

FRANCHISE DISCLOSURE DOCUMENT

Bundy American, LLC, A Maryland Limited Liability Company
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www.rentawreck.com
<http://www.rentawreck.com/franchises.htm>

RENT A WRECK®

used car rental and leasing

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 \$151,200 to \$392,000. This includes an initial franchisee fee of \$12,000-\$15,000 that must be paid to the franchisor.

This Disclosure Document summarizes certain provisions of your franchise agreement. 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 us, or make any payment to us 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 105 Main Street, Laurel, MD 20707, or Franchise@Rent-A-Wreck.com, or by telephone at 240-455-0672.

The terms of the franchise agreement will govern the franchise relationship between you and us. Don't rely on the Disclosure Document alone to understand the franchise agreement. Read all of the franchise agreement carefully. Show it and this Disclosure Document to a trusted 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.

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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 AND LITIGATION ONLY IN 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 ARTIBRATE OR LITIGATE WITH US IN 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. A SINGLE POINT FRANCHISE IS NOT GRANTED AN EXCLUSIVE TERRITORY. WE AND OUR AFFILIATES MAY ESTABLISH COMPANY-OWNED AND FRANCHISE LOCATIONS AND OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC, UNDER THE SAME TRADEMARK IN COMPETITION WITH YOUR FRANCHISE.
4. YOU MUST PAY US MINIMUM CONTINUING FRANCHISE FEES OF \$360 PER MONTH AND MINIMUM MONTHLY ADVERTISING FEES OF \$84 PER MONTH, EVEN IF THE FRANCHISE HAS NO REVENUE.
5. YOU MUST MAINTAIN A MINIMUM OF 12 VEHICLES IN YOUR FLEET OR WE MAY TERMINATE THE 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.

Rent-A-Wreck FDD
December 5, 2012

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:

State

Effective Date

California

Hawaii

Illinois

Indiana

Maryland

Michigan

Minnesota

New York

North Dakota

Rhode Island

South Dakota

Virginia

Washington

Wisconsin

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December 5, 2012

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