

FRANCHISE DISCLOSURE DOCUMENT

AUG 08 2012

Hertz[®]

Hertz System, Inc

A Delaware Corporation

225 Brae Boulevard

Park Ridge, New Jersey 07656-0713

(201) 307-2000

www.hertz.com

The franchisee (sometimes also called a licensee) will operate a business that rents cars

The total investment necessary to begin operation of a new Hertz franchise is \$318,295 to \$4,059,000. For new franchisees, this includes \$25,000 to \$55,500 that must be paid to the Franchisor or its affiliates. For any franchisee that is purchasing from the Parent the assets of certain existing car renting business locations, the investment may include a license fee of up to several hundred thousand dollars that must be paid to the Franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Patricia Consoli, Franchise Coordinator, at 225 Brae Boulevard, Park Ridge, New Jersey 07656, or by telephone at (201) 307-2233.

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, D.C. 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.

Date of Issuance August 3, 2012

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 THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit I 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 DISPUTES WITH THE FRANCHISOR BY ARBITRATION AND LITIGATION ONLY IN THE STATE IN WHICH OUR THEN-CURRENT HEADQUARTERS IS LOCATED, CURRENTLY NEW JERSEY. OUT-OF-STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH THE FRANCHISOR IN NEW JERSEY THAN IN YOUR HOME STATE.
- 2 THE FRANCHISE AGREEMENT STATES THAT NEW JERSEY 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 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 be sure to do your own investigation of the franchise.

EFFECTIVE DATES

This Franchise Disclosure Document is registered, on file, exempt from registration, or otherwise effective in the following states with franchise registration and/or disclosure laws:

STATE	EFFECTIVE DATE
California	
Florida	December 23, 2011
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	June 28, 2012
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Utah	January 27, 2012
Virginia	
Washington	
Wisconsin	

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Licensor

Hertz System, Inc , a Delaware corporation (“we” or “us”), was formed on January 19, 1925 We conduct our business under the name HERTZ, and we maintain our principal place of business at 225 Brae Boulevard, Park Ridge, New Jersey 07656-0713 Our agents for service of process are listed on **Exhibit J** We grant licenses for businesses that rent cars under a license agreement (the “**License Agreement**”) the form of which is attached to this Disclosure Document as **Exhibit A** We have offered licenses for this business since 1925.

Parents, Predecessors and Affiliates

Our parent company, The Hertz Corporation (the “**Parent**”), is our sole shareholder and maintains its principal place of business at 225 Brae Boulevard, Park Ridge, New Jersey 07656-0713 Our Parent is a direct wholly-owned subsidiary of Hertz Investors, Inc , which is wholly-owned by Hertz Global Holdings, Inc (“**Hertz Holdings**”), the top-level holding company for the consolidated Hertz businesses Both Hertz Investors, Inc and Hertz Holdings maintain their principal place of business at 225 Brae Boulevard, Park Ridge, New Jersey 07656-0713 In April 2010, Hertz Holdings made an initial offer to acquire Dollar Thrifty Automotive Group, Inc (“**Dollar Thrifty**”) and in September 2010 Hertz Holdings increased its offer Subsequently, Dollar Thrifty stockholders voted against a proposed merger of Hertz Holdings and Dollar Thrifty In May 2011 Hertz Holdings announced an exchange offer for all outstanding shares of Dollar Thrifty.

On December 21, 2005, an indirect, wholly-owned subsidiary of Hertz Holdings acquired all of our common stock from Ford Holdings LLC through a Stock Purchase Agreement, dated as of September 12, 2005, among Ford Motor Company, Ford Holdings LLC and Hertz Holdings As a result of this transaction, investment funds associated with or designated by Clayton, Dubilier & Rice, Inc (“**CD&R**”), The Carlyle Group and Merrill Lynch Global Private Equity (“**MLGPE**”) owned over 99% of the common stock of Hertz Holdings In January 2009, Bank of America Corporation (“**Bank of America**”) acquired Merrill Lynch & Co , the parent company of MLGPE (now known as BAML Capital Partners (“**BAMLCP**”)). Accordingly, Bank of America is now an indirect beneficial owner of Hertz Holdings’ common stock formerly held by MLGPE and certain of its affiliates

Currently, as a result of our initial public offering in November 2006 and subsequent offerings in June 2007, May 2009, June 2009 and March 2011, CD&R, The Carlyle Group, and BAMLCP reduced their holdings to approximately 39% of the outstanding shares of common stock of Hertz Holdings

Information about the three private equity firms that have sponsored investment funds which own common stock of Hertz Holdings follows:

- CD&R is a private equity investment firm whose investors include leading financial institutions, university endowments and corporate and public pension funds. CD&R owns interests in several franchisors, such as The ServiceMaster Company (whose brands include TruGreen, TruGreen LandCare, Terminix, American Home Shield, ServiceMaster Clean, Merry Maids, Furniture Medic, and AmeriSpec), Culligan International Company, and Sally Beauty Holding, Inc. CD&R's principal business address is 375 Park Avenue, 18th Floor, New York, NY 10152.
- The Carlyle Group, established in 1987 and headquartered in Washington, D.C., is a private global investment firm that originates, structures and acts as lead equity investor in management-led buyouts, equity private placements, growth capital financings, strategic minority equity investments, and consolidations and buildups. The Carlyle Group owns interests in several franchisors, including Dunkin' Brands, Inc., a franchisor of quick service restaurant concepts under the Dunkin' Donuts and Baskin-Robbins brands. The Carlyle Group's principal business address is 1001 Pennsylvania Avenue, N.W., Washington, DC 20004-2505.
- BAMLCP is a private equity and mezzanine investment group within Bank of America. Its principal business address is 250 Vesey Street, 4 World Financial Center, 23rd Floor, New York, NY 10080.

We do not and did not have any predecessor during the 10-year period immediately before the close of our most recent fiscal year.

Our affiliate, Hertz Equipment Rental Corporation ("**HERC**"), was incorporated in Delaware on July 7, 1965, and is a wholly-owned subsidiary of our Parent. HERC's principal place of business is 225 Brae Boulevard, Park Ridge, New Jersey 07656-0713. HERC operates and licenses businesses that offer a broad range of equipment for rental, including earthmoving equipment, material handling equipment, aerial and electrical equipment, air compressors, pumps, generators, small tools, compaction equipment and construction-related trucks. HERC operates its equipment rental business in the United States, Canada, France, Spain and China. As of December 31, 2011, HERC operated 317 equipment rental branches. HERC began offering licenses in the equipment rental business in 1981. Its existing licensed businesses operate in approximately seven countries in Europe and Africa. HERC has not offered licenses in any business other than those involving equipment rental, leasing or sales.

Our affiliate, Hertz International, Ltd. ("**Hertz International**"), offers licenses outside of the United States for businesses that rent and/or lease cars and/or trucks and has offered these licenses since the late 1950's. Hertz International was incorporated in Delaware on November 7, 1957. Its principal place of business is 225 Brae Boulevard, Park Ridge, New Jersey 07656-0713. Hertz International has never offered licenses in any other line of business. Hertz International's licensees and associates operate rental locations in over 140 countries and jurisdictions, including most of the countries in which our Parent has company-operated rental locations.

Our wholly-owned subsidiary, Hertz Claim Management Corporation (“**HCM**”) provides claim administration services to us and, to a lesser extent, to third parties, and offers its services to licensees. These services include investigating, evaluating, negotiating and disposing of a wide variety of claims, including third-party, first-party, bodily injury, property damage, general liability and product liability, but not the underwriting of risks. HCM conducts business at five regional offices in the United States, and its principal place of business is 225 Brae Boulevard, Park Ridge, New Jersey 07656-0713.

Our affiliate, Hertz Local Edition Corp., began offering licenses in 1997 for businesses that rent vehicles for insurance and mechanical related vehicle replacement purposes. Its principal place of business was 225 Brae Boulevard, Park Ridge, New Jersey 07656-0713. Hertz Local Edition Corp. no longer offers licenses, has no licensees, and has never offered licenses in any other line of business.

We do not operate any businesses of the type being offered, however, as of December 31, 2011, our Parent operated 3,997 car renting and car sales businesses in the United States, and its affiliates or their licensees operated over 3,320 such businesses, or the businesses of renting, or renting and leasing, cars, trucks, or cars and trucks within and outside the United States. As of December 31, 2011, our Parent had approximately 2,655 staffed rental locations in the United States, of which approximately one-fifth were airport locations and four-fifths were off-airport locations. Our Parent regularly rents cars from approximately 1,335 other locations that are not staffed. Locations that are not staffed may be equipped with a “Hertz Courtesy Phone,” which enables customers to connect directly to the reservation system as well as potentially arrange for vehicle delivery to the non-staffed location. As of December 31, 2011, our Parent had approximately 1,130 staffed rental locations internationally (outside of the United States), of which approximately one-fifth were airport locations and four-fifths were off-airport locations. In addition, our Parent regularly rents cars from approximately 135 other locations that are not staffed.

Previously, we offered licenses for the businesses of renting, or renting and leasing, both cars and trucks. We also offered licenses for the businesses of renting, or renting and leasing, only trucks. As of December 31, 2011, we had 47 licenses issued and outstanding for the business of renting, or renting and leasing, cars and trucks and 106 licenses were issued and outstanding for renting, or renting and leasing, only cars.

On April 9, 2009, our affiliate, Simply Wheelz LLC (“**Simply Wheelz**”), purchased certain assets of Advantage Rent A Car (“**ARAC**”) after approval of the United States Bankruptcy Court for the District of Minnesota. Simply Wheelz also acquired certain leases, fixed assets, airport concession agreements and other agreements associated with locations where ARAC was operating. Simply Wheelz currently operates under the “Advantage” brand in approximately 40 cities in the United States. Simply Wheelz also currently operates under the “Advantage” brand at approximately 60 locations internationally. Simply Wheelz reserves the right to offer franchises under the “Advantage” brand name.

In late 2008, our Parent introduced a car-sharing service, which rents cars by the hour or by the day. This service is now known as “Hertz on Demand” and is currently available in

approximately 13 locations in the United States and at international locations in Canada, Germany, Spain, France, and the United Kingdom. "Hertz on Demand" is also available at 52 colleges and universities in the United States and Canada

Our Parent has operated the Hertz Car Sales Business for many years. Hertz Car Sales has corporate locations in California and Hawaii, and sells vehicles at a fixed price, and every car sold has a 12 month/12,000 mile Limited Powertrain Warranty. Extended Service Agreements are also available at an additional cost, and financing to qualified buyers is also offered. Our Parent reserves the right to offer licenses to operate Hertz Car Sales Businesses, and intends to do so in the future.

Our Parent also operates Hertz "Rent2Buy." "Hertz Rent2Buy" is a new way to buy a used rental car and is currently available in approximately 32 states in the United States. Our Parent plans to expand the program to other states. "Rent2Buy" customers have an opportunity for a three-day test rental of a vehicle in which they are interested. If the customer purchases the car, he or she is credited with up to three days of rental charges, and the purchase transaction is completed through the Internet and by mail (in those states where permitted). If the customer decides not to buy the car, the car is returned to the renting location and the transaction is treated like a standard rental. In some states, including California, "Rent2Buy" transactions are completed at Hertz licensed dealer locations.

From time-to-time our Parent may offer for sale the assets of certain company-owned car renting business locations in conjunction with a License Agreement for the operation of a Licensed Business at such locations. Prospective buyers of these locations must enter into a Confidentiality Agreement in order to receive information about the assets of the company-owned car renting business location being offered, a copy of which is attached to this disclosure document as **Exhibit B**. The sale of assets is subject to the execution of an Asset Purchase Agreement, a copy of which is attached to this disclosure document as **Exhibit C**.

Neither we, nor any affiliate, have offered licenses in businesses other than those involving vehicle or equipment renting, leasing, or sales.

The System

We have developed and currently operate a system for conducting the business of renting cars without drivers (the “**System**”) The distinguishing characteristics of the System include distinctive exterior and interior design, decor and furnishings, training and assistance, information, advice, and services relating, among other things, to methods of marketing, record keeping, reporting, advertising and sales promotion, uniform standards and specifications for equipment, a reservations service, the “Rent It Here-Leave It There” program permitting one-way rentals, the Hertz #1 Club and #1 Club Gold programs, and other programs and services, all of which may be changed, improved and further developed by us

The System is identified by certain trademarks, service marks, trade names, logos, emblems and other commercial symbols, including, but not limited to, the mark HERTZ, as are now designated for use with the System and may, in the future, be designated by us in Field Bulletins and our “Rent It Here-Leave It There” Manual (the “**Manuals**”) or otherwise in writing (the “**Proprietary Marks**”)

The License Offered

If approved by us, you will have the right to sign a License Agreement for the establishment and operation of a business that rents cars using the Proprietary Marks and System (the “**Licensed Business**”) within the area of responsibility designated in the License Agreement (the “**Area of Responsibility**”). Your Licensed Business will be located at a site, which may be at an airport or in a location near hotels, offices and highways, at a specified address (the “**Initial Licensed Premises**”) within your Area of Responsibility The License Agreement may also include a schedule describing additional Licensed Business locations that must be opened and in operation by specified dates (each of these additional location(s) and the Initial Licensed Premises will be referred to as a “**Licensed Premises**”) We also reserve the right to require you (by written notice) to open additional location(s) within your Area of Responsibility to serve customer or market demand

Our licensees must also participate in the Hertz Local Edition program (“**HLE Program**”), a program that was originally operated by our affiliate (Hertz Local Edition Corp), but is now operated directly by us Under this program, licensees will rent vehicles primarily for insurance and mechanical related vehicle replacement purposes, which are those rentals supplied to customers as a replacement vehicle when their personal vehicle is unavailable due to necessary repairs. If applicable, the licensee will bill the applicable insurance company, fleet company, or repair shop/dealership; alternatively, the customer may pay for the rental and submit the receipt for the rental to the insurance company for reimbursement

General Market Conditions and Competition

You can expect to compete with other businesses that rent, or rent and lease, cars. This may include large (sometimes national) corporations or licensees of such corporations, as well as independent local businesses, for example service stations and motor vehicle dealerships that

offer car renting and/or leasing services. If your business is located at an airport or other major transportation facility, you will have to compete at the same facility with businesses offering the same or similar services as you are offering.

- The markets in which you will operate will be highly competitive.
- Competition is primarily based on price, vehicle availability, service, reliability, distribution locations, and product innovation.
- In the United States, our principal car rental industry competitors are Avis Budget Group, Inc., which currently operates the Avis and Budget brands, Enterprise Holdings Inc., which operates the National Car Rental, Alamo and Enterprise Rent-A-Car brands, and Dollar Thrifty Automotive Group, Inc., which operates the Dollar and Thrifty brands.
- Our competitors, some of which may have access to substantial capital or which may benefit from lower operating costs, may seek to compete aggressively on the basis of pricing. To the extent that we match downward competitor pricing without reducing our operating costs, it could have an adverse impact on our results of operations. To the extent that we are not willing to match or remain within a reasonable competitive margin of our competitors' pricing, it could also have an adverse impact on our results of operations, as we may lose market share. As a result of the increased use of the Internet as a travel distribution channel, pricing transparency has increased.

Industry Specific Regulations

You must comply with all local, state and federal laws that apply to your car rental operations including, but not limited to, laws that regulate the offering of damage waivers or other optional services, pass-through or recovery of vehicle license and title fees and personal property taxes, vehicle damage repair practices, and advertising of car rental services.

In addition, the following laws apply to the car rental industry.

Federal

The Americans with Disabilities Act and federal regulations require that hand controls, and other accommodations, be made available for disabled customers.

The federal Department of Transportation/Federal Aviation Administration has certain regulations for Disadvantaged Business Enterprises ("DBE") at many airports.

The federal Environmental Protection Agency requires underground storage tanks to have a method of leak detection and to be upgraded to include corrosion protection and spill and overflow controls. Otherwise, these storage tanks are to be replaced or closed.

State

Many states have laws dealing with your financial responsibility as the owner of the vehicles to be rented and the types and proofs of financial responsibility which must be maintained for the benefit of third parties injured or damages caused by the use of your owned vehicles

Certain states have vicarious liability laws that subject owners of rental vehicles to liability for injuries or damages caused by the tortious acts of renters, even if the owner is not negligent and there is no defect in the car. In certain states, this liability is unlimited.

Many states regulate or prohibit the sale of collision or loss damage waiver ("CDW" or "LDW"). CDW and LDW are not insurance, but an optional waiver of the renter's responsibility to pay for damage to or loss of the rented vehicle, including loss of use and any related costs and expenses resulting from collision, theft or vandalism. Typical statutes require car rental companies to disclose the terms of the waiver on the front of the rental agreement form, and some statutes regulate the content and price of the waivers.

Many states have environmental protection laws and restrictions, including the regulation of the methods of disposal of used oil filters, used oil and other environmentally sensitive materials, as well as laws requiring underground storage tanks to have a method of leak detection and to be upgraded to include corrosion protection and spill and overflow controls.

The National Association of Attorneys General promulgated guidelines covering certain aspects of the car rental industry, such as price advertising, prohibiting profiting from repairs, disclosure of collision damage waiver and loss damage waiver provisions, and rate structures (with respect to which charges are includable in rates).

Certain states also have laws

- Requiring that vehicles only be rented to licensed drivers,
- Prohibiting age discrimination in car rental and discrimination in renting terms,
- Requiring availability of child seats,
- Providing for certain surcharges;
- Restricting certain rental requirements for cash customers,
- Requiring primary insurance liability for third party claims;
- Requiring limited licensing for the retail sale of insurance products,
- Permitting immobilization or seizure of vehicles for certain actions associated with felonies, drug dealing, soliciting prostitution or other criminal acts, and
- Requiring certain disclosures to be made on vehicle rental agreements and/or in connection with vehicle rental advertisements.

Local and Municipal

Certain local governmental and municipal authorities may have vehicle registration and tax laws applying to the car rental industry and may impose or require collection of surcharges. Certain local governmental and municipal authorities may have parking ticket laws and moving traffic violation laws holding the registered owner and not the renter or operator responsible for fines, penalties and interest.

ITEM 2
BUSINESS EXPERIENCE

Unless otherwise specified, the location of each employer is Park Ridge, New Jersey.

Mark P. Frissora

Director, Chairman of the Board, and President

Mr. Frissora has served as our director, Chairman of the Board and President since August 2006. Since July 2006, he has served as a Director and Chief Executive Officer of our Parent and since January 2007, Chairman of the Board of our Parent.

Scott P. Sider

Director and Vice President

Mr. Sider was elected Vice President and Director in December 2009. Since December 2009, Mr. Sider has served as Executive Vice President and President, Car Rental and Leasing The Americas, of our Parent. From July 2008 to November 2009 Mr. Sider held the position of Vice President and President, U.S. Off-Airport Operations and from January 1998 to June 2008 he served as Division Vice President, Western Region for our Parent in Los Angeles, California.

J. Jeffrey Zimmerman

Vice President and Secretary

Mr. Zimmerman has served as our Vice President and Secretary since December 2007. He was elected Senior Vice President, Secretary and General Counsel of our Parent in December 2007. From May 2003 to November 2007, Mr. Zimmerman was Vice President, Law and Corporate Secretary of Tenneco Automotive Inc. in Lake Forest, Illinois.

Elyse Douglas

Vice President

Ms. Douglas has served as a Director and our Vice President since September 2007. From August 2006 to August 2008, Ms. Douglas served as our Treasurer. In October 2007 she was elected Executive Vice President and Chief Financial Officer of our Parent. From September 2006 to August 2008 she served as Treasurer of our Parent.

Richard Agar

Vice President

Mr. Agar has served as our Vice President of Franchise Operations since November 2010. Previously, Mr. Agar served as Vice President Franchise Development with School of Rock in Teaneck, New Jersey from November 2009 to September 2010. From May 2007 to January

2009, Mr Agar served as Vice President Real Estate & Franchise Development for Party City Corporation in Rockaway, New Jersey and from September 2001 to April 2007 as its Vice President of Franchise Operations

Scott Massengill

Treasurer

Mr. Massengill has served as our Treasurer since September 2008. He was elected Treasurer of our Parent in August 2008. From November 2006 to June 2008, Mr Massengill was Chief Financial Officer of Trane Inc in Tyler, Texas. Previously and from April 2001 to November 2006, Mr Massengill served as Vice President and Treasurer of American Standard Companies Inc in Piscataway, New Jersey.

Jatinder Kapur

Controller

Mr. Kapur has served as our Controller since May 2008. He was elected Senior Vice President, Finance and Corporate Controller of our Parent in May 2008. Previously and since October 2006, Mr Kapur served as Staff Vice President, Business and Strategic Planning of our Parent. From October 1999 to September 2006 he served as Vice President and Chief Financial Officer of Hertz Europe Limited in London, England.

Ronald Chambers

Manager, Western Franchise Operations – North America

Mr Chambers has been our Manager, Western Franchise Operations since January 1984. Mr. Chambers is located in Mesa, Arizona.

Janet DiBerardine

Senior Franchise Operations Manager – North America

Ms DiBerardine has been our Senior Franchise Operations Manager since May 2012. From August 1996 to May 2012, Ms. DiBerardine was Manager, Eastern Franchise Operations. Ms DiBernadine is located in Philadelphia, Pennsylvania.

Michael J. Diederich

Manager, Central Franchise Operations

Mr Diederich has been our Manager, Central Franchise Operations since June 2011 in Des Plaines, Illinois. From May 2010 to June 2011 and November 2005 to May 2010, Mr Diederich was Senior Branch Manager and Branch Manager, respectively, with our Parent in Elmhurst, Illinois.

Lawrence Williams

National Franchise Sales Manager

Mr Williams has served as our National Franchise Sales Manager since February 2011 in Los Angeles, California. From November 2008 to January 2011, Mr. Williams held the position of Location Manager with our Parent in Los Angeles, California and San Diego, California. Previously, Mr. Williams served as President with Roadside Telematics Corporation in Newport Beach, California from January 2000 to October 2008.

ITEM 3 LITIGATION

Prior Actions

1 On July 21, 1988, Robert Abrams, et al., v The Hertz Corporation (Index No 44481/88) was filed in the Supreme Court of New York in and for the county of New York. The action was instituted by Attorneys General of New York, Iowa, Kansas, Massachusetts, Missouri, and Texas and alleged violations of the consumer protection statutes of their respective states with regard to the manner in which certain former Hertz employees formally documented claims asserted against customers and third parties for physical damages to rented Hertz vehicles. The Attorneys General sought an order (i) enjoining our Parent from asserting such claims against customers and third parties, (ii) directing our Parent to make restitution to persons from whom it recovered amounts for repair of physical damage to its vehicles in excess of the actual cost of repairs, in the amount of such excess, (iii) directing our Parent to refund certain administrative fees collected by our Parent, and (iv) directing our Parent to pay the six named Attorneys General \$15,000 each for their costs. On August 4, 1988, the court entered a Final Consent Judgment, based upon a stipulation and consent of the parties, under which our Parent entered into a related consent agreement with the six named Attorneys General, and Attorneys General from 35 other states and one territory that also approved the terms of the final consent agreement. Although under the Final Consent Judgment the court made no findings of fact or rulings of law that our Parent, or any of its officers, directors or employees, violated any law (and nor was there any admission of liability for violation of any law), our Parent nonetheless consented to a judgment under which our Parent (i) is prohibited from asserting or collecting any claim for physical damage to its vehicles for more than the estimated actual cost of repair including all anticipated discounts or price reductions; (ii) refunded to all persons any excess of the amount our Parent recovered from such persons for repair to its vehicles over the amount of its actual costs; (iii) refunded certain administrative fees collected; and (iv) paid the six named Attorneys General \$15,000 each for their costs. Our Parent also agreed to modify the manner in which Hertz documents and processes claims for physical damage to its vehicles.

Pending Actions

1. On October 13, 2006, Janet Sobel, Daniel Dugan, PhD. and Lydia Lee, individually and on behalf of all others similarly situated v The Hertz Corporation and Enterprise Rent-A-Car Company (3.06-cv-00545-LRH-RAM) was filed in the United States District Court for the District of Nevada. Sobel purported to be a nationwide class action on behalf of all persons who rented cars from Hertz or Enterprise at airports in Nevada and whom Hertz or Enterprise charged airport concession recovery fees. The complaint alleged that the airport concession recovery fees violated certain provisions of Nevada law, including Nevada's Deceptive Trade Practices Act. The plaintiffs sought an unspecified amount of compensatory damages, restitution of any charges found to be improper and an injunction prohibiting Hertz and Enterprise from quoting or charging any of the fees prohibited by Nevada law. The complaint also asked for attorneys' fees and costs. In November 2006, the plaintiffs and Enterprise stipulated and agreed that claims against Enterprise would be dismissed without prejudice. In January 2007, we filed a motion to dismiss. In September 2007, the court denied our motion to dismiss. We then filed a motion for certification seeking to have the interpretation of Nevada

Revised Statutes Section 482.31575 certified to the Nevada Supreme Court or, in the alternative, to the United States Court of Appeals for the Ninth Circuit. In October 2007, we answered the complaint. In February 2008, the United States Court of Appeals for the Ninth Circuit denied our motion for certification. Discovery commenced in Spring 2008. In January 2009, we filed a motion for summary judgment and the plaintiffs filed a motion for partial summary judgment and for entry of a final injunction. In March 2010, the court ruled on the cross motions for summary judgment holding that Hertz violated the since amended Nevada "bundled pricing" statute by separately disclosing and charging airport concession fee recoveries. However, the court also found that Hertz's full disclosure of the estimated total price of the airport rentals was not deceptive within the meaning of Nevada's Deceptive Trade Practices Act. Hertz and Enterprise then agreed to engage in mediation with the plaintiffs' attorneys and, in July 2010, the mediation resulted in a proposed settlement involving rental certificates being made available to class members and the payment of attorneys fees to the plaintiffs' attorneys. Various motions to implement the proposed settlement were then presented to the court for its approval and, on November 23, 2010, the court entered orders granting the plaintiffs' motions for (1) conditional certification of the settlement class and (2) preliminary approval of the settlement and approval of the form of notice. In February 2011, notification of the proposed settlement was sent to class members. On May 17, 2011, the court did not give final approval to the settlement that was tentatively approved in November 2010, indicating that it did not have sufficient evidence to make a determination that the proposed settlement was fair, adequate and reasonable. Subsequently, the plaintiff filed a motion for class certification, which we opposed. Discovery has recommenced.

2 On November 14, 2007, Michael Shames, Gary Gramkow, on behalf of themselves and on behalf of all persons similarly situated v. The Hertz Corporation, Dollar Thrifty Automotive Group, Inc., Avis Budget Group, Inc., Vanguard Car Rental USA, Inc., Enterprise Rent-A-Car Company, Fox Rent A Car, Inc., Coast Leasing Corp., The California Travel and Tourism Commission, and Caroline Beteta (3:07-cv-02174) was commenced in the United States District Court for the Southern District of California. Shames purports to be a class action brought on behalf of all individuals or entities that purchased rental car services from a defendant at a California airport after January 1, 2007. The amended complaint alleges that the defendants agreed to charge consumers a 2.5% California tourism assessment, and not to compete with respect to this assessment, while misrepresenting that this assessment is owed by consumers, rather than the rental car defendants, to the California Travel and Tourism Commission, or the "CTTC." The amended complaint also alleges that defendants agreed to pass through to consumers a fee known as the Airport Concession Fee, which fee had previously been required to be included in the rental car defendants' individual base rates, without reducing their base rates. Based on these allegations, the amended complaint asserts violations of 15 U.S.C. § 1 and California's Unfair Competition Law, False Advertising Law and Consumers Legal Remedies Act, and seeks treble damages, disgorgement, injunctive relief, interest, attorneys' fees, and costs. The amended complaint also asserts separately against the CTTC alleged violations of The California Bagley-Keene Open Meeting Act. In July 2008, the district court dismissed all claims against the CTTC and all claims, except for the federal antitrust claim, against the rental car defendants. In June 2010, the Ninth Circuit affirmed the dismissal of all claims against the CTTC. In November 2010, the Ninth Circuit withdrew its June opinion and substituted a superseding opinion reversing the district court's dismissal of the antitrust price-fixing and Bagley-Keene Act claims against the CTTC. The district court had dismissed the

antitrust price-fixing claim against the CTTC on the grounds of state action immunity. The rental car defendants' motion to dismiss on state action immunity grounds and the plaintiffs' motion for summary judgment on this defense as to the rental car defendants are pending before the district court. Proceedings in the case have been stayed since October 2011.

3. On October 16, 2009, Ryan King, et al v The Hertz Corporation (CV 09 705526) was commenced in the Court of Common Pleas, Cuyahoga County, Ohio. King purported to be bringing a class action on behalf of persons who were incorrectly charged a "Fuel and Service" fee upon return of a vehicle rented from our Parent with at least as much fuel in the vehicle as when the customer received it. The complaint alleged separate causes of action for unjust enrichment, breach of contract, and fraud. King seeks certification to proceed as a class, compensatory and punitive damages, reasonable costs and attorneys' fees. Our Parent removed the case to the United States District Court for the Northern District of Ohio (Eastern Division) as Ryan v The Hertz Corporation (1:09CV02674) on November 16, 2009, and on December 11, 2009, filed a motion to dismiss the case, and filed a motion to stay discovery until the motion to dismiss has been decided. In April 2011, the trial judge dismissed the causes of action for unjust enrichment and fraud, but did not dismiss the cause of action for breach of contract. On April 7, 2011, Plaintiff filed a motion for leave to file an amended complaint to reinstate his fraud claim. The Court has not decided that motion. However, on March 21, 2012 (while the April 7th motion was pending), Plaintiff withdrew that motion and filed a "second" motion for leave to file an amended complaint, which also sought to reinstate the fraud claim. Hertz has opposed the March 21st motion and the issue is now under the Court's consideration.

4. In December 2009, plaintiff Susan Doherty filed the putative class action Susan Doherty, on behalf of herself, and all others similarly situated v The Hertz Corporation, American Traffic Solutions, Inc and PlatePass, LLC (1:10-cv-00359-NLH-KMW) in the New Jersey Superior Court. Defendants removed the case to the United States District Court for the District of New Jersey. Plaintiff filed an amended complaint in March 2010. Through the Amended Complaint, plaintiff seeks to represent two classes: (1) "all persons who rented a vehicle from Hertz and were charged tolls or administrative fees by ATS and/or PlatePass from September 23, 2003 and the date judgment enters in this case"; and (2) "all persons who rented a Hertz vehicle in New Jersey and were charged tolls or administrative fees by ATS and/or PlatePass from September 23, 2003 and the date judgment enters in this case." The amended complaint alleges that defendants charged certain Hertz rental car customers administrative fees for the use of PlatePass, an electronic toll payment service, and toll charges greater than those charged to the rental vehicle, allegedly without adequately disclosing either. Based on these allegations, the amended complaint alleges claims for breach of contract, unjust enrichment and conversion on behalf of the putative national class, consumer fraud in violation of N.J.S.A. 56:8-1 *et seq.*, and civil conspiracy. The amended complaint seeks actual, consequential, punitive and treble damages, disgorgement, attorneys fees and costs, and injunctive relief. In November 2010, the district court denied defendants' motion to dismiss plaintiff's amended complaint. In March 2010, plaintiff Dwight Simonson filed the putative class action Dwight Simonson, individually and on behalf of all others similarly situated v. The Hertz Corporation, American Traffic Solutions, Inc and PlatePass LLC (1:10-cv-01585-NLH-KMW), in the United States District Court for the District of New Jersey. Through the complaint, plaintiff seeks to represent a class of "[a]ll natural persons and business entities who rented vehicles enabled with PlatePass from any rental store location owned or operated by Hertz or its licensees and who were charged

administrative fees in connection therewith ” The complaint alleges that defendants charged certain Hertz rental car customers administrative fees for the use of PlatePass, an electronic toll payment service, allegedly without adequately disclosing that such fees would be charged The complaint alleges claims for breach of contract, unjust enrichment and consumer fraud in violation of N.J.S.A. 56:8-1 *et seq.* The complaint seeks actual and treble damages, disgorgement, attorneys fees and costs, and injunctive relief Defendants’ motion to dismiss plaintiff’s complaint was denied in March, 2011

Subsequently, the court consolidated the Doherty and Simonson cases in Susan Doherty and Dwight Simonson, on behalf of themselves and all others similar situated v The Hertz Corporation, American Traffic Solutions, Inc., and PlatePass LLC (1:10-cv-00359-NLH-KMW). On July 27, 2011, the plaintiffs filed a consolidated complaint seeking to represent a nationwide class of “[a]ll natural persons and business entities who rented vehicles enabled with PlatePass from any rental store location owned or operated by Hertz or its licensees who were charged administrative fees in connection therewith ” The consolidated complaint alleges claims for breach of contract, consumer fraud in violation of N.J.S.A. 56:8-1 *et seq.*, unjust enrichment, conversion and civil conspiracy Plaintiffs seek injunctive relief; actual, consequential, punitive and treble damages, and their attorneys’ fees Discovery is proceeding in the consolidated case

6 Matthew Letang, et al v Hertz Canada Limited and The Hertz Corporation, [2010] Ontario Superior Court of Justice CV-10-412496. On October 18, 2010, Matthew Letang and his company, 2213922 Ontario Inc o/a Peninsula Rentals filed a civil claim against our affiliates Hertz Canada Limited and our Parent related to the termination of a preliminary agreement, a lease agreement, and an agency agreement among the plaintiffs, their affiliates, and the defendants Plaintiffs claim that the defendants breached their responsibilities under the preliminary agreement, lease agreement, and agency agreement by failing to enter into franchise agreements with Peninsula Rentals, failing to fulfill the lease terms, and to failing to provide the agreed-upon support to Peninsula Rentals in its role as agent Plaintiffs are seeking damages of approximately seven hundred thousand Canadian dollars* for breach of contract and unjust enrichment as a result of the expenses they incurred preparing for franchises that were not granted, damages to Letang’s reputation in the car rental business, termination expenses to end their prior lease, money owed to Peninsula Rentals, and lost profits Discovery is proceeding in the case

*As of April 23, 2012, the rate of exchange was CA \$1.00 to USD \$1.0053

7 On January 4, 2012, Lorinet Community Federal Credit Union v. Colette Jones and The Hertz Corporation, et al (12 CV 174780) was commenced in the Court of Common Pleas, Lorain County, Ohio. This matter arose out of a single rental transaction at an “off-airport” location in Ohio In connection with that rental, Hertz requested and received payment of \$4,486.64 through the debit card presented by the renter, which caused the subject account to be overdrawn This lawsuit was used to pay those charges The First Amended Complaint, filed by the credit union that issued the debit card, alleges that Hertz fraudulently processed the debit card charges in contravention and violation of its established policies and regular business practices, as well as the normal standards of the rental car industry as to these matters. Plaintiff has requested punitive damages of at least \$100,000 from Hertz and the renter. On March 16, 2012, Hertz filed its answer denying the plaintiff’s claims and demanding a jury trial

* * *

Several class action securities litigation claims related to Hertz Holdings' potential acquisition of Dollar Thrifty Automotive Group, Inc were filed in 2010 against Hertz Holdings and other parties. These cases have either been dismissed or have become dormant.

* * *

Except for the cases described above, no litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

On June 4, 2009, our National Franchise Sales Manager, Lawrence E. Williams, filed a Chapter 7 personal bankruptcy in the Bankruptcy Court of the Central District of California, Case No. 8 09-bk-15405-TA, as a result of family-related medical expenses. A discharge was granted on December 23, 2009, and the case was closed on January 7, 2010. Mr. Williams' current business address is Hertz System, Inc., 6151 West Century Boulevard, Los Angeles, California 90045.

Besides the matter listed above, no bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

You will be required to pay us an initial license fee which will vary as determined by us depending on a number of factors including the following: (1) potential car fleet size, (2) potential area population growth, (3) potential area economic growth; (4) existing and potential for future growth of hotel accommodations, (5) existing Hertz national account customers located in the area, (6) existing and potential for future growth of local airport passenger traffic, and (7) extent of the recreational or regional markets. The range of the initial license fees will vary extensively.

The minimum initial license fee that will be required for a new licensee (a licensee who does not hold an existing Hertz System, Inc. license) is \$25,000. We estimate the initial license fee will range from \$25,000 (except in certain circumstances – see Item 7) to \$55,000 based on a starting fleet of 20 to 100 rental cars. For existing licensees, we estimate that the initial license fee may be as low as \$1,000. For new and existing licensees who are purchasing from our Parent the assets of certain car renting business locations, the initial license fee may be, instead of the amounts listed above, several hundred thousand dollars.

The only fee paid in the most recent fiscal year was \$15,000. If you are a transferee of an existing Licensed Business, the initial fee, where permitted by our agreement with the existing

licensee, currently is an amount which is 5% of the average annual gross revenue derived in the Licensed Business for the 3 years immediately preceding the transfer

The initial license fee is payable in a lump sum, or in our discretion, we may allow a portion of the fee to be paid in installments over a period not to exceed three years. Interest will not be charged on the deferred portion of the fee. The initial license fee is not refundable under any circumstances. If we finance the initial license fee, you will be required to execute a Promissory Note, the form of which is attached to this Disclosure Document as **Exhibit D**

From time-to-time our Parent may offer for sale the assets of certain company-owned car renting business locations in conjunction with a License Agreement for the operation of a Licensed Business at such locations. If you purchase one of our Parent's existing businesses, your initial license fee may be substantially higher than the initial license fee described above. There is a broad range of initial license fees for these locations, based upon the factors described above, the revenue generated from the location, the fleet size, the value of the assets, and other factors, all of which will depend upon the particular facts and circumstances related to the location and transaction.

Except as otherwise described above, all fees are payable in a lump sum

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ITEM 6
OTHER FEES

Type of Fee ¹	Amount	Due Date	Remarks
License Fee ²	9% of Gross Revenue derived from the Licensed Business, subject to a minimum annual amount	Payable within 10 days after receipt of the statement of payment obligations (“ Statement ”) which is typically received on the 5th business day of each month for the preceding month	“ Gross Revenue ” includes the gross amount of all sums, whether such sums are cash or credit, billed or charged by licensee (whether or not paid or collected) as time, mileage or use charges, Rent It Here-Leave It There charges, collision damage waiver charges, personal accident or other insurance charges (net of the portion of such charges which is payable by licensee to the insurance carrier issuing the applicable policy), and all other charges and all other income of every kind and nature derived from the Licensed Business, but does not include the amount of any federal, state or municipal sales or other similar taxes separately stated and collected from customers, any refueling service charges separately stated, nor any sums received as insurance or otherwise to reimburse licensee for damage to the cars of licensee or to reimburse licensee for the loss, conversion or abandonment of such cars (but inclusive of proceeds of any business interruption insurance policies maintained by licensee)
Monthly Marketing Fee	2% of Gross Revenue derived from the Licensed Business	Payable on the 10th day after receipt of the monthly statement for the preceding month	

Type of Fee ¹	Amount	Due Date	Remarks
Advertising and Sales Promotion Assessments	We reserve the right to require that you pay advertising and sales promotion related assessments on the same pro rata basis as other System licensees. The assessment amount is determined periodically at the same rate for both existing licensees and company-owned units, and is charged to each licensee on a pro rata per-car basis. Currently, no advertising or sales promotion related assessments are being charged to new licensees, although we reserve the right to allocate a portion of the license fees to advertising and sales promotion related assessments.	If applicable, payable on the 10th day after receipt of the monthly statement for the preceding month.	Amount will vary based on an advertising budget.
Insurance	Cost of procuring insurance for you.	As billed.	
Reservation Charges ³	Fee is assessed for each reservation made through our Parent's Centralized Reservation System. The estimated range is \$3 to \$6 per passenger car reservation.	Payable on the 10th day after receipt of the statement for the preceding month.	Charge will vary based on aggregate estimated costs incurred in operating reservations facilities divided by estimated number of reservations to be made.
Travel Industry Commissions	Varies based on our negotiations with travel agents, airlines and other travel industry members.	Payable on the 10th day after receipt of the statement for the preceding month.	Commissions are calculated in various methods as negotiated. They presently include (1) percentage of time and/or mileage charges (generally between 0% and 15%), less any discount, excluding collision damage waiver, other optional or service charges and sales taxes, and (2) specific dollar charges per reservation, presently \$1 to \$9 per reservation ⁴ .
Travel Vouchers	Service fee presently equal to 5% of Net Proceeds of the voucher.	Automatically deducted from payment to you by us for vouchers accepted as payment from customers.	See Footnote 5.

Type of Fee ¹	Amount	Due Date	Remarks
Guaranteed Charge Cards - Service Fees	Currently between 1% and 5% of gross rental charges	Automatically deducted from payment to you for gross rental charges less fees deducted by card issuer	Service fees for processing and collecting for car rentals charged on required charge cards ⁶
Charge Cards Guaranteed by Parent - Service Fees ⁷ a) Central Bill Charge Card Service Fees b) Direct Bill Charge Card Service Fees	See sub-categories below May range from 2.5% to 6% of gross rental charges May range from 3% to 6% of gross rental charges	May be a periodic monthly invoice or on a per transaction basis Automatically deducted from payment to you with payments by centrally billed charge cards Automatically deducted from payment for rentals charged on direct billed charge cards	Our Parent issues a charge card which licensee must honor. Our Parent currently bills these cards to the holder of the cards or to the employer of the holder either on a monthly basis or on a rental transaction basis. The service fee will vary based on our Parent's costs of administering the central billing operations ⁷ The service fee will vary based on our Parent's cost of administering the direct billing operations ⁷

Type of Fee ¹	Amount	Due Date	Remarks
Other Assessments ⁸	Varies (See Item 11, "Advertising")	As required by us	Assessments will be imposed on a pro rata basis with other System licensees for participation in all operating programs, customer satisfaction programs, account programs, coupon programs, experimental or test programs, and such other programs that we may from time to time prescribe in the Manuals or otherwise in writing, including our (i) Rent It Here-Leave It There program, (ii) Hertz Local Edition program, (iii) Hertz #1 Club program, (iv) Hertz #1 Club Gold program, (v) frequent renter or loyalty programs, and (vi) Corporate Rate Programs
Inspection Fee	Cost of Inspection	As incurred	If licensee wishes to purchase or lease from an unapproved supplier, we may inspect the suppliers facilities and take samples for testing We may assess a reasonable charge for the inspection and for the actual cost of testing
Monthly Software License Fees	KARZ - \$5 per car per month, CAPTURE -\$0.25 - \$0.75 per transaction or \$275 minimum per month, whichever is greater	Monthly	The actual costs of monthly software license fees will be dependent upon individual licensee usage See Item 11 for details
Reservation Assignment Fee	\$4-\$6 per reservation made through Reservation Assignment System	As incurred	
Net Promoter Score Fee	Currently \$30 per month per location	Monthly	This is a program provided by Mindshare, which provides a measurement of customer satisfaction
Interest and Late Fees ⁹	Interest at the lesser of the rate we prescribe, or the maximum rate allowed by law, plus a late fee of not less than 5% of the total amount overdue	Upon demand	Payable on all overdue amounts

Type of Fee ¹	Amount	Due Date	Remarks
Supplier Testing ¹⁰	Will vary under circumstances	As incurred	You or the supplier must pay a charge not to exceed the reasonable cost of any inspection conducted and the actual cost of any testing undertaken

Notes

1 Except as described in footnote 2, all fees are uniformly imposed by us. All fees are payable to us, and are non-refundable, except that the Travel Industry Commissions may be collected by us or an affiliate on behalf of a third party.

2 From time-to-time our Parent may offer for sale the assets of certain company-owned car renting business locations in conjunction with a License Agreement for the operation of a Licensed Business at such locations. If you purchase one of our Parent's existing businesses, your monthly license fee may be higher (or lower) than the monthly license fee described above, and the amount of the monthly license fee will vary depending upon a variety of factors, including the following: (1) potential car fleet size, (2) potential area population growth, (3) potential area economic growth, (4) existing and potential for future growth of hotel accommodations, (5) existing Hertz national account customers located in the area, (6) existing and potential for future growth of local airport passenger traffic, (7) extent of the recreational or regional markets, and (8) the revenue generated from the location. Some of these factors may also affect the amount of the minimum license fee that must be paid to us annually, which may vary (whether or not you purchase one of our Parent's existing businesses).

If you are a transferee of an existing Licensed Business, your monthly license fee may be different than the fee described above, and other fees, such as advertising and sales promotion assessments (as well as other terms and conditions of your License Agreement, such as its duration) may also be different.

3 If a reservation is canceled by a prospective customer, the reservation charge is not made. If the prospective customer does not rent the car, and does not cancel the reservation (*i.e.*, is a "no show"), the reservation charge will still be made.

4 We may implement programs for set periods of time which may include a bonus to a travel industry member who attains a set level of cumulative regular commissions (including commissions paid on travel vouchers issued by us). Commissions may also be payable to two different travel industry members on the same transaction, *e.g.*, if a travel agent were to place a reservation for an airline ticket and a rental car with an airline and then the airline were to place the car reservation with our Parent's Centralized Reservation System, both the airline and travel agent would receive a commission.

5 Our Parent issues travel vouchers for use by customers for payment of car rental charges. Vouchers are typically issued by travel agents or other travel industry members who collect the face amount of the voucher from the customer and send the proceeds to our Parent, less their applicable travel agent or other commission (the "Net Proceeds"). The vouchers are issued for rentals from a licensee or from our Parent and the Net Proceeds for all vouchers are remitted to

our Parent. When a customer presents a voucher to a licensee as payment for a rental at licensee's location, the voucher will be processed by us. We will send payment to the licensee for the Net Proceeds less a 5% service fee.

6. Certain issuers of required charge cards will not deal directly with licensees. We will process and collect these charge rentals and send payment to you for the charges less our service fee and less the fee deducted by the charge card issuer. In some cases, licensees may request that we handle the processing and collection of rentals charged on other required charges. In this case, we will charge a service fee in addition to the fee imposed by the card issuer.
7. Payment of all rentals charged on centrally billed or direct billed charge cards are guaranteed by our Parent. Our Parent's agreement to pay is subject to certain restrictions which you will be made aware of through updates to our Manuals. If you fail to comply with restrictions in effect, you will be responsible for collection of the entire amount charged without our guarantee.
8. See footnote 2
9. You must pay us interest on any unpaid obligations. All unpaid obligations will bear interest from the date due until paid at the lesser of the interest rate prescribed by us in writing from time to time, in our sole discretion, or the maximum rate allowed by applicable law. You must also pay us a late fee of not less than 5% of the total amount overdue. If we incur costs and expenses due to your failure to pay amounts when due or to submit any reports, information, or supporting records, you must reimburse us for all of the costs and expenses that we incur, including reasonable accounting, attorneys', arbitrators' and related fees.
10. If you desire to purchase or lease from an unapproved supplier, you may submit a written request for approval to us, or request the supplier itself do so. We may require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered for testing, at our option, either to us or to an independent certified laboratory we designate. You or the supplier must pay a charge not to exceed the reasonable cost of any inspection conducted and the actual cost of any testing undertaken. We reserve the right, at our option, to reinspect the facilities and products of any such approved supplier and to revoke our approval upon the supplier's failure to continue to meet any of our criteria for approval. We reserve the right to designate a single supplier for any required purchase.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial License Fee ¹	\$25,000 to \$55,000	Lump Sum or Installments	Execution of License Agreement or if installments, within three years	Us
Training Expenses ²	\$3,000	As Arranged	As Arranged	Suppliers
Passenger Cars ³	\$220,000 to \$3,500,000	As Arranged	As Arranged	Automobile Dealers
Equipment and Supplies ⁴	\$5,000 to \$20,000	Lump Sum	Prior to Opening	Suppliers or Us
Insurance ⁵	\$40,000 to \$400,000	As Required	As Required	Insurance Company
Real Estate & Improvements ⁶	(see footnote)	As Required	As Required	Seller or Landlord
Professional Fees ⁷	\$3,000 to \$10,000	As Required	As Required	Professionals
Computer Systems, Hardware and Software ⁸	\$1,995 to \$20,000	As Required	As Required	Vendors
Business License ⁹	\$100 to \$500	Lump Sum	Before Commencing Business	Governmental Authorities
Miscellaneous Installation Fees ¹⁰	\$200 to \$500	As Arranged	As Needed	Utility Companies
Additional Funds – 3 months ¹¹	\$20,000 to \$50,000	As Incurred	As Incurred	Employees, Suppliers
Total (excluding Real Estate & Improvements) ¹²	\$318,295 to \$4,059,000			

Notes

- 1 The initial license fee is payable in a lump sum or, in our discretion, we may allow a portion of the fee to be paid in installments over a period not to exceed three years. Interest will not be charged on the deferred portion of the fee. The initial license fee is not refundable under any

circumstances. If we finance the initial license fee, you will be required to execute a Promissory Note, the form of which is attached to this Disclosure Document as **Exhibit D**

Existing licensees who either purchase a new license, or purchase an existing company-owned location from our Parent may have initial investments that vary from this chart for new licensees. For an existing licensee, we estimate that the initial license fee will range from as low as \$1,000 to, for any licensee (new or existing) that is purchasing assets owned by the Parent that constitute an existing car renting business, several hundred thousand dollars.

2. Prior to opening the Licensed Business, you, your manager and key employees must, at your sole expense (including all travel and living expenses), attend and complete such initial training programs and courses that we require.
3. You must have current model cars to operate the Licensed Business. The present cost of current model cars ranges from \$11,000 to \$35,000 per car. The range in the table is based on a starting fleet of 20 to 100 cars. Five is the minimum number of cars required to begin operation of the business and you should adjust these figures to reflect additional cars which you expect to maintain in your fleet. You may purchase cars with financing provided by banks or finance companies and the terms and amount of financing will vary depending on credit conditions and your financial position. You will make all arrangements for the purchase of the cars.
4. You will need certain equipment and supplies, including uniforms, office equipment, a telephone system, desks, files, car rental agreements, accounting forms, and similar items. Some of these items such as rental agreements, uniforms, accounting forms, and signage may be purchased from us for non-refundable prices or, in some cases, you may purchase them from any capable source in accordance with our specifications.
5. You will be required to pay the cost of obtaining and maintaining certain specified insurance for the Licensed Business. The range stated in the table is for the first year of operation and assumes a starting fleet of 20 to 100 rental cars. The insurance premiums will vary from location to location and will depend on factors including your insurance and accident histories, your volume of business, the amount of mileage on your vehicles, and the accident data for the geographical area in which your Licensed Business is located. Recently, annual minimum insurance premiums have ranged from \$2,000 to \$4,000 per car, however, insurance premiums are changing rapidly and we cannot predict them with any certainty. The payments will be non-refundable except to the extent that your policy permits partial refunds in the event of early cancellation.
6. The cost of facilities required to operate the Licensed Business is subject to numerous variables, including factors such as the particular locality, local labor rates, and location of property (*i.e.*, an airport, highway, downtown, or remote facility). Accordingly, it is hazardous to attempt to estimate the initial investment required for real estate and related facilities. Information on key facilities considerations is included below.
 - (a) Parking area of approximately 175 square feet per car you expect to be idle on average at a given time. Overflow parking may be needed during certain periods for peak demand, returns, and/or idle vehicles.
 - (b) A car wash bay of approximately 512 square feet (*i.e.*, 16' x 32' in dimensions). Required infra-structure for a car wash bay will vary depending upon the sophistication of car wash equipment which may be used by you. Automatic car washing equipment is presently estimated to cost approximately \$20,000 to \$25,000. In a small operation, manual car washing

can be performed, or use of a local car wash can greatly reduce costs. A storage area of approximately 50 square feet is also required to keep drums, containers, soap, and other items associated with the washing of cars.

(c) You might consider a service bay for maintenance of cars. This requires approximately 550 square feet. Related infra-structure includes a lift and lubrication drums. More sophisticated equipment at greater cost would include automatic lifts and overhead reels. Alternatively, maintenance work can be vended to local dealerships/service providers.

(d) Two toilet facilities (approximately 40 square feet each), one for employees and one for customers.

(e) A parts area of approximately 150 square feet (if maintenance is to be performed onsite).

(f) A general office area of approximately 150 square feet for a manager. If you need additional managerial personnel, you should have approximately 100 square feet for each additional manager, 25 square feet for a secretarial area, and 50 square feet for a file area.

(g) With respect to public areas, you will need a minimum area of 75 to 100 square feet to accommodate at least one rental representative, a counter, and space for the public.

(h) Facility requirements may also include fueling areas, including a fuel island and underground storage tanks. The fuel island should accommodate two cars at a time and the underground storage tank should accommodate a minimum of 3,000 gallons of storage. Depending upon weather factors, you may want to consider a canopy to cover parking areas. Alternatively, you may use a local gas station.

In analyzing your needs, you will need to consider the projected scope of your operations. The above square footage recommendations pertain to a planned forty (40) car operation. You may dispense with the car washing, maintenance, and fueling facilities if you are prepared to have these services performed by third parties. With any reasonably sized operation, use of third parties, unless geographically very close, is likely to be inconvenient and create operating problems. Nevertheless, if you dispense with them, you will deal with independent firms who wash cars and maintain cars, as well as fuel cars.

You must use Hertz signage at facilities and we estimate that these signs will cost approximately \$3,500 if the signs are purchased through our Parent. Due to variations in local conditions, it is not possible to estimate the cost when obtained through other vendors.

It should be noted that many car rental facilities are located at or adjacent to airport locations. In the event that your facility is at an airport, you would be subject to various requirements that the airport may impose concerning the design of facilities and placement of facilities. For example, at large airports, parking areas may be located at a distance from the customer counter, in which event shuttle buses or other means of transportation will be necessary in order to transport customers from the counter to their rented cars. Usually, airports charge a concession fee of at least 10% (and sometimes higher) but with a minimum guaranteed fee of a fixed number of dollars and which may contain built-in escalation factors on a periodic basis. For downtown locations, you should consider that zoning regulations may be a factor and you should ascertain zoning requirements prior to purchasing, constructing, or leasing any facility.

- 7 You may wish to employ an attorney, accountant or other consultant in connection with the Licensed Business. These fees may vary, depending on the locality, the extent of the review required and the local circumstances (e.g., whether an application for rezoning is necessary).
- 8 This estimated cost of computer hardware and software necessary to operate the Licensed Business is based on two computer workstations, including all required hardware and software. Actual costs may vary depending on the number of workstations and the vendor(s) from which you choose to purchase your computer hardware and software.
- 9 Local, municipal, county and state regulations vary on what licenses and permits you must have to operate a Licensed Business. Such fees are paid to governmental authorities when incurred before commencing business.
- 10 Utility installation fees may be for gas, electric, water, sewer and telephone service.
- 11 You will need additional funds (working capital) to support ongoing expenses if they are not covered by the cash flow of the business. The range in the table assumes a 20 to 100 car location and is designed to cover the possible costs and expenses for staffing, the first month's facility rental, a possible deposit required on facilities, operating supplies, license fees and assessments, and fuel. The ongoing expenses also include the fees imposed by the required charge cards issuers which currently range between 1% and 10%. We estimate that the amount stated will be sufficient to cover ongoing expenses for the initial phase of business which we calculate to be 3 months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after. We relied on our past experience with licensees and our Parent's company-owned businesses when preparing this figure.
- 12 The initial investment estimates described above, including the type and estimated amounts of expenditures, and the related footnotes pertain to the establishment of a new Licensed Business. From time-to-time our Parent may offer for sale the assets of certain existing company-owned car renting business locations in conjunction with a License Agreement for the operation of a Licensed Business at such locations. If you purchase one of our Parent's existing businesses, your estimated initial investment may be substantially higher than the estimated initial investment described above. The estimated initial investment will vary depending upon a variety of factors, including purchase price for the assets, fleet size, and other factors, all of which will depend upon the particular facts and circumstances related to the location and transaction.
- 13 The following fees are non-refundable: Initial Franchise Fee, Professional Fees, Computer System, Hardware and Software Fees, and Additional Funds. The following fees are refundable: Utility Deposits. The remainder of the fees may be refundable, depending on your negotiations with the supplier of these items.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

As described below, our Parent derives revenue from the sale of items and/or providing services to our licensees. During the fiscal year ended December 31, 2011, our Parent derived approximately \$128,293 from the sale of items to licensees and \$513,292 from providing services to licensees. Collectively, these amounts are an insignificant fraction of 1% of the revenue of \$8,298,380,000 of our Parent, according to their 2011 audited financial statements.

Standards and Specifications

You must accept the credit card services of certain designated credit card issuers. The guaranteed charge cards that you must accept will be listed in our Manuals. These services need not be purchased from us or our affiliate, except to the extent that certain credit card issuers presently will not deal directly with our licensees, and therefore, we must process the charge receipts for you. In this case, we will derive income from the processing and handling of the charges for rentals. These service fees will range from 1% to 5% of gross rental charges. We presently estimate that approximately 2% to 5% of your cost of doing business (including all expenses except taxes) will result from the use of third party credit card services. The exact amount will vary depending on factors such as the number of rentals and the extent to which various credit cards are used. These costs do not occur prior to the establishment and commencement of the operation of the Licensed Business. During the last fiscal year, we or our Parent derived approximately \$1,194 from these credit card services, which is included in the amount noted above.

You must accept the processing and central billing services of our Parent for rentals charged on the centrally-billed charge card issued by our Parent. Our Parent derives revenue from rentals which it processes and bills, and may also derive revenue from rentals charged on direct bill charge cards which it processes and bills at your election. During the last fiscal year, we or our Parent derived approximately \$512,098 from these services rendered to licensees and is included in the amount noted above. We estimate that approximately 3% to 6% of your cost of doing business (including all expenses except taxes) will result from the acceptance of our Parent's charge card services. The exact amount will depend on the extent to which our Parent's charge cards are used and the amount of the purchases. The required acceptance of the processing and billing services does not occur before the establishment and commencement of operation of the Licensed Business.

To ensure that the highest degree of uniformity and quality is maintained throughout the System, as well as in our Parent's company-owned operations, and for audit purposes, we may require you to purchase or lease all cars, equipment, signs, uniforms, rental agreements, furnishings, accessories, supplies, and other products and materials used in the operation of the Licensed Business according to standards and specifications that we may specify from time to time. These standards and specifications may include minimum standards for modernness, quality, performance, warranties, designs, appearance, and other factors. Standards and specifications are contained in the License Agreement and the Manuals (which you will receive at the time of or shortly after the signing of the License Agreement). You must also meet the key performance indicators (KPIs) included in your License Agreement.

Required Purchases

We may specify some items that must be purchased or leased from approved suppliers that meet our standards and specifications. For example, you must purchase from our approved suppliers the Hertz System Standard Rental Agreement forms that meet our then-current specifications, and you must acquire software for your computer system from an approved supplier as we may from time to time prescribe in the Manuals or otherwise in writing. To

obtain approval as a supplier of particular items, the supplier must demonstrate to our reasonable satisfaction that it has the ability to meet our current reasonable standards and specifications for such items, possesses adequate quality controls, and has the capacity to supply your needs promptly, economically, and reliably. We will designate approved suppliers for particular items through updates to the Manuals. We reserve the right to designate a single supplier (which may be us or our affiliates) for any required purchases.

If you desire to purchase or lease from an unapproved supplier, you may submit a written request for approval to us, or request the supplier itself do so. We may require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered for testing, at our option, either to us or to an independent certified laboratory we designate. You or the supplier must pay a charge not to exceed the reasonable cost of any inspection conducted and the actual cost of any testing undertaken. We reserve the right, at our option, to reinspect the facilities and products of any such approved supplier and to revoke our approval upon the supplier's failure to continue to meet any of our criteria for approval.

We will advise you in writing of the approval or disapproval of a proposed supplier within a reasonable time of a request for approval. We estimate that it will take approximately 15 days to receive approval. Likewise, if an inspection of the facilities or products of any previously approved supplier results in its disapproval, we will give you written notice within a reasonable time of the inspection, and we will give you a reasonable time to obtain an alternate supplier, if necessary.

Neither we nor our Parent is currently the sole approved supplier for any item.

Except as indicated, neither we nor any person affiliated with us will or may derive revenue as a result of any required purchase or lease by you in accordance with the standards or specifications prescribed by us, or from suppliers approved by us. None of our officers own a material interest in any of the approved suppliers.

We have negotiated purchase arrangements with suppliers, including price terms, for the benefit of our licensees. We do not have purchasing or distribution cooperatives. We have no policy concerning receipt of volume rebates, commissions, payments, or other benefits as a result of purchases of goods and services by Licensees ("**Allowances**") As a result, there is no restriction on our right to receive Allowances.

We do not consider your purchases from us, our Parent or other approved suppliers when determining whether to extend or grant additional licenses.

Advertising and Promotion

Advertising Standards. All advertising and promotion you use must be in the media and of the type and format that we approve. You must conduct the activities in a dignified manner, and they must conform to our standards. You must not use any advertising or promotional materials until you receive our written approval. You must submit samples of all advertising and promotional plans and materials to us (through the mail, return receipt requested), for our prior

approval (except as to prices you charge, to the extent allowed by applicable law), if we have not prepared or previously approved the materials. If you do not receive written notice of disapproval within 15 days of mailing the materials, you may assume that we have approved them. You may not advertise the Licensed Business outside your Area of Responsibility without our prior written consent.

Online Advertising. Our Website (defined below) is the only Website authorized for advertising the Licensed Business. You may not, without our prior written approval, advertise the Licensed Business on any website other than our designated Website. "Website" means any interactive electronic document, contained in a network of electronic devices linked by communications software, that we operate or authorize others to operate and that refers to the Licensed Business, the Proprietary Marks, or the System.

Advertising and Sales Promotion Assessments. If we require, you must pay any assessments related to our advertising and sales promotion programs on the same pro rata basis as other system licensees. These assessments may, for example, be used by us to defray our operating expenses and overhead reasonably related to the administration, direction or operation of such programs. We will from time to time determine and inform you of the amount of such assessments, and the time and manner of payment. We have the right to allocate all or a portion of the license fees you pay to us to any assessments you otherwise are required to pay to us (e.g., for advertising and sales promotion programs) in such amounts, for such purposes (e.g., pro rata basis determinations), and for such periods as we determine. In addition, third parties contribute to the advertising budget as a result of agreements entered into between us and third parties whereby the products or services of the third parties are featured in our advertising. Advertising and sales promotion assessments are not imposed or collected for any third party except for those payments made to parties who have provided administrative, and advertising services (e.g., advertising agencies). Advertising and sales promotion assessments are not refundable.

Insurance

You must obtain, before beginning any operations under the License Agreement, and must maintain in full force and effect at all times during the term of the License Agreement, at your own expense, an insurance policy or policies protecting you, us, and our shareholders, affiliates, officers, directors, partners, and employees against any demand or claim involving personal and bodily injury, death, or property damage, loss of business income, or any liability arising from your operation of the Licensed Business. The insurance must contain a waiver of subrogation by you and your insurance carrier against us and must include, at a minimum, the following.

1 Commercial general liability insurance (occurrence type, which must include business interruption and advertising liability insurance) with limits of not less than \$1,000,000 combined single limit per occurrence, and automobile and truck liability coverage for all owned, non-owned, and hired vehicles, covering bodily injury, including death, and property damage with limits of not less than \$1,000,000 combined single limit per occurrence. All insurance must be primary.

2 Workers' compensation and employer's liability insurance, as well as other insurance as may be required by statute or rule of the state in which the Licensed Business is located or operated, with employer's liability insurance having limits of not less than \$500,000.

3 Excess liability insurance with a combined single limit of not less than \$4,000,000 per occurrence in excess of the underlying liability insurance requirements outlined in paragraphs 1 and 2 above

For our protection and yours, we reserve the right, upon written notice to you, to require you to increase reasonably the policy limits of the required insurance and obtain coverages protecting against reasonable additional risks

You must furnish us with evidence that you have obtained the required insurance before commencement of the Licensed Business We must also receive a statement by the insurer that the policy or policies will not be canceled or materially altered without at least 30 days prior written notice to us

Insurance premiums will vary from location to location and depend upon factors such as your insurance and accident histories, your volume of business, the amount of mileage driven on your vehicles, and the accident data for the geographical area in which your Licensed Business is located. Recently, the premiums for the minimum insurance described have ranged from \$2,000 to \$4,000 per year per car (See **Item 7**, Footnote 5). However, as insurance premiums are changing rapidly and cannot be predicted with any certainty, premiums for the minimum insurance described may be even higher Premium payments ordinarily are made periodically (*i e*, annually, biannually, quarterly, or monthly) depending on the arrangement between you and the insurer and will be non-refundable, except to the extent that the insurance policies permit partial refunds for early cancellation

All policies must be written by a responsible carrier or carriers which we determine to be acceptable, must name us as an additional insured, and must provide at least the types and minimum amounts of coverage specified in the Manuals

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the license 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	¶ I of License Agreement	Items 8 and 11
b Pre-opening purchases/leases	¶¶ I and V of License Agreement	Items 5, 7 and 8

Obligation	Section in agreement	Disclosure Document item
c Site development and other pre-opening requirements	¶¶ I and V of License Agreement	Items 8 and 11
d Initial and ongoing training	¶ V of License Agreement	Item 11
e. Opening	¶ I of License Agreement	Item 11
f Fees	¶ IV of License Agreement	Items 5 and 6
g Compliance with standards and policies/Operating Manual	¶¶ V and VII of License Agreement	Items 11 and 14
h Trademarks and proprietary information	¶ VI of License Agreement	Items 13 and 14
i Restrictions on products/services offered	¶ V of License Agreement	Items 5, 8 and 16
j Warranty and customer service requirements	¶ V of License Agreement	Item 16
k. Territorial development and sales quotas	¶ I of License Agreement	Item 1
l. Ongoing product/service purchases	Not Applicable	Not Applicable
m Maintenance, appearance and remodeling requirements	¶ V of License Agreement	Item 8
n Insurance	¶ XI of License Agreement	Items 7 and 8
o Advertising	¶ X of License Agreement	Items 6, 8 and 11
p. Indemnification	¶ XVII of License Agreement	None
q Owner's participation/management/staffing	¶ V of License Agreement	Item 15
r Records and reports	¶¶ V and IX of License Agreement	Item 6
s Inspections and audits	¶ IX of License Agreement	Items 6 and 11
t. Transfer	¶ XII of License Agreement	Item 17

Obligation	Section in agreement	Disclosure Document item
u. Renewal	¶ II of License Agreement	Items 1 and 17
v. Post-termination obligations	¶ XIV of License Agreement	Item 17
w Non-competition covenants	¶ XV of License Agreement	Item 17
x Dispute resolution	¶ XXII of License Agreement	Item 17
y Other	Not Applicable	Not Applicable

ITEM 10
FINANCING

We may offer financing to you to assist with the establishment of the Licensed Business by permitting you to pay, in whole or in part, the initial fee in installments. The terms of this financing will be contained in a separate promissory note which identifies us as the lender. The term of financing will not be greater than three years. (A copy of our Promissory Note appears in this Disclosure Document as **Exhibit D.**)

If we finance the initial fee, we will not require any security interest and because the License Agreement requires you to be an individual, no shareholder or partner guarantee will be required. Prepayment of the note without penalty is permitted and acceleration of unpaid installments will occur if you default. If a default occurs, the note will bear interest at the prime rate, plus 5% per annum (with the prime rate being the rate publicly announced by JPMorgan Chase Bank, New York, New York as its prime rate). If this rate exceeds the highest rate permitted by law in the jurisdiction in which we operate, interest will be at the highest permissible rate. You must pay the cost of collection, including reasonable attorneys' fees. Default will constitute cause for termination of the License Agreement. The note contains no waiver of defenses or similar provisions. Neither we, nor our Parent, has any past or present practice or intent to sell, assign, or discount to a third party, in whole or in part, any note, contract, or other instrument you execute, but we reserve the right to do so in the future.

We do not receive any payment for the placement of financing for you. In addition, except for the initial fee which we may finance, we are unable to estimate whether you will be able to obtain financing for all or any part of your investment, and, if so, the terms of any such financing.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND
TRAINING

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

Pre-Opening Obligations

1 We will lend you one copy of the Manuals as described in this Item (License Agreement, Paragraph III C) From time to time, amendments or supplements to the Manuals may be sent to you

2 As described below, we provide site selection assistance

Continuing Obligations

1 We will, upon your request, consult with you concerning advertising, sales and publicity, and promotion of the Licensed Business (License Agreement, Paragraph III A)

2 We may, at our option, and on terms that we deem advisable, provide you with continuing advisory assistance in the operation of the Licensed Business We may offer to you, at your expense, materials and bulletins on sales, marketing developments, and operating techniques (License Agreement, Paragraph III B)

3 We will include information we deem appropriate about you and other System licensees on our Website and in other electronic and other sales promotion material as we may determine (License Agreement, Paragraph III D)

4 We may periodically offer you the opportunity, at your option, to purchase certain products and services, including Hertz System Standard Rental Agreements, other forms, stationery, standard Hertz System signs, sales promotional materials and decalcomania, at the price, terms and conditions as we may determine (See **Item 8**) (License Agreement, Paragraph III E)

5 We will, as we determine, include on our Website information about the rates, equipment and conditions under which cars may be rented from System licensees (License Agreement, Paragraph III.F.)

6 We will, as we determine, make available to you (upon the price, terms and conditions we determine and to the extent permitted by law) the facilities we develop for the Licensed Business, including for purchasing of vehicles through manufacturer purchase programs, and for the purchase of various materials such as lubricating oils and greases, tires, parts and accessories, antifreeze and other automotive products (License Agreement, Paragraph III.G.)

7 We will assist you, to the extent feasible, in locating stolen or converted cars and cooperate with you regarding their disposition or return (License Agreement, Paragraph III H)

Site Selection

After signing the License Agreement, you will have 120 days from the Commencement Date to acquire or lease a location for the Licensed Business within your Area of Responsibility. If you fail to commence active operation of the Licensed Business within 120 days of the Commencement Date, you will be deemed in default of the License Agreement (Paragraph XIII C 1 of the License Agreement). The Commencement Date will be set forth in Paragraph II A of the License Agreement and, depending upon the time that we anticipate you will need to acquire or lease a location and commence active operation, will be on or after the date on which the License Agreement is entered into. We will review and approve your site selection. We are not obligated to do so within a specific timeframe, but anticipate that we will do so within 5 days after the site is identified. Our approval will be dependent on the site being adequate to meet our standards for proximity to facilities and businesses such as hotels, offices, airports and highways. In the event that we do not approve your site, you may submit additional sites for approval, so long as you are able to commence active operation of the Licensed Business within 120 days of the Commencement Date.

We estimate the typical length of time between the signing of the License Agreement and the opening of the Licensed Business is 10 to 40 days. Factors which may affect this time period include identifying a site, obtaining acceptable financing arrangements, remodeling, decorating, purchasing and installing equipment, fixtures and signs, hiring employees, and similar factors.

Advertising Fund

We offer advertising services to our licensees. We typically disseminate advertising in print, radio, social media, television, and through participation in various frequent flyer programs. We use in-house, national, and regional advertising agencies. We will direct all advertising and sales promotion programs, with sole discretion over the planning of the programs, the creative and strategic concepts, materials and media used in the programs, and the placement and allocation.

Under certain conditions, you may use your own advertising material. All advertising and promotion you use must be in the media and of the type and format that we approve. You must conduct the activities in a dignified manner, and they must conform to our standards. You must not use any advertising or promotional materials until you receive our written approval. You must submit samples of all advertising and promotional plans and materials to us (through the mail, return receipt requested), for our prior approval (except as to prices you charge, to the extent allowed by applicable law), if we have not prepared or previously approved the materials. If you do not receive written notice of disapproval within 15 days of mailing the materials, you may assume that we have approved them.

We have the right to establish, for periods of time that we deem appropriate, regional and/or national advertising and sales promotion funds for the System. We may discontinue any

national or regional fund that we may have established. If regional funds are established applicable to the Licensed Business, or if national funds are established, you must make contributions to the funds as required, and we or our designee will maintain and administer the funds. You will not be required to participate in a local or regional advertising cooperative.

We currently have a national fund established to which both existing licensees and company-owned units must contribute on a pro rata per-car basis. Currently, as a new licensee, you will be required to contribute a continuing monthly marketing fee in an amount equal to two percent (2%) of the gross revenue derived from the Licensed Business to the national fund. We reserve the right to allocate all or a portion of the license fees that you pay to us to advertising and sales promotion assessments that are equivalent to amounts paid by other licensees and company-owned units.

In addition, Hertz Local Edition licensees and company-owned units may contribute to the national fund, however, Hertz Local Edition licensees who are also Hertz System, Inc. licensees may have their contribution requirements for Hertz Local Edition waived for a period of time. Also, the contributions by Hertz Local Edition licensees and company-owned units may be in different amounts than those contributed by licensees and company-owned units in the System.

Third parties may also contribute to the fund based on our agreement to feature the products or services of the third parties in our advertising. Existing licensees and company-owned units contribute at the same rate, which is determined for each quarter and assessed monthly on a per vehicle basis. New licensees are not currently required to contribute directly to the fund, although we reserve the right to allocate all or a portion of the license fees you pay to us to any assessments you otherwise are required to pay to us (e.g., for advertising and sales promotion programs) in such amounts, for such purposes (e.g., pro rata basis determinations), and for such periods as we determine.

While our Parent's audited financial statements show the net advertising and sales promotion expenses incurred by our Parent (see Item 21), no separate financial statements are prepared for the national fund. As a result, neither the financial statements nor an accounting of the national fund is obtainable for review by franchisees. During our last fiscal year, and on behalf of the System, we used 49.9% of the money in the fund for production (including travel trade marketing, frequent flyer programs, literature, maps, and other collateral material), 26.7% for media placement (including magazines, internet, social media, newspapers, TV, radio, and outdoor), 23.4% for administrative expenses (including salaries, computer system expenses, and related expenses), and other expenses (including charge card activities, and public affairs). The administrative expenses that we and third parties may incur are charged to the fund at cost.

We may use the fund to meet the costs of maintaining, administering, directing and preparing advertising, including the cost of preparing and conducting television, radio, magazine, internet, social media, and newspaper advertising campaigns and other public relations activities, the Website; employing advertising agencies to assist; and providing promotional brochures and other marketing materials to members of the System. Sums paid by you to the advertising fund

may be used by us to defray any of our operating expenses and overhead reasonably related to the administration, direction or operation of the advertising fund, programs, and activities

The fund is intended to maximize recognition and acceptance of the Proprietary Marks and the System, and we are not obligated, in administering the fund, to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that you benefit directly or pro rata from the placement of advertising. We do not have to spend any amount on advertising in or around your Area of Responsibility. If we do not use all of the fees in the fund in the year in which they accrue, we will use these amounts in the next fiscal year. We do not use any money from the fund for advertising that is principally a solicitation for the sale of licenses.

Sales Promotion Assessments

If we require, you must pay any assessments related to our sales promotion programs on the same pro rata basis as other system licensees (currently on a per-car basis). We will from time to time determine and inform you of the amount of such assessments, and the time and manner of payment. We have the right to allocate all or a portion of the license fees you pay to us to any assessments you otherwise are required to pay to us (*e.g.*, for advertising and sales promotion programs) in such amounts, for such purposes (*e.g.*, pro rata basis determinations), and for such periods as we determine.

The fund may be used to meet any and all costs of maintaining, administering, directing and preparing sales promotion activities. We may use the sums you pay to the sales promotion fund to defray any of our operating expenses and overhead reasonably related to the administration, direction or operation of the sales promotion fund, programs, and activities.

Hertz Franchise Council

There is a Hertz Franchise Council (the “**Council**”) consisting of 11 total licensee members and 5 members from us or our Parent. Five licensee members are elected annually by licensees, who vote for nominees as selected by a nominating committee, and the remaining 6 licensee members are selected by our Chairman of the Board. Our Chairman of the Board also has final approval of all Council licensee members. Our Chairman of the Board is a Council member. The other 4 members from us or our Parent are also selected by our Chairman of the Board.

When selecting the 5 licensee nominees for election, due weight and consideration are given to geographical location; size and length of service of the licensee nominees, the desires of the licensees in good standing expressed in such manner as we may prescribe; and other factors bearing on the representative character of the Council. A nominating committee consisting of the 3 longest continuously standing licensee members of the Council and one of our officers selects the licensee nominees. For purposes of selecting the licensee nominees, the licensee body is divided into 3 U.S. regions. The nominating committee selects 4 candidates from each U.S. region. Each licensee is entitled to 1 vote for a licensee nominee within his/her region. The licensee nominees from each U.S. region with the most votes will be elected to the

Council There is one member of the Mexico franchise operations and one member of the Canadian franchise network that are appointed to the Council All 11 licensee members have equal voting power

The Council serves in an advisory capacity only We have the power to form, change, or dissolve the Council

Manuals

We will provide a prospective licensee with the opportunity to view our Manuals prior to purchasing a license These Manuals include the "Rent It Here-Leave It There" Manual and the Field Bulletins Prior to viewing our Manuals, you will be required to sign a Confidentiality Agreement, a copy of which appears as **Exhibit B** to this Disclosure Document

Electronic Point-of-Sale and Computer Systems

At your expense, you must purchase or lease, and maintain, computer hardware and software for the Licensed Business We will have the unlimited right to access and retrieve all data and information from your computer system, and use such data for any purpose You must keep your computer system in good repair, and at your expense, you must promptly install additions, changes, modifications, substitutions, and/or replacements to the computer hardware and software as may be periodically directed We cannot predict the cost or frequency of required modifications, however we estimate that the costs of any updates or upgrades will range from \$0 to \$500 per year You cannot deviate from the specifications without our previous written consent (License Agreement, Paragraph V N)

Either we or an outside vendor specified by us will provide the required computer hardware and software You must pay any fees or expenses associated with any third party software agreement and comply with the terms of any such agreement

You must acquire software for your computer system from an approved supplier as we may from time to time prescribe in the Manuals or otherwise in writing As of the date of this Disclosure Document, there are two hardware and companion software programs available for purchase or lease from third party vendors You will be required to purchase or lease one of these programs in connection with your operation of the Licensed Business The programs are KARZ and CAPTURE The current initial fees and ongoing fees for these software programs are described below

Program	Initial Fee	Ongoing Fees
KARZ Karz Systems, Inc. Evans, CA	None.	\$5 per car per month, or \$300 minimum per month, whichever is greater.
CAPTURE Overland West, Inc Ogden, UT	None.	\$0.25-0.75 per transaction or \$275 minimum per month, whichever is greater.

Each of these two rental counter systems requires the use of a personal computer running the most recent operating system, with an internet connection. These programs automate all aspects of generating point-of-sale rental records, provide complete vehicle inventory control, interface transparently with our Parent's Centralized Reservation System, provide remote credit card authorization, and enable you to print management reports. These systems can accommodate all rates (including daily, weekly, and weekend rates) and rental types.

The costs associated with these purchases may vary from vendor to vendor, especially regarding those hardware items and services which are widely available from a variety of vendors. We estimate that the cost of the PCs and hardware components will not exceed \$10,000 for a single computer workstation including the necessary PC and computer hardware and companion software programs. The number of computer workstations you will need will vary depending upon the number of cars in your rental fleet or your own requirements. For example, for fleets of up to 100, 200 and 300 rental cars, we estimate you will need 2, 3 and 4 computer workstations, respectively.

* * *

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Onboarding Orientation	4		Franchisor's Headquarters*
Introduction to Hertz	4		Franchisor's Headquarters
Pre-Opening Procedures	1		Franchisor's Headquarters
Fleet Programs	1		Franchisor's Headquarters
Personnel Guidelines	1		Franchisor's Headquarters
Privacy Policy	1		Franchisor's Headquarters
Facility Guidelines	1		Franchisor's Headquarters
Marketing Sales	1		Franchisor's Headquarters
Revenue Management	1		Franchisor's Headquarters
Concessions and Airport Agreements	1		Franchisor's Headquarters
Airport, Off Airport Counter Observation		8	Newark International Airport (Newark, NJ) and an off-airport location (Paramus, NJ)
Supplies, Required /Forms/Rental Agreements	1		Online
Automation and Computer Systems	8		Online
Privacy Training	1		Online
Diversity Training	1		
Facility Requirements, Fixtures, Signage Requirements	1		Online

Employee Appearance Uniform Standards	1		Online
Learning Connection Online Training – NA Licensee Curriculum	25		Online
Daily Operating Procedures	2		Zone Training Facility**
Counter Procedures	3		Zone Training Facility
Hertz Service and Programs	3		Zone Training Facility
Reservations	4		Zone Training Facility
Pricing	4		Zone Training Facility
Fleet Operations	8		Zone Training Facility
Customer Service/Sales Training	20		Zone Training Facility
Hertz Local Edition-EDICAR/HLES Tutorial	4		Online
Accident Reporting	4		Online
Back Office	8		Online
Safety Procedures	4		Online
Loss Prevention	4		Online

* “Franchisor’s Headquarters” means our headquarters located at 225 Brae Boulevard, Park Ridge, New Jersey 07656-0713.

** A “Zone Training Facility” is one of seven different Hertz zone offices. As a new licensee, you will travel to the zone office that is most appropriate for the geographic area in which you will operate. Zone Training Facilities are located in the following cities: (1) Sterling, Virginia, (2) East Boston, Massachusetts, (3) Casselberry, Florida, (4) Dallas, Texas, (5) Denver, Colorado, (6) Los Angeles, California, and (7) Des Plaines, Illinois.

Training

Prior to opening the Licensed Business, you, your manager and key employees must, at your sole expense (including all travel and living expense), attend and complete, to our satisfaction, all required initial training programs and courses. In addition, we may require that you, at your expense (including all travel and living expense), attend remedial training programs and courses as we deem necessary to improve the operation of the Licensed Business. You, your manager, and key employees may, at your option and sole expense (including all travel and living expense, and the payment of associated training fees, if any), attend and complete other additional training programs and courses that we offer from time to time. You must also implement a training program for all employees of the Licensed Business according to our then-current standards and procedures. We may also provide you and your employees with the option of attending training programs conducted by our Parent for employees at one of its company-owned operations.

We maintain no formal training staff for the above training. Our representatives who provide on-site training assistance are employees of us or our Parent and include Franchise Operations Managers and other personnel with extensive (at least three years’) experience in

field location management techniques, revenue management, and selling at the rental counter. Training classes will be held monthly at the home office, zone training facility, franchisor-owned store and online. The instructional materials will consist of printed materials, powerpoint presentations, videos, training outlines, etc. (see the above paragraph regarding trainers.)

We also offer training courses through our "Training Management System," given by a third party vendor, ACS Learning Services ("ACS"). ACS is an award-winning provider of e-learning and classroom training, with over ten years of experience. ACS has been named to the "Training Outsourcing Top 20" for six years in a row, and in 2008 was named to the "Bakers Dozen for Best Training and Development" by HRO Today.

The Training Management System offers a variety of courses, online ("**Optional ACS On-line Training Program**") and in-person ("**Optional ACS In-Person Training Program**"), that are established to familiarize every employee (new and existing employees) with procedures ranging from First Aid and CPR to vehicle inspections. Also, many of these courses offer different stages in training to where an introductory course may be taken or instructor certification may be awarded upon completion of all course levels. You may complete any or all of these courses at your option, prior to, or subsequent to, the opening of the Licensed Business.

Materials used for the Training Management System include workbooks, on-line exercises, and spreadsheets. Courses taught in-person generally range from a one-day or two-day course, while on-line courses may range last for up to one day.

ITEM 12 TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You will be granted a non-exclusive, geographic Area of Responsibility in which you will operate the Licensed Business. The Area of Responsibility varies from licensee to licensee, and will be identified by, at a minimum, the name of a city or other political subdivision(s) in Paragraph I.A. of the License Agreement. We retain and reserve all rights not expressly granted to you in the License Agreement. We retain, for ourselves, and our parents, subsidiaries, and affiliates the right, among others, to use, and to license others to use, the System and the Proprietary Marks within and outside of your Area of Responsibility, and to develop, use and license the use of other proprietary marks within and outside of your Area of Responsibility in connection with the sale, rental, lease, or other use of the same, similar or different products and services, on any terms and conditions that we deem advisable, and without granting you any related rights. However, it is not our intention to operate or license others to operate the System within your Area of Responsibility. We and our affiliates may develop, use and license methods, plans, programs or procedures for the operation of car renting businesses which are not part of the System (e.g., the use of electronic kiosks for reservation and customer service functions) and

you will have no rights to those methods, plans, programs or procedures unless we expressly make them part of the System licensed to you

Due to the non-exclusive nature of your territory, we may use alternative distribution methods, including the Internet, within your Area of Responsibility, whether using the Proprietary Marks or other proprietary marks. We are not required to pay any compensation to you for soliciting or accepting reservations from within your Area of Responsibility.

There are no restrictions on you from accepting reservations from outside of your Area of Responsibility, however, you may not solicit reservations from customers (either through advertising or through any website, including through our designated Website) from outside of your Area of Responsibility without our prior permission.

If, at the time of signing of the License Agreement, it is determined that additional locations are required to be opened within your Area of Responsibility, such additional locations will be noted on Exhibit A of your License Agreement. You must open the additional locations by the date specified on Exhibit A. Failure to meet the schedule set forth on Exhibit A may result in termination of the License Agreement, or may result in the reduction, modification, revision or the reclamation of the Area of Responsibility upon notice to you. If, during the term of your License Agreement we determine that you must open an additional location within your Area of Responsibility, we will provide notice to you and you will have 60 days to provide your intent to open the additional location, you will then have 180 days from the date of our notice to you to commencing operating the Licensed Business from the additional location. If you fail to timely provide notice of your intent to open the additional location, or if you fail to commence operations within the required time period, we may operate, or license others to operate, a Car Renting Business or other similar business using the Proprietary Marks in the Area of Responsibility.

You will not have any options or rights of first refusal to acquire additional franchises within the Area of Responsibility or any contiguous geographic areas.

If you wish to relocate the Licensed Business within the Area of Responsibility, you will be required to follow the same procedure for approval of a new location. We will review and approve your site selection. We are not obligated to do so within a specific timeframe, but anticipate that we will do so within 5 days after the site is identified. Our approval will be dependent on the site being adequate to meet our standards for proximity to facilities and businesses such as hotels, offices, airports and highways.

We estimate the typical length of time between the signing of the License Agreement and the opening of the Licensed Business is 10 to 40 days. Factors which may affect this time period include identifying a site, obtaining acceptable financing arrangements, remodeling, decorating, purchasing and installing equipment, fixtures and signs, hiring employees, and similar factors.

Our affiliate, HERC, may operate and license businesses within your Area of Responsibility which rent a variety of equipment ranging from hand-operated power tools to air compressors and cranes as well as a limited variety of trucks.

Our affiliate, Simply Wheelz, may operate and license businesses within your Area of Responsibility which rent cars under the Advantage brand name

Our Parent, or one of its subsidiaries or affiliates, may operate and license businesses within your Area of Responsibility which rent cars by the hour, week or month as part of "Connect by Hertz" car sharing services

Our Parent, or one of its subsidiaries or affiliates, may operate and license businesses within your Area of Responsibility which sell used vehicles

Our Parent, or one of its subsidiaries or affiliates, may operate and license businesses within your Area of Responsibility which sell used rental cars through Hertz's "Rent2Buy" program

You may not advertise the Licensed Business outside your Area of Responsibility without our prior written consent

You must pay other licensees (or our Parent) in accordance with the "Rent It Here-Leave It There" Manual, as revised, when you rent cars of other licensees or our Parent, to customers on a "local" or "inter-city" basis

ITEM 13
TRADEMARKS

Under the License Agreement, you will have the right to operate a car renting, or renting and leasing, business under the name and mark "HERTZ," or other form of words featuring the name and mark "HERTZ" as we may periodically require or approve. The following principal trademarks and service marks, which we may license to you, are registered on the Principal Register of the United States Patent and Trademark Office

Mark	Registration Number	Registration Date	Renewed
HERTZ	614,123	October 11, 1955	October 11, 2005
HERTZ	1,230,391	March 8, 1983	March 8, 2003
HERTZ LOCAL EDITION	2,226,787	February 23, 1999	February 23, 2009
HERTZ	2,709,052	April 22, 2003	
HERTZ	1,733,621	November 17, 1992	November 17, 2002

We have also filed applications with the United States Patent and Trademark Office to register the following additional trademarks and service marks

Mark	Application Number	Application Date	Renewed
HERTZ	76,702,520	April 16, 2010	N/A
HERTZ	76,702,521	April 16, 2010	N/A
HERTZ	76,702,522	April 16, 2010	N/A
HERTZ	76,702,523	April 16, 2010	N/A

We have timely filed all affidavits of use

There are no currently effective determinations of the United States Patent and Trademark Office, the Trademark Administrator of this state, or of any court, nor any pending interference, infringement, opposition, or cancellation proceedings or material litigation involving our Proprietary Marks, which may be relevant to their use in this state or any other state.

There are no agreements currently in effect that significantly limit our right to use or license the use of our Proprietary Marks in any manner material to the Licensed Business

We do not know of any superior rights or infringing uses that could materially affect your use of the Proprietary Marks in this state or elsewhere. You are not obligated by the License Agreement or otherwise to notify us of any use or claim of right to a mark which is the same as, or confusingly similar to, our marks. We are not obligated to take affirmative action if there is any such use or claim of right. We are not obligated by the License Agreement or otherwise to defend you against any infringement, unfair competition, or other claim regarding your use of any mark, or to indemnify you for damages for which you may be held liable arising out of the use of any mark, or for any expenses you incur in the defense of any such claim. In the event that litigation involving the Proprietary Marks is instituted or threatened against you, you must promptly notify us and you must cooperate fully with us in defending or settling the litigation. We may take whatever action we deem appropriate to preserve our rights to and interest in the Proprietary Marks, and our right to license the Proprietary Marks to others, and we may take whatever action we deem appropriate to protect and defend our right to and interest in the Proprietary Marks against infringement, confusion, tarnishment, dilution or other diminution or loss. We have full discretion and the right to elect the specific measures, if any, to be taken to protect our rights, including in any administrative proceeding or litigation involving the Proprietary Marks.

We have the right to require you to discontinue or modify the use of any licensed marks, and we reserve the right to adopt rules, regulations, procedures, provisions, and methods which may alter your rights with respect to the use of a mark, but which will not diminish your right to operate under the System. Also, we may change the System, or a part of it, or we may terminate the License Agreement (Paragraph XIII of the License Agreement), in which case you may lose all rights to operate under the System.

ITEM 14
PATENTS, COPYRIGHTS, AND
PROPRIETARY INFORMATION

Patents and Copyrights

We do not own any rights in or to any patents or registered copyrights that are material to the Licensed Business, also, we have no pending patent applications material to the Licensed Business

Manuals

You must operate the Licensed Business in accordance with the standards, policies, and procedures specified in the Manuals. You will receive one copy of the Rent It Here-Leave It There Manual on loan from us for the term of the License Agreement, and you will receive access to the Field Bulletins through our Intranet. You will also receive updates to the Field Bulletins through our Intranet. You must treat the Manuals, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as confidential. You must not reproduce the materials, in whole or in part, or otherwise make them available to any unauthorized person. The Manuals will at all times remain our sole property and must be kept in a secure place.

We may revise the contents of the Manuals, and you must comply with each new or changed standard. You must ensure that the Manuals are kept current at all times. If there is a dispute as to the content of the Manuals, the terms of the master copies which we maintain at our home office will control.

Confidential Information

You must not during or after the term of the License Agreement communicate, divulge or use for the benefit of any third party, any confidential, trade or proprietary information, including, but not limited to, customer lists, operating methods and techniques, marketing programs, and commercial account information and material. You may divulge confidential information only to those employees or agents who are directly connected with the performance of work which requires knowledge, and you must advise the employees and agents of the confidential nature and the requirements for non-disclosure.

Information or techniques prepared, compiled or developed by you, your employees or agents during the term of the License Agreement and relating to performance or operation of the System or the Licensed Business will be considered as part of our confidential and proprietary information.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION
OF THE FRANCHISE BUSINESS

You must devote a significant amount of personal time, energy and direction, and your best efforts, to developing, conducting, managing and operating the Licensed Business and to encouraging the use of our world-wide car renting services. You must employ (or you may serve as) a manager who must devote full time to the management and operation of the Licensed Business. An employed manager is not required to have an equity interest in the Licensed Business.

You are not obligated to enter into any specific confidentiality or non-competition agreement with a manager. However, you are obligated to restrict the knowledge of our confidential and proprietary information to your employees and agents who require such knowledge and are directly connected with the performance of work. You are also required to advise your employees and agents of the confidential nature of the information and the requirements for non-disclosure with respect to such information.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must rent only cars which meet our standards and specifications (including, the types, quality, fuel source, emissions profile, size, mileage, model year or age, and brand of cars) as we may from time to time prescribe in the Manuals or otherwise in writing. Each vehicle rented must be a motor vehicle designed and used primarily for transporting people (including sport utility vehicles of any size, passenger vans of any occupancy, and smaller than medium duty pick-up trucks). You also must operate the Licensed Business in conformity with such standards, specifications and procedures as we may from time to time determine and prescribe, including with regard to the products and services authorized to be used and rented at the Licensed Business. The cars must be rented on a standard form which we provide.

We reserve all rights not granted to you, and (by way of example) you may not (1) lease any cars under any lease agreements (even though other licensees operating under the System may be permitted to do so), (2) rent cars in connection with or through any self-service program or car-sharing service, (3) rent, lease or sell any vehicles that are determined by us to be primarily designed, used or maintained for the transportation of property or goods; (4) rent, lease or sell any form of aerial, materials handling, earthmoving, construction, industrial, marine, or other machinery or equipment, whether or not the same is self-propelled; or (5) sell any vehicles under the Proprietary Marks or otherwise from or in connection with the Licensed Business.

You must participate in any and all programs, campaigns or activities, regular or special, relating to advertising, sales promotion, marketing, reservations, centralized billing, charge cards, travel industry commissions or tour arrangements, or any other program, campaign or activity which we may from time to time engage in, conduct or prescribe, in our sole discretion, for its benefit and the benefit of System licensees. You must also subscribe to, participate in, and comply with any and all operating programs, customer satisfaction programs, account programs,

coupon programs, experimental or test programs, and such other programs that we may from time to time prescribe in the Manuals or otherwise in writing, including our (i) Rent It Here-Leave It There program, (ii) Hertz Local Edition program, (iii) Hertz #1 Club program, (iv) Hertz #1 Club Gold program, (v) frequent renter or loyalty programs, and (vi) Corporate Rate Programs, as all such programs may be modified, replaced or instituted by us from time to time

In addition, you must subscribe to, participate in and promote our (or our affiliate's) reservation program or system, and pay related assessments and contributions as we prescribe on the same basis applicable to other System Licensees.

You must also offer customers the option of purchasing loss or collision damage waiver, honor certain charge cards, solicit applicants for charge cards, process reservations for car renting services, refrain from engaging in practices which mislead the public. You must operate the Licensed Business in accordance with the System and may operate and conduct the Licensed Business and provide services only within your Area of Responsibility and only from the Licensed Premises

You are not limited by the terms of the License Agreement, any other agreement, or any practice in the customers to whom you may offer the services of the Licensed Business

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

Provision	Section in license or other agreement	Summary
a Length of the license term	¶ II of License Agreement	The initial term of the License Agreement is five (5) years
b Renewal or extension of the term	¶ II of License Agreement	The License Agreement may be renewed for three (3) successive periods of five (5) years each
c Requirements for you to renew or extend	¶ II of License Agreement	We must have a continuing program for the conduct and operation of the Licensed Business and be offering new licenses to conduct the Licensed Business. Also, you must (1) give us written notice of your election to renew not more than twelve (12) months nor less than nine (9) months prior to the end of the initial term (and, as applicable, the end of the first and second renewal periods), (2)

Provision	Section in license or other agreement	Summary
		<p>not be in default of the License Agreement, or any other agreement between us or our affiliates and must have substantially complied with the License Agreement and such other agreements; (3) have paid all amounts owed to us on time, (4) execute the then-current form of Car Rental License Agreement being offered by us, (5) execute a general release, in a form satisfactory to us, (6) comply with our then-current qualification and training requirements, (7) refurbish, repair, replace or obtain, at your expense, such equipment, computer systems, signs, interior and exterior decor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Licensed Business, (8) have achieved (during the initial term) the performance requirements described in <u>Exhibit B</u> to the License Agreement, and (9) pay us a non-refundable renewal fee in the amount of Five Thousand Dollars (\$5,000) You may be asked to sign a contract with materially different terms and conditions than your original contract.</p>
d Termination by you	¶ XIII.A of License Agreement	With or without cause with not less than 180 days prior written notice to us

Provision	Section in license or other agreement	Summary
e Termination by us with cause	¶¶ XIII B, C and D of License Agreement	Insolvency, death, permanent incapacity, abandonment, conviction of felony, failure to comply with covenants, repeated defaults, and others
f Termination by us without cause	Not Applicable	Not Applicable
g “Cause” defined – curable defaults	¶¶ XIII B, C and D of License Agreement	Failure to pay monies owed, failure to maintain standards; failure to obtain our approval when required, and others
h “Cause” non-curable defaults	¶¶ XIII B and C of License Agreement	If you fail to operate the Licensed Business, are convicted of a felony, divulge confidential information, and others
i Your obligations on termination/non-renewal	¶ XIV of License Agreement	Payment of monies owed; return Manuals to us; cease to use the Proprietary Marks; cancel assumed name registration, comply with covenants, and others
j. Assignment of contract by us	¶ XII.A of License Agreement	There are no limits on our right to assign the License Agreement.
k “Transfer” by you – defined	¶ XII.B of License Agreement	You may not sell, assign, convey, transfer, give away, pledge, mortgage or encumber the License Agreement or any interest in it or rights under it, except as provided in ¶ XII of the License Agreement
l Our approval of transfer by you	¶ XII.B.2 of License Agreement	We have the right to approve transfers
m. Conditions for our approval of transfer	¶ XII B 3 of License Agreement	If we approve the transferee and the transferee executes then-current License Agreement and any ancillary agreements, execute general release; see <u>Exhibit D.</u>

Provision	Section in license or other agreement	Summary
n. Our right of first refusal to acquire your business	¶ XII D of License Agreement	We have the right to acquire the assets used in the Licensed Business for the same purchase price and conditions of payment as proposed by a prospective transferee through a bona fide written offer to purchase. (See ¶ XII D. of License Agreement)
o Our option to purchase your business	¶ XIV J of License Agreement	Upon expiration or termination, within 30 days (or within 120 days after our receipt of a notice from you that you are terminating the License Agreement), we may elect to purchase from you, and to require you to sell to us or to our nominee, some or all (at our option) of the assets employed in the Licensed Business
p Your death or disability	¶ XII C of License Agreement	Upon request, we will extend the License Agreement for 180 days to find a qualified transferee

<p>q. Non-competition covenants during the term of the franchise</p>	<p>¶ XV B of License Agreement</p>	<p>You must not (1) divert or attempt to divert any actual or prospective business or customer of the Licensed Business, or of any other car renting business conducted under the System, to any competitor, by direct or indirect inducement or otherwise, (2) employ or seek to employ any person who is at that time employed by us, or by any other licensee of ours, or otherwise directly or indirectly seek to induce such person to leave his or her employment, or (3) own, maintain, engage in, operate, conduct, solicit, have any interest in, or provide any advisory or operational assistance to any other car renting business similar to the Licensed Business</p>
<p>r Non-competition covenants after the franchise is terminated or expires</p>	<p>¶ XV.C of License Agreement</p>	<p>You must not, for a period of 1 year after expiration</p> <p>(1) Employ or seek to employ any person who is at that time employed by us, or by any other licensee of ours, or otherwise directly or indirectly seek to induce such person to leave his or her employment, or</p> <p>(2) Own, maintain, engage in, operate, conduct, solicit, have any interest in, or provide any advisory or operational assistance to any other car renting business similar to the Licensed Business.</p> <p>(a) Within the Area of Responsibility, or</p> <p>(b) Within seventy-five (75) miles of the border of the Area</p>

		<p>of Responsibility.</p> <p>(c) Within the area of responsibility of any other licensee under the System,</p> <p>(d) Within a ten (10) mile radius of the border of the area of responsibility of any other System licensee, or</p> <p>(e) Within a ten (10) mile radius of any Licensed Business operated by us or our affiliates under the System.</p>
s. Modification of the agreement	¶ XX of License Agreement	Must be in writing and executed by both parties
t. Integration/merger clause	¶ XX of License Agreement	<p>Only the terms of the License Agreement are binding (subject to state law)</p> <p>Any representations or promises outside of this Disclosure Document and License Agreement may not be enforceable</p>
u. Dispute resolution by arbitration or mediation	¶ XXII. B. and C of License Agreement	Parties must have face to face meeting to attempt to resolve disputes at our headquarters before initiating arbitration
v Choice of forum	¶ XXII.C and E of License Agreement	Arbitration will be held in the state where our headquarters is then located (currently, New Jersey) For matters not covered by arbitration, litigation will be held in the state where our headquarters is then located (currently, New Jersey)
w Choice of law	¶ XXII.D. of License Agreement	New Jersey*
* Please refer to the disclosure addenda and contractual amendments appended to this Disclosure Document for additional terms that may be required under applicable state law		

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our licenses

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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Richard Agar, Vice President, Franchise Operations, at 225 Brae Boulevard, Park Ridge, New Jersey 07656, (201) 307-2000, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years 2009 to 2011

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2009	254	265	11
	2010	265	277	12
	2011	277	315	38
Company Owned	2009	3276	3345	69
	2010	3345	3605	260
	2011	3605	3875	270
Total Outlets	2009	3530	3610	80

	2010	3610	3882	272
	2011	3882	4190	308

Table No 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2009 to 2011

State ¹	Year	Number of Transfers
[state]	2009	0
	2010	0
	2011	0
TOTAL	2009	0
	2010	0
	2011	0

Notes

1 States not listed had no transfers from 2009 through 2011

Table No 3

Status of Franchised Outlets
For years 2009 to 2011

State ¹	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
AK	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
AL	2009	10	0	0	0	0	0	10
	2010	10	0	0	0	0	0	10
	2011	10	1	0	0	0	0	11
AR	2009	18	1	0	0	0	1	18
	2010	18	0	0	0	0	0	18
	2011	18	2	0	0	0	0	20
AZ	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
CA	2009	3	0	0	0	0	0	3
	2010	3	2	0	0	0	0	5
	2011	5	3	0	0	0	0	8

State ¹	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
GA	2009	12	0	0	0	0	0	12
	2010	12	1	0	0	0	0	13
	2011	13	3	0	0	0	0	16
IA	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
ID	2009	16	0	0	0	0	1	15
	2010	15	2	0	0	0	0	17
	2011	17	0	0	0	0	0	17
IL	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
IN	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
KS	2009	8	1	0	0	0	2	7
	2010	7	0	0	0	0	0	7
	2011	7	0	0	0	0	0	7
KY	2009	4	0	0	0	0	0	4
	2010	4	1	0	0	0	0	5
	2011	5	2	0	0	0	0	7
LA	2009	1	1	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
MI	2009	1	0	0	0	0	0	1
	2010	1	1	0	0	0	0	2
	2011	2	0	0	0	0	0	2
MN	2009	5	0	0	0	0	0	5
	2010	5	0	0	0	0	0	5
	2011	5	0	0	0	0	0	5
MO	2009	15	5	0	0	0	0	20
	2010	20	2	0	0	0	0	22
	2011	22	2	0	0	0	1	23
MS	2009	7	0	0	0	0	0	7
	2010	7	0	0	0	0	1	6
	2011	6	0	0	0	0	0	6
MT	2009	22	1	0	0	0	0	23
	2010	23	0	0	0	0	1	22
	2011	22	0	0	0	0	0	22
ND	2009	9	0	0	0	0	0	9
	2010	9	1	0	0	0	0	10
	2011	10	5	0	0	0	0	15
NE	2009	0	0	0	0	0	0	0

State ¹	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
NJ	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
NM	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
NV	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
NY	2009	12	0	0	0	0	0	12
	2010	12	0	0	0	0	1	11
	2011	11	0	0	0	0	0	11
OH	2009	20	2	0	0	0	0	22
	2010	22	4	0	0	0	1	25
	2011	25	23	0	0	0	1	47
OK	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
OR	2009	11	0	0	0	0	0	11
	2010	11	0	0	0	0	0	11
	2011	11	1	0	0	0	1	11
PA	2009	17	3	0	0	0	2	18
	2010	18	0	0	0	0	0	18
	2011	18	1	0	0	0	1	18
SD	2009	5	0	0	0	0	0	5
	2010	5	0	0	0	0	0	5
	2011	5	0	0	0	0	0	5
TN	2009	4	1	0	0	0	1	4
	2010	4	0	0	0	0	0	4
	2011	4	0	0	0	0	0	4
TX	2009	2	0	0	0	0	1	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
UT	2009	5	1	0	0	0	1	5
	2010	5	1	0	0	0	0	6
	2011	6	0	0	0	0	0	6
VI	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
VT	2009	1	1	0	0	0	0	2
	2010	2	0	0	0	0	0	2

State ¹	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
	2011	2	0	0	0	0	0	2
WA	2009	10	2	0	0	0	0	12
	2010	12	0	0	0	0	0	12
	2011	12	0	0	0	0	1	11
WI	2009	14	1	0	0	0	0	15
	2010	15	1	0	0	0	0	16
	2011	16	0	0	0	0	0	16
WV	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
WY	2009	9	0	0	0	0	0	9
	2010	9	0	0	0	0	0	9
	2011	9	0	0	0	0	0	9
TOTAL	2009	254	20	0	0	0	9	265
	2010	265	16	0	0	0	4	277
	2011	277	43	0	0	0	5	315

Note States not listed had no franchised outlets from 2009 through 2011

Table No 4

Status of Company-Owned Outlets
For years 2009 to 2011

State ¹	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at end of Year
AK	2009	10	0	0	0	0	10
	2010	10	0	0	0	0	10
	2011	10	0	0	1	0	9
AL	2009	43	1	0	9	0	35
	2010	35	5	0	0	0	40
	2011	40	4	0	0	0	44
AR	2009	1	0	0	0	0	1
	2010	1	0	0	0	0	1
	2011	1	0	0	0	0	1
AZ	2009	101	17	0	11	0	107
	2010	107	8	0	3	0	112
	2011	112	5	0	4	0	113
CA	2009	553	38	0	52	0	539
	2010	539	33	0	35	0	537
	2011	537	49	0	23	0	563

State ¹	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at end of Year
CO	2009	85	5	0	3	0	87
	2010	87	5	0	3	0	89
	2011	89	14	0	8	0	95
CT	2009	45	7	0	3	0	49
	2010	49	3	0	0	0	52
	2011	52	7	0	1	0	58
DC	2009	14	0	0	0	0	14
	2010	14	0	0	0	0	14
	2011	14	0	0	0	0	14
DE	2009	19	0	0	4	0	15
	2010	15	2	0	1	0	16
	2011	16	2	0	0	0	18
FL	2009	341	38	0	45	0	334
	2010	334	42	0	21	0	355
	2011	355	34	0	13	0	376
GA	2009	87	17	4	14	0	94
	2010	94	14	0	5	0	103
	2011	103	14	0	5	0	112
HI	2009	42	3	0	2	0	43
	2010	43	4	0	4	0	43
	2011	43	0	0	0	0	43
IA	2009	49	1	0	1	0	49
	2010	49	3	0	0	0	52
	2011	52	5	0	2	0	55
ID	2009	2	0	0	0	0	2
	2010	2	0	0	0	0	2
	2011	2	0	0	0	0	2
IL	2009	145	24	0	5	0	164
	2010	164	55	0	16	0	203
	2011	203	34	0	10	0	227
IN	2009	43	0	0	4	0	39
	2010	39	7	0	2	0	44
	2011	44	7	0	1	0	50
KS	2009	49	3	0	3	0	49
	2010	49	7	0	2	0	54
	2011	54	8	0	2	0	60
KY	2009	22	0	0	1	0	21
	2010	21	7	0	2	0	26
	2011	26	13	0	2	0	37
LA	2009	46	4	0	0	0	50
	2010	50	4	0	1	0	53
	2011	53	4	0	2	0	55
MA	2009	82	4	0	4	0	82
	2010	82	9	0	2	0	89

State ¹	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at end of Year
	2011	89	4	0	4	0	89
MD	2009	42	4	0	6	0	40
	2010	40	9	0	2	0	47
	2011	47	5	0	8	0	44
ME	2009	9	1	0	0	0	10
	2010	10	1	0	1	0	10
	2011	10	0	0	0	0	10
MI	2009	93	11	0	6	0	98
	2010	98	9	0	5	0	102
	2011	102	23	0	10	0	115
MN	2009	37	4	0	1	0	40
	2010	40	9	0	1	0	48
	2011	48	3	0	3	0	48
MO	2009	35	16	0	4	0	47
	2010	47	6	0	3	0	50
	2011	50	8	0	2	0	56
MS	2009	13	0	1	0	0	14
	2010	14	2	0	0	0	16
	2011	16	4	0	1	0	19
NC	2009	60	6	0	3	0	63
	2010	63	19	0	1	0	81
	2011	81	14	0	3	0	92
NE	2009	28	0	0	0	0	28
	2010	28	0	0	0	0	28
	2011	28	1	0	1	0	28
NH	2009	17	0	0	0	0	17
	2010	17	1	0	0	0	18
	2011	18	1	0	1	0	18
NJ	2009	74	4	0	7	0	71
	2010	71	7	0	2	0	76
	2011	76	10	0	2	0	84
NM	2009	24	1	0	4	0	21
	2010	21	2	0	0	0	23
	2011	23	0	0	0	0	23
NV	2009	51	11	0	7	0	55
	2010	55	5	0	4	0	56
	2011	56	6	0	0	0	62
NY	2009	156	21	0	12	0	165
	2010	165	52	0	5	0	212
	2011	212	23	0	17	0	218
OH	2009	99	16	0	8	0	107
	2010	107	14	0	13	0	108
	2011	108	11	0	7	14	98
OK	2009	43	0	0	2	0	41

State ¹	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at end of Year
	2010	41	0	0	1	0	40
	2011	40	6	0	1	0	45
OR	2009	36	1	0	4	0	33
	2010	33	1	0	0	0	34
	2011	34	1	0	0	0	35
PA	2009	68	14	0	9	0	73
	2010	73	14	0	4	0	83
	2011	83	31	0	4	0	110
PR	2009	20	0	0	0	0	20
	2010	20	0	0	1	0	19
	2011	19	1	0	0	0	20
RI	2009	17	0	0	0	0	17
	2010	17	0	0	1	0	16
	2011	16	0	0	0	0	16
SC	2009	50	2	0	3	0	49
	2010	49	5	0	0	0	54
	2011	54	9	0	0	0	63
TN	2009	47	4	0	4	0	47
	2010	47	5	0	0	0	52
	2011	52	5	0	0	0	57
TX	2009	251	36	0	22	0	265
	2010	265	37	0	19	0	283
	2011	283	45	0	7	0	321
UT	2009	23	3	0	2	0	24
	2010	24	1	0	0	0	25
	2011	25	3	0	0	0	28
VA	2009	93	13	0	22	0	84
	2010	84	12	0	7	0	89
	2011	89	7	0	4	0	92
VI	2009	1	0	0	0	0	1
	2010	1	0	0	0	0	1
	2011	1	0	0	0	0	1
VT	2009	5	0	0	0	0	5
	2010	5	0	0	0	0	5
	2011	5	1	0	0	0	6
WA	2009	43	10	0	1	0	52
	2010	52	3	0	1	0	54
	2011	55	4	0	1	0	58
WI	2009	50	11	0	3	0	58
	2010	58	12	0	6	0	64
	2011	64	4	0	2	0	66
WV	2009	7	0	4	0	0	11
	2010	11	1	0	1	0	11
	2011	11	7	0	1	0	17

State ¹	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at end of Year
WY	2009	5	0	0	0	0	5
	2010	5	0	0	0	0	5
	2011	5	0	0	0	0	5
TOTAL	2009	3276	351	9	291	0	3345
	2010	3345	435	0	175	0	3605
	2011	3606	437	0	153	14	3876

Note States not listed had no company-owned outlets from 2009 through 2011

Table No 5

Projected Openings as of December 31, 2011

State ¹	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
AL	0	3	2
AZ	0	0	9
CA	0	0	15
CO	0	0	14
CT	0	0	4
DC	0	0	0
DE	0	0	5
FL	0	0	23
GA	0	1	5
HI	0	0	0
IA	0	0	8
ID	0	0	0
IL	0	0	21

State¹	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
IN	0	0	13
KS	0	0	6
KY	0	0	3
LA	0	0	5
MA	0	0	3
MD	0	0	20
MI	0	0	11
MN	0	0	8
MO	0	0	3
MS	0	0	1
NC	0	0	31
ND	0	0	0
NE	0	0	6
NH	0	0	2
NJ	0	1	14
NM	0	0	3
NV	0	0	0
NY	0	0	13
OH	0	8	14
OK	0	0	6
OR	0	0	0
PA	0	0	57

State ¹	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
PR	0	0	0
RI	0	0	0
SC	0	0	4
TN	0	0	2
TX	0	0	37
UT	0	0	1
VA	0	0	33
WA	0	0	0
WI	0	0	10
WV	0	0	10
WY	0	0	1
TOTAL	0	13	423

The names of all of our current licensees, and the address and telephone number of each of their outlets are listed on **Exhibit G**. The name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of those licensees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the License Agreement during the prior fiscal year or who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document are also listed in **Exhibit G**. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

None of our franchisees have signed confidentiality clauses during the last three fiscal years that would restrict their ability to speak with you about their experiences with our franchise system.

Other than the Council, there are no trademark-specific franchisee organizations associated with the franchise system being offered that (1) we have created, sponsored, or endorsed, or (2) are incorporated or formed under state law and have asked to be included in this Disclosure Document. The Council includes both Licensee representatives and Hertz representatives and advises Hertz on advertising matters.

ITEM 21
FINANCIAL STATEMENTS

Our Parent, The Hertz Corporation, absolutely and unconditionally guarantees the performance of our obligations under the License Agreement. Our Parent has executed a Guarantee of Performance of our financial obligations under the Franchise Agreement to the extent such is required under U.S. federal and state franchise laws. A copy of this Guarantee of Performance is attached to this Disclosure Document as **Exhibit E**. The financial statements listed below are included in this Disclosure Document by reference. See **Exhibit F**.

1. Audited consolidated balance sheets of The Hertz Corporation as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in equity, and cash flows for The Hertz Corporation for each of the three years in the period ended December 31, 2011.
2. Unaudited consolidated interim financial statements of The Hertz Corporation as of June 30, 2012 and for the six months ended June 30, 2012.

ITEM 22
CONTRACTS

The following contracts are attached as Exhibits to this Disclosure Document in the following order:

Exhibit A	License Agreement
Exhibit B:	Confidentiality Agreement
Exhibit C:	Asset Purchase Agreement
Exhibit D:	Promissory Note
Exhibit E:	Guarantee of Performance

ITEM 23
RECEIPTS

The last two pages (**Exhibit N**) of this Disclosure Document are identical pages acknowledging receipt of this entire document (including all exhibits). Please sign and return to us one copy, please keep the other copy along with this Disclosure Document.