If litigation is necessary under Section 16 E 2 (h) or subsequent to an arbitration proceeding, litigation will be set in the federal or state court in and for the city or county in which Rent-A-Wreck's principal business office is located at the time the litigation is filed (currently Montgomery County, Maryland)
- (f) Costs Each party is responsible for paying all costs and expenses payable to the AAA and the arbitrator The party prevailing in the arbitration is entitled to reimbursement of all costs and expenses not payable to the AAA or the arbitrator, including attorneys' fees and other professional fees incurred in the preparation for and during the arbitration If either party is forced to seek judicial intervention to compel the other party to arbitrate a dispute under this Section, the party granted any order to compel shall be awarded its costs and attorneys' fees incurred in seeking such a court order If either party appeals an arbitration award to a court of competent jurisdiction, the party prevailing on the appeal is entitled to reimbursement of its costs and expenses, including attorneys' fees
- (g) Available Award(s) and Relief The arbitrator has the right to award or include in his or her award any relief that he or she deems proper, including money damages, specific performance, injunctive relief, attorneys' fees and costs, provided that the arbitrator may not declare any Rent-A-Wreck Trademark generic or otherwise invalid
- (h) Confidentiality Other than as may be required by applicable law, the entire arbitration proceeding, including any decision or award by the arbitrator, shall remain confidential and not be disclosed to anyone other than the parties to this Agreement
- (i) Exceptions to Arbitration Judicial Proceedings The obligation to arbitrate set forth in this Section 16 E will not be binding on either You or Rent-A-Wreck with respect to (a) the collection of monies due if the amount claimed is \$100,000 or less, (b) requests for temporary restraining orders, preliminary or permanent injunctions or other procedures in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by the court to preserve the *status quo* or prevent irreparable injury, (c) enforcement of the covenants not to compete and confidentiality obligations under this Agreement or other agreements between You and Rent-A-Wreck, or (d) claims or disputes related to the Rent-A-Wreck Trademarks

In any judicial proceeding brought by Rent-A-Wreck to enforce its rights under this Agreement, Rent-A-Wreck will be entitled to reimbursement of its costs and expenses, including but not limited to attorneys', witness and accountants' fees

3 Survivability The provisions of this Section 16 E will continue in full force and effect after termination of this Agreement

F 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 will be governed by the laws of the State of Maryland Nothing in this Section 16 F 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 F

G Waiver of Special and Punitive Damages, Jury Trial

Except for claims Rent-A-Wreck brings against You for unauthorized use of the Rent-A-Wreck Trademarks or unauthorized use or disclosure of Know-How, Rent-A-Wreck and You waive to the fullest extent permitted by law any right to punitive or exemplary damages and statutorily enhanced damages In the event of a dispute between Rent-A-Wreck and You, the party making a claim will be limited to equitable relief and recovery of actual damages sustained and liquidated damages owed by You to Rent-A-Wreck Nonetheless, if You are required to indemnify Rent-A-Wreck for any claim or liability under any provision of this Agreement, You will indemnify Rent-A-Wreck for the full amount of any such damages, including punitive, exemplary and statutorily enhanced damages

Rent-A-Wreck and You irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of them

H Binding Effect

This Agreement is binding upon Rent-A-Wreck and You and their respective executors, administrators, heirs, beneficiaries, assigns and successors in interest and may not be modified except by a written agreement signed by both Rent-A-Wreck and You

I Limitations of Actions

Except for claims arising from Your nonpayment or underpayment of amounts You owed to Rent-A-Wreck, or Your refusal to submit to an audit as provided in this Agreement, any and all claims arising out of or relating to this Agreement or Rent-A-Wreck's relationship with You will be barred unless a judicial proceeding is commenced within 12 months from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim 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

J Construction, Integration

The preambles and exhibits are part of this Agreement. This Agreement will be construed according to the laws of the State of Maryland.

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

The Effective Date of this Agreement is _____

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

BUNDY AMERICAN, LLC,
a Maryland limited liability company

YOU, an individual

By _____

Title _____

Date _____

By _____

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, Rent-A-Wreck 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 Rent-A-Wreck and You respecting the Vehicle Rental Business operated under the Franchise Agreement.

GUARANTOR(S)

1 _____
Printed Name

Signature

3 _____
Printed Name

Signature

2 _____
Printed Name

Signature

4 _____
Printed Name

Signature

EXHIBIT 1

1- Franchise Information

Franchisee Name _____

Home Address _____

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 – 12 Vehicles within 180 days of the Effective Date

4- Initial Franchise Fee - \$ _____

Initials of Franchisee _____

Initials of Officer of Rent-A-Wreck _____

EXHIBIT 2
ASSIGNMENT TO OPERATING COMPANY

This Assignment agreement ("Assignment") is entered into between Bundy American, LLC, a Maryland limited liability company, ("Rent-A-Wreck"), and

_____, ("You")

and _____,

a _____ (the "Operating Company")

1 INTRODUCTION

You and Rent-A-Wreck have executed a Franchise Agreement (the "Franchise Agreement"), which grants You the right to operate a vehicle renting business using the name "Rent-A-Wreck" and other service marks owned by Rent-A-Wreck. This Assignment is required by Section 13 C of the Franchise Agreement and is part of the Franchise Agreement. You have applied to Rent-A-Wreck for our 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 RENT-A-WRECK'S CONSENT

Rent-A-Wreck 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 be 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 Rent-A-Wreck and the default is not cured within the time required in the Franchise Agreement or other agreement with affiliate(s) of Rent-A-Wreck, 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 Rent-A-Wreck, jointly and severally with the operating Company, for the performance of all obligations, duties and liabilities owed to Rent-A-Wreck 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 Rent-A-Wreck 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 Rent-A-Wreck 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 Rent-A-Wreck to exhaust any other remedy. Rent-A-Wreck may make, alter, and renew any contracts and agreements between You and Rent-A-Wreck and between Rent-A-Wreck 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 Rent-A-Wreck or a Rent-A-Wreck 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, JURISDICTION, VENUE

This Assignment will be construed and governed by the law of the State of Maryland. You and the Operating Company irrevocably submit to the jurisdiction of any State or federal court located in Maryland and waive any objection to either the jurisdiction or venue of Maryland courts.

11 WAIVER OF JURY TRIAL

Rent-A-Wreck, 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 Rent-A-Wreck.

NAME OF OPERATING COMPANY

By _____

Its _____
Print Title

Your Printed Name

Your Signature

Date Signed by You

BUNDY AMERICAN, LLC

By _____

(Vice) President

Date Signed

EXHIBIT 3
ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

In accordance with the terms of a Franchise Agreement dated _____ between _____ ("You") and _____ (the "Operating Company"), on the one hand, and Bundy American, LLC, a Maryland limited liability company ("Rent-A-Wreck"), on the other hand, in which Rent-A-Wreck granted You the right to own and operate a vehicle rental business using the name and service mark "Rent-A-Wreck" and other service marks owned by Rent-A-Wreck at _____ (the "Franchised Business"), You and the Operating Company hereby assign to Rent-A-Wreck, all of Your and the Operating Company's direct or indirect right, title and interest in and to those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "Telephone Numbers and Listings") used in association with Rent-A-Wreck's service marks and used from time to time in connection with the operation of the vehicle rental business or other business operated by You and/or the Operating Company under the Franchise Agreement, including the following telephone numbers

Upon termination of the Franchise Agreement (without renewal or extension), Rent-A-Wreck will have the right and is hereby authorized to effect the assignment of the Telephone Numbers and Listings to Rent-A-Wreck or its designee, at the following address 13900 Laurel Lakes Avenue, Suite 100, Laurel MD, 20707, and, in such event, You and the Operating Company will have no further right, title or interest in the Telephone Numbers and Listings, but You and the Operating Company will remain liable to the Telephone Company for all amounts owing to the telephone company or listing agencies on or before the effective date of this Assignment

In order to effect the intent of this assignment, You will execute all further assurances, including, but not limited to, all forms and documents required by each and every telephone company that owns the telephone numbers to be assigned

You

Date Signed _____

BUNDY AMERICAN, LLC

By _____

Title _____

Date Signed _____

Operating Company

By _____

Title _____

Date Signed _____

EXHIBIT 4
RESERVATIONS SERVICES ENROLLMENT FORM

Updated November 12, 2015

**Rent-A-Wreck Reservation System Enrollment Form Agreement
("Enrollment Form" or "Agreement")**

This Enrollment Form outlines the terms and conditions for the franchisee identified below ("Franchisee" or "you") to participate in the Rent-A-Wreck Reservation System. Rent-A-Wreck, 'Company,' or "us" means Bundy American, LLC, the franchisor.

The terms of this Agreement are subordinate to the terms of the various channel agreements included in the reservations 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.

The 'Reservation Channel Fees' and 'Deposits' listed below are in effect as of 10/31/2015. You will be notified of any fee or deposit changes at least 30 days in advance of a change. If permitted by your Franchise Agreement, you have the right to terminate your participation in the Reservation System upon 30 days' prior written notice. Rent-A-Wreck also reserves the right to terminate your participation upon 30 days' written notice. In addition, Rent-A-Wreck may terminate your participation immediately without notice if you fail to timely pay any amounts due in connection with the Rent-A-Wreck Reservations System. Rent-A-Wreck 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 Rent-A-Wreck Reservation System.

Reservation Channel Fees

Company-Owned Channels

rentawreck.com	Per reservation fee: \$2.50 + 2.5% commission on time & mileage. The outcome of each reservation must be reported to the corporate office at least 72 hours prior to the close of the billing cycle or else you will be charged the full amount.
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Call Center	No per reservation fees. The outcome of each reservation must be reported to the corporate office at least 72 hours prior to the close of the billing cycle or else you will be charged the full amount.
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XML OTA Channels (Non GDS)

Kayak/Autorentals.com	Per reservation fee: \$2.50 + 22.5% commission on time & mileage. The outcome of each reservation must be reported to the corporate office at least 72 hours prior to the close of the billing cycle or else you will be charged the full amount.
-----------------------	--

Carrentalexpress	Per reservation fee: \$2.50 + 15.5% commission on time & mileage. The outcome of each reservation must be reported to the corporate office at least 72 hours prior to the close of the billing cycle or else you will be charged the full amount.
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XML OTA Channels continued

BookingGroup

EconomyBookings.com

Per reservation fee \$2.50 + 2.5% commission on time & mileage. The outcome of each reservation must be reported to the corporate office at least 72 hours prior to the close of the billing cycle or else you will be charged the full amount. **Please note** Booking Group reservations are marked up by 15% at the time of reservation, and the customer is paying the 15% directly to Booking Group at the time of reservation. This model allows Booking Group to collect their commission from the customer, lowering our cost. However, the customer should be treated like a prepaid reservation, and any overbooking that results in you being unable to fulfill the reservation will require reimbursement to BookingGroup for the cost of refunding the customer and may jeopardize the ability of Rent-A-Wreck franchisees to participate in their service. You will be responsible for any reimbursements owed to BookingGroup.

GDS Channels

Travel Agents

Sabre

Per completed reservation fee of \$10.00 + 12.5% commission \$6.50 per reservation if no show or cancelled through non GDS channel \$0 per reservation if cancelled through GDS channel

The outcome of each reservation must be reported to the corporate office at least 72 hours prior to the close of the billing cycle or else you will be charged the full amount.

Worldspan/Gallileo

Per completed reservation fee of \$10 + 12.5% commission \$6.50 per reservation if no show or cancelled through non GDS channel \$0 per reservation if cancelled through GDS channel

The outcome of each reservation must be reported to the corporate office at least 72 hours prior to the close of the billing cycle or else you will be charged the full amount.

GDS OTA Channels

Expedia/Travelocity/Orbitz

\$10 per reservation + 25% commission on completed reservations \$10 per reservation + 22.5% commission on reserved amount on no shows and cancels outside of GDS channel 22.5% commission on cancels within GDS channel

The outcome of each reservation must be reported to the corporate office at least 72 hours prior to the close of the billing cycle or else you will be charged the full amount.

Carrentals.com

Prepaid reservations \$7.25 per reservation + 30% commission. Cancels and no shows are also \$7.25 per reservation + 30% commission. 30% commission on prepaid cancellations through carrentals.com

Non Prepaid reservations \$7.25 per reservation + 25% commission on completed reservations \$7.25 per reservation + 22.5% commission on reserved amount on no shows and cancels outside of GDS channel 22.5% commission on cancels within GDS channel

Opt into the reservation source by initialing in the box next to that reservation source

- ☐ 1 Company Owned Channels (website, call center) Deposit \$100
- ☐ 2 XML channels (Kayak autorentals com etc) Deposit \$100
- ☐ 3 GDS Channels Sabre, Worldspan Travel Agents, Expedia, Travelocity, Orbitz, Carrentals com) Deposit \$300

We reserve the right to increase the amount of your Deposit for any reservation source, based upon the volume of reservations that you receive from the source(s). In addition, we may, in our discretion, increase Deposit amounts for all Reservation System participants at any time. On the Reservation System invoice due date, your bank account will be debited or credit card charged for the total balance due (depending upon the payment option that you select). It is your responsibility to notify Rent-A-Wreck of any changes to your relevant bank or credit card account information. If method of payment is rejected, your reservation services will be immediately disconnected and your deposit applied to any outstanding balance. We also may suspend your reservation services if you are in default of your Franchise Agreement or other agreements with us. In order to have service reestablished, a \$100 reconnection fee will be charged, (except in the case of an expired credit card) and an additional Deposit will be required.

I agree to the terms and conditions of this Enrollment Form and agree to pay the Reservation Fees and Deposits as described above. I understand that the status of all reservations, including actual time and mileage amounts charged, must be reported using the Rent-A-Wreck Reservation System Management System by the close of the applicable billing cycle or else I will be charged the full commission of the estimated reservation amount for those reservations – even if the estimated amount is higher than the actual amount received. The reservation billing period will begin on the 1st day of the month and end on the last day of the month. This Reservation System Enrollment Form must be accompanied by a signed, dated and valid Pre-Authorized Payment Agreement (see attached).

By _____

Printed Name of Franchisee _____

Date _____

Franchised Business Address , _____

Pre-Authorized Payment (Debit) Service Authorization Agreement

Select one of the following payment options

Option 1 ACH Transfer Authorization

I (we) authorize Bundy American LLC and the financial institution listed below to electronically debit my (our)

Checking ☐ Savings Account ☐

specified below for monthly reservation charges due. Our account will be debited through an ACH transfer on the stated Reservation Invoice due date, for the term of this Pre-Authorized Payment (Debit) Service Authorization Agreement

Bank Name

Branch Location

Signature

Date

NOTE Please attach a voided check or copy of a voided check

Option 2 Credit Card Authorization

I (we) authorize Rent-A-Wreck to process payment for monthly reservation charges due to the following credit card

Type of Card (circle one) Visa Mastercard Amex Discover

Credit Card Number _____

Expiration date _____

3 or 4 digit card security code _____

Name on Card _____

Billing Street address of card _____

Billing City, State and Zip Code _____

Signature _____

Date _____

Fax a copy of this form to Debbie Zadera at 240-581-1311, or scan and email it to dzadera@rentawreck.com, and keep another copy for your records

**ILLINOIS ADDENDUM
TO THE RENT-A-WRECK
ASSIGNMENT TO OPERATING COMPANY**

THIS ADDENDUM is made and entered into this _____ day of _____, 20____,
by and between **BUNDY AMERICAN, LLC**, a Maryland limited liability company ("Rent-A-
Wreck"), and _____ ("Franchisee") and
a _____ (the "Operating Company")

1 **Background** Rent-A-Wreck, Franchisee, and Operating are parties to that certain Assignment to Operating Company dated _____, _____ (the "Assignment") that has been executed concurrently with the execution of this Addendum. This Addendum is annexed to and forms part of the Assignment. This Addendum is being executed because (a) the offer or sale of the Franchised Business that Franchisee will operate under the Assignment 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 **Governing Law, Jurisdiction, Venue** Section 10 of the Assignment is hereby amended to add the following:

"Claims arising under Illinois law will be governed by Section 4 of the Illinois Franchise Disclosure Act of 1987 (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." Illinois law shall be applied to, and govern, any claim between the parties."

3 **Waiver of Jury Trial** The following sentence is added to the end of Section 11 of the Assignment:

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 is void.

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

BUNDY AMERICAN, LLC

a Maryland limited liability company

By _____
Title _____
Date _____

FRANCHISEE

_____, an individual
By _____
Date _____

OPERATING COMPANY

By _____
Its _____
Print Title
Date _____

EXHIBIT A1

STATE ADDENDA TO THE RENT-A-WRECK

FRANCHISE AGREEMENT

**CALIFORNIA ADDENDUM
TO THE RENT-A-WRECK
FRANCHISE AGREEMENT**

THIS ADDENDUM is made and entered into this _____ day of _____, _____, by and between **BUNDY AMERICAN, LLC**, a Maryland limited liability company ("Rent-A-Wreck"), and _____ ("Franchisee")

1 **Background** Rent-A-Wreck 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 California and Franchisee will operate the Franchised Business in the State of California, and/or (b) Franchisee is a resident of the State of California.

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

Section 31512 of the California Franchise Investment Law ("FIL") states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the FIL or any rule or order under the FIL is void.

3 **Termination, Nonrenewal and Transfer** California Business and Professions Code Sections 20000 through 20043, the California Franchise Relations Act, provide rights to franchisees concerning termination, nonrenewal or transfer of a franchise. For Franchise Agreements entered into after January 1, 2016, under amendments to this law, and except in the case of specific violations enumerated in Section 20021, including, on the part of the franchisee, bankruptcy, abandonment, material misrepresentation, seizure of or foreclosure on the franchise, failure to pay franchise fee, noncompliance with federal, state or local law or regulation, criminal conviction or danger to public health or safety, a franchise agreement cannot be terminated except for good cause. Good cause is defined as the failure of the franchisee to substantially comply with the lawful requirements of the franchise agreement after being given at least 60 days advance notice and a reasonable opportunity to cure of not less than 60 days from the date of the notice of noncompliance.

Upon the lawful termination or nonrenewal of a franchise the franchisor must purchase from the franchisee certain items acquired by the franchisee pursuant to the requirements of the franchise agreement. The franchisor is not obligated to purchase certain items from the franchisee if the items are not required in the operation of the franchised business, the franchisee declined a bona fide offer of renewal from the franchisor, the franchisor permits the franchisee to retain the franchisee's principal place of business, the termination or nonrenewal is due to the franchisor's total withdrawal of franchising activity in the geographic area in which the franchise is located or the franchisee and franchisor mutually agree in writing to terminate or not renew the franchise or certain items that are sold by the franchisee between the notice of termination and cessation of operation.

The California Franchise Relations Act also provides new provisions concerning a franchisee's right to transfer a franchise agreement, such as requiring that a franchisor communicate to a franchisee its standards for approval of new or renewing franchisees. The Act specifies penalties if a franchisor terminates a franchise agreement in violation of that law, among other things (See California Business and Professions Code sections 20028 and 20029). The franchisee should read the entire statute to become familiar with all of its terms since if the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

BUNDY AMERICAN, LLC

FRANCHISEE

a Maryland limited liability company

By _____
Title _____
Date _____

_____, an individual
By _____
Date _____

**ILLINOIS ADDENDUM
TO THE RENT-A-WRECK
FRANCHISE AGREEMENT**

THIS ADDENDUM is made and entered into this _____ day of _____, _____, by and between **BUNDY AMERICAN, LLC**, a Maryland limited liability company (“Rent-A-Wreck”), and _____ (“Franchisee”)

1 **Background** Rent-A-Wreck 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 16E of the Franchise Agreement is hereby amended to add the following:

“Claims arising under Illinois law will be governed by Section 4 of Illinois Franchise Disclosure Act of 1987 (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.” Illinois law shall be applied to, and govern, any claim between the parties.”

3 **Construction** The first sentence of Section 16J 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 offering circular and exhibits, constitutes the entire agreement of the parties, and there are no other verbal or written understandings or agreements between Rent-A-Wreck and Franchisee relating to the subject matter of this Agreement.

4 **Enforcement** The following sentence is added to the end of Section 16 of the Franchise Agreement:

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 is void.

5 **Limitations of Action** Section 16I 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 Rent-A-Wreck of a written notice disclosing the violation, whichever shall first expire

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

BUNDY AMERICAN, LLC

FRANCHISEE

a Maryland limited liability company

By _____
Title _____
Date _____

_____, an individual
By _____
Date _____

**MARYLAND ADDENDUM
TO THE RENT-A-WRECK
FRANCHISE AGREEMENT**

THIS ADDENDUM is made and entered into this _____ day of _____, _____, by and between **BUNDY AMERICAN, LLC**, a Maryland limited liability company ("Rent-A-Wreck"), and _____ ("Franchisee")

1 **Background** Rent-A-Wreck 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 **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 Rent-A-Wreck may have under the Maryland Franchise Registration and Disclosure Law.

4 **Limitations of Actions** Section 16J 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 Rent-A-Wreck, 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 Rent-A-Wreck'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

BUNDY AMERICAN, LLC

FRANCHISEE

a Maryland limited liability company

By _____
Title _____
Date _____

_____, an individual
By _____
Date _____

**MINNESOTA ADDENDUM
TO THE RENT-A-WRECK
FRANCHISE AGREEMENT**

THIS ADDENDUM is made and entered into this _____ day of _____, _____, by and between **BUNDY AMERICAN, LLC**, a Maryland limited liability company ("Rent-A-Wreck"), and _____ ("Franchisee")

1 **Background** Rent-A-Wreck 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 Rent-A-Wreck** 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 16G:

Minn. Stat. §80C 21 and Minn. Rule 2860.4400J, prohibit Rent-A-Wreck 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 **Special and Punitive Damages Jury Trial** The second paragraph of Section 16G of the Franchise Agreement is hereby deleted.

6 **Limitations of Actions** Section 16J 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 Rent-A-Wreck, 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 Rent-A-Wreck'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 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.

BUNDY AMERICAN, LLC

FRANCHISEE

a Maryland limited liability company

By _____
Title _____
Date _____

_____, an individual
By _____
Date _____

**NEW YORK ADDENDUM
TO THE RENT-A-WRECK
FRANCHISE AGREEMENT**

THIS ADDENDUM is made and entered into this _____ day of _____, _____, by and between **BUNDY AMERICAN, LLC**, a Maryland limited liability company ("Rent-A-Wreck"), and _____ ("Franchisee")

1 **Termination of This Agreement by Franchisee** Section 14B 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

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

BUNDY AMERICAN, LLC

FRANCHISEE

a Maryland limited liability company

By _____
Title _____
Date _____

_____, an individual
By _____
Date _____

**NORTH DAKOTA ADDENDUM
TO THE RENT-A-WRECK
FRANCHISE AGREEMENT**

THIS ADDENDUM is made and entered into this _____ day of _____, ____, by and between **BUNDY AMERICAN, LLC**, a Maryland limited liability company ("Rent-A-Wreck"), and _____ ("Franchisee")

1 **Background** Rent-A-Wreck 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 15C

(Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota)

5 **Costs and Attorneys' Fees** Section 16D of the Franchise Agreement is hereby amended by adding the following paragraph

If Franchisee asserts a claim for amounts owed by Rent-A-Wreck 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 Rent-A-Wreck shall each pay its own costs and expenses associated with such proceeding, including all attorneys' and accountants' fees

6 **Governing Law, Consent to Jurisdiction** Section 16G 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

7 **Special and Punitive Damages, Jury Trial** The second paragraph of Section 16H of the Franchise Agreement is hereby deleted

8 **Limitations of Actions** Section 16J 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 Rent-A-Wreck, 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 Rent-A-Wreck'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

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

BUNDY AMERICAN, LLC

FRANCHISEE

a Maryland limited liability company

By _____
Title _____
Date _____

_____, an individual
By _____
Date _____

**RHODE ISLAND ADDENDUM
TO THE RENT-A-WRECK
FRANCHISE AGREEMENT**

THIS ADDENDUM is made and entered into this _____ day of _____, _____, by and between **BUNDY AMERICAN, LLC**, a Maryland limited liability company ("Rent-A-Wreck"), and _____ ("Franchisee")

1 **Background** Rent-A-Wreck 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 16G 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.

BUNDY AMERICAN, LLC

FRANCHISEE

a Maryland limited liability company

By _____
Title _____
Date _____

_____, an individual
By _____
Date _____

**SOUTH DAKOTA ADDENDUM
TO THE RENT-A-WRECK
FRANCHISE AGREEMENT**

THIS ADDENDUM is made and entered into this _____ day of _____, _____, by and between **BUNDY AMERICAN, LLC**, a Maryland limited liability company ("Rent-A-Wreck"), and _____ ("Franchisee")

1 **Background** Rent-A-Wreck 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 RENT-A-WRECK 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 RENT-A-WRECK 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 Rent-A-Wreck** The following statement is hereby added at the end of Section 14A

Notwithstanding the above provisions of this Section 14A, if Rent-A-Wreck may terminate this Agreement for Franchisee's breach hereof, failure to meet performance and quality standards or failure to make royalty payments, Rent-A-Wreck 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 15C

(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 16G 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** The second paragraph of Section 16H of the Franchise Agreement is hereby deleted

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

BUNDY AMERICAN, LLC

FRANCHISEE

a Maryland limited liability company

By _____
Title _____
Date _____

_____, an individual
By _____
Date _____

**WASHINGTON ADDENDUM
TO THE RENT-A-WRECK
FRANCHISE AGREEMENT**

THIS ADDENDUM is made and entered into this _____ day of _____, _____, by and between **BUNDY AMERICAN, LLC**, a Maryland limited liability company ("Rent-A-Wreck"), and _____ ("Franchisee")

1 **Background** Rent-A-Wreck and Franchisee are parties to that certain Franchise Agreement dated _____, _____ (the "Franchise Agreement") that has been entered into concurrently with the execution of this Addendum. This Addendum is annexed to and forms part of the Agreement. This Addendum is being executed because (a) the offer or sale of the franchise for the RENT-A-WRECK Business that Franchisee will operate pursuant to the Franchise Agreement was made in the State of Washington, and/or (b) Franchisee is a resident of the State of Washington, and/or (c) any of the offering or sales activity with respect to the Franchise Agreement occurred in the State of Washington.

2 The State of Washington has a statute, RCW 19 100 180 which may supersede the Agreement in your relationship with Rent-A-Wreck including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Agreement in your relationship with Rent-A-Wreck including the areas of termination and renewal of your franchise.

3 Washington law may require that in any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

4 In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail.

5 A release or waiver of rights executed by a Franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

6 The following statement is hereby added at the end of Section 13D(6)

, provided, however, this release shall not apply to any liability Rent-A-Wreck may have under the Maryland Franchise Registration and Disclosure Law.

7 Transfer fees are collectable to the extent that they reflect Rent-A-Wreck's reasonable estimate or actual costs in effecting a transfer

The undersigned does hereby acknowledge receipt of this Addendum

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

BUNDY AMERICAN, LLC

FRANCHISEE

a Maryland limited liability company

By _____
Title _____
Date _____

_____, an individual
By _____
Date _____

EXHIBIT C
GENERAL RELEASE

EXHIBIT C

GENERAL RELEASE

THIS GENERAL RELEASE ("Release") is made and entered into this _____ day of _____, 20____ by and between BUNDY AMERICAN, LLC, a Maryland limited liability company ("Rent-A-Wreck"), and _____ ("Franchisee"), _____ ("Operating Company"), and _____ ("Guarantor")

- 1 Rent-A-Wreck and Franchisee entered into a certain Franchise Agreement dated _____ (the "Franchise Agreement"), whereby Rent-A-Wreck granted to Franchisee the right to own and operate a vehicle rental business using the name "Rent-A-Wreck" 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 Rent-A-Wreck to Franchisee's transfer of the Franchise Agreement or the transfer of an interest in Operating Company, or (ii) the consent of Rent-A-Wreck 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 Rent-A-Wreck 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 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

BUNDY AMERICAN, 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

ADDENDUM TO GENERAL RELEASE

THIS ADDENDUM TO GENERAL RELEASE ("Addendum") is made and entered into this _____ day of _____, 20____ by and between **BUNDY AMERICAN, LLC**, a Maryland limited liability company ("Rent-A-Wreck"), and _____ ("Franchisee"), _____ ("Operating Company"), and _____ ("Guarantor")

- 1 Rent-A-Wreck and Franchisee entered into a certain Franchise Agreement dated _____ (the "Franchise Agreement"), whereby Rent-A-Wreck granted to Franchisee the right to own and operate a vehicle rental business using the name "Rent-A-Wreck" 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 Rent-A-Wreck 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 Rent-A-Wreck 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

BUNDY AMERICAN, 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 AGENTS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. Bundy may not yet be registered to sell franchises in any or all of these states.

CALIFORNIA

California Department of
Business Oversight
www.dbo.ca.gov

Los Angeles
320 West 4th Street, Suite 750
Los Angeles, CA 90013-1105
(213) 576-7500
(866) 275-2677

Sacramento
1515 K Street, Suite 200
Sacramento, California 95814-4052
(916) 445-7205

San Diego
1350 Front Street
San Diego, California 92101-3697
(619) 525-4233

San Francisco
One Sansome Street #600
San Francisco, California 94104
(415) 557-3787

HAWAII

(state administrator)
Commissioner of Securities
Department of Commerce and Consumer
Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

(agent for service of process)
Commissioner of Securities
Department of Commerce and Consumer
Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

(state administrator)
Cassandra Karim
Chief, Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-465

(agent for service of process)
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA

(agent for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

(state agency)

Office of the Attorney General
Securities Division
200 St Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(for service of process)

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 G Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
(517) 373-7177

(for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P O Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

(state administrator)

Minnesota Department of Commerce
85 7th Place East
St Paul, Minnesota 55101
(651) 296-6328

(agent for service of process)

Minnesota Commissioner of Commerce
85 7th Place East
St Paul, Minnesota 55101
(651) 296-6328

NEW YORK

(state agency)

New York State Department of Law
Bureau of Investor Protection and Securities
120 Broadway
New York, New York 10271
(212) 416-8000

(for service of process)

Secretary of State of New York
99 Washington Avenue
Albany, New York 12231
(518) 474-4750

NORTH DAKOTA

(state agency)

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

(for service of process)

Office of Securities Commissioner
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

OREGON

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
1511 Pontiac Avenue
John O Pastore Complex
Building 69-1
Cranston, RI 02920
(401)-462-9585

SOUTH DAKOTA

Division of Securities
124 S Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

VIRGINIA

(for service of process)

Clerk, State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9733

(for other matters)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street
Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

(for service of process)

Director
Department of Financial Institutions
Securities Division
150 Israel Rd SW
Tumwater, WA 98501
(360) 902-8760

(for other matters)

Department of Financial Institutions
Securities Division
150 Israel Rd SW
Tumwater, WA 98501
(360) 902-8760

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
201 W Washington Ave
Madison, Wisconsin 53703
(608) 261-9555

EXHIBIT E

OPERATING MANUAL TABLE OF CONTENTS

EXHIBIT E

MANUAL TABLE OF CONTENTS

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EXHIBIT F

**SAMPLE MASTER LEASE AGREEMENT, VEHICLE LEASE ORDER,
VEHICLE DELIVERY RECEIPT AND MONTHLY STATEMENT**

EXHIBIT F

RENT A WRECK³
used car rental and leasing

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, Kensington, Maryland 20895 with administrative offices at 105 Main St, Laurel, MD 20707, (hereinafter referred to as "we," "us," "our," or "lessor"), and,
- 2 _____, residing at _____ ("Franchisee"), a franchisee of Bundy American, LLC ("Rent-A-Wreck") 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 1 month or a maximum of 12 months thereafter, unless the term is extended in writing by mutual agreement of the parties for up to 3 additional terms of 6 months each

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 1st 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 1st 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 1st 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 \$ 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 1st 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 Rent-A-Wreck 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 Rent-A-Wreck 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, Rent-A-Wreck, 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

- 1) fail in the performance of any covenant, term, condition or obligation in this agreement,
- 2) fail to cure a default in your Rent-A-Wreck franchise agreement,
- 3) become insolvent, or make an assignment for the benefit of creditors, Or if a receiver is appointed for your property,

4) 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 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. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

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

i Face-to-Face Meeting Before initiating an arbitration proceeding, you and lessor 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 Rent-A-Wreck 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 lessor 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.

ii Arbitration you and lessor agree that, except as noted below, all controversies, disputes or claims between you and your affiliates (and your respective

shareholders, members, officers, managers, directors, agents, employees, personal representatives, and/or guarantors) and lessor and our affiliates (and our respective shareholders, members, officers, managers, directors, agents, employees, personal representatives, and/or guarantors) arising out of or relating to (a) this Agreement or any other agreement between you and lessor, (b) our relationship with you, or (c) the scope and validity of this Agreement or any other agreement between you and lessor or any provision of these agreements (including the validity and scope of the arbitration obligations under this Section 11 g), or the enforcement of any right or obligation which by its nature survives the expiration or termination of this Agreement must be submitted to final and binding arbitration and must be resolved in accordance with the then-current Commercial Rules of Arbitration of the American Arbitration Association ("AAA") by one neutral arbitrator selected by both the parties. Any judgment on the binding arbitration award may be entered in any court having jurisdiction over the parties and this Agreement.

(A) Self-Executing This arbitration provision shall be deemed to be self-executing, and if either party fails to appear at a properly noticed arbitration proceeding, an award may be entered against such party notwithstanding its failure to appear.

(B) Choice of Law The arbitrator shall apply the substantive laws of Maryland, without reference to its conflict of laws provision, except that nothing in this Section shall be construed to establish any independent right for you to pursue claims under Maryland's Franchise Registration and Disclosure Law. All issues relating to arbitrability or the enforcement of this Section are governed by the U.S. Federal Arbitration Act (9 U.S.C. §§ 1, *et seq.*), the U.S. federal common law of arbitration, and the arbitration act, if any, of the state in which Our principal business office is located at the time of arbitration (currently Maryland). Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and shall be binding.

(C) No Class Action Arbitration shall be conducted solely on an individual, and not a class-wide, basis, unless all parties agree otherwise. Arbitration may not be consolidated with another arbitration proceeding. No award in arbitration will have the effect of preclusion or collateral estoppel in another adjudication or arbitration.

(D) Venue The exclusive venue of an arbitration proceeding will be set in the District of Columbia or the city or county in which Our principal business office is located at the time the demand for arbitration is filed (currently Montgomery County, Maryland). If litigation is necessary under Section 11 g 11 (H) or subsequent to an arbitration proceeding, litigation will be set in the federal or state court in and for the city or county in which Our principal business office is located at the time the litigation is filed (currently Montgomery County, Maryland).

(E) Costs Each party is responsible for paying all costs and expenses payable to the AAA and the arbitrator. The party prevailing in the arbitration is entitled to reimbursement of all costs and expenses not payable to the AAA or the arbitrator, including attorneys' fees and other professional fees incurred in the preparation for and during the arbitration. If either party is forced to seek judicial intervention to compel the other party to arbitrate a dispute under this Section, the party granted any order to compel shall be awarded its costs and attorneys' fees incurred in seeking such a court order. If either party appeals an arbitration award to a court of competent jurisdiction, the party prevailing on the appeal is entitled to reimbursement of its costs and expenses, including attorneys' fees.

(F) Available Award(s) and Relief The arbitrator has the right to award or include in his or her award any relief that he or she deems proper, including money damages, specific performance, injunctive relief, attorneys' fees and costs, provided that the arbitrator may not declare any Rent-A-Wreck trademark generic or otherwise invalid.

(G) Confidentiality Other than as may be required by applicable law, the entire arbitration proceeding, including any decision or award by the arbitrator, shall remain confidential and not be disclosed to anyone other than the parties to this Agreement.

(H) Exceptions to Arbitration Judicial Proceedings The obligation to arbitrate set forth in this Section 11 g will not be binding on either you or lessor with respect to (a) the collection of monies due if the amount claimed is \$100,000 or less, (b) requests for temporary restraining orders, preliminary or permanent injunctions or other procedures in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by the court to preserve the *status quo* or prevent irreparable injury, (c) enforcement of the covenants not to compete and confidentiality obligations under this Agreement or other agreements between you and our affiliates, or (d) claims or disputes related to the Rent-A-Wreck trademarks.

In any judicial proceeding brought by lessor to enforce its rights under this Agreement, lessor will be entitled to reimbursement of its costs and expenses, including but not limited to attorneys', witness and accountants' fees.

(I) Survivability The provisions of this Section 11 g will continue in full force and effect after termination of this Agreement.

h 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

FRANCHISEE

Signature of Rent-A-Wreck 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 _____

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 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.

Exhibit F
ADDENDUM TO BUNDY AMERICAN, LLC MASTER LEASE AGREEMENT
(ILLINOIS)

This Addendum to Bundy American, LLC Master Lease Agreement ("Addendum") is made and entered into by and between Bundy American, LLC, a Maryland limited liability company ("Bundy," "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 Bundy Vehicle Rental Business at a Franchised Location and/or in a Franchise Territory in the State of Illinois, and you have entered into a Bundy 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 11D of the Master Lease Agreement is hereby amended to read as follows

Should any part, term or provision of this contract be held by any court to be invalid or in conflict with any law, will be subject to Illinois state law

IN WITNESS WHEREOF, you and we have executed and delivered this Addendum as of the Effective Date of the Master Lease Agreement

Bundy American, LLC _____

By _____
Name _____
Title _____

By _____
Name _____
Title _____

11/30/2011 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 Bk Plus Auction Fees	\$300	Estimated Monthly Depreciation Estimate @ 2.25% p r Month	7.5%	\$15.00	Estimated Cost of Monthly Lease Payment	Pay to Lessor		Service Provide	Pay State Agency	Total Cash needed to get vehicle in rental rmc		
							Estimated Acquisition Fee	Estimated Monthly Capitalized Cost at Start of Lease		Estimated Monthly Admin fee	50% of Lease Deposit Due with Signed Lease Order		50% of Lease Deposit Due Upon Delivery	Estimated Shipping & Transport Due Upon Delivery	Estimated Vehicle Safety Inspection Satisfaction Tracking and general get ready	Estimated State Title License Plate and Taxes (if any)			
																		\$375	\$375
1	#####	2010	Kia	Sedona	LX	12k	\$18,200	\$300.00	\$16,500	\$371.25	\$103.10	\$15.00	\$488.35	\$375.00	\$375.00	\$200.00	\$275.00	\$125.00	\$1,350.00
2	#####	2010	Nissan	Sentra	S	<15k	\$12,200	\$300.00	\$12,500	\$281.25	\$77.05	\$15.00	\$373.30	\$375.00	\$375.00	\$200.00	\$275.00	\$125.00	\$1,350.00
3	#####	2009	Nissan	Verse	S	19k	\$10,200	\$300.00	\$10,500	\$238.25	\$64.73	\$15.00	\$315.98	\$375.00	\$375.00	\$200.00	\$275.00	\$125.00	\$1,350.00
4	#####	2008	Ford	Fusion	SE-4	18k	\$11,600	\$300.00	\$12,100	\$272.25	\$74.59	\$15.00	\$381.84	\$375.00	\$375.00	\$200.00	\$275.00	\$125.00	\$1,350.00
5	#####	2008	Mazda	Mazda	Sedan	18k	\$11,400	\$300.00	\$11,700	\$263.25	\$72.12	\$15.00	\$350.37	\$375.00	\$375.00	\$200.00	\$275.00	\$125.00	\$1,350.00
6								\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				\$0.00
7								\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				\$0.00
8								\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				\$0.00
9								\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				\$0.00
10								\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				\$0.00
Totals -->							\$81,800	\$1,500.00	\$63,300	\$1,424.25	\$381.80	\$75.00	\$1,890.85	\$1,875.00	\$1,875.00	\$1,000.00	\$1,375.00	\$625.00	\$6,750.00

Pay This Amount with completed Lease Order \$ 1 875 00

11/30/2011 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 Buyer Fee	Capitalized Cost at Start of Lease	Monthly Depreciation Charge @ 2.25% per Month	7.5% Interest Charge at Prime Rate plus 4 Points	\$15.00 Monthly Admin Charge	Monthly Lease Payment	Additional Days Charged	7.50% Additional Days Interest Charge	\$375 50% of Lease Deposit Due upon delivery	Total Amount Due
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	16234	10,200.00	300.00	10,500.00	238.25	85.61	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
Total			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 08/01/10				Sample Statement 123 Main Street Anytown Mid 2007				Security Deposit		Credit Limit \$400,000		Next Invoice Date 9/1/2010		Prime plus Margin 4.00		Interest Rate 6.00		Statement Due Date 10/1/10		Monthly Payment \$1,000	
Account Number 12345678				Per Unit		Credit		Interest Rate 7.25		Prime plus Margin 4.00		Interest Rate 6.00		Statement Due Date 10/1/10		Monthly Payment \$1,000					
Monthly P m t D te	Unit Stock N mber	Year	Make	M del	Trim	VI	Start Miles	O ginal Title and C at	Lease Term Months	Security Deposit	End Term Date	End Term Date	Number of P m t s C m p l e d	1 to 10 in the first month of the lease	Monthly Payment Due in the first month of the lease	Interest Rate 6.00	Statement Due Date 10/1/10	Monthly Payment Due in the first month of the lease	Statement Due Date 10/1/10	Monthly Payment Due in the first month of the lease	
1	0801/10	2009	Kia	Sedona	LX	17 digit vin 17	18715	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	08/01/10	
2	0601/10	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	06/01/10	
3	0501/10	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	05/01/10	
4	0801/09	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	08/01/09	
5	0701/09	2009	Kia	OPTIMA	LX	17 digit vin 17	18833	11,650.00	18	750.00	6,831.75	01/01/11	13	8,242.38	262.13	7,220.25	50.75	15.00	327.88	07/01/09	
6	0401/09	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	12929	10,150.00	18	750.00	6,039.25	10/01/10	16	6,198.00	223.38	5,517.63	40.00	15.00	283.37	04/01/09	
7	0401/09	2009	FORD	FOCUS	SE1	17 digit vin 17	18516	11,300.00	18	750.00	6,723.50	10/01/10	16	7,122.00	254.25	6,227.75	44.53	15.00	313.78	04/01/09	
8	0401/09	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	04/01/09	
9	0401/09	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	04/01/09	
0	0401/09	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	04/01/09	
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2	0401/09	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	04/01/09	
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3	0401/09	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	04/01/09	
4	0401/09	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	04/01/09	
5	0401/09	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	04/01/09	
6	0401/09	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	04/01/09	
7	0401/09	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	04/01/09	
8	0401/09	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	04/01/09	
9	0401/09	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	04/01/09	
0	0401/09	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	04/01/09	
1	0401/09	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	04/01/09	
2	0401/09	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	04/01/09	
3	0401/09	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					

Invoice Date 08/01/10			Sample Statement 123 Main Street Anytown, Md 20707							Security Deposit Per Unit 750 00		Credit Limit Available Credit \$400 000 \$51 130		Next Invoice Date 9/1/2010 Prime Rate 3 25 7 25		Prime plus Marg n 4 00 2 25 A Monthly R duction of O g n al C pitalized C st		Interest Days charged this period 31					
Monthly P yment Start Date	Unit Stock Numbe	Year	M ke	Model	T m	V	Start Miles	O ginal Capitalized Cost	Lease T m Months	Security Deposit	End f Lease Term V lue	End f T m D te	Numbe f P Payments Completed	Interest V l before the month's payment is pplied	2 25 A Monthly R duction of O g n al C pitalized C st	Book V lue for this m th's payment and post i Posted	Interest Due Advance	Statement Admi Monthly Charg	Misc Charges	Monthly Payment			
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 dig t in 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 in 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 dig t n 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 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 in 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 d git 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		
Totals								521 500 00			37 500 00	315 788 75			348 888 88	11 733 75	289 636 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																		5		Payment Due		14 631 93	

EXHIBIT G
LIST OF CURRENT FRANCHISEES

Exhibit G
Rent-A-Wreck Current Franchisees as of July 31, 2016

Name	Contact Name	Address	City	State	Zip	Phone
Arizona						
RENT A WRECK OF PHOENIX	SUSANNE M NEAL	4001 EAST BROADWAY RD	PHOENIX	AZ	85040	(480) 264 8903
California						
RENT A WRECK OF BERKELEY	CORNELIUS J DOHERTY	10895 SAN PABLO AVE	EL CERRITO	CA	94530	(510) 234 3386
RENT A WRECK OF BAKERSFIELD	OTILIA AND ALBERT HERRERA	1222 GOLDEN STATE AVE	BAKERSFIELD	CA	93301	(661) 843 7866
RENT A WRECK OF FAIRFIELD	WILCOX STEVE	1701 N TEXAS STREET	FAIRFIELD	CA	94533	(707) 422 9853
RENT A WRECK OF GORMAN	OTILIA HERRERA	49717 PEACE VALLEY ROAD	GORMAN	CA	93243	(661) 248 6707
RENT A WRECK OF SAN FRANCISCO	TOM PENDERGAST	2955 THIRD STREET	SAN FRANCISCO	CA	94107	(415) 282 6293
RENT A WRECK OF WEST LOS ANGELES	AL PATEL	2270 SOUTH CENTINELA AVE	LOS ANGELES	CA	90064	(310) 826 7555
Connecticut						
RENT A WRECK OF EAST HAVEN	MONGILLO ERNIE SR ERNIE & SONS	957 FOXON ROAD	EAST HAVEN	CT	6513	(203) 469 7331
RENT A WRECK OF HAMDEN	SONNY MONGILLO	1091 DIXWELL AVE	HAMDEN	CT	6514	(203) 498 7368
RENT A WRECK OF OLD SAYBROOK	CHRIS BARNHART	269 BOSTON POST ROAD	OLD SAYBROOK	CT	6475	(860) 388 3990
Florida						
RENT A WRECK OF FORT MYERS	WILLIAM CAHN	17240 S TAMiami TRAIL #5	FORT MYERS	FL	33901	(239) 939 0776
RENT A WRECK OF ORLANDO	LLOYD MCDONOUGH	1240 WEST ANDERSON STREET	ORLANDO	FL	32805	(407) 839 3990
RENT A WRECK OF SEBRING FL	DAVID MEIER	4109 US HWY 27 S	SEBRING	FL	33870	(863) 471 0701
Illinois						
RENT A WRECK OF BEDFORD PARK	MOHAMAD SHOUMAN	7250 S CICERO AVE #G	BEDFORD PARK	IL	60629	(708) 924 9776
Indiana						
RENT A WRECK OF HAMMOND	MOHAMAD SHOUMAN	7315 KENNEDY AVENUE	HAMMOND	IN	46323	(219) 554 1695
Kansas						
RENT A WRECK OF WICHITA	HOWARD BRODSKY	1555 S BLUFFVIEW	WICHITA	KS	67218	(316) 691-0066
Massachusetts						
RENT A WRECK OF NEW BEDFORD	BUTTONWOOD AUTO EXCHANGE INC	101 BELLEVILLE AVE	NEW BEDFORD	MA	2746	(508) 984 7300
Maryland						
RENT A WRECK OF BEL AIR	DEANNA MALLAMAS	4453 BEL AIR ROAD	BALTIMORE	MD	21206	(410) 485-0020
RENT A WRECK OF CUMBERLAND	DAVID FISHER	15810 NATIONAL HIGHWAY SW	CUMBERLAND	MD	21502	(301) 689 1800
RENT A WRECK OF GLEN BURNIE	DEANNA MALLAMAS	516 CRAIN HWY N	GLEN BURNIE	MD	21061	-
RENT A WRECK OF ROCKVILLE	CLYDE RAGUNATH	621 HUNGERFORD DR	ROCKVILLE	MD	20850	(301) 309 6767

Exhibit G
Rent-A-Wreck Current Franchisees as of July 31, 2016

Maine						
RENT A WRECK OF BANGOR	DAVID CHANDLER & PATRICK BOUCHARD JR	602 MAIN ROAD NORTH	HAMPDEN	ME	4444	(207) 942-4600
RENT A WRECK OF BIDDEFORD	DAVID LAVERRIERE	20 BARRA ROAD	BIDDEFORD	ME	4005	(207) 282 0591
Michigan						
RENT A WRECK OF CANTON	MEL MORRIS	39600 MICHIGAN AVENUE	CANTON	MI	48188	(734) 729 5200
RENT A WRECK OF SAULT STE MARIE	DAMON LIEURANCE	3303 I 75 BUSINESS SPUR	SAULT STE MARIE	MI	49783	(906) 635 0427
RENT A WRECK OF WARREN	LARRY ODE & DARIN ODE	23830 GROESBECK HIGHWAY	WARREN	MI	48089	(586) 772 7711
RENT A WRECK OF WALLED LAKE	PAUL GINGOLD	4370 HAGGERTY ROAD	WALLED LAKE	MI	48390	(248) 363 2277
Missouri						
RENT A WRECK OF SPRINGFIELD	JOSEPH L HORTON	1906 SOUTH STEWART	SPRINGFIELD	MO	65804	(417) 886-0635
RENT A WRECK OF ST LOUIS	DON COSTELLO	100 SAINT FRANCOIS ST	FLORISSANT	MO	63031	(314) 521 5866
Montana						
RENT A WRECK OF BILLINGS	WESLEY NUSSBAUM	2110 1ST AVE NORTH	BILLINGS	MT	59101	(406) 245 9008
RENT A WRECK OF HELENA	MIKE HRUSKA	1025 PHOENIX ROAD	HELENA	MT	59601	(406) 443 3635
North Carolina						
RENT A WRECK OF ABERDEEN/PINEHURST	GEOFFREY FISHER MOSLEY BOYETTE	200 N SANDHILLS BLVD	ABERDEEN	NC	28315	(910) 944 9444
RENT A WRECK OF GREENSBORO	DAVID LANZER MONARCH AUTO RENTAL INC	4519 WEST MARKET ST	GREENSBORO	NC	27407	(336) 856 9504
RENT A WRECK OF WINSTON SALEM	MYRL GLENN MILLER	375 PETERS CREEK PARKWAY	WINSTON SALEM	NC	27101	(336) 748 9021
North Dakota						
RENT A WRECK OF MINOT	SCTOTT MITZEL	529 BURDICK EXPWY W	MINOT	ND	58701	(701) 838 0098
Nevada						
RENT A WRECK OF RENO	ALI JARAR	295 GENTRY WAY	RENO	NV	89502	(775) 826 7676
New Hampshire						
RENT A WRECK OF LEBANON	MOULTON JO ANN MOULTON ROBERT L	237 HANOVER STREET	LEBANON	NH	3766	(603) 448 6930
New Jersey						
RENT A WRECK OF CHERRY HILL	LANSING INC	1406 ROUTE 38	CHERRY HILL	NJ	8002	(856) 779 7123
RENT A WRECK OF CHESTER		383 ROUTE 206 S	CHESTER	NJ	7930	(908) 879 2275
RENT A WRECK OF CLIFFWOOD BEACH	CARL FEINSTEIN	178 NJ 35	KEYPORT	NJ	7735	(732) 583 1990
RENT A WRECK OF DEPTFORD	A W TRANSPORTATION	1574 HURFFVILLE RD	DEPTFORD	NJ	8096	(856) 228 1400
RENT A WRECK OF DOVER	WARREN POTTER	33 NORTH MORRIS STREET	DOVER	NJ	7801	(973) 361-3044
RENT A WRECK OF EAST BRUNSWICK	FEINSTEIN CARL ROSEN IRV	200 ROUTE 18	EAST BRUNSWICK	NJ	8816	(732) 247 4744
RENT A WRECK OF EMERSON	RICHARD TUNTIGAN AND BRIAN MURPHY	39 CHESTNUT STREET	EMERSON	NJ	7630	(201) 523 9922
RENT A WRECK OF HACKETTSTOWN	WARREN POTTER/MARTY MEHALKO	141 MOUNTAIN AVENUE	HACKETTSTOWN	NJ	7840	(908) 813 1155
RENT A WRECK OF LINDEN	FEINSTEIN CARL	998 ST GEORGE AVENUE	LINDEN	NJ	7036	(732) 388 4409

Exhibit G
Rent-A-Wreck Current Franchisees as of July 31, 2016

RENT A WRECK OF MORRISTOWN	POTTER WARREN WOLTERS HARM	67 SPRING STREET	MORRISTOWN	NJ	7960	(973) 285 1185
RENT A WRECK OF NEWTON	MARTY MEHALKO	55 NEWTON SPARTA RD	NEWTON	NJ	7860	(973) 383 6286
RENT A WRECK OF NEWARK AIRPORT	HMFNS RENT A CAR LLC	3 BREWSTER ROAD	NEWARK	NJ	7114	(908) 288 7663
RENT A WRECK OF PARSIPPANY		141 NORTH BEVERWYCK ROAD	LAKE HIAWATHA	NJ	7034	(973) 299 9339
RENT A WRECK OF PRINCETON	ABLE RENT A CAR INC	4105 RT 1 SOUTH	MONMOUTH JUNC	NJ	8852	(732) 438 1220
RENT A WRECK OF SAYREVILLE	ABLE RENT A CAR INC	916 RTE 9 SOUTH	PARLIN	NJ	8859	(732) 525 0505
RENT A WRECK OF SCOTCH PLAINS	ABLE RENT A-CAR INC	551 PARK AVE	SCOTCH PLAINS	NJ	7076	(908) 288 7663
New Mexico						
RENT A WRECK OF CLOVIS		2101 NORTH MAIN ST	CLOVIS	NM	88101	(575) 935 7433
New York						
RENT A WRECK OF ART	JRW AUTO RENTAL INC	22529 NY 12F	DEXTER	NY	13634	(315) 788 8412
RENT A WRECK OF NIAGARA FALLS	SCOTT DAVIS	240 FIRST STREET	NIAGARA	NY	14303	(716) 778 3210
RENT A WRECK OF ONEONTA	TOM FALCO	48 ONEIDA ST	ONEONTA	NY	13820	(607) 432 5568
RENT A WRECK OF PLATTSBURGH	JOHN WALKER	779 ROUTE 3	PLATTSBURGH	NY	12901	(518) 562 8462
RENT A WRECK OF POUGHKEEPSIE	CHARLES J KANE III	708 MAIN STREET	POUGHKEEPSIE	NY	12603	(845) 454 5400
RENT A WRECK OF WATERTOWN	JRW AUTO RENTAL INC	19079 US RT 11	WATERTOWN	NY	13601	(315) 788 8412
Ohio						
RENT A WRECK OF AKRON	AMJAD MATAR AFFORDABLE RENTAL LLC	4033 STATE RD	CUYAHOGA FALLS	OH	44223	(330) 785 3121
RENT A WRECK OF CLEVELAND	SANDRA RAYNER BOZAK RAYNER BOZAK INC	10225 MADISON AVENUE	CLEVELAND	OH	44102	(216) 281 7340
RENT A WRECK OF PARMA	LANCE CHARLES LANCE JACK LANCE INVEST	8003 BROOKPARK ROAD	PARMA	OH	44129	(216) 351 1840
Oklahoma						
RENT A WRECK OF PRYOR	MICHAEL MASLEN	328 WEST GRAHAM AVENUE	PRYOR	OK	74361	(918) 825 7676
Pennsylvania						
RENT A WRECK OF BETHLEHEM	ABLE RENT A CAR INC CARL FEINSTEIN/IRV	1016 LINDEN STREET	BETHLEHEM	PA	18018	(610) 434 2099
RENT A WRECK OF ERIE	KILBURN HAWLEY KILBURN GREG	4340 WEST 26TH STREET	ERIE	PA	16506	(814) 833 9941
RENT A WRECK OF EAST STROUDSBURG	ABLE RENT A CAR INC	234 RT 447	E STROUDSBURG	PA	18301	(570) 422 9580
RENT A WRECK OF LATROBE	LOU FALBO	4146 ROUTE 982 SOUTH	LATROBE	PA	15650	(724) 537 3929
RENT A WRECK OF PHILADELPHIA INT AIRPORT	HEATHER FEINSTEIN	8000 ESSINGTON AVE	PHILADELPHIA	PA	19153	(215) 479 0234
RENT A WRECK OF POCONO SUMMIT	ABLE RENT A CAR INC	1380 & STATE HWY 940	POCONO SUMMIT	PA	18346	(570) 839 1924
South Carolina						
RENT A WRECK OF MYRTLE BEACH	GARY FREEMAN	1100 A 3RD AVENUE SOUTH	MYRTLE BEACH	SC	29578	(843) 626-9393
South Dakota						
RENT A WRECK OF RAPID CITY	CRAIG A NELSON	1600 EAST HWY 44	RAPID CITY	SD	57703	(605) 348 3050
Tennessee						

Exhibit G
Rent-A-Wreck Current Franchisees as of July 31, 2016

RENT A WRECK OF KNOXVILLE Texas	SCOTT KADERLY KNOXVILLE CAR&TRUCK RENTAL	6100 WESTERN AVE	KNOXVILLE	TN	37921	(865) 450 2390
RENT A WRECK OF FORT WORTH Vermont	HARMIT (BEN) CHATTAH	6301 EAST LANCASTER AVE	FORT WORTH	TX	76112	(817) 507 3707
RENT A WRECK OF BURLINGTON Virginia	Jie Zhu	2071 WILLISTON RD	BURLINGTON	VT	5403	(802) 318 4900
RENT A WRECK OF ALEXANDRIA	NA & CH INC	8800-I PEARTREE VILLAGE COURT	ALEXANDRIA	VA	22309	(703) 799 1700
RENT A WRECK OF RICHMOND Washington	MATTHEW E ALLEN III	8410 WEST BROAD ST	RICHMOND	VA	23294	(804) 308 2624
RENT A WRECK OF LAKEWOOD	MAHBOOB HUSSAIN NAZIR	9313 SOUTH TACOMA WAY	LAKEWOOD	WA	98499	(253) 584 1833
RENT A WRECK OF SEATTLE Wyoming	MAHBOOB HUSSAIN NAZIR	3000 SOUTH 176TH ST	SEATAC	WA	98188	(206) 922 3713
RENT A WRECK OF CASPER	MAX LACROIX	550 E 1ST ST	CASPER	WY	82601	(307) 333 6901
RENT A WRECK OF GILLETTE	MAX LACROIX	513 E 2ND ST	GILLETTE	WY	82716	(307) 363-4388
RENT A WRECK OF LANDER	CHRISTINE MCILRATH FSL ENTERPRISES	715 MAIN STREET	LANDER	WY	82520	(307) 332 9965

EXHIBIT H
LIST OF FORMER FRANCHISEES

Exhibit H

**List of Franchisees Who Had an Outlet Terminated, Cancelled, Not Renewed, or Transferred During Our Last Fiscal Year
(August 1, 2015 through July 31, 2016)**

If you buy this franchise, your contact information may be disclosed to buyers

Franchise Name	Owner Name	City	State	Zip Code	Phone Number
RENT A WRECK OF FONTANA	BILL SIDHU	FONTANA	CA	92335	(909) 823 9907
RENT-A WRECK OF COVINA	ABHAY BHATNAGER & BALASUBRAMANI GANESH R SCOTT HOLTON RS	COVINA	CA	91723	(626) 858 6970
RENT A WRECK OF MARIETTA	HOLTON INC	MARIETTA	GA	30066	(770) 926 9294
RENT A-WRECK OF CLIFTON PARK	JOE TEDESCO	CLIFTON PARK	NY	12065	(518) 373 2992
RENT A WRECK OF LAKE PLACID	JOHN WALKER	LAKE PLACID	NY	12986	(518) 523 4804
RENT A WRECK OF NEW ROCHELLE	CHAD ORLANDO	NEW ROCHELLE	NY	10801	(914) 235 5800
RENT A WRECK OF YONKERS	CHAD ORLANDO	YONKERS	NY	10710	(914) 961 5100
RENT A WRECK OF SYRACUSE	JRW AUTO RENTAL INC	DEWITT	NY	13206	(315) 432 0241
RENT A WRECK OF FALLS CHURCH	MARWAN DAAMASH	FALLS CHURCH	VA	22046	(703) 241 9600
RENT A WRECK OF BURLINGTON	MICHAEL COUTEUR	BURLINGTON	VT	5403	(802) 318-4900

There are no franchisees who have not communicated with us within the 10 weeks preceding the issuance date of the disclosure document

EXHIBIT I
RECEIPTS

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 Bundy American, 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, Bundy American, LLC or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require 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 or the payment of any consideration that relates to the franchise relationship. Michigan and Oregon require 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.

If Bundy American, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. If Bundy American, 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 Jason Manelli, and John Poisson

Address 13900 Laurel Lakes Avenue, Suite 100, Laurel, Maryland 20707

Telephone Number 240-455-0672

Date of Issuance December 12, 2016

Bundy American, 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 December 12, 2016 that included the following Exhibits:

- | | |
|---|--|
| A Franchise Agreement | D List of State Agencies/Agents for Service of Process |
| A1 State Addenda to Franchise Agreement | E Operating Manual Table of Contents |
| B Financial Statements | F Sample Master Lease Agreement and Exhibits |
| C General Release | H List of Former Franchisees |
| G List of Current Franchisees | I Receipts |

Date

Print Your Name (Prospective Franchisee)

Your Signature (Prospective Franchisee)

Please sign this copy of the receipt, date your signature, and return it to Bundy American, LLC, at 105 Main Street, Laurel, Maryland 20707. This disclosure document is also available via email from our website www.rentawreck.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 Bundy American, 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, Bundy American, LLC or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require 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 or the payment of any consideration that relates to the franchise relationship. Michigan and Oregon require 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.

If Bundy American, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. If Bundy American, 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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Print Your Name (Prospective Franchisee)

Your Signature (Prospective Franchisee)

Please sign this copy of the receipt, date your signature, and retain this copy for your records. This disclosure document is also available via email from our website www.rentawreck.com.