



## FRANCHISE DISCLOSURE DOCUMENT

NP Franchise Group, LLC

11411 Rockville Pike

Rockville, Maryland 20852

[franchise@nextcar.com](mailto:franchise@nextcar.com)

[www.nextcar.com](http://www.nextcar.com)

(240) 581-1300

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

The total investment necessary to begin operation of a NextCar vehicle rental franchised business is \$385,330 to \$877,880. This includes \$22,500 to \$125,000 that must be paid to the franchisor or affiliate.

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

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

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

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

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

Issuance Date: January 4, 2022

## HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

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

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

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

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

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

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

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

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

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

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

## SOME STATES REQUIRE REGISTRATION

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

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

## SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

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

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

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

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### **EXHIBITS**

#### State Addenda to FDD

- Exhibit A: Franchise Agreement
    - Exhibit A-1: State Addenda to Franchise Agreement
    - Exhibit A-2: NextCar Brand Share Incentive Addendum
  - Exhibit B: Financial Statements
  - Exhibit C: General Release
  - Exhibit D: List of State Agencies/Agents for Service of Process
  - Exhibit E: Collision Damage Waiver Indemnification and Fee Agreement
  - Exhibit F: Operating Manual Table of Contents
  - Exhibit G: Sample Master Lease Agreement
  - Exhibit H: List of Franchisees
  - Exhibit I: List of Terminated Franchisees
  - Exhibit J: Reservation Services Participation Agreement
  - Exhibit K: ASAP End User License Agreement
- Receipts

## **ITEM 1**

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

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

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

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

We operate under our own name and under the marks, “NEXTCAR” and “NEXTCAR ALL VEHICLE RENTALS”. Under this disclosure document, you can purchase a franchise for the operation of a vehicle rental business identified by our service marks, including “NEXTCAR” “NEXTCAR ALL VEHICLE RENTALS” and other service marks we our affiliates own (the “NextCar Trademarks”).

We began offering NextCar franchises in January 2015. As of the date of this disclosure document, there are 7 open and operating NextCar franchises. We do not conduct a business of the type to be operated by our franchisees. However, our affiliate, All Car Leasing, has owned and operated vehicle rental businesses using the NextCar Trademarks since 2003. As of the date of this disclosure document, All Car Leasing operates 16 NextCar vehicle rental businesses in the State of Maryland, and one NextCar location in Florida, which is operated by our affiliate, Fitzgerald Motors Inc. d/b/a NextCar. We and our predecessors also have offered vehicle rental businesses using the “Priceless” name and marks since 1996. As of the date of this disclosure document, there are 35 open and operating Priceless franchises in the United States.

From December 2016 through April 2018, we also offered a separate, non-franchised service that provides access to our reservation system to independent car rental operators (“Independent Operators”) who wish to add multiple reservation channels to their existing operations while continuing to operate under their own name and marks. In May 2018, our parent, NP Auto Group, Inc., assumed our rights and obligations under the Independent Operator program. As of the date of this disclosure document, there are 17 Independent Operators in the United States and 15 in international locations.

#### **Parents and Affiliates**

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

- On April 16, 2018, All Car Leasing purchased the outstanding ownership interests in us from All Car Leasing’s affiliate, Bundy American, LLC. Bundy American and its predecessors previously offered vehicle rental franchises under the “Rent-A-Wreck” name from 1978 to 2017, and as of the date of this disclosure document, there are 55 open and operating Rent-A-Wreck locations in the United States. In May 2018, All Car Leasing’s subsidiary, Fitzgerald Execulease, Inc., purchased the ownership interests in

us from All Car Leasing, Inc., and in June 2018, Fitzgerald Execulease (our new parent) was renamed, “NP Auto Group, Inc.” NP Auto Group (f/k/a “Fitzgerald Execulease, Inc.) was originally incorporated in Maryland on November 18, 1987 and was inactive from March 2009 to April 2018.

- Our ultimate parent is JJF Management Services, Inc. with a principal business address at 11411 Rockville Pike, Rockville, Maryland 20852.

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

- NP Auto Group may provide several services to our franchisees, including: website and software development, development and operation of the reservation system (including web-based and call center reservations), insurance program administration, development and administration of an optional damage waiver program, and fleet management.
- All Car Leasing may provide vehicle acquisition service to our franchisees, and as of the date of this disclosure document, All Car Leasing owns and operates 16 vehicle rental businesses under the “NextCar” name in the State of Maryland.
- KFL, LLC, a Rockville, Maryland company may lease vehicles to qualified Priceless franchisees.

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

As of the date of this disclosure document, we have no affiliates that presently offer franchises in any line of business. Except as described above, we have no affiliates or parents that are required to be disclosed in this Item. We have no predecessors that are required to be disclosed in this Item.

## **The Franchise**

This franchise offering is for the operation of a vehicle rental business (“Vehicle Rental Business”) that offers vehicle rental, leasing, carsharing and other mobility services, rent-to-purchase, rent-to-own, lease-to-own, and used vehicle sales services identified by the NextCar Trademarks. Our franchised businesses are characterized by our system (“NextCar System” or “System”) that we have developed for the overall success of NP Franchise Group and our independent franchisees. Some of the features of the NextCar System are our distinctive design and plans for Vehicle Rental Businesses, as well as our Services, equipment and office layouts, signage, operating procedures, customer service, quality standards, management procedures, training assistance, and marketing programs. We may periodically change and improve parts of the System. In this Disclosure Document, “Franchised Business” or “NextCar Business” means a Vehicle Rental Business that is operated under a Franchise Agreement with us, and that uses the NextCar Trademarks and NextCar Systems. A copy of the current form of Franchise Agreement is attached as Exhibit A to this disclosure document. The franchise generally is suitable for persons in auto-related businesses and other qualified persons who share our vision of pursuing a world-class reputation for quality, reliability and value to the end consumer and who wish to enter the Vehicle Rental Business. A “NextCar” franchise is particularly suitable for persons who own or operate a new or used-car dealership and who wish to provide loaner cars to service and maintenance customers, as well as rentals and other transportation services to the general public.

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

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

**(2) Single Point Location** – you have the right to operate at a single site only and receive no territorial protection. You must have a minimum fleet of 20 cars within one year after your NextCar Business opens to the public. The Single Point Location may be appropriate for certain smaller markets.

**(3) Airport Location** – your franchise will be operated at or may service an airport with regularly scheduled commercial flights (“Airport Location”), and you will be granted protected rights within a territory specified in the Franchise Agreement (“Airport Primary Service Area”).

The Franchised Business rents all types of motorized or self-propelled vehicles. For example, the Franchised Business may rent automobiles, trucks, mini-vans, SUVs and full size vans. NextCar franchisees offer for rent vehicles that are no older than 5 years, as defined by subtracting 5 from the current calendar year, and have traveled fewer than 78,000 miles. You may not offer for rent vehicles with “salvage” titles. Your NextCar Business also may include lease-to-own/rent-to-own, carsharing and other mobility services, used vehicle sales, and similar services if appropriate for your market. You will have the flexibility to rent a wide variety of vehicle types, thereby enhancing your ability to compete. Your rental vehicles must be safe to operate, mechanically sound, clean and in good running condition. You must also ensure that your vehicles comply with applicable federal and state vehicle safety recall laws. We expect our franchisees to operate the NextCar Businesses with integrity, deal in good faith with us and the public, and strive to achieve high customer satisfaction scores, as prescribed in our operating manual (“Operating Manual”).

### **Referral Fee**

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

### **Conditions of Competition**

Although the vehicle rental market is well developed, we believe it is still growing. Significant competition exists from numerous national and local rental operations, as well as commercial and peer-to-peer car sharing companies.



You will compete with rental companies in the neighborhood motor vehicle rental and leasing market, and in the airport motor vehicle rental market, including with other brands owned by us. In the case of a Single Point Location, you may compete with other NextCar businesses. We rely upon your local market knowledge, motivation and commitment to compete effectively in the neighborhood or airport based rental market. The primary source of your customers will depend on the nature of your location, whether it is based at a car dealership, a stand-alone neighborhood location, or an off-airport, in-terminal or airport-based consolidated rental facility. For example:

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

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

- a. Americans with Disabilities Act. This statute, and federal regulations issued under the statute, requires car rental companies to make “reasonable” accommodations to permit persons with disabilities to drive rental vehicles. Reasonable accommodations include making hand controls available for disabled customers, permitting service animals to ride in a vehicle, and waiving additional driver’s fees for the driver accompanying a disabled renter. The statute can be found at 42 USC, Sections 12111 and following.
- b. Damage waiver laws. Many states regulate the sale of damage waivers. The typical statute requires vehicle rental companies to disclose the optional nature of the waiver on the front of the rental agreement form. Some statutes also regulate the content of the waiver and its exclusions. We distribute to our franchisees the required disclosure materials.
- c. Limitation on amounts recoverable from renters. A few states limit the amount and/or type of damages that you may recover from renters and other authorized drivers for damage to, or loss or theft of, your vehicles.
- d. State and local vehicle rental laws. In addition to damage waiver laws and limitations on amounts recoverable from renters, several states and municipalities regulate some or all of the following: permits to operate a vehicle rental business; fees that a vehicle rental company may

charge; recordkeeping requirements; use of telematics; display of counter signs; and other aspects of vehicle rental operations and agreements.

e. Sale of insurance. Nearly all states regulate the sale of optional insurance products sold by vehicle rental companies. Most of these laws require you to obtain an inexpensive limited insurance license that permits you to sell insurance products that are part of the rental transaction. A few states exempt you from licensing requirements.

f. International Emergency Economic Powers Act, 50 U.S.C. 1701, et seq., and Executive Order No. 13224, effective September 24, 2001, prohibit U.S. businesses, including vehicle rental businesses, from transacting business with any individual or entity identified on list maintained by the Office of Foreign Assets Control of the Treasury Department.

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

You also must comply with laws that apply generally to all businesses, including health, safety, insurance, tax, zoning, discrimination, employment, sexual harassment, privacy, and consumer protection laws. You are responsible for knowing and complying with all laws and licensing requirements related to the operation of your Franchised Business. We recommend that you consult with your own counsel about the laws, regulations and licenses that may affect your operation of your Franchised Business before you purchase this franchise.

## **Item 2**

### **BUSINESS EXPERIENCE**

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

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

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

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

**Director: Robert Smith**

Mr. Smith has been a Director NP Franchise Group and Director and Vice President of NP Auto Group since May 2018. He has also served as Vice President of JJF Management Services, Inc. in Rockville, Maryland since April 2020. Mr. Smith began his career with JJF Management in 1993.

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

Ms. Chong has been the Treasurer, Controller, and Assistant Secretary for NP Auto Group since May 2018. Previously, Ms. Chong served as Assistant Secretary Treasurer for All Car Leasing, Inc. and RAWA from May 2006 to April 2018 and Controller for RAWA from May 2006 to December 2015.

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

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

**Franchise Business Development Manager: John Poisson**

Mr. Poisson has been Franchise Business Development Manager for NP Auto Group in Nashville, Tennessee since May 2018 and held the same position for Priceless and Bundy American, LLC from December 2014 through May 2018. Previously, he served as Area Development Manager, Western U.S. from January 2012 through December 2014 and Director of Field Operations in Nashville, Tennessee for Priceless and Bundy American, LLC from January 2005 through December 2014.

**Franchise Business Development Manager: Jon Dill**

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

**Franchise Business Development Manager: Andres Lezcano**

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

**Director of Operations: George Moorhead**

Mr. Moorhead has been Director of Operations for NP Auto Group in Wayne, New Jersey since May 2018 and held the same position for Priceless and Bundy American, LLC from December 2014 through May 2018. Previously, Mr. Moorhead served as the Area Development Manager for Bundy American, LLC and Priceless Rent-A-Car, LLC for the Eastern United States in Wayne, New Jersey from January

2012 through December 2014. He also served as Area Development Manager Northeast U.S. for Priceless Rent-A-Car, LLC from January 2007 through December 2011.

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

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

**General Manager: Glenn Price**

Mr. Price has served as the General Manager for All Car Leasing in Laurel, Maryland since June 2004.

**Corporate Sales Manager: Dennis Boucher**

Mr. Boucher has been the Corporate Sales Manager for All Car Leasing in Laurel, Maryland since December 2005.

**Item 3**

**LITIGATION**

No litigation is required to be disclosed in this Item.

**Item 4**

**BANKRUPTCY**

On July 24, 2017, Bundy American, LLC (our former parent) filed a petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code in the District of Delaware, Case No. 17-11593. On July 24, 2017, Rent-A-Wreck of America, Inc. (Bundy American’s parent) filed a petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code in the District of Delaware, Case. No. 17-11592. On February 13, 2018, the Bankruptcy Court dismissed these bankruptcy actions.

**Item 5**

**INITIAL FEES**

**Initial Franchise Fee**

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

- Six-Mile Primary Service Area -- \$24,000
- Single Point Location -- \$20,000

- Airport Location -- The Initial Franchise Fees for Airport Locations vary depending upon airport enplanement/deplanement figures and car rental revenue statistics, and as of the date of this disclosure document are as follows:

\$100,000: Los Angeles, CA; Orlando, FL

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

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

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

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

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

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

All other secondary airport locations: \$27,500

## **Incentives**

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

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

## **NextCar Brand Share Incentive for Independent Vehicle Rental Businesses**

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

### **Initial ASAP Computer System Fee**

Your Initial Franchise Fee includes an initial ASAP Computer System Fee of \$2,750 to cover the costs of initial software, licenses, and interfaces necessary to participate in the proprietary ASAP computer system (“ASAP”). If your actual software costs are less than \$2,750, we will refund the difference. If your actual software costs exceed \$2,750, you will pay the additional amount to us. The initial software fee is refundable only if the Franchised Business does not open within 180 days after you sign the Franchise Agreement, and you have not received user name and password access to the ASAP software package.

### **Reservation Deposit**

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

Except as noted above with respect to Initial ASAP Fee, the Initial Franchise Fee is non-refundable and fully earned by us when we sign the Franchise Agreement. There are no other initial fees payable to us or our affiliates.

During the fiscal year ended July 31, 2020, we sold three NextCar franchisees for initial franchise fees ranging from \$0 to \$35,000.

## Item 6

### OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty Fee	<u>Airport Locations:</u> 4% of Gross Revenues ( <b>See Note 2</b> ) <u>Non-Airport Locations:</u> \$34 per month per Rental Vehicle multiplied by the greater of: (1) the actual number of Rental Vehicles in your Fleet during the previous month; and (2) the minimum number of Rental Vehicles required under your Franchise Agreement.	Payable on or before the 10th day of each month for the prior month	Unless you have an Airport Location, your Royalty Fee will be calculated based on your minimum fleet requirements even if you do not maintain the required number of Rental Vehicles in your fleet. ( <b>See Note 3</b> )  The minimum monthly Royalty Fee is \$680.
Marketing and Advertising Fee	<u>Airport Locations:</u> 1% of Gross Revenues ( <b>See Note 2</b> ) <u>Non-Airport Locations:</u> \$8 per month per Rental Vehicle multiplied by the greater of: (1) the actual number of Rental Vehicles in your Fleet during the previous month; or (2) the minimum number of Rental Vehicles.	Payable on or before the 10th day of each month for the prior month	Unless you have an Airport Location, your Marketing and Advertising Fee will be calculated based on your minimum fleet requirements even if you do not maintain the required number of Rental Vehicles in your fleet. ( <b>See Note 3</b> )  The minimum monthly marketing fee is \$160
NextCar Reservation Fee ( <b>See Note 4</b> )	Currently, \$3.50 per reservation plus 3.5% commission on time and mileage revenue for all reservations received through NextCar.com.	Payable by ACH or credit card on or before the 10th day of each month for the previous month.	Cancellations will be credited. "No shows" will not be credited. Fees are subject to change.
Global Distribution System ("GDS") Fees ( <b>See Note 4</b> )	Currently: \$9.00 - \$12.00 per reservation for reservations received from GDS sources	Payable by ACH or credit card on or before the 10th day of each month for the previous month.	The GDS Fee is a delivery fee associated with the reservation, which is paid on your behalf to the GDS providers if you use our Reservation System. The GDS Fee is subject to change.  Cancellations will be credited for a portion of the GDS Fee if they are canceled through a GDS channel. "No shows" will not be credited.
XML Online Travel Agent ("OTA") Channel Fee ( <b>See Note 4</b> )	Currently: \$3.50 per reservation for reservations received from XML OTA channels	Payable by ACH or credit card on or before the 10 <sup>th</sup> day of each month for the previous month.	The XML OTA Fee is a delivery fee associated with the reservation, which is paid on your behalf to the XML-OTA providers. The XML-OTA Fee is subject to change.  Cancellations will be credited. "No shows" will not be credited.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Travel Agency Commissions (including traditional and GDS and XML OTAs) (See Note 4)	10% to 35% of time and mileage revenue.	Payable by ACH or credit card on or before the 10 <sup>th</sup> day of each month for the previous month.	The Travel Agency Commission varies depending upon the source of the reservation. Sources, such as OTAs charge a varying percentage. The Travel Agency Commission is a delivery fee associated with the reservation, which is paid on your behalf to certain GDS and OTAs in addition to their per-reservation fees. The Travel Agency Commission is subject to change. Cancellations will be credited. "No shows" will not be credited.
Reservation Deposit	Varies	As incurred	In addition to the per-reservation and commission fees noted, you must maintain a Deposit with us (or NP Auto Group) that we may use to cover any past-due amounts owing to us. The Deposit will be in an amount of: \$2,500 if the population in the 5-mile radius surrounding your location is 80,000 or fewer inhabitants; \$5,000 if the population in the 5-mile radius surrounding your location is over 80,000 inhabitants; and \$25,000 if you purchase an Airport Franchise (regardless of the population of the surrounding area). We may periodically increase your Deposit amount, depending upon your volume of reservations. (See Note 5)
Prepaid Reservations Withholding	10% of prepaid reservation proceeds generated by the Priceless Reservation System and processed through its central merchant account 2% of prepaid reservation proceeds processed through certain OTA channels that process prepaid reservations as merchant of record	As incurred	Customers who use the NextCar Reservation System have an option to prepay their reservation. The prepayments are deposited with NP Auto Group (not with you) and remain in NP Auto Group's possession until they have been applied as a credit to your monthly NextCar Reservation System invoice after the vehicle rental has taken place. (See Note 6).



Type of Fee (Note 1)	Amount	Due Date	Remarks
Reservations Reconnection Fee	\$100	As incurred	If your Reservation Fee payment is rejected for any reason, you fail to cure a default under the Franchise Agreement within the allotted time period, or your deposit is insufficient to cover anticipated commissions based on existing reservations in any month, we have the right to disconnect your reservations services and use your deposit to cover the outstanding balance. The Reconnection Fee and a deposit replenishment will be due before we reestablish your service.
Vehicle Acquisition Fee	\$200 per transaction	As incurred	At your request, we or our affiliates will assist you with the acquisition of vehicles for use in your Franchised Business through our fleet management services. In addition to the Vehicle Acquisition Fee, You also will be responsible for paying the cost of the vehicle and any auction and transportation fees.
Damage Waiver Fee	Up to \$20 for each damage waiver sold. Currently, the fee is \$19.60	Payable on or before the 10 <sup>th</sup> day of each month	If you participate in the Damage Waiver program administered by NP Auto Group, you will remit up to \$20 for each damage waiver sold during the previous month and retain the balance. This fee is subject to change.
Insurance Program Fee	Varies	On or before the 10 <sup>th</sup> day of each month	If you participate in the liability insurance program administered by NP Auto Group, you will pay a monthly fee. As of the date of this disclosure document, approximately 25 percent of your monthly fee will cover your insurance premium, and the remaining 75 percent will be placed into a reserve account that NP Auto Group will use to cover the deductible when a claim is made. This fee varies and is subject to change.
Late Payment Fee	Late Payment Fee is 5% of amount owed - minimum late fee equal to \$15.	As incurred	Assessed the 1st business day after the monthly fees' due date. The late fee is assessed each month on the due date of payments. The fee is applied to payments due, including late fees from prior months.
Credit Card Processing Fee (See Note 1)	Currently 3.8% of transaction	As incurred	Payable if you pay any amount due to us or our affiliates by credit card.
Transfer Fee	\$3,000	Before transfer completed	Due when you sell any interest in the Franchised Business.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Audits	No charge, unless we discover irregularities	As incurred	You may have to pay the cost of our audit of your books and records. (See Note 7)
Guidance	Will vary under circumstances	As incurred	If you request guidance beyond what we customarily provide, we may charge you for any out-of-pocket costs associated with travel or service necessary for the guidance.
Annual Meeting and Training Pre-Payment Program	\$40 per month	Payable on or before the 10 <sup>th</sup> day of each month	Your Annual Meeting and Training Pre-Payment Program fees will be used to reimburse you for your travel and hotel expenses incurred when attending any of our Annual Meetings or other training programs. We will reimburse you for up to \$700 in training-related travel and hotel expenses each year even if the total amount of your monthly pre-payments for that year is less than \$700.
ASAP Computer System (“ASAP”)	\$5 per car per month. If you elect to use credit card scanners, driver’s license scanners, phone-as-key systems, or other additional devices, you may incur additional ongoing charges payable to third parties.	Payable on or before the tenth day of each month	Participation in this program is mandatory. There are additional one-time setup fees, which are described in greater detail in Items 7 and 11 of this disclosure document.
Post-Termination Business Continuance Buyout (See Note 8)	\$800 multiplied by the greater of: (a) the minimum number of Rental Vehicles described in Exhibit 1 of your Franchise Agreement; or (b) the most recent 12-month average of the actual number of Rental Vehicles in the Franchised Business	With notice of termination or upon demand	You do <b>not</b> pay the Post-Termination Business Continuance Buyout if you leave the NextCar System for any reason and you do not operate a competitive vehicle rental business within 20 miles of the Franchised Business. The Post-Termination Business Continuance Buyout is payable <b>only if</b> you operate a competitive vehicle rental business within 20 miles of the Franchised Business after your Franchise Agreement is terminated.
Indemnification	Will vary under circumstances	As incurred	You must defend us, reimburse us and pay our losses and expenses that we incur as a result of claims arising from your operation of the Franchised Business.
Administrative Fee for Insufficient Funds	\$35	As incurred	You will be charged a \$35.00 administrative fee each time there are insufficient funds when an attempt is made to electronically transfer funds to NP Franchise Group.

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

All flat fees that we impose and collect may be increased each year; percentage-based fees (*i.e.*, “\_\_\_% of Gross Revenues”) are not subject to annual increases. Fee increases will apply to all Franchised Businesses that have been open and operating for at least 3 years as of the date of the increase. The amount of the system-wide increase will be equal to the greater of: (a) 1% per year; and (b) the percentage change in the CPI-W (the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) U.S. City Average for All Items maintained by the Bureau of Labor Statistics (“BLS”) between the date of the proposed change (“Current Period”) and the “Opening Date” of the business or the month and date of the most recent system-wide change, whichever is later (“Base Period”). The change in CPI-W will be calculated in accordance with the formulas set forth by the BLS, which are currently provided at [www.bls.gov](http://www.bls.gov). If the BLS ceases to publish the CPI-W or implements major revisions to the CPI-W, we will designate a new index or formula to determine system-wide increases via amendment to the Operating Manual.

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

If you operate an independent vehicle rental business and sign the NextCar Brand Share Incentive Addendum, during the Dual Branding Period, your Royalty Fee will be 4% of “Gross Revenues,” and your Marketing and Advertising Fee will be 2% of Gross Revenues. During the Dual Branding Period, we will reimburse you for a portion of your expenditures on approved brand building activities, including store level signs and branding, local market advertising and promotions, Internet advertising through approved vendors, and other preapproved advertising and brand building efforts (“Brand Building Activities”) as follows:

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

Reservation Fees payable to us for reservations received from any source, including the NextCar website or call center, online or traditional travel agencies, or the global distribution system, are approved Brand

Building Activities and eligible for reimbursement. Other fees payable under the Franchise Agreement or other agreements between you and NP Franchise Group or one of our affiliates will not be eligible for reimbursement.

(3) Payment of the minimum Royalty Fee and Marketing and Advertising Fees will not satisfy your obligation to meet the minimum fleet requirements.

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

(5) Although any increases to your Deposit will vary, as of the date of this disclosure document, we estimate that after your first 12 months of operation, NP Auto Group will require you to maintain a Deposit that is equal to approximately 17 percent of the annual gross receipts generated by customer bookings through the Priceless Reservation System for rentals originating at your location. We or NP Auto Group also may increase the Deposit amounts for all participants if we deem necessary. Any unused amounts of the Deposit will be returned to you upon termination of the Franchise Agreement. You must report reservation status, including time and mileage amounts, using the reservation system management system before the close of each billing cycle, or else you will be charged the full commission for the estimated charges at the time of reservations without adjustment for actual fees received for that month. All pricing and other terms related to reservations delivered through GDS, GDS OTAs, and XML OTAs are subordinate to our agreements with the various providers.

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

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

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

**Item 7**

**ESTIMATED INITIAL INVESTMENT  
YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial franchise fee (1)	\$20,000	\$100,000	Cash	When Franchise Agreement Signed.	NP Franchise Group
Initial Reservations Deposit (2)	\$2,500	\$25,000	Cash	When Reservation Services Enrollment Signed	NP Auto Group
Real Estate (3)	\$6,000	\$24,000	As Agreed	As agreed	Suppliers
Leasehold Improvements (4)	\$2,000	\$12,000	As agreed	As ordered	Suppliers
Equipment, Fixtures, Furniture and Signs (5)	\$2,000	\$20,000	As agreed	As ordered	Suppliers
Rental vehicles; 20 vehicles is the minimum fleet requirement (6)	\$320,000	\$600,000	As agreed	As ordered	Auctions, Dealers, Wholesalers, Fleet Companies
Training and Travel Expenses (7)	\$1,000	\$2,000	Cash	As incurred	Suppliers
Computer Hardware (8)	\$1,550	\$14,130	Cash	As incurred	Suppliers
Computer Software (9)	\$2,750	\$7,250	Cash	When Franchise Agreement Signed	Suppliers
Additional Onsite Computer Software Training(10)	\$0	\$3,500	Cash	As incurred	Suppliers
Opening Advertising, Deposits, and Miscellaneous Costs (11)	\$2,500	\$5,000	As agreed	As incurred	Suppliers
Vehicle Insurance (12)	\$10,000	\$20,000	As agreed	As ordered	Broker
Additional Funds - 3 months (13)	\$15,000	\$25,000	As agreed	As incurred	Suppliers and Employees
<b>TOTAL ESTIMATED INITIAL INVESTMENT(13) (14)</b>	<b>\$385,300</b>	<b>\$877,880</b>			

## **Notes to Chart:**

\*The preceding table presents an estimate of the initial investment required to establish and operate a Franchised Business whether you are operating in a local market or serving an airport, as well as whether you are new to the vehicle rental business or are converting an existing business to the NextCar brand. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and that you investigate specific costs in your area.

(1) Your Initial Franchise Fee includes Initial Training, as well as \$2,750 toward your ASAP initial start-up fee. The Initial Franchise Fee, which varies depending upon the territory protection that you select, is: \$20,000 for a Single Point Location; \$24,000 for a Six-Mile Primary Service Area; and \$27,500 to \$100,000 for an Airport Location (depending upon the airport's enplanement/deplanement and car rental revenue statistics). As of the date of this disclosure document, we offer the following incentive discounts off the standard Initial Franchise Fee to qualified franchisees: National Independent Auto Dealers Discount (\$1,000 discount) and Military Veteran Discount (\$2,000).

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

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

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

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

(6) The costs and the number of rental vehicles will vary significantly depending on the location of the Franchised Business, availability of vehicles, the cost of purchasing and reconditioning vehicles, and the availability of fleet financing. The estimate includes vehicle acquisition fees, auction fees, broker fees and transportation fees. Our affiliate, KFL, LLC, may lease vehicles to qualified NextCar franchisees under its fleet leasing program. Qualified franchisees will enter a Master Lease Agreement with KFL (a sample of which is attached as Exhibit G to this disclosure document) and will be required to pay monthly fees, including interest and administrative fees.

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

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

(9) Your initial software expenses will include an initial ASAP startup fee of \$2,750 for a five user, one location database (includes setup on relevant GDS systems and reservation broker platforms, rental agreement configuration and state-specific terms loading and all other configuration needed for setup with the Point-of-Sale and Reservation capabilities of the system). Your initial ASAP fee is included in the Initial Franchise Fee (up to \$2,750). You will order the ASAP software, interfaces, and other materials from us. If the actual costs are less than \$2,750, we will refund the difference. If the actual costs exceed \$2,750, you will pay the additional amount to us. The estimate also includes the monthly ASAP license fees and other monthly fees for three months, which as of the date of this disclosure document is \$5 per vehicle per month. The low end of the estimate is based on the monthly ASAP license fee for 25, and the high end is based on the monthly ASAP license fee for 300 vehicles and for other services, such as phone-as-a-key applications, that you elect to purchase from third parties for use with ASAP.

(10) Initial phone training on ASAP is included in the Initial Operations Training Program that we provide. At your request, we will provide additional training either virtually or onsite at the Franchised Business (if circumstances permit). Additional virtual ASAP training is provided at no additional cost, while additional onsite ASAP training will be provided for an additional fee of \$750 per day (for 1-2 days of training) plus travel and living expenses for the trainer (based on the same per diem rates described in Note 4 above). The additional training is not mandatory. The high end of the estimate is based on 2 days of training plus travel and living expenses for one trainer.

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

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

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

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

## **Item 8**

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

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

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

#### **Suppliers**

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

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



does not have our approval. However, you may send an additional request for approval to us via certified mail or overnight delivery (with tracking service), and we will respond with our approval or disapproval within 10 days from the date that we receive the second request.

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

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

**ASAP COMPUTER SYSTEM (“ASAP”).** You must use ASAP, a proprietary software program and operating system developed by us and our affiliates (and through a third-party supplier). ASAP will enable you to process credit card transactions, print vehicle rental agreements, allow the renting public to contact you over the Internet, disclose information about your fleet availability and rental rates to the public, accept reservations for rental vehicles, and prepare internal reports. It will also enable NP Franchise Group to access the rental records of the Franchised Business. We reserve the right to subcontract ASAP development and maintenance to a third party provider. You also must purchase the computer hardware that we specify that is capable of running ASAP. In addition, we require that you purchase other equipment and systems that you use in the operation of the Franchised Business, such as chip and pin readers and phone-as-a-key services, from Preferred Providers to ensure compatibility with ASAP and the integrity of the system. As of the date of this disclosure document, you must purchase the chip and pin reader from a sole Preferred Provider.

As of the date of this disclosure document, your Initial Fee includes payment for the basic ASAP package (\$2,750). You will order the ASAP software and accessories from us and agree to an End User License Agreement with us, a sample of which is attached as Exhibit K to this disclosure document. If the actual cost of your software is less than \$2,750, we will refund the difference to you. If the actual cost exceeds \$2,750, you will pay the additional amount to us.

**Reservations.** The NextCar Reservation System is administered by NP Auto Group and includes reservations delivered through the NextCar.com website and call center, reservations delivered through ASAP and third-party providers, and other methods of securing pre-reserved business for our franchisees. As of the date of this disclosure document, you must use the full NextCar Reservation System (including reservations delivered through third-party providers), and you will sign a Reservation Services Enrollment Form with NP Auto Group (a copy of the current form is attached as Exhibit J to this disclosure document). You must pay us or NP Auto Group a reservation charge or other fee for each reservation generated through our website and third-party providers (if applicable), as well as a reconnection fee if we are required to reestablish your reservation service following a suspension for failure to pay or other default. In addition, you may be required to pay fees and commissions to third-party providers in connection with the reservation services that they provide.

In the fiscal year ended July 31, 2021, our parent, NP Auto Group derived \$2,610,069 in reservation charges from NextCar franchisees, which represented approximately 35.3 percent of NP Auto Group’s

total revenue of \$7,381,057 for that year. In the fiscal year ended July 31, 2021, we derived \$211,627 in reservation charges from NextCar franchisees, which represented approximately 21.3 percent of our total revenue of \$991,848 for that year. From those reservation charges, NP Auto Group and NP Franchise Group paid \$1,865,420 in reservation commissions, GDS delivery fees, and other associated fees to unaffiliated third parties.

**Signs, Printed Materials and Rental Agreement Forms.** We will provide an interior sign suitable for hanging behind or adjacent to the rental desk. We will provide designs for outdoor signs, administrative and promotional materials, record and bookkeeping systems, as well as advertising and sales materials. All signs and printed materials that you use in your NextCar Business must bear the NextCar Trademarks. You can purchase signs and printed materials from any supplier as long as the materials meet our specifications. If you want to use a different type or brand of sign or printed materials, or utilize a new source for these items, you must notify us and submit photographs, specifications, samples and any other requested information. We will notify you in writing within a reasonable time (usually 30 days) if the proposed sign or printed material, or the proposed source meets NP Franchise Group's requirements for quality, cost, availability, design, appearance and other standards. As of the date of this disclosure document, we do not charge a fee for this review, but reserve the right to do so in the future.

### **E-mail.**

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

### **Credit Cards.**

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

### **Insurance.**

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

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

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

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

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

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

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

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

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

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

### **Rental Vehicles.**

Your fleet may consist of new or used vehicles and must meet the standards that we specify in the Operating Manual. As of the date of this disclosure document: (1) your fleet may include all types of

motorized vehicles including but not limited to cars, trucks, SUVs and passenger vans; and (2) fleet vehicles must be no older than 5 years (as defined by subtracting 5 from the current calendar year) and have traveled fewer than 78,000 miles. You may not use vehicles with “salvage” titles in your fleet. All your rental vehicles must be clean, safe to operate, mechanically sound, and in good running condition, and you must comply with all applicable federal and state safety recall laws.

As of the date of this disclosure document, there are no approved or designated suppliers of vehicles used in the Franchised Business; however, our affiliate, KFL Leasing, may lease vehicles to qualified NextCar franchisees. In addition, NP Auto Group may assist you in the purchase of vehicles by arranging the purchase of new or used vehicles through its fleet management service. If you request vehicle acquisition assistance from NP Auto Group, you will pay a \$200 vehicle acquisition fee, and you will be responsible for the purchase price of the vehicle and any auction and transportation fees. (Previously, our affiliate, All Car Leasing, provided vehicle acquisition services to our franchisees on the same terms.)

\* \* \* \* \*

NP Auto Group received \$6,037 in revenues from NextCar franchisees from sales of the optional Damage Waiver product during the fiscal year ended July 31, 2020, which represented less than one percent of NP Auto Group’s total revenue of \$7,772,742 for that year. Our affiliate, KFL, received \$36,909 in revenue from NextCar franchisees for fleet leasing during the fiscal year ended July 31, 2020, which represented approximately 37.4 percent of KFL’s total revenue of \$98,749 for that year. The source of information for NP Auto Group and KFL is their respective financial records.

We estimate that required purchases for the Franchised Business (excluding vehicles) will equal approximately 5% to 30% of your costs in establishing the Franchised Business and 12% to 20% of your ongoing costs.

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## Item 9

### FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	FA: Sections 1.B and 2.A Master Lease: Not applicable	Items 7 and 11
(b) Pre-opening purchases/leases	FA: Sections 2.A, 2.C, 3.B & 6.E Master Lease: Not applicable	Items 7 and 8
(c) Site development and other pre-opening requirements	FA: Sections 2 and 3 Master Lease: Not applicable	Items 7, 8 and 11
(d) Initial and ongoing training	FA: Section 5 Master Lease: Not applicable	Item 11
(e) Opening	FA: Section 2.B Master Lease: Not applicable	Item 11
(f) Fees	FA: Section 4 Master Lease: Section 2	Items 5, 6, 7 and 10
(g) Compliance with standards and policies/operating manual	FA: Sections 6 Master Lease: Sections 3 & 4	Items 8, 11 and 16
(h) Trademarks and proprietary information	FA: Sections 8 and 9 Master Lease: Not applicable	Items 13 and 14
(i) Restrictions on products/services offered	FA: Section 6.B Master Lease: Section 4	Items 8, 11 and 16
(j) Warranty and customer service requirements	FA: Section 6.G Master Lease: Section 3	Not Applicable
(k) Territorial development and sales quotas	FA: Section 1.B Master Lease: Not applicable	Item 12
(l) On-going product/service purchases	FA: Sections 2.C, 3 and 6 Master Lease: Not applicable	Item 8
(m) Maintenance, appearance and remodeling requirements	FA: Section 6.A. Master Lease: Section 3	Item 8
(n) Insurance	FA: Section 6.E Master Lease: Section 5	Items 7, 8 and 15
(o) Advertising	FA: Section 7 Master Lease: Section 4(e)	Items 6 and 11

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

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## Item 10

### FINANCING

#### Fleet Leasing Program

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

The following table summarizes the fleet leasing program:

Source of Financing	KFL, LLC (our affiliate)
Amount Financed	Varies depending upon number of vehicles financed. Total amount financed per vehicle includes the costs of the vehicle block price plus auction fees plus \$200 acquisition fee ( <b>Note 1</b> )
Down Payment	None
Term (number of months)	1 month – 30 months (initial maximum term of 12 months with up to three 6-month extensions, subject to our approval)
Monthly Depreciation Payment	2.25% of original amount financed ( <b>Note 2</b> )
Rate of Interest	Varies – Prime +4% (calculated monthly) ( <b>Note 3</b> )
Monthly Administrative Payment	\$15 per vehicle leased
Monthly Payment	Varies depending upon original amount financed and monthly interest rate
Prepayment Penalty	None
Purchase Requirement	At any time, you have an option to purchase each vehicle in an “as is” condition for a price equal to the Book Value for the month of settlement of the purchase. You must purchase each leased vehicle on or before the end of the lease term.
Security Required	KFL retains title to all leased vehicles; \$750 security deposit per leased vehicle (\$375 due with application and \$375 due upon delivery) ( <b>Note 4</b> )
Guarantee	Personal guarantees from individual franchise owners

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

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

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

Note 3: The interest rate is calculated each month based on the then-current prime rate of interest as published by the *Wall Street Journal*. As of December 17, 2021, the *WSJ* prime rate was 3.25 percent, and the interest rate for the Master Lease Agreement was 7.25 percent.

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

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



## Item 11

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

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

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

- (1) Provide an Initial Operations Training program that you must schedule and attend. (Franchise Agreement - Section 5.A.)
- (2) Provide online access to the Operating Manual that you will use throughout the Initial Operations Training program and operation of your Franchised Business. If you fail to attend Initial Operations Training, you must request a user name and password for access to the Operating Manual from us. Specifications, standards and procedures for operating a NextCar Business are contained in the Operating Manual and are incorporated by reference into the Franchise Agreement. The Table of Contents to the Operating Manual is Exhibit F to this Disclosure Document. As of the date of this disclosure document, the total number of pages of the Operating Manual is 184. (Franchise Agreement - Section 6.B.)
- (3) Provide you with guidance for start-up operations. This may take the form of consulting regarding site selection, fleet planning and other matters related to the Franchised Business and NextCar standards. A member of our operations staff (led by the Director of Operations) will be available to you by phone or e-mail and, as necessary, by in-person consultations at the Franchised Business to assist you during the start-up phase. (Franchise Agreement -Section 5.C.)
- (4) Provide access to, at your expense, the ASAP Computer System. (Franchise Agreement – Section 11)
- (5) Approve Your Site. (Franchise Agreement – Section 2.A.) We do not assist you with conforming the premises to local ordinances and building codes and obtaining any required permits, nor do we assist you in hiring or training employees. We do not typically own and lease the premises to you, and you will purchase or lease the premises from third parties.

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

- (1) Add to or modify the Operating Manual. (Franchise Agreement - Section 6.B.)
- (2) Provide you with guidance for operating the Franchised Business. This guidance may include, at your reasonable request, assistance with establishing and using administrative, bookkeeping, accounting and inventory control processes. We also may provide assistance with pricing models upon your reasonable request. (Franchise Agreement -Section 5.C.)
- (3) Establish programs, promotions, campaigns or activities for the benefit of its franchisees (such as credit card programs, reservation service programs, special offers, or marketing and advertising programs). (Franchise Agreement - Section 6.F.)

- (4) Administer the Marketing Program. (Franchise Agreement - Section 7.A.).

### **Marketing Program**

We conduct marketing programs to market, advertise, and promote the NextCar Vehicle Rental Businesses and Trademarks on an international basis. If you operate an Airport Location, you will pay us a monthly Marketing Fee of one percent of Gross Revenues. Otherwise, you will pay us a monthly Marketing Fee of \$8 per Rental Vehicle per month. The Marketing Fee for non-Airport Locations will be increased every year by an amount equal to 1% or the applicable Consumer Price Index (CPI), whichever is greater. (CPI will be calculated as the percentage change in the CPI-W (the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) U.S. City Average for All Items maintained by the Bureau of Labor Statistics (“BLS”) between the date of the proposed change (“Current Period”) and the date of the most recent system-wide change, whichever is later (“Base Period”). The change in CPI-W will be calculated in accordance with the formulas set forth by the BLS, which are currently provided at [www.bls.gov](http://www.bls.gov). If the BLS ceases to publish the CPI-W or implements major revisions to the CPI-W, we will designate a new index or formula to determine system-wide increases via amendment to the Operating Manual.) As of the date of this disclosure document, franchisor- or affiliate-owned stores are not required to pay Marketing Fees on the same basis as our franchisees.

We use Marketing Fees to pay for various programs to benefit the NextCar Vehicle Rental Businesses and the NextCar brand generally, including to maintain, administer, direct and prepare international, national, regional or local marketing, advertising, promotional and public relations activities, and any other activities that we believe will enhance the image of the NextCar system. These activities may include: the costs of preparing and conducting television, radio, magazine, billboard, newspaper, online, and other media advertising and activities; marketing surveys and other public relations activities; employing in-house advertising and public relations personnel; retaining in-house and outside advertising agencies; developing and maintaining the NextCar Reservation System; social networking/media, search optimization, and other digital marketing strategies; conducting sponsorships, sweepstakes, and competitions; establishing and maintaining a website using the NextCar Trademarks; and similar activities at the sole discretion of NP Franchise Group. We also may use Marketing Fees in joint marketing efforts with the Priceless brand if we determine that doing so would be appropriate and would benefit the NextCar system. As of the date of this disclosure document, we do not intend to use Marketing Fees for marketing activities that are designed principally to solicit new franchise sales, but we reserve the right to do so in the future.

We have the sole right to determine how we spend these funds. We have no obligation to make expenditures for you that are proportional to your payments, or to ensure that your Franchised Business benefits directly or proportionately from such programs. The aggregate of Marketing Fees paid to us by franchisees does not constitute a trust or “advertising fund” and we are not a fiduciary with respect to Marketing Fees paid to us by you and other franchisees. Marketing Fees will be part of the general funds of NextCar, but will be accounted for separately from the other funds of NextCar. Marketing Fees are not audited, but you may obtain an accounting of the Marketing Fees by contacting us. We are not required to spend all fees received in the year in which they accrue. If not all Marketing Fees are spent in the fiscal year in which they accrue, the remaining amount will be carried forward to the following year.

In the fiscal year ended July 31, 2021, we allocated Marketing and Advertising Fund expenditures as follows: 30% for production costs, 33% for media placement, 25% for administration, and 12% for other costs, including SMS/email messaging platforms and listing management. In the fiscal year ended

July 31, 2021, we did not use any Marketing and Advertising Fund monies for advertising principally directed to the solicitation of franchise sales, but we reserve the right to do so in the future.

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

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

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

## **Computer Systems**

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

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

- Computer equipment -- (PC-type computer, Android, or iOS phones and tablets, current operating system, chip and pin reader, and printer) -- \$1,550 - \$3,950 (payable to your suppliers)
- ASAP Initial Start-Up Software Fees (one-time fee)\* -- \$2,750 (includes setup on relevant GDS systems and reservation broker platforms, rental agreement configuration and state-

specific terms loading and all other configuration needed for setup with the Point of Sale and Reservation capabilities of the system).

*(\*Your Initial Fee includes a \$2,750 Initial ASAP Fee to cover all or part of your initial start-up software fees for the ASAP Computer System. If your actual Initial Start-up Software Fees are less than \$2,750, we will refund the difference; if they exceed \$2,750, you will pay the excess amount to us.)*

- Fees for Optional Hardware (one-time fee payable to your supplier) -- tablet and card reader counter mount (\$350-\$700).
- High-speed Internet access connection cost -- approximately \$60 per month or more (payable to your supplier)
- ASAP License Fee (includes maintenance, software updating, upgrades and support) -- \$5 per vehicle per month.
- Optional onsite initial training -- \$750 per day plus expenses (payable to us)

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

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

## **Site Selection**

We are required in the Franchise Agreement to take the actions necessary to approve or disapprove a site for the location of the Franchised Business. You may use a site for the Franchised Business only if we consent to it in advance. We will provide written approval or disapproval within 15 days after receiving your complete written site request. In making our decision, we will consider factors such as demographics, traffic count, visibility, parking availability, general image of the surrounding area, and suitability for use as a rental facility, including access to maintenance and wash bays. If you fail to open the Franchised Business within 180 days after signing the Franchise Agreement, we have the right to terminate the Franchise Agreement. The typical length of time from signing the Franchise Agreement to opening the Franchised Business ranges from 30 to 90 days, depending on factors such as site selection, attendance at the training program, acquisition of vehicles, and zoning and licensing

requirements. If NP Franchise Group and you cannot agree on a site, we have the right to terminate the franchise.

## **Training**

We conduct our Initial Operations Training program over a 4 or 5-day period, usually at our Franchisee Service Center in Laurel Maryland, or at your option at a regional site. Initial Operations Training is included in your Initial Franchise Fee. The instructional materials include our Operating Manual; sample retail rental agreements; reports relating to rental operations, such as daily business reports; and other forms used in the operation of a NextCar Vehicle Rental Business. The training program is designed for persons new to the vehicle rental business and for owners of independent rental businesses who are converting to our franchise system.

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

### **Training Program**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location (1)</b>
Introduction and Background	0.5	0	Laurel, MD or regional site
Logo Specifications, Signs and Brand Uniformity	0.5	0	Laurel, MD or regional site
Advertising and Public Relations	1.0	0	Laurel, MD or regional site
Yellow Page Advertising	1.0	0	Laurel, MD or regional site
Reservation System			
Website Set Up and Management	2.0	1.0	Laurel, MD or regional site
Local Marketing and Outside Sales	1.0	0	Laurel, MD or regional site
Rate Shop Your Competition	1.0	0	Laurel, MD or regional site
ASAP Source of Business Tracking	1.0	0	Laurel, MD or regional site
Graphic Forms – Business Supplies	0.5	0	Laurel, MD or regional site
Planning and Purchasing your Fleet	3.0	1.0	Laurel, MD or regional site
Understanding Fleet Depreciation			
Pricing for Profit – Planning to achieve your profit objectives.	3.0	0	Laurel, MD or regional site
Planning to sell some of your fleet each year.	2.0	0	Laurel, MD or regional site
ASAP Computer System Training Create Reservations Open, Modify and Close Rental Agreements, Using Reports, Selling to the Customers' needs.	7.5	2.5	Laurel, MD or regional site
Telephone Sales Basic Training	3.0	1.5	Laurel, MD or regional site
Understanding Auto Insurance	1.0	0	Laurel, MD or regional site
Selling Optional Products to Customers	.75	.75	Laurel, MD or regional site
Customer Qualifications and Essentials	1.0	1.0	Laurel, MD or regional site
Customer Service Standards	3.5	1.0	Laurel, MD or regional site
Wrap-up Discussion	0.5	0	Laurel, MD or regional site
Closing Remarks	0.5	0	Laurel, MD or regional site

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location (1)
<b>TOTALS</b>	<b>37</b>	<b>8.75</b>	

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

You and/or your general manager must schedule, attend, and complete the Initial Operations Training to our satisfaction at any time before the opening of the Franchised Business. You may invite other employees of the Franchised Business to attend Initial Operations Training. Although the Initial Operations Training is included in your Initial Franchise Fee (and there is no additional initial training fee payable to us), you must pay all travel and living expenses and any salary or benefits for your trainees. If you choose regional training, you also will pay for the airfare and per diem expenses of the trainer. Per diem expenses are calculated at the then current federal government rate of compensation of its employees when travelling on government business.

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

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

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

The training program is conducted under the supervision of Genevieve (Pat) Bowie (“Pat the Trainer”), our Director of Training and Development. Pat the Trainer has over 20 years’ experience in the subject matter taught and over 10 years’ experience with our operations. Previously, Ms. Bowie was a Training Manager for Budget Rent-A-Car Corporation for approximately 10 years.

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

## Item 12

### **TERRITORY**

We grant franchises for a Six-Mile Primary Service Area Franchise, Airport Locations, and non-exclusive Single Point Locations (all of which are described below). You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

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

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

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

If you are not able to achieve the minimum fleet requirement described in Exhibit 1 of your Franchise Agreement within 36 months, we at our election, may: (a) agree to a lower minimum fleet requirement; (b) reduce the size of your Primary Service Area by 50%; (c) reduce your Primary Service Area to a Single-Point Franchise; or (d) terminate your franchise. Except as described above, there are no circumstances that will permit us to modify a Primary Service Area.

**Single Point Location** – If you purchase a Single-Point Franchise, you must have a minimum fleet of 20 cars within one year after opening your Single-Point Franchise. If you purchase a Single-

Point franchise, NP Franchise Group and our affiliates have the right to establish, own, operate, and franchise others to establish and operate Vehicle Rental Businesses using the NextCar Trademarks anywhere regardless of proximity to the Franchised Business. In addition, NP Franchise Group and our affiliates have the right to own, establish, operate, and franchise others to establish and operate vehicle rental businesses or any other business under trade names, trademarks or service marks other than the NextCar Trademarks during the term of the Franchise Agreement, regardless of their proximity to the Franchised Business.

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

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

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

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



## Item 13

### TRADEMARKS

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

Each of the Marks listed below has been licensed to us by All Car Leasing via a License Agreement that grants to us the right to use and to grant franchises to others to operate Vehicle Rental Business identified by the NextCar Trademarks listed below. The term of the license agreement is indefinite, provided that All Car Leasing may terminate at any time by giving us written notice. In the event of such termination, our existing franchisees will continue to have the right to use the NextCar Trademarks under their franchise agreements. The following principal “NextCar” trademarks are registered by All Car Leasing on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

Mark	Registration Number	Registration Date
NextCar All Vehicle Rentals	3,413,816	April 22, 2008
NextCar <i>(Class 39 - for vehicle rental services)</i>	3,009,108	October 25, 2005
NextCar Leasing	4,298,747	March 5, 2013
NextCar Sales	4,298,748	March 5, 2013
NextCar Used Car Sales	4,298,749	March 5, 2013
NextCar <i>(Class 35 – store services featuring new and used automobiles and auto parts)</i>	3,257,392	July 3, 2007

All required affidavits and renewals have been filed.

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

assumed name registrations. A domain name, website, homepage, electronic address, or other interactive site may not be owned or maintained by you on the Internet or World Wide Web and advertised with the NextCar Trademarks without our prior written consent. All intellectual property, URL names, domain names and website pages become our property upon the expiration or termination of the Franchise Agreement.

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

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

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

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

## **Item 14**

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

#### **Patents**

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

#### **Copyrights**

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

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

#### **Confidential Operating Manual**

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

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

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

## **Item 15**

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

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

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

## **Item 16**

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

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

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

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

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

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

## Item 17

### RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

#### THE FRANCHISE RELATIONSHIP

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

#### 1. The Franchise Agreement

Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	Section 1.C	The Franchise Agreement does not have a fixed term or expiration date.
(b) Renewal or extension of the term	None	Not applicable
(c) Requirements for franchisee to renew or extend	None	Not Applicable
(d) Termination by franchisee	Section 14.D	You may terminate if we default under the terms of the Franchise Agreement and fail to cure such default within 90 days after receipt of written notice from you. In addition, you may terminate at any time with or without cause upon 90 days' written notice to us if you either (1) cease the direct or indirect ownership or operation of any Vehicle Rental Business within 20 miles of the site of the Franchised Business for a period of 2 years after the effective date of termination; or (2) you pay the Post-Termination Business Continuance Buyout.
(e) Termination by franchisor without cause	None	No specific provision.
(f) Termination by franchisor with cause	Section 14	We have the right to terminate if you commit any of several violations (see (g) and (h) below).
(g) "Cause" defined. curable defaults	Section 14	You have 30 days after receiving written notice to cure a non-monetary matter and 15 days after receiving written notice to cure a monetary matter.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
(h) “Cause” defined – non-curable defaults	Section 14	Failure to begin operating within 180 days; Abandonment of the franchised business for more than 7 consecutive days without prior approval; Submission of reports which understate or overstate the number of vehicles or gross revenue by more than 5%; Failure to maintain insurance coverage; Failure on three or more occasions to submit reports; Failure to pay NP Franchise Group or approved vendor fees when due; Conviction of or guilty or nolo-contendere plea in felony or criminal cases; material misrepresentations; repeated defaults; relocation of your Franchised Business without our approval; default in another agreement with us; failure to maintain minimum fleet requirements; and failure to accept or implement material changes to the System that apply uniformly to all similarly-situated franchisees.
(i) Franchisee’s obligations on termination/non- renewal	Section 15	Obligations include payment of amounts due to NP Franchise Group, including Post-Termination Business Continuance Buyout (if applicable), within 15 days after termination, cessation of the use of the NextCar Trademarks, notification of the telephone company and listing agencies to authorize the transfer of the telephone number and directory listings to NP Franchise Group, compliance with the covenant not to compete, return of the Operating Manual and any other proprietary materials, and other obligations listed in Section 15 of the Franchise Agreement.
(j) Assignment of contract by franchisor	Section 13.A	Fully transferable by NP Franchise Group.
(k) “Transfer” by franchisee-defined	Section 13.B, 13.C and 13.D	Includes voluntary or involuntary, direct or indirect assignment, sale, gift, or other disposition of any interest in the franchise, the Franchised Business or a controlling interest (51% or more) of the ownership or management control of the Operating Company.
(l) Franchisor’s approval of transfer by franchisee	Section 13.B, 13.C and 13.D	NP Franchise Group has the right to approve all transfers in advance.
(m) Conditions for franchisor approval of transfer by you	Section 13.C and 13.D	You are in full compliance with the Franchise Agreement, you pay all amounts owed to us, transferee completes training, transferee signs our then-current form of Franchise Agreement, a transfer fee is paid to us, and you sign a general release of any claims against NP Franchise Group (attached as Exhibit C to this Disclosure Document).

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
(n) Franchisor's right of first refusal to acquire franchisee's business	Section 13.F.	We can match any offer for your NextCar business.
(o) Franchisor's option to purchase the franchised business	Section 15.C.	We have the right to assume the lease (or sublease) of the Premises and to purchase assets of the Franchised Business (including Rental Vehicles) upon termination of the Franchise Agreement.
(p) Death or disability of franchisee	Section 13.E	The Franchised Business must be transferred to an approved party within 6 months from the date of death or permanent disability, subject to the conditions in "m" above.
(q) Non-competition covenants during the term of the franchise	Section 9	You cannot directly or indirectly perform services for, nor have an ownership interest in, any competing motor vehicle rental business.
(r) Non-competition covenants after the franchise is terminated or expires	Section 15.D	For 2 years you cannot have any direct or indirect interest in any business involving rental of motor vehicles located within a twenty (20) mile radius of the premises of the Franchised Business. If you wish to operate a competing business before the end of the 2-year period, you may do so if you pay us a Post-Termination Business Continuance Buyout.
(s) Modification of the agreement	Sections 6.B and 16.A and 16.G	No modification generally, unless by mutual written agreement, but the Operating Manual, specifications and procedures can be changed unilaterally by us.
(t) Integration/merger clause	Section 16.G	Only the terms of the Franchise Agreement, and other related written agreements are binding (subject to state law). Any representations or promises made outside the disclosure document and Franchise Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	None	Not applicable
(v) Choice of forum	Section 16.D	Subject to state law, litigation must be held in Frederick County, Maryland.
(w) Choice of law	Section 16.E	Subject to state law, Maryland law applies.

## 2. The Master Lease Agreement

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



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

## **Item 18**

### **PUBLIC FIGURES**

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

## **Item 19**

### **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

The following pages contain a historical financial performance representation that is derived from the financial records for the NextCar businesses that are owned and operated by our indirect parent, All Car Leasing, and its affiliate ("Corporate Stores") during the fiscal year ended July 31, 2020 ("Sample Period"). During the Sample Period, there were no franchised NextCar locations that were fully operational for all 12 months of the Sample Period. As a result, the financial performance representation includes information for the Corporate Stores only.

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**Table 1 - FINANCIAL PERFORMANCE SUMMARY FOR NEXTCAR CORPORATE STORES**  
**August 1, 2020 through July 31, 2021 (“Sample Period”)**  
**Data sorted by Average Monthly Revenue per Vehicle**

	<b>Average Revenue per Day</b>	<b>Average Revenue per Closed Agreement</b>	<b>Average Monthly Revenue per Vehicle</b>	<b>Average Utilization</b>	<b>Average length of Rental</b>
<b>Average for 16 Corporate Stores</b>	\$47.05	\$376.07	\$1094	77%	7.59
<b>Number and percentage of outlets with results greater than the average</b>	9 out of 16 56%	7 out of 16 44%	7 out of 16 44%	9 out of 16 56%	7 out of 16 44%
<b>Low – high range</b>	\$27 - \$62	\$158 - \$594	\$724 - \$1465	59% - 85%	2.67 – 14.13
<b>Mean</b>	\$47.05	\$376.07	\$1094	77%	7.59
<b>Median</b>	\$47.70	\$293.03	\$1,077	78%	6.17

**Table 2 - FINANCIAL PERFORMANCE SUMMARY FOR NEXTCAR FRANCHISED BUSINESSES**  
**August 1, 2020 through July 31, 2021 (“Sample Period”)**  
**Data sorted by Average Monthly Revenue per Vehicle**

	<b>Average Revenue per Day</b>	<b>Average Revenue per Closed Agreement</b>	<b>Average Monthly Revenue per Vehicle</b>	<b>Average Utilization</b>	<b>Average length of Rental</b>
<b>Average for 2 Franchised Businesses</b>	\$62.50	\$269.98	\$1090	56%	4.6
<b>Number and percentage of outlets with results greater than the average</b>	1 out of 1 50%	1 out of 1 50%	1 out of 1 50%	1 out of 1 50%	1 out of 1 50%
<b>Low – high range</b>	\$59.78 - \$65.21	\$255 - \$284	\$1,014 - \$1,166	54% - 57%	3.89 – 5.83
<b>Mean</b>	\$47.05	\$376.0	\$1094	77%	7.59
<b>Median*</b>	\$47.05	\$376.0	\$1094	77%	7.59

(\*Since there are only two Franchise Businesses in the Sample, the mean and the median numbers are the same.)

## Definitions

The following are the definitions that we used for the column headings in Table 1:

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

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

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

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

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

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

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

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

## Bases

The information in Table 1 reflects the actual historical operating performance of 16 Corporate Stores that are operated by our indirect parent, All Car Leasing, during the Sample Period.

The information in Table 2 relates to the historic performance of NextCar franchisees that had been open and operating for all 12 months from August 1, 2020 through July 31, 2021 (the “**2021 Sample Period**”). As of July 31, 2021, there were 7 open and operating NextCar Franchised Businesses, 5 of which had been open and operating during the entire 2021 Sample Period. We requested information for each of the categories presented in Table 2 from all 5 NextCar Franchised Businesses that had been open during the entire 2021 Sample Period.

Of the 5 NextCar Franchised Businesses that had been open and operating during the entire 2021 Sample Period, 2 (approximately 40%) provided us complete reporting for each month of the 2021 Sample Period (the “**2021 Sample Franchised Businesses**” or “**2021 Sample**”). Of the 5 NextCar Franchised Businesses that had been open and operating during the entire Sample Period, 3

(approximately 60%) did not provide complete reporting for each month of the 2021 Sample Period and therefore were not included in the 2021 Sample. There were no outlets excluded from the 2021 Sample Period that closed after being open less than 12 months.

We studied the data received from the Sample Franchised Businesses. Table 1 summarizes our study of the Corporate Stores during the 2021 Sample Period, and Table 2 summarizes our study of the 2021 Sample Franchised Businesses.

### **Assumptions:**

The Corporate Stores and Franchised Businesses included in Table 1 and Table 2 are substantially similar to the type of NextCar Franchised Business that we expect you to operate under your Franchise Agreement with us. The Corporate Stores operate at locations that are similar to the type of location that we recommend for franchisees to operate their NextCar Franchised Business, and they offer the same types of services and optional products. In addition, the Corporate Stores and Franchised Businesses are operated from a variety of geographic locations and sites (e.g., free-standing or connected to an existing business, such as an automotive repair shop or car dealership) with a range of fleet sizes and length of operations.

Characteristics of the Outlets included in Table 1 and Table 2. The characteristics of the Corporate Stores and 2021 Sample Franchised Businesses include the following:

- The Corporate Stores have all been open and operating for an average of 6 years. We estimate that it typically takes at least 3 years for a vehicle rental business to stabilize.
- The Corporate Stores included in Table 1 are located within the state of Maryland. Market conditions in your state or locality may vary substantially, which may affect your performance.
- Seven of the Corporate Stores are based in new car dealerships and derive substantial parts of their revenue from service loaners, warranty replacement and other service replacement business. Generally, the service loaner and replacement business results in higher utilization at lower daily rental rates.
- The Corporate Stores do not have defined territories. Our affiliate determines the location of Corporate Stores based on an analysis of several factors, including: (1) whether there is an existing dealership owned by an affiliate at the proposed site; (2) drive-by traffic patterns of the proposed site; (3) availability and suitability of real estate; and (4) demographics. Those that are operated within dealerships are similar to a Single Point Location and may even operate next door to another Corporate Store. Other Corporate Stores may be more similar to a Primary Service Area (both 6-Mile Primary Service Area and Airport location).
- The 2021 Sample Franchised Businesses are Airport locations.

Other Differentiating Factors Affecting the Results of Your Franchised Business. The market where your NextCar Franchised Business is located may be in a large metropolitan area, a smaller urban area, suburban area, or at an airport. In addition, your NextCar Franchised Business may be operated from the site of an existing business, such as an automotive repair shop, a new or used car dealership, or a gas station.

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

The financial performance representation does not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business.

\* \* \* \* \*

Written substantiation for the financial performance representations presented in Table 1 is available upon your reasonable request.

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

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**Item 20**

**OUTLETS AND FRANCHISEE INFORMATION\***

**Table 1**  
**SYSTEMWIDE OUTLET SUMMARY**  
**For Fiscal Year Ended July 31, 2019, 2020, and 2021**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2019	3	3	0
	2020	3	5	+2
	2021	5	7	+2
Corporate*	2019	17	17	0
	2020	17	16	-1
	2021	16	17	+1
<b>Totals</b>	2019	20	20	0
	2020	20	21	+1
	2021	21	24	+3

(\*Company-Owned Outlets in Maryland are operated by our indirect parent, All Car Leasing, Inc., and in Florida by All Car Leasing's affiliate.)

**Table 2**  
**TRANSFERS OF OUTLETS FROM FRANCHISEES**  
**TO NEW OWNERS (OTHER THAN THE FRANCHISOR)**  
**For Fiscal Year Ended July 31, 2019, 2018 and 2020**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Florida	2019	0
	2020	1
	2021	0
<b>Total</b>	2019	0
	2020	1
	2021	0



**Table 3**  
**STATUS OF FRANCHISED OUTLETS**  
**For Fiscal Year Ended July 31, 2019, 2020, and 2021**

State	Year	Franchised Outlets at Start of Year	Franchised Outlets Opened	Franchise Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Franchised Outlets at End of the Year
<b>FL</b>	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1*
	2021	1	1	0	0	0	0	2
<b>MA</b>	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
<b>MT</b>	2019	0	0	0	0	0	0	0
	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
<b>NY</b>	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
<b>PR</b>	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2*
	2021	2	0	0	0	0	0	2
<b>Totals</b>	2019	3	0	0	0	0	0	3
	2020	3	3	0	0	0	1	5*
	2021	5	2	0	0	0	0	7

(\*Includes one location in Florida and one location in Puerto Rico that ceased operations for several months during the fiscal year ended July 31, 2020.)

**Table 4**  
**Status of Company-Owned Outlets\***  
**For Fiscal Year Ended July 31, 2019, 2020, and 2021**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
<b>Florida</b>	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
	2021	0	1	0	0	0	1
<b>Maryland</b>	2019	16	0	0	0	0	16
	2020	16	0	0	0	0	16
	2021	16	0	0	0	0	16
<b>Total</b>	2019	17	0	0	0	0	17
	2020	17	0	0	1	0	16
	2021	16	1	0	0	0	17

(\*Company-Owned Outlets in Maryland are operated by our indirect parent, All Car Leasing, Inc.)

**Table 5**  
**PROJECTED OPENINGS**  
**As Of July 31, 2021**

State	Franchise Agreements Signed But Franchised Businesses Not Opened	Projected Franchised New Businesses in the Next Fiscal Year	Projected Company Owned Business Openings In the Next Fiscal Year
California	0	1	0
New Jersey	0	1	0
<b>Totals</b>	0	2	0

Exhibit H includes a list of existing franchisees. A list of franchisees who left the system in the last fiscal year, or franchisees who have not communicated with us within 10 weeks of the disclosure document issuance date is attached as Exhibit I. During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussion with you of their experiences as a franchisee in our franchise system.

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

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

## **Item 21**

### **FINANCIAL STATEMENTS**

Exhibit B to this Disclosure Document is our audited financial statements for the fiscal years ended July 31, 2021, July 31, 2020, and July 31, 2019, October 31, 2021. Our fiscal year ends July 31<sup>st</sup> of each year.

## **Item 22**

### **CONTRACTS**

The following agreements are Exhibits to this Disclosure Document:

- Exhibit A: Franchise Agreement
- Exhibit A1: State Addenda to Franchise Agreement
- Exhibit C: General Release
- Exhibit E: Collision Damage Waiver Fee and Indemnification Agreement
- Exhibit G: Sample Master Lease Agreement, Vehicle Lease Order, Vehicle Delivery Receipt and Monthly Statement
- Exhibit J: Reservation Service Participation Agreement
- Exhibit K: ASAP End User License Agreement

## **Item 23**

### **RECEIPTS**

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

## STATE ADDENDA TO THE NEXTCAR FRANCHISE DISCLOSURE DOCUMENT

### State-Specific Requirements

#### **CALIFORNIA:**

Section 31125 of the Franchise Investment Law requires us to give you a disclosure document approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your franchise agreement.

Item 5 of the Franchise Disclosure Document is amended to provide that the Initial Franchise Fee, the Reservation Deposit Fee, and all other initial payments paid to us will be deferred until we have completed all of our pre-opening obligations (listed in Item 11 of this Disclosure Document), and you have begun operating your Franchised Business. The California Department of Financial Protection and Innovation imposed this deferral requirement due to our financial condition.

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

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

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

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

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

The following language is added to the end of Item 17:

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

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

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

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

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

The following is added to Item 19 of the Disclosure Document:

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

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dbo.ca.gov](http://www.dbo.ca.gov).

## **HAWAII**

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

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS**

**PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

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

**Fee Deferral.** Item 5 of the Franchise Disclosure Document is amended to provide that the Initial Franchise Fee, the Reservation Deposit Fee, and all other initial payments paid to us will be deferred until we have completed all of our pre-opening obligations (listed in Item 11 of this Disclosure Document), and you have begun operating your Franchised Business.

**ILLINOIS:**

1. **Fee Deferral.** Item 5 of the Franchise Disclosure Document is amended to provide that the Initial Franchise Fee, the Reservation Deposit Fee, and all other initial payments paid to us will be deferred until we have completed all of our pre-opening obligations (listed in Item 11 of this Disclosure Document), and you have begun operating your Franchised Business. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

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

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

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

(except as required by Illinois law for any claims arising under Illinois law).

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

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

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

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

## **MARYLAND**

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

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

2. **Deferral of Initial Fees.** Item 5 of the Franchise Disclosure Document is amended to provide that the Initial Franchise Fee, the Reservation Deposit Fee, and all other initial payments paid to us will be deferred until we have completed all of our pre-opening obligations (listed in Item 11 of this Disclosure Document), and you have begun operating your Franchised Business. The Maryland Securities Division imposed this deferral requirement due to our financial condition.

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

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

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

## **MICHIGAN:**

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

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

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

- a. A prohibition on the right of a Franchisee to join an association of Franchisees.

b. A requirement that a Franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a Franchisee of rights and protection provided in this act. This shall not preclude a Franchisee, after entering into a franchise agreement, from settling any and all claims.

c. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the Franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

d. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the Franchisee by repurchase or other means for the fair market value at the time of expiration of the Franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the Franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the Franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

e. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

f. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the Franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

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

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

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



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

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

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

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

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

Any questions regarding this notice should be directed to:

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

## MINNESOTA:

1. **Fee Deferral.** Item 5 of the Franchise Disclosure Document is amended to provide that the Initial Franchise Fee, the Reservation Deposit Fee, and all other initial payments paid to us will be deferred until you have opened your Franchised Business. The Minnesota Commerce Department imposed this deferral requirement due to our financial condition.
2. Item 17 “Renewal, Termination, Transfer and Dispute Resolution,” is amended by the addition of the following paragraphs:

With respect to franchises governed by Minnesota law, NP Franchise Group will comply with Minn. Stat. §80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement and that consent of the transfer of the franchise not be unreasonably withheld.

Minn. Stat. 80C.21 and Minn. Rule Part 2860.4400J, prohibit NP Franchise Group from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

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

## NEW YORK:

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

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

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

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

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

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

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

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

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

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

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

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

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

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

### **NORTH DAKOTA:**

Each provision of the following “Additional Disclosures” is effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of the Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

1. **Fee Deferral.** Item 5 of the Franchise Disclosure Document is hereby amended to state that the Initial Franchise Fee, the Reservation Deposit, and any other initial fees will be deferred until we have completed all our pre-opening obligations (listed in Item 11 of this Disclosure Document), and you have commenced doing business.

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

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

- A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

**RHODE ISLAND:**

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

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

## **SOUTH DAKOTA**

1. **Fee Deferral.** Item 5 of the Franchise Disclosure Document is hereby amended to state that the Initial Franchise Fee, the Reservation Deposit, and any other initial fees will be deferred until we have completed all our pre-opening obligations listed in Item 11 of this Disclosure Document), and your franchise is operational.

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

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

## **VIRGINIA**

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

1. The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

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

## **WISCONSIN**

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

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

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

b. The Act’s requirements, including the requirements that, in certain circumstances, a franchisee receives ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed

deficiencies, will supersede the requirements of Sections 3 and 10 of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

The undersigned does hereby acknowledge receipt of these State Addenda to the NextCar Franchise Disclosure Document.

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

**PROSPECTIVE FRANCHISEE**

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

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

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

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

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





**NEXTCAR  
FRANCHISE AGREEMENT**

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**EXHIBITS**

Exhibit 1	Franchise Information Page
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## NextCar Franchise Agreement

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

### 1. THE FRANCHISE

#### A. Preambles

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

In this Agreement:

1. “**Franchised Business**” means the Vehicle Rental Business you operate under this Agreement using the NextCar Trademarks and System.
2. “**Gross Revenues**” means all monies received or receivable under closed Rental Agreements, including time, mileage, damage waiver and any other charges for ancillary services or products provided in the conduct of the Franchised Business, excluding only refueling fees, taxes and government-imposed fees and surcharges, airport concession fees, toll and other violations, and vehicle damage recovery proceeds.
3. “**Including**” or “**Includes**” means “including (or includes), but not limited to,” “including (or includes) without limitation,” and similar constructions.

4. “**Manual**” or “**Operating Manual**” means, collectively, all manuals, policy statements, directives, books, pamphlets, bulletins, memoranda, letters, notices, computer media (e.g., computer software, CDROM) or other publications, documents or electronic media prepared by or on behalf of us for use by franchisees generally or for You in particular, which contain required or recommended standards, procedures, policies and advice relating to the operation of the Franchised Business, to marketing the products and services offered, and setting forth information, advice, standards, requirements, operating procedures, instructions or policies relating to the operation of NextCar Vehicle Rental Businesses, as may be amended by us from time to time.

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

### **B. Grant**

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

### **C. Territorial Protections and Reservation of Rights**

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

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

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

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

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

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

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

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

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

#### **D. Term**

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

#### **E. Delegation**

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

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

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

You must operate the Franchised Business at and only at the Premises. Before opening the Franchised Business, You will provide to NP Franchise Group written evidence of Your ownership of, or leasehold interest in, the Premises and will obtain our written consent to the Premises for the operation of the Franchised Business. We will provide written consent or disapproval within 15 days after receiving your complete written site request. Failure to secure a site consented to by

NP Franchise Group is cause for termination of this Agreement. In making our decision, we will consider factors such as demographics, traffic count, visibility, parking availability, general image of the surrounding area, and suitability for use as a rental facility, including access to maintenance and wash bays. You understand that Our consent will not be deemed to be a guaranty that the Premises: (1) will be successful; (2) comply with applicable federal, state and local laws, rules and ordinances, including the Americans with Disabilities Act and similar state laws; or (3) are suitable for the Franchised Business or for any other purpose. Our consent to the Premises indicates only that we believe that the Premises fall within the acceptable criteria that we have established for NextCar Vehicle Rental Business locations at the time of our consent. Once the Premises are approved, the Franchised Business may not be moved without the prior written consent of NP Franchise Group. We are not required to approve a change of location. If you operate within a Primary Service Area, moving the Franchised Business will not change the circular area of the Primary Service Area.

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

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

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

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

1. We will have determined that you have completed the “build out” of the Premises and leasehold improvements in accordance with NextCar standards;
2. You will have purchased or leased and installed all specified fixtures, furnishings and signage;
3. You will have obtained, provided copies to us, and maintain all required building, utility, sign, business and other permits and licenses applicable to the Franchised Business;
4. You will have established a credit card merchant account;
5. You will have purchased and set-up the required computer and point of sale systems, and your rental agreement will have been approved;

6. You will have obtained and provided to us copies of certificates for all insurance policies required by Section 6.E. of this Agreement or such other evidence of insurance coverage and payment of premiums as we reasonably may request;

7. You will have completed the Initial Operations Training (defined in Section 5.A. below) to our satisfaction; and

8. You will have purchased or leased an appropriate number of Rental Vehicles (defined in Section 3.A. below) for launch of business to enable you to meet your minimum Fleet requirements required under this Agreement.

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

### **C. Signs, Equipment and Forms**

1. Signs and Computer System. You must prominently display on the Premises a sign approved in advance by NP Franchise Group bearing the NextCar Trademarks, as specified in the Manual. You will also acquire and use the Computer System (as defined in Section 11.A.) specified by us for operating the Franchised Business.

2. Rental Agreements. All Rental Agreements generated used in the Franchised Business must be generated using the Computer System and contain the language and format that: (1) you will have verified complies with your local and state law; and (2) NP Franchise Group will have approved. As used in this Agreement, the term, “**Rental Agreement,**” means a sequentially-numbered retail contract form used for the renting of vehicles and the term, “**Rental,**” means an agreement that permits use of a vehicle for less than one year. If you are not using the Computer System to generate Rental Agreements for any reason, the Rental Agreements that you use in the Franchised Business still must meet the requirements in Subsections (a) and (b) of this Section 2.C.2.

## **3. FLEET REQUIREMENTS**

### **A. Definition of “Rental Vehicle”**

As used in this Agreement, the term “**Rental Vehicle**” means a vehicle owned or used or kept for rent, bailment, “sharing,” sale or lease by You in the Franchised Business or in any other business operated within a 20 mile radius of the Premises. Rental Vehicles are any motorized or self-propelled vehicles without a “salvage” title that are less than 26,000 lbs. GVW and include private passenger vehicles (whether for on-or off-road use), passenger or cargo vans, sport utility vehicles, specialty vehicles (other than recreational vehicles, motorcycles, scooters, ATVs/UTVs or similar vehicles), and pick-up or light-duty trucks.

Each Rental Vehicle must be clean, safe to operate, mechanically sound, and in good running condition, and you must comply with all vehicle safety recall notices under federal and state law. A Rental Vehicle must meet the minimum standards set forth in the Operating Manual (as may be amended from time to time).

## **B. Minimum Fleet Requirements**

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

## **C. Calculation of Total Fleet**

The definition and method for counting Rental Vehicles and calculating your total Fleet will be described in the operating manual (“**Operating Manual**” or “**Manual**”).

## **4. FEES**

### **A. Initial Franchise Fee**

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

### **B. Royalty Fee**

You will pay to NP Franchise Group, on or before the 10<sup>th</sup> of each month, a Royalty Fee (the “**Royalty Fee**”) in the following amount:

1. Airport Franchises. If your Franchised Business operates at or services an airport with regularly scheduled commercial flights (“**Airport Franchise**”), the Royalty Fee is four percent (4%) of Gross Revenue received during the preceding month.

2. Non-Airport Franchises. If your Franchised Business is not an Airport Franchise, your Royalty Fee is \$34.00 per Rental Vehicle multiplied by: (1) the actual number of Rental Vehicles in your Fleet during the previous month; or (2) the minimum number of Rental Vehicles specified in Exhibit 1, whichever is greater.

The first Royalty Fee is due on the 10<sup>th</sup> of the month following the Opening Date.

### **C. Marketing Fees**



You will pay to NP Franchise Group, on or before the tenth of each month, a Marketing Fee (the “**Marketing Fee**”) in the following amount:

1. Airport Franchises. If your Franchised Business is an Airport Franchise, the Marketing Fee is one percent (1%) of Gross Revenue received during the preceding month.
2. Non-Airport Franchises. If your Franchised Business is not an Airport Franchise, the Marketing Fee is \$8.00 multiplied by: (1) the actual number of Rental Vehicles in your Fleet during the previous month; or (2) the minimum number of Rental Vehicles specified in Exhibit 1, whichever is greater.

The first Marketing Fee is due on the tenth day of the month following the Opening Date.

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

You will pay us, on or before the tenth day of each month, an Annual Meeting and Training Program Payment of \$40.00, to be held by us for the purpose of reimbursing up to \$700 of your travel expenses incurred when you attend any of our annual meetings or training programs. The first Annual Meeting and Training Program Payment is due on the 10<sup>th</sup> day of the month following the Opening Date. Any payments collected but not reimbursed to You during a calendar year will not carry over for use in another calendar year.

#### **E. Fee Increases**

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

#### **F. Method of Payment**

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

five days. If you have a net credit for the previous month, we will send a check payable to you in that amount following the issuance of the Franchise Invoice (usually within one week).

2. At our option, we may require that you designate an account at a commercial bank of your choice (the “**Account**”) for the payment of amounts due to us and/or our affiliates, including Royalty Fees, Marketing and Advertising Fees, Annual Meeting and Training Program Payment, , and reservation fees. If we require you to designate an Account for payment, you must furnish us and the bank with authorizations as necessary to permit us to make withdrawals from the Account by electronic funds transfer (including an ACH Authorization Form attached as Exhibit 4). On the tenth of each month or at another date specified by us from time to time (“**Due Date**”) we will transfer from the Account an amount equal to the Royalty Fees, Marketing and Advertising Fees, and Annual Meeting and Training Program Payment (and other fees) due for that month. You agree to maintain sufficient funds in the Account at all times to cover all Royalty Fees, Marketing and Advertising Fees, and Annual Meeting and Training Program Payments and other fees payable to us or our affiliates. If funds in the Account are insufficient to cover the amounts payable at the time we make our monthly electronic funds transfer, the amount of the shortfall will be deemed overdue. You will notify us at least ninety (90) days before closing or changing the Account against which such debits are to be made. If such Account is closed or ceases to be used, you will immediately provide all documents and information necessary to permit us to debit the amounts due from an alternative account. We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic, electronic debit (*e.g.*, by check or wire transfer) whenever we deem appropriate, and you must comply with our payment instructions. If we permit you to pay any amounts due to us or our affiliates by credit card, you will also be charged a credit card processing fee (an additional 3.8% of the transaction amount as of the Effective Date). If we supply products to you, we may require pre-payment or COD depending on our then-current policies and your payment record with us.

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

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

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

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

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

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

## **I. Payment of Minimum Amounts and Fleet Requirements**

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

## **5. TRAINING AND GUIDANCE**

### **F. Initial Operations Training**

We will train You (and, if applicable, your general manager (“**General Manager**”)) in the operation of the Franchised Business prior to its opening (“**Initial Operations Training**”). Initial Operations Training focuses on our philosophy, System standards, and other material aspects of operating a NextCar Vehicle Rental Business. Initial Operations Training will be conducted at Our principal office or another location that we designate, and it will be Your obligation to schedule and attend Initial Operations Training. All costs incurred by You to attend Initial Operations Training, including cost for travel and hotel accommodations, will be Your sole responsibility. If you prefer to train at another location nearer to the Franchised Business, training will be conducted in an office or hotel meeting room of your choice and at your expense. You will also pay for the airfare and per diem expenses of the NextCar trainer. Per diem expenses are calculated at the then-current federal government rate of compensation of its employees when traveling on government business.

After successfully completing the Initial Operations Training, you and/or your General Manager may receive additional on-the-job training by working in a company store for a period of time to be determined by you and us. If you choose to participate in this additional training, the

topics covered will vary based on the issues that arise in the day-to-day operations of the store. You are not required to participate in this additional training opportunity, but we encourage you to do so. There is no training fee for this additional on-the-job training, nor will you be paid by us or otherwise considered to be Our employee during the training period. However, you must pay all travel and living expenses for you and/or your General Manager.

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

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

### **H. Additional Training and Guidance**

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

### **E. Annual Convention**

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

Annual Meeting and Training Fee described in Section 4.D. above. We reserve the right to require attendance in the future.

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

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

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

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

### **A. Appearance**

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

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

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

2. We will provide online access to the Operating Manual that you will use throughout the Initial Operations Training program and for the term of the Franchise Agreement. When you attend Initial Operations Training, you must request a user name and password for

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

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

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

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

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

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

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

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

## **E. Insurance**

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

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

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

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

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

5. Additional Insureds; Insurance Certificates. All insurance policies required by this Agreement will be from a supplier approved by us and will name NP Franchise Group, LLC, NP Auto Group, Inc., and All Car Leasing, Inc. (and our respective parents, affiliates, subsidiaries, members, shareholders, officers, directors, agents and employees), and any other entities requested by NP Franchise Group as additional insureds, contain a waiver by each insurance carrier of all subrogation rights against P NP Franchise Group, LLC, NP Auto Group, Inc., and All Car Leasing,

Inc., and will provide that NP Franchise Group, LLC, NP Auto Group, Inc., and All Car Leasing, Inc. receive 30 days' prior written notice of termination, expiration, cancellation or modification of any such policy. All liability policies required by this Agreement will permit NP Franchise Group, LLC, NP Auto Group, Inc., and All Car Leasing, Inc. to retain outside counsel of our choosing, at Your expense, to defend NP Franchise Group, LLC, NP Auto Group, Inc., and All Car Leasing, Inc. from any claim arising directly or indirectly out of, related to, or made in connection with, the operation of the Franchised Business, including any claim that NP Franchise Group, LLC, NP Auto Group, Inc., and All Car Leasing, Inc. is vicariously liable for the actions of you, your employees, or your customers.

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

6. Preferred Provider. NP Franchise Group may designate one or more Preferred Providers of liability insurance coverage required by this Agreement and direct You to purchase such insurance from Preferred Providers. We or one of our affiliates may be an approved supplier of insurance coverage required under this Agreement.

## **F. Marketing Programs**

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

2. You agree to offer for sale, and to honor for purchases by customers, all incentive or convenience programs that We may periodically institute (including loyalty programs that We or a third party vendor operate, and mobile payment applications); and you agree to do all of those things in compliance with our standards and procedures for such programs. In order to participate, you agree that you will, among other things: purchase software, hardware, and other items needed to sell and process incentive and convenience programs; and pay the applicable charges for participation in, and transactions conducted through, these incentive or convenience programs.

## **G. Customer, Franchisee, and Preferred Provider Complaints.**

You will make every attempt to promptly resolve disputes with your customers in a fair, lawful, ethical and even-handed manner. Complaints from Your customers, other NextCar franchisees, and Preferred Providers that are directed to NP Franchise Group will be referred first to You for resolution. NP Franchise Group has the right to intervene in unresolved disputes, and



to resolve them on terms that We deem fair and reasonable in our sole discretion. Such resolutions may result in payments to one or more of the following for which You will be solely responsible: other franchisees, to Preferred Providers, to Us, and to customers. NP Franchise Group has the right to make such payments on Your behalf. In that case, You will, on Our demand: (1) reimburse us for those payments; and (2) pay Us an administrative fee as specified in the Operating Manual.

## **H. Preferred Providers**

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

## **I. Credit and Debit Cards**

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

## **J. Corporate Accounts**

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

## **K. Prices**

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

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

You agree to take all appropriate measures necessary to obtain the right and authority to operate the Franchised Business pursuant to an in-terminal or consolidated facility (or other similar facility) concession agreement and any corresponding lease agreement (collectively referred to as the “**In-Terminal Concession**”). You will act diligently and with your best faith efforts to obtain, secure, and maintain the concessions and, particularly, to submit a good faith application on commercially reasonable terms for In-Terminal Concession rights every time that an opportunity for such concession will arise. If your application is accepted, you will accept the grant of the In-Terminal Concession on the terms and conditions set forth in the bid process and as specified by the applicable airport authority. You will comply with the terms of any concession and related agreements and take all appropriate actions to maintain your rights under the In-Terminal Concession at all times throughout the term of the Franchise Agreement. You will provide us with proof of your compliance with this requirement and with copies of all notices, applications, and other communications relating to the In-Terminal Concession.

1. You acknowledge that your obligation to acquire and maintain the In-Terminal Concession is not only for purposes of operating the Franchised Business but also to benefit NP Franchise Group and the System by distributing the NextCar Trademarks as widely as possible and keeping services using the Trademarks available to the public for as long as possible.

2. To comply with Section 6.L.1. above, upon termination or expiration of this Agreement for any reason, you will, at our option, transfer and assign to NP Franchise Group or our designee, in accordance with the requirements of the applicable airport authority, any and all rights and interest it may have in the In-Terminal Concession including any ancillary or related agreements.

Nothing contained herein will be construed as giving rise to a duty on the part of NP Franchise Group to accept an assignment of the In-Terminal Concession.

## **7. MARKETING, ADVERTISING AND PROMOTION**

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

Recognizing the value of uniform advertising and promotion to the goodwill and public image of the System, you agree that We have the right to collect Marketing Fees (described in Section 4.C. above) and to conduct marketing programs to market, advertise, and promote the NextCar Vehicle Rental Businesses and Trademarks. We (or our designee) have the right to direct all marketing programs with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof.

We may use Marketing Fees described in Section 4.C. of this Agreement to pay for various programs to benefit the NextCar Vehicle Rental Businesses and the NextCar brand generally, including to maintain, administer, direct and prepare international, national, regional or local marketing, advertising, promotional and public relations activities and any other activities that We believe will enhance the image of the NextCar system. These activities may include the costs of preparing and conducting television, radio, magazine, billboard, newspaper, online, and other media advertising and activities, marketing surveys and other public relations activities; employing in-house advertising and public relations personnel, retaining in-house and outside advertising agencies, establishing and maintaining a website using the NextCar Trademarks; developing and maintaining the NextCar Reservation System; social networking/media, search optimization, and other digital marketing strategies; conducting sponsorships, sweepstakes, and competitions; and similar activities at Our sole discretion. We may use a portion of the Marketing Fees to conduct advertising and marketing of the availability of NextCar franchises. We also may use Marketing Fees in joint marketing efforts with other brands that we or our affiliates operate or franchise if we determine that doing so would be appropriate and would benefit the NextCar system.

We (or our designee) have the sole right to determine how we spend the Marketing Fees. We have no obligation to make expenditures for you that are proportional to your payments, or to ensure that your Franchised Business, Primary Service Area (if applicable) or general market area benefits directly or proportionately from such programs. The aggregate of Marketing Fees paid to us by franchisees does not constitute a trust or “advertising fund” and we are not a fiduciary with respect to Marketing Fees paid to us by you and other franchisees. If not all Marketing Fees are spent in the fiscal year in which they accrue, the remaining amount will be carried forward to the following year. The Marketing Fees will be part of the general funds of NP Franchise Group, but will be accounted for separately from the other funds of NP Franchise Group. Marketing Fees are not audited, but You may obtain an accounting of the Marketing Fees by contacting us.

## **B. Regional Marketing Cooperatives; Franchisee Advisory Council**

1. We have the right to maintain, collect fees for, and administer Regional Marketing Cooperatives (“**Regional Cooperative**”) for marketing, advertising and promoting the NextCar Trademarks on a regional basis. NP Franchise Group has the right to define each region and to determine the Regional Cooperative in which You may participate. If we establish Regional Cooperatives, You may participate in more than one Regional Cooperative. Once NP Franchise Group notifies You that You are a member a Regional Cooperative, You will pay NP Franchise Group the Regional Cooperative fee determined by NP Franchise Group for that Regional Fund, provided that, your Regional Cooperative fee may not exceed the then-current amount of Your Marketing Fee without your agreement. NP Franchise Group has the right to determine the frequency of payment of Your Regional Cooperative fees. Regional Cooperative fees will not be spent for media placement substantially outside the region for which that Regional Cooperative was formed, unless agreed to by a majority of the Regional Cooperative members—all as defined and determined by NP Franchise Group.

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

## **C. Websites**

We may establish and maintain one or more websites and/or mobile applications (collectively “**NextCar Websites**”) that provide information about the NextCar System and the vehicle rental services provided by NextCar franchisees. The NextCar Websites may also offer reservations, mobile payments, or similar services. We have absolute control over the NextCar Websites’ design and content. The NextCar Websites may include a series of interior pages developed by us (and at our discretion, using content provided by franchisees at our request) that identify participating NextCar Vehicle Rental Businesses by address, telephone number, and email address. At your request, we will attempt (technology permitting) to include on the NextCar Websites one or a series of interior pages devoted to information about the Franchised Business. You will not have the capability to modify the interior page(s) except in coordination with us and subject to our policies and procedures as those may change from time to time. We will attempt to configure the NextCar Websites to accommodate any individual interior web pages containing information about NextCar Vehicle Rental Businesses operated by our franchisees.

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

## **D. By You**

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

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

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

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

## **8. TRADEMARKS**

### **A. Ownership of Trademarks and Goodwill**

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

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

## **B. Limitations on Your Use of Trademarks**

You will use the NextCar Trademarks as the sole identification of the Franchised Business. You may not use the NextCar Trademarks or any corporate or business name of NP Franchise Group: **(1)** as part of any corporate or trade name, including the name of the Operating Company; **(2)** with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos which are part of the NextCar Trademarks); **(3)** in any modified form, except as expressly approved and authorized by NP Franchise Group; **(4)** as part of or in connection with telephone numbers, SMS numbers or addresses, MMS numbers or addresses, Instant Messenger Screen names, RSS or other syndicated service feeds, profiles and accounts on Twitter, MySpace, Facebook, LinkedIn, You Tube, Google Plus, Pinterest, Instagram, SnapChat, or any other interactive or static site maintained on the Internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system; or **(5)** in any manner not expressly authorized in writing by NP Franchise Group.

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

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

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

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

## **D. Telephone Numbers**

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

You have the sole and exclusive obligation to obtain telephone numbers for use in the Franchised Business. NP Franchise Group will have no obligation to obtain directly or through transfer or assignment a telephone number or numbers for use by You in the Franchised Business.

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

## **9. KNOW-HOW**

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

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

NP Franchise Group will furnish information and training on how to use ASAP. ASAP, its business processes and all information relating to it, are the property of NP Franchise Group and are part of the Know-How. Know-How is proprietary, confidential information and a trade secret of NP Franchise Group, whether or not marked with words so indicating.

You acknowledge and agree that You: (1) will not acquire any interest in the Know-How other than the right to use it during the term of this Agreement, as we specify, while operating the Franchised Business; (2) will not use the Know How in any other business or capacity; (3) will keep confidential each item deemed to be a part of the Know How, both during and after termination of this Agreement (after termination of this Agreement, for as long as the item is not

generally known in the vehicle rental industry); (4) will not make unauthorized copies of the Know How disclosed via electronic media or in written or other tangible form; (5) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of the Know How, including restricting its disclosure to Franchised Business personnel and others and using non-disclosure and noncompetition agreements with those having access to Know How; and (6) will not sell, trade, or otherwise profit in any way from the Know How, except as authorized by this Agreement.

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

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

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

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

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

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

You are an independent contractor. This Agreement does not create a fiduciary or an agency relationship between NP Franchise Group and You. Nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, joint employer, employer, employee, or servant of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, personnel and others as the owner of the Franchised Business under a franchise granted by NP Franchise Group. You will prominently display on the Premises, business cards, stationery, advertising, emails and in other materials that we may require, in the style and form as We may designate, a notification that the Franchised Business is owned and operated by You and that the Franchised Business is an independently owned and operated franchise of the NextCar franchise system.



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

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

## **C. Indemnification**

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

## **11. RECORDS AND REPORTS; RESERVATIONS**

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

We have the right to specify or require, and you agree to obtain and use, the brands, types, makes, and/or models of communications, computer systems, and hardware, including the required hardware, credit card terminal and merchant services, back-office and point-of-sale systems, printers and other peripheral devices, front-of-the-house Wi-Fi and other Internet service for customers, and other electronic information systems and all equipment components and software necessary for use in the operation of the Franchised Business (the “**Computer System**”). We may modify the Computer System’s specifications and components, and you agree to implement and periodically make upgrades and other changes at your expense to the Computer System as we may reasonably request in writing. As of the Effective Date, the Computer System requirements include: (a) the vehicle rental software program and system called “**ASAP Computer System**” (or “**ASAP**”) (described below); (b) high-speed Internet access; and (c) a personal computer (PC) running an acceptable current operating system.

1. ASAP Computer System. NP Franchise Group, our affiliates, and a third-party supplier have developed a software program and system called “ASAP.” You will use ASAP exclusively in the operation of the Franchised Business and for other aspects of the Franchised Business to which ASAP applies. Among other things, ASAP enables You to: (a) complete and print vehicle rental agreements; (b) allow the renting public to contact You via the Internet; (c)

disclose to the renting public information about Your fleet availability and rental rates; (d) accept reservations for Rental Vehicles; (e) process payment card transactions; (f) prepare the internal reports required by this Agreement; (g) read updates to the Manual; (h) access other communications from NP Franchise Group; and (i) manage your fleet. ASAP also enables NP Franchise Group to access Your business records and other information and data generated and stored by ASAP. The standards and specification of ASAP are subject to change by NP Franchise Group at any time and from time to time.

To access ASAP, You must sign a separate End User License Agreement, which may be an online form that you access through our website. Your Initial Franchise Fee includes a \$2,750 Initial ASAP Fee, to cover all or part of your initial start-up software fees for the ASAP Computer System. If your actual Initial Start-up Software are less than \$2,750, we will refund the difference; if those fees exceed \$2,750, you will pay the excess amount to us or our affiliate. You will also be required to pay a monthly software license fee to us or our affiliate for use of ASAP.

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

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

4. No Warranties. We make no warranties, express or implied, concerning the information transmitted through the Computer System (including ASAP), and We will bear no liability or responsibility for: (a) errors or omissions of information contained in the Computer System (including ASAP); or (b) computer hardware, software, or system failures in connection with the Computer System (including ASAP).

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

## **B. Reservations**

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

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

## **C. Ownership of Data**

You agree that all data you collect, create, provide, or otherwise develop on ASAP, whether or not uploaded to our system from your system, and/or downloaded from your system to our system, is and will be owned exclusively by us, and we will have the right to access, download, and use such data in any manner that we deem appropriate without compensation to you. You agree that all other data that you create or collect in connection with your operation of the Franchised Business (including customer and transaction data), is and will be owned exclusively by us during the term of, and following termination of, this Agreement. In order to operate your Franchised Business, we hereby license use of such data back to you, at no additional cost, solely for the term of this Agreement and solely for your use in connection with operating the Franchised Business under the System. You acknowledge and agree that except for the right to use the data under this clause, you will not develop or have any ownership rights in or to the data.

We may periodically specify in the Manual or otherwise in writing the information that you must collect and maintain on ASAP, and you must provide us with such reports as we may reasonably request from the data so collected and maintained. In addition:

1. You agree to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information (“**Privacy Laws**”).
2. You agree to comply with any standards and policies that we may issue (without obligation to do so) pertaining to the privacy of consumer, employee, and transactional information. If there is a conflict between our standards and policies and Privacy Laws, you must: (a) comply with the requirements of Privacy Laws; (b) immediately give us written notice of such conflict; and (c) promptly and fully cooperate with us and our counsel in determining the most

effective way, if any, to meet our standards and policies pertaining to privacy within the bounds of Privacy Laws.

#### **D. Reports**

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

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

We may require that You submit all reports and data via email or other digital method and/or that We have access to Your computer system to obtain or verify such reportable information.

You must keep all of Your business records, including rental agreements and tax returns for a period ending 7 years after the termination date of this Agreement. The obligation to retain the records of the Franchised Business will survive the termination of this Agreement.

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

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

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

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

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

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

## 13. **ASSIGNMENT**

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

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

## **B. By You**

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

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

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

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

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

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

1. all of Your monetary obligations incurred in connection with this Agreement and the operation of the Franchised Business have been paid; and,
2. the assignee agrees to complete Initial Operations Training; and,

3. the assignee will have executed and agreed to be bound by Our then-current form of Franchise Agreement and such ancillary agreements as are then customarily used by NP Franchise Group in the grant of franchises for businesses using the NextCar Trademarks; and,

4. You or the assignee will have paid a transfer fee of \$3,000 to NP Franchise Group; and,

5. We will have reviewed and approved all documents evidencing the assignment, including documents relating to the sale of assets and the transfer or assignment of real property interests for the Premises; and,

6. You will release any and all claims, liabilities or causes of action You have or may have, in law or in equity, against Us, our parents, affiliates, and subsidiaries, and our respective shareholders, officers, directors, agents and employees, their successors and assigns, that are in any way related to this Agreement or the conduct of the Franchised Business; and,

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

#### **E. Your Death or Disability**

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

#### **F. Our Right of First Refusal**

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

If the proposed assignment or franchise transfer includes any of Your assets that are not strictly related to the Franchised Business, NP Franchise Group will not be required to purchase those other assets. If NP Franchise Group does not exercise our right of first refusal, You may complete the sale to the proposed purchaser pursuant to and on the terms of such offer, subject to our approval of the purchaser as provided in Sections 13.D of this Agreement. If the sale to the proposed purchaser is not completed within 90 days after delivery of the offer to NP Franchise

Group, or if there is a material change in the terms of the sale, NP Franchise Group shall again have the right of first refusal as provided in this Section 13.F.

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

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

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

1. Fail to obtain Our approval of the Premises as provided in this Agreement; or,
2. Fail to open and begin operating the Franchised Business within 180 days of the Effective Date; or,
3. Fail to satisfactorily complete Initial Operations Training as provided in this Agreement; or,
4. Make an assignment for the benefit of creditors; or,
5. Make a written admission of Your inability to pay debts or obligations as they become due; or,
6. File a voluntary petition in bankruptcy; or,
7. Become insolvent or are adjudicated as bankrupt; or,
8. File a petition or other pleading seeking reorganization, dissolution or any similar relief under any statute, law or regulation or admit or fail to immediately contest the material allegations of a petition or other pleading filed in any such proceeding; or,
9. Seek, consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Franchised Business or all or a substantial part of any of its assets, or fail to vacate the appointment of any trustee, receiver or liquidator for any such purpose within 30 days of such appointment; or,
10. Have made any material misrepresentation or omission in the application to become a franchisee; or,
11. Abandon or fail to actively operate the Franchised Business for a period of more than 7 consecutive days without the prior written approval of NP Franchise Group; or,
12. Attempt to transfer, or transfer control of all or any interest in the Franchised Business, this Agreement, or an effective controlling ownership or management interest in the Operating Company without the prior written approval of NP Franchise Group; or,



13. Submit reports on 3 or more separate occasions during which understate the number of Rental Vehicles or Gross Revenues generated by the Franchised Business by more than 5%; or,

14. Knowingly falsify any report required to be furnished to us or make any material misrepresentation in your dealings with us or fail to disclose any material facts to us; or,

15. Fail on 3 or more separate occasions to (i) submit when due, reports or other data, information or records, or (ii) pay to NP Franchise Group when due any fees required by this Agreement; or,

16. Fail to maintain the insurance coverage, or provide to NP Franchise Group the Certificates of Insurance, required by this Agreement; or,

17. Are convicted of, plead guilty to, or enter a plea of *nolo contendere* to (a) any felony; or, (b) any criminal offense related to the Franchised Business, other than minor traffic violations; or, (iii) any crime or any act, whether or not related to the Franchised Business that We determine, in our sole discretion, threatens the integrity or reputation of NP Franchise Group, any of the NextCar Trademarks, the Franchised Business, the Operating Company, or other businesses using the NextCar Trademarks; or,

18. Cease using ASAP Computer System without our prior written approval; or,

19. Default under any collateral agreement with NP Franchise Group or one of our affiliates; or,

20. Have been subject to 3 or more notices of default under this Agreement, whether or not such defaults have been cured; or

21. Fail to make payments to Preferred Providers of NP Franchise Group when due; or

22. Fail to accept and implement a material modification to the NextCar System that applies uniformly to all similarly-situated franchisees within any specified time period.

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

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

If You fail to cure a default under the terms of this Agreement or any other agreement with NP Franchise Group, NP Auto Group, Inc., or one of Our other affiliates within the time specified

in the notice of default, NP Franchise Group or Our affiliates also have the right to suspend or block Your reservations services. If You cure Your default before this Agreement terminates, NP Franchise Group or Our affiliates will reestablish reservations services to You upon receipt of a reconnection fee from You. Suspension of reservations services to You does not prejudice Our rights to pursue other remedies upon Your default.

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

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

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

3. Termination Without Cause—With Payment of a Fee. You have the right to terminate this Agreement without cause and continue to directly or indirectly own, operate or maintain a competing Vehicle Rental Business within 20 miles of the site of the Franchised Business, PROVIDED THAT, you give NP Franchise Group written notice at least 90 days in advance of termination, and you pay us a Post-Termination Business Continuance Buyout as liquidated damages—and not as a penalty—as described in Section 14.C.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The amount of the Post-Termination Business Continuance Buyout is the product of the number of Rental Vehicles in the fleet of the Franchised Business multiplied by \$800. The number of Rental Vehicles in the fleet of the Franchised Business will be the greater of the minimum

number of Rental Vehicles described in Exhibit 1 or the most recent 12-month average of the actual number of Rental Vehicles in the Fleet of the Franchised Business. The Post-Termination Business Continuance Buyout is payable upon demand.

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

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

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

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

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

#### **E. Continuing Obligations**

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

## 16. ENFORCEMENT

### A. Severability And Modification

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

If any applicable law or regulation of any jurisdiction requires a greater prior notice of the termination of this Agreement than stated herein, or the taking of some other action not required hereunder or any provision of this Agreement or any specification, standard or operating procedure prescribed by NP Franchise Group is invalid or unenforceable, the notice or other action required by such law or rule will be substituted for the comparable provisions hereof.

### B. Waiver of Obligations

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

### C. Withholding of Payments

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

### D. Resolution of Disputes

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

1. Face-to-Face Meeting. Before initiating a judicial proceeding, You and NP Franchise Group agree to make a good faith effort to resolve the dispute at a face-to-face meeting (“Face-to-Face Meeting”) between you and one of our representatives, each of whom is authorized to making

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

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

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

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

(c) Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action.

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

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

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

6. Must Bring Claims Within One Year. EACH PARTY TO THIS AGREEMENT AGREES THAT ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES' RELATIONSHIP, OR YOUR OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER, SHALL BE COMMENCED WITHIN ONE (1) YEAR FROM THE

OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE IRREVOCABLY BARRED; PROVIDED, HOWEVER, THAT THE PARTIES AGREE THAT THIS SECTION 16.D.6 SHALL NOT APPLY TO A CLAIM BY US SEEKING INDEMNIFICATION UNDER THIS AGREEMENT OR CLAIMS ARISING FROM YOUR NONPAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWED TO NP FRANCHISE GROUP, OR YOUR REFUSAL TO SUBMIT TO AN AUDIT AS PROVIDED IN THIS AGREEMENT.

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

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

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

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

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

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

This Agreement is binding upon NP Franchise Group and You and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest and may not be modified except by a written agreement signed by both NP Franchise Group and You.

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

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

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

## 17. NOTICES

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

## 18. ACKNOWLEDGMENTS.

**A. Your Investigation of the Business Possibilities.** You acknowledge that you have conducted an independent investigation of the business franchised under this Agreement, recognize that this business venture involves business risks, and that your success will be largely dependent upon your ability (or, if you are an entity, your owners as independent businesspersons).

**B. Our Advice.** You acknowledge and agree that our advice is just that, that our advice is not a guarantee of success, and that you are the party that must reach and implement your own decisions about how to operate your business under the System.

**C. No Warranties or Guarantees.** We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement outside of Item 19 of the FDD.

**D. Receipt of FDD and Complete Agreement.** You acknowledge receipt of a copy of this Agreement, the exhibit(s), and agreements relating to this Agreement (if any), with all of the blank lines filled in, with sufficient time to review it with your advisors. You also acknowledge receipt of our FDD at least fourteen (14) calendar days before you signed this Agreement.

**E. You Have Read the Agreement.** You acknowledge and agree that you have read and understood the FDD, this Agreement, and the exhibits to this Agreement.

**F. Your Advisors.** You acknowledge that we have recommended that you seek advice from advisors of your own choosing (including a lawyer and an accountant) about the potential benefits and risks of entering into this Agreement, and that you have had sufficient time and opportunity to consult with those advisors.

**G. No Contradictory Representations.** You acknowledge and agree that you have no knowledge of any representations by us, or anyone purporting to act on our behalf, that are contrary to the statements made in the FDD or contrary to the terms of this Agreement.

**H. No Conflicting Obligations.** Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement;



(b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

**I. Your Responsibility for the Choice of the Approved Location.** You acknowledge and agree that you have sole and complete responsibility for the choice of the Premises; that we have not (and will not be deemed to have, even by our approval of the site that is the Premises) given any representation, promise, or guarantee of your success at the Premise; and that you will be solely responsible for your own success at the Approved Premises.

**J. Your Responsibility for Operation of the Franchised Business.** Although we retain the right to establish and periodically modify System standards, which you have agreed to maintain in the operation of your Franchised Business, you retain the right and sole responsibility for the day-to-day management and operation of the Franchised Business and the implementation and maintenance of system standards at the Franchised Business.

**K. Different Franchise Offerings to Others.** You acknowledge and agree that we may modify the terms under which we will offer franchises to other parties in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

**L. Your Independence.** You acknowledge and agree that: (a) you are the only party that employs your employees (even though we may provide you with advice, guidance, and training); (b) we are not your employer; (c) we are not the employer of any of your staff, and even if we express an opinion or provide advice, we will play no role in your decisions regarding their employment (including matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal); (d) the guidance that we provide and requirements under which you will operate are intended to promote and protect the value of the brand and the NextCar Trademarks; (e) when forming and in operating your business, you had to adopt standards to operate that business, and that instead of developing and implementing your own standards (or those of another party), you chose to adopt and implement our standards for your business (including to our System and the requirements under this Agreement); and (g) you have made (and will remain responsible at all times for) all of the organizational and basic decisions about establishing and forming your entity, operating your business (including adopting our standards as your standards), and hiring employees and employment matters (including matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal) engaging professional advisors, and all other facets of your operation.

**M. Success Depends on You.** You acknowledge and agree that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon your ability as an independent businessperson, your active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

**19. EFFECTIVE DATE**

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

**[Signature Page Follows]**

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

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

**YOU, an individual**

\_\_\_\_\_

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

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

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

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

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

## GUARANTY

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

### GUARANTOR(S)

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Address

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Address

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Address

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Address

**EXHIBIT 1 – FRANCHISE INFORMATION PAGE**

**1- Franchise Information**

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

Home Address: \_\_\_\_\_

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

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

**2- Site of The Franchised Business**

\_\_\_\_\_

Street

City

State

Zip

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

Franchisee to initial only one option:

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

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

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

\_\_\_\_\_)

- c-  Single Point Franchise

Minimum Fleet Size – 20 Vehicles within one year of the Opening Date.

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

Initials of Franchisee \_\_\_\_\_  
Group \_\_\_\_\_

Initials of Officer of NP Franchise

## ASSIGNMENT TO OPERATING COMPANY

This Assignment agreement (“**Assignment**”) is entered into between NP Franchise Group, LLC,, a Maryland limited liability company, (“**NP Franchise Group**” or “**Franchisor**”), and \_\_\_\_\_, (“**You**” or “**Franchisee**”) \_\_\_\_\_, a \_\_\_\_\_ (the “**Operating Company**”).

### 1. INTRODUCTION

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

### 2. ASSIGNMENT

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

### 3. CONSENT OF NP FRANCHISE GROUP

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

### 4. TERM OF ASSIGNMENT

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

## **5. FURTHER ASSIGNMENT**

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

## **6. CONTINUING LIABILITY**

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

## **7. CROSS DEFAULT**

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

## **8. GUARANTIES**

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

## **9. COMPETING BUSINESSES**

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

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

other person or entity, own, engage in, invest in, franchise, lend money to, agree to sell or sell all or substantially all of its assets to, or have any financial or other interest in, any vehicle rental business located within a 20 mile radius of the premises of the business franchised in the Franchise Agreement.

**10. GOVERNING LAW; DISPUTE RESOLUTION**

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

**11. WAIVER OF JURY TRIAL**

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

**12. EFFECTIVE DATE**

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

\_\_\_\_\_ (“OPERATING COMPANY”)

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

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

Date \_\_\_\_\_

\_\_\_\_\_ (“FRANCHISEE”)

Your Signature

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

**NP FRANCHISE GROUP, LLC (“FRANCHISOR”)**

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

President

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



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

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

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

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

\_\_\_\_\_ Depository

\_\_\_\_\_ Branch

\_\_\_\_\_ City

\_\_\_\_\_ State

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

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

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

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

\_\_\_\_\_ Depositor

\_\_\_\_\_ Depositor

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

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

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

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

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

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

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

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

**EXHIBIT A1**  
**STATE ADDENDA TO THE NEXTCAR**  
**FRANCHISE AGREEMENT**

**HAWAII ADDENDUM  
TO THE NEXTCAR  
FRANCHISE AGREEMENT**

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

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

2. **Fee Deferral.** Section 4 of the Franchise Agreement is amended to provide that the Initial Franchise Fee, the Reservation Deposit Fee, and all other initial payments paid to us will be deferred until we have completed all of our pre-opening obligations, and you have begun operating your Franchised Business.

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

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

**FRANCHISEE**

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

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

**MINNESOTA ADDENDUM  
TO THE NEXTCAR  
FRANCHISE AGREEMENT**

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

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

2. **Fee Deferral.** Section 4.A. of the Franchise Agreement is amended to provide that the Initial Franchise Fee, the Reservation Deposit Fee, and all other initial payments paid to us will be deferred until you have opened your Franchised Business. The Minnesota Department of Commerce imposed this deferral requirement due to our financial condition.

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

; provided, however, that such release shall not apply to any claim arising under the Minn. Stat. §§ 80C.01-80C.22 (the “Law”).

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

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

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

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

6. **Jury Trial.** The second paragraph of Section 16.D.5 of the Franchise Agreement is hereby deleted.

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

Except for claims arising from Franchisee's non-payment or underpayment of amounts Franchisee owed to NP Franchise Group, or Franchisee's refusal to submit to an audit under Section 12 of this Agreement, any and all claims arising out of or relating to this Agreement or the relationship of NP Franchise Group with Franchisee will be barred unless a judicial proceeding is commenced within twelve (12) months from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims. For purposes of this Agreement, a judicial proceeding is commenced on the date a Complaint or other request for relief is filed in a court of law in a jurisdiction permitted by the terms of this Agreement; except that Minnesota law provides that no action may be commenced pursuant to Minn. Stat. §80C.17 more than three (3) years after the cause of action accrues.

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

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

**FRANCHISEE**

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

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

**NORTH DAKOTA ADDENDUM  
TO THE NEXTCAR  
FRANCHISE AGREEMENT**

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

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

2. **Deferral of Initial Fees.** Section 4.A. of the Franchise Agreement is hereby amended to state that the Initial Franchise Fee, the Reservation Deposit, and any other initial fees will be deferred until we have completed all our pre-opening obligations, and you have commenced doing business.

3. **Conditions for Approval of Assignment.** The following statements are hereby added to Section 13D(6):

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

(Any release executed in connection herewith shall not apply to any claims that may arise under North Dakota law.)

4. **Covenant Not to Compete.** The following statement is hereby added to Section 15C:

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

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

If Franchisee asserts a claim for amounts owed by NP Franchise Group to Franchisee in any legal proceeding before a court, or if Franchisee is required to enforce any other of its rights under this Agreement in a judicial proceeding, Franchisee and NP Franchise Group shall each pay its own costs and expenses associated with such proceeding, including all attorneys' and accountants' fees.

6. **Governing Law; Consent to Jurisdiction.** Section 16.E of the Franchise Agreement is hereby deleted in its entirety and is replaced with the following:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) and except as required by North Dakota law, this Agreement and the Franchise shall be governed by the laws of the State of Maryland.

8. **Special and Punitive Damages; Jury Trial.** Sections 16.D.5. and 16.D.7 of the Franchise Agreement is hereby deleted.

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

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

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

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

**FRANCHISEE**

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

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

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

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

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

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

**RHODE ISLAND ADDENDUM  
TO THE NEXTCAR  
FRANCHISE AGREEMENT**

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

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

2. **Governing Law; Consent to Jurisdiction.** The first sentence of Section 16.E. is hereby deleted in its entirety and the following shall be substituted in its place:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et Seq.) and excluding claims arising under the Rhode Island Franchise Investment Act, this Agreement and the Franchise shall be governed by the laws of the State of Maryland.

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

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

**FRANCHISEE**

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

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

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

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

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

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



**SOUTH DAKOTA ADDENDUM  
TO THE NEXTCAR  
FRANCHISE AGREEMENT**

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

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

2. **Deferral of Initial Fees.** Section 4.A. of the Franchise Agreement is hereby amended to state that the Initial Franchise Fee, the Reservation Deposit, and any other initial fees will be deferred until we have completed all our pre-opening obligations, and you have commenced doing business.

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

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

**FRANCHISEE**

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

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

**Exhibit A-2**  
**BRAND SHARE INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT**

This Brand Share Incentive Addendum (“**Addendum**”) is made as of \_\_\_\_\_ (“**Effective Date**”) by and between NP Franchise Group, LLC, a Maryland limited liability company (“**we,**” “**us,**” or “**NP Franchise Group**”); \_\_\_\_\_, an individual (“**you**” or “**Franchisee**”); and \_\_\_\_\_, a \_\_\_\_\_ (“**Operating Company**”).

**RECITALS**

A. NP Franchise Group has developed an incentive program (“**NextCar Brand Share Plan**”) to encourage independent car rental operators to join the NextCar franchise system.

B. Franchisee owns and operates a vehicle rental business under the “\_\_\_\_\_” name and marks (“**Existing Business**”) at \_\_\_\_\_ (“**Premises**”).

C. The parties entered into a franchise agreement (“**Franchise Agreement**”) of even date to convert the Existing Business at the Premises to a “NextCar” Vehicle Rental Business (the “**Franchised Business**”) through the NextCar Brand Share Plan. Franchisee assigned the operating rights of the Franchised Business to Operating Company via an Assignment Agreement to Operating Company of even date.

D. The parties desire to amend the Franchise Agreement as set forth below.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties agree as follows:

1. All capitalized terms used but not defined in this Addendum shall have the meaning given to them in the Franchise Agreement.

2. “**Dual Branding Period**” means the time period between the Effective Date and the date on which the conversion of the Existing Business at the Premises to the Franchised Business is complete, which in any event shall be no later than the third anniversary of the Effective Date.

3. You agree to complete the conversion of the Existing Business at the Premises to the Franchised Business on or before the third anniversary of the Effective Date. During the Dual Branding Period, NP Franchise Group agrees to permit you to operate both the Existing Business and the Franchised Business at the Premises, provided that:

a. You do not display on the Premises any sign or advertisement for the Existing Business that is more prominent than the corresponding sign or advertisement for the Franchised Business; and

b. You do not list or advertise the Existing Business in any internet, telephone directory or other advertisement in conjunction with the NextCar Trademarks or the Franchised Business; and

c. You do not list or advertise the Existing Business in any internet, telephone directory or other advertisement that is more prominent than any corresponding advertisement for the Franchised Business; and

d. You use and advertise telephone numbers for the Existing Business that are separate and distinct from the Telephone Numbers used in the Franchised Business, per 8.D. of the Franchise Agreement.

4. During the Dual Branding Period, the Royalty Fee described in Section 4.B. and the Marketing and Advertising Fee described in Section 4.C. of the Franchise Agreement shall be modified as follows:

(a) Franchisee will pay to NP Franchise Group a Royalty Fee in the amount of 4% of Gross Revenues and a Marketing and Advertising Fee in the amount of 2% of Gross Revenues.

(b) For the first calendar year of the Dual Branding Period, we will reimburse you for your expenditures (up to an amount equal to 66% of total Royalty Fees and Marketing and Advertising Fees paid by you during that year) on approved brand building activities, including store level signs and branding, local market advertising and promotions, Internet advertising through approved vendors, and other preapproved advertising and brand building efforts (collectively “**Brand Building Activities**”). Reservation Fees payable to us for reservations received from any source, including the NextCar website or call center, online or traditional travel agencies, or the global distribution system, are approved Brand Building Activities and eligible for reimbursement. Other fees payable under the Franchise Agreement or other agreements between you and NP Franchise Group or one of our affiliates will **not** be eligible for reimbursement.

(c) For the second calendar year of the Dual Branding Period, we will reimburse you for your expenditures on approved Brand Building Activities, up to an amount equal to 50% of total Royalty Fees and Marketing and Advertising Fees paid by you during that year.

(d) For the third calendar year of the Dual Branding Period, we will reimburse you for expenditures on approved Brand Building Activities, up to an amount equal to 33% of total Royalty Fees and Marketing and Advertising Fees paid by you during that year.

Upon expiration of the Dual Branding Period, you will pay the Royalty Fee set forth in Section 4.B. of the Franchise Agreement and the Marketing and Advertising Fee set forth in Section 4.C. of the Franchise Agreement for the remainder of the term of the Franchise Agreement.

5. Section 9.B. of the Franchise Agreement is amended to provide that the Covenant Not to Compete will not apply to your operation of the Existing Business at the Premises during the Dual Branding Period, and Section 9.1 of Exhibit 2 to the Franchise Agreement (Assignment to Operating Company) is amended to provided that the restrictions on operation of a competing business shall not apply to the operation of the Existing Business at the Premises during the Dual Branding Period.

6. If the Franchise Agreement is terminated during the Dual Branding Period, the Post-Termination Business Continuance Buyout Fee described in Section 14.C. of the Franchise Agreement will be calculated by multiplying \$100 by the greater of: (a) the minimum number of Rental Vehicles described in Exhibit 1 of your Franchise Agreement; or (b) the most recent 12-month average of the actual number of Rental Vehicles in the Franchised Business.

7. Except as expressly modified and supplemented by this Addendum, the terms of the Franchise Agreement are ratified and confirmed.

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

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

**FRANCHISEE**  
\_\_\_\_\_, individually

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

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

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

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

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

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

**OPERATING COMPANY**

\_\_\_\_\_  
a \_\_\_\_\_

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

Name \_\_\_\_\_

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

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

**EXHIBIT B**  
**FINANCIAL STATEMENTS**

# **NP** FRANCHISE GROUP

**NP FRANCHISE GROUP, LLC**

**FINANCIAL STATEMENTS**

**JULY 31, 2021, 2020, AND 2019**

**NP FRANCHISE GROUP, LLC**

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JULY 31, 2021, 2020, AND 2019**

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7910 WOODMONT AVENUE  
SUITE 500  
BETHESDA, MD 20814  
(T) 301.986.0600

1150 18<sup>TH</sup> STREET, NW  
SUITE 550  
WASHINGTON, DC 20036  
(T) 202.822.0717

## Independent Auditors' Report

To the Board of Directors  
NP Franchise Group, LLC  
Rockville, Maryland

We have audited the accompanying financial statements of NP Franchise Group, LLC (the Company), which comprise the balance sheets as of July 31, 2021, 2020, and 2019, and the related statements of operations and member's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company, as of July 31, 2021, 2020, and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

As discussed in Note 2 of the financial statements, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

*Councilor, Buchanan & Mitchell, P.C.*

Certified Public Accountants

Bethesda, Maryland  
November 16, 2021





**NP FRANCHISE GROUP, LLC**  
**BALANCE SHEETS**  
**AS OF JULY 31, 2021, 2020, AND 2019**

	<u>July 31, 2021</u>	<u>July 31, 2020</u>	<u>July 31, 2019</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 212,065	\$ 8,701	\$ 46,074
Accounts Receivable, Net	78,203	50,286	46,081
Prepaid Expenses and Other Current Assets	15,934	14,263	9,058
Contract Assets, Current Portion	<u>22,021</u>	<u>-</u>	<u>-</u>
Total Current Assets	<u>328,223</u>	<u>73,250</u>	<u>101,213</u>
<b>Long-Term Assets</b>			
Contract Assets, Net of Current Portion	11,295	-	-
Property and Equipment, Net	1,662	4,512	7,362
Intangible Assets	<u>23,552</u>	<u>23,552</u>	<u>23,552</u>
Total Long-Term Assets	<u>36,509</u>	<u>28,064</u>	<u>30,914</u>
<b>Total Assets</b>	<u><u>\$ 364,732</u></u>	<u><u>\$ 101,314</u></u>	<u><u>\$ 132,127</u></u>
<b>Liabilities and Member's Deficit</b>			
<b>Current Liabilities</b>			
Accounts Payable and Accrued Expenses	\$ 377,116	\$ 205,491	\$ 429,397
Deferred Revenue	112,843	-	-
Due to Affiliates	<u>313,078</u>	<u>715,603</u>	<u>375,459</u>
Total Liabilities	803,037	921,094	804,856
<b>Member's Deficit</b>	<u>(438,305)</u>	<u>(819,780)</u>	<u>(672,729)</u>
<b>Total Liabilities and Member's Deficit</b>	<u><u>\$ 364,732</u></u>	<u><u>\$ 101,314</u></u>	<u><u>\$ 132,127</u></u>

*See accompanying Notes to Financial Statements.*

**NP FRANCHISE GROUP, LLC**

**STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIT  
FOR THE YEARS ENDED JULY 31, 2021, 2020, AND 2019**

	<u>July 31, 2021</u>	<u>July 31, 2020</u>	<u>July 31, 2019</u>
<b>Revenues</b>			
Initial Franchise Fees	\$ 94,034	\$ 278,127	\$ 40,486
Reservation Services Set-Up Fees	7,608	31,365	14,000
Continuing License Fees	501,610	326,182	402,984
Reservation Income	354,470	-	-
Advertising Fees	81,436	52,256	43,350
	<u>1,039,158</u>	<u>687,930</u>	<u>500,820</u>
<b>Expenses</b>			
Salaries, Administrative Services, and Employee Benefits	227,246	365,458	380,364
Advertising	45,449	52,257	43,350
Sales and Marketing	110,463	151,742	166,135
Contract Acquisition Costs	28,588	57,926	-
General and Administrative	158,783	174,748	227,913
Bad Debts, Net	(24)	30,000	4,289
Depreciation and Amortization - Nonrental Operations	2,850	2,850	1,188
	<u>573,355</u>	<u>834,981</u>	<u>823,239</u>
Net Income (Loss)	465,803	(147,051)	(322,419)
Member's Deficit at Beginning of Year, As Originally Reported	(819,780)	(672,729)	(350,310)
Adjustment to Adopt ASU 2014-09	(84,328)	-	-
	<u>(904,108)</u>	<u>(672,729)</u>	<u>(350,310)</u>
Member's Deficit at Beginning of Year, As Restated	(904,108)	(672,729)	(350,310)
<b>Member's Deficit at End of Year</b>	<u><u>\$ (438,305)</u></u>	<u><u>\$ (819,780)</u></u>	<u><u>\$ (672,729)</u></u>

*See accompanying Notes to Financial Statements.*

**NP FRANCHISE GROUP, LLC**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JULY 31, 2021, 2020, AND 2019**

	<u>July 31, 2021</u>	<u>July 31, 2020</u>	<u>July 31, 2019</u>
<b>Cash Flows from Operating Activities</b>			
Net Income (Loss)	\$ 465,803	\$ (147,051)	\$ (322,419)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Adjustment to Adopt ASU 2014-09	(84,328)	-	-
Depreciation and Amortization	2,850	2,850	1,188
<u>(Increase) Decrease in Assets</u>			
Accounts and Note Receivable	(27,917)	(4,205)	278,405
Prepaid Expenses and Other			
Current Assets	(1,671)	(5,205)	54,245
Contract Assets	(33,316)	-	-
<u>Increase (Decrease) in Liabilities</u>			
Accounts Payable and Accrued Expenses	171,625	(223,906)	(234,930)
Deferred Revenue	112,843	-	-
Due from Affiliates	(402,525)	340,144	(151,523)
	<u>203,364</u>	<u>(37,373)</u>	<u>(375,034)</u>
Net Cash Provided by (Used in) Operating Activities			
	<b>203,364</b>	<b>(37,373)</b>	<b>(375,034)</b>
<b>Cash Flows from Investing Activities</b>			
Purchases of Property and Equipment	-	-	(8,550)
	<u>-</u>	<u>-</u>	<u>(8,550)</u>
Net Increase (Decrease) in Cash	<b>203,364</b>	<b>(37,373)</b>	<b>(383,584)</b>
Cash at Beginning of Year	<b>8,701</b>	<b>46,074</b>	<b>429,658</b>
	<u>8,701</u>	<u>46,074</u>	<u>429,658</u>
<b>Cash at End of Year</b>	<b>\$ 212,065</b>	<b>\$ 8,701</b>	<b>\$ 46,074</b>
	<u>\$ 212,065</u>	<u>\$ 8,701</u>	<u>\$ 46,074</u>

*See accompanying Notes to Financial Statements.*

## NP FRANCHISE GROUP, LLC

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2021, 2020, AND 2019

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *Nature of Business*

NP Franchise Group, LLC (the Company), is a Maryland limited liability company and a wholly owned subsidiary of NP Auto Group, Inc. (NP Auto Group). The Company markets and administers the PRICELESS® and NextCar vehicle rental franchise programs throughout the United States and various foreign countries. The Company operates using the DBA's of Priceless System International and NextCar System International. The Company also operates a rental vehicle reservation system that is utilized by affiliates, franchisees, and other unaffiliated third-party operators. The Company's operations are subject to numerous federal, state, local, and foreign laws, including federal and state laws governing the offer and sale of franchises and relationships with franchisees.

##### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### *Concentration of Credit Risk*

The Company maintains cash balances in federally insured financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, the Company exceeded these limits. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant financial risk on cash.

##### *Accounts and Note Receivable*

Receivables are stated at their outstanding balances, reduced by an allowance for doubtful receivables. Substantially all receivables derived from franchises granted by the Company are personally guaranteed by the officers or directors of the franchisees. Initial franchise fees and reservation services set-up fees are collected upon execution of the contract and recognized over the term of the agreements. The Company maintains an allowance for doubtful receivables based upon the expected collectability of all receivables, which takes into consideration historical loss experience and creditworthiness of the customers and franchisees. Receivables are considered past due when payments are not timely received in accordance with the receivables' payment terms. Receivables are written off based on management's case-by-case determination that they are uncollectible.

##### *Property and Equipment*

Property and equipment are depreciated and amortized over their estimated service lives, primarily under the straight-line method for financial reporting purposes. Accelerated methods of depreciation and amortization are used for income tax purposes. The estimated service lives used for financial reporting purposes are from 3 to 7 years.

NP FRANCHISE GROUP, LLC

NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2021, 2020, AND 2019

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Intangible Assets*

Intangible assets consist of the values of trademarks. The Company's trademarks are deemed to have an indefinite useful life; therefore, the Company does not amortize these assets. The values of intangible assets are evaluated at least annually for impairment. The primary indicators are current or forecasted cash flows from the related businesses, which are dependent on the ability of the Company to renew or extend franchise agreements associated with the trademarks and to acquire new such franchise agreements. There have been no adjustments to the carrying values of intangible assets resulting from these evaluations.

*Revenue Recognition*

Revenues consist of initial franchise fees, reservation services set-up fees, continuing license fees, reservation income, and advertising fees. Franchisees have the rights to use the Company's trademarked names, PRICELESS® and NextCar, in specified geographic territories. Additionally, franchisees have continuing access to the use of certain company resources, experience, and knowledge.

The Company recognizes revenue in accordance with FASB Topic ASC 606 as follows:

*Initial Franchise Fees*

Initial franchise fees are typically billed upon execution of the franchise agreement and recognized over the term of the franchise agreement. Since the franchise agreements do not have a stated expiration date, management has determined that these initial franchise fees should be recognized over three years. Management has concluded this to be a reasonable estimate because the franchisee can cancel the agreement at any time and the initial fees are non-refundable.

Topic 606 requires that the Company assesses contracts to determine each separate and distinct performance obligation. However, in accordance with the specific provisions of the Franchisors Topic, Section 952-606-25-2, of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), a franchisor that is not a public business entity that enters into a franchise agreement may use a practical expedient to account for the following pre-opening services provided to a franchisee as a single performance obligation:

- Assistance in the selection of a site.
- Assistance in obtaining and preparing the facilities for their intended use, including related financing, architectural, engineering, and lease negotiation services.
- Training of the franchisee's personnel or the franchisee.
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping.
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business.
- Inspection, testing, and other quality control programs.

NP FRANCHISE GROUP, LLC

NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2021, 2020, AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Initial Franchise Fees (Continued)*

The Company has elected to use a practical expedient to recognize the pre-opening services as a single performance obligation, distinct from the franchise license. Therefore, the cost of these pre-opening services may be recognized as revenue when the franchisee begins operations, instead of over the estimated term of the contract as part of the initial franchise fee. As of July 31, 2021, fees of \$101,451 were collected in advance of the earnings process and are recorded as deferred revenue.

*Reservation Services Set-Up Fees*

Reservation services set-up fees are billed upon execution of the reservation services agreement and are recognized on a pro-rata basis over the stated agreement term of one year. As of July 31, 2021, fees of \$11,392 were collected in advance of the earnings process and are recorded as deferred revenue.

*Continuing License Fees*

Continuing license fees represent royalty fees paid by the franchisee to the Company. They are recognized as revenue monthly, based primarily on the franchisees' reported gross revenues or fleet sizes.

*Reservation Income*

Reservation income represents commissions paid by to the Company for the use of its rental vehicle reservation system. The income is recognized as revenue monthly and is based on the amount of reservations booked through the Company's rental vehicle reservation system.

*Advertising Fees*

Advertising fees represent advertising fund contributions collected and recognized as revenue monthly from franchisees. The fees are based primarily on the franchisees' reported gross revenues or fleet sizes.

*Timing of Revenue Recognition*

The Company recognized revenue from contacts with customers for the year ended July 31, 2021, as follows:

	Point in Time	Over Time	Total
Initial Franchise Fees	\$ -	\$ 94,034	\$ 94,034
Reservation Services Set-Up Fees	-	7,608	7,608
Continuing License Fees	501,610	-	501,610
Advertising Fees	81,436	-	81,436
	<u>\$ 583,046</u>	<u>\$ 101,642</u>	<u>\$ 684,688</u>

NP FRANCHISE GROUP, LLC

NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2021, 2020, AND 2019

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Contract Acquisition Costs and Contract Assets*

The Company's contract acquisition costs for franchise agreements or reservation services agreements consisted of sales commissions. These expenses are recorded as contract acquisition costs on the statements of operations and member's deficit.

Sales commissions related to obtaining a franchise agreement are capitalized and amortized over the same three-year term as the associated initial franchise fee. Any amount that has not yet been amortized is recorded as a contract asset on the balance sheets.

The Company has elected to apply a practical expedient provided under Topic 606 to sales commissions related to the acquisition of reservation services agreements. The practical expedient allows the Company to expense the contract acquisition costs when incurred since the amortization period is one year or less.

*Advertising Costs*

Advertising costs are expensed as incurred and reported as advertising expense.

*Allocated General and Administration Costs*

The financial statements reflect allocations of certain administrative service expenses from NP Auto Group to the Company. The amount of expense allocated to the Company is determined based upon estimated proportions of total hours spent by administrative employees, which management believes to be reasonable. However, since NP Auto Group operates certain other businesses and provides various administrative services to the Company, expense allocations to the Company may not be representative of the costs of such services if they were incurred by a separate entity (see Note 4).

*Income Taxes*

Under provisions of the Internal Revenue Code, the Company is not a taxable entity and, accordingly, the net income or loss of the Company is included in the income tax returns of its parent company. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company or its members will not be subject to additional tax, penalties, and interest as a result of such a challenge.

*Reclassifications*

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications' adjustments had no effect on the Company's previously reported member's deficit.

## NP FRANCHISE GROUP, LLC

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2021, 2020, AND 2019

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#### 2. ADOPTION OF ACCOUNTING STANDARDS CODIFICATION TOPIC 606

In May 2014, the FASB issued ASC Topic 606, *Revenue from Contracts with Customers*, which supersedes nearly all existing revenue recognition guidance under GAAP, including industry-specific requirements, and provides companies with a single framework for recognizing revenue from contracts with customers. This update and subsequently issued amendments require companies to recognize revenue at amounts that reflect the consideration to which the companies expect to be entitled in exchange for those goods or services at the time of transfer.

The Company adopted Topic 606 using the modified retrospective transition method effective August 1, 2020. Results for reporting periods beginning after August 1, 2020, are presented in accordance with Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with historical accounting under Topic 605, *Revenue Recognition*.

The adoption impacted the timing and presentation of the following areas of the financial statements:

- *Initial Franchise Fees*
  - Prior to adoption, initial franchise fees were recognized when the Company met substantial performance requirements, such as providing an initial orientation and training course. Under Topic 606, initial franchise fees, less any distinct pre-opening obligations to the franchisee, are recognized over the estimated term of the franchise agreement.
  - The initial application of Topic 606 was applied to all open franchise agreements at August 1, 2020, that did not have distinct pre-opening obligations greater than their initial franchise fees. This change resulted in the recognition of deferred revenue on the Company's balance sheet and a decrease in beginning member's deficit.
- *Reservation Services Set-Up Fees*
  - Prior to adoption, revenue recognition for reservation services set-up fees were recognized upon execution of the agreement. Under Topic 606, these fees are billed upon execution of the agreement and are recognized over the stated agreement term of one year. The change did not materially affect beginning member's deficit; however, in the year of adoption, it caused a decrease in revenue and an increase in deferred revenue.
- *Advertising Fees*
  - Advertising fees represent advertising fund contributions collected from franchisees, based primarily on the franchisees' reported gross revenues or fleet sizes. The adoption of Topic 606 revised the determination of whether these funds are considered principal versus agent. Prior to adoption, the Company was treated as an agent and did not recognize the fees as revenue until off-setting advertising costs were incurred. Under Topic 606, the funds collected are recognized as revenue monthly. The change caused a decrease to revenue and an increase in beginning member's deficit.



**NP FRANCHISE GROUP, LLC**

**NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2021, 2020, AND 2019**

**2. ADOPTION OF ACCOUNTING STANDARDS CODIFICATION TOPIC 606 (CONTINUED)**

- *Contract Acquisition Costs*

- Prior to adoption, contract acquisition costs in the form of sales commissions were expensed upon execution of the associated agreement. Under Topic 606, sales commissions for the acquisition of franchise agreements are capitalized and amortized over the same three-year period as the contract's initial franchise fees. Sales commissions for the acquisition of reservation services agreements are expensed when incurred because the contract term is one year or less, as allowed by a practical expedient under Topic 606. This change resulted in the recognition of a contract asset on the Company's balance sheet and an increase in beginning member's deficit.

The cumulative effect to the Company's July 31, 2021 balance sheet and statement of operations and member's deficit from the adoption of Topic 606 standard was as follows:

	July 31, 2021 Prior to Adoption	Adjustments Due to ASC 606	July 31, 2021 After Adoption
<b>Balance Sheet</b>			
Contract Assets	\$ -	\$ 22,021	\$ 22,021
Deferred Revenue	-	112,843	112,843
Member's Deficit	(382,573)	(55,732)	(438,305)
<b>Statement of Operations and Member's Deficit</b>			
Initial Franchise Fees	\$ 56,250	\$ 37,784	\$ 94,034
Reservation Services Set-Up Fees	19,000	(11,392)	7,608
Advertising Fees	93,839	(12,403)	81,436
Contract Acquisition Costs	19,400	9,188	28,588
Member's Deficit, Beginning of the Year	(819,780)	(84,328)	(904,108)
Change in Member's Deficit	437,207	28,596	465,803

Continuing license fees and reservation income, the Company's two largest sources of revenue, were not impacted by the adoption of Topic 606.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable at July 31, 2021, 2020, and 2019, consisted of the following:

	<b>July 31, 2021</b>	July 31, 2020	July 31, 2019
Continuing License Fees Receivable	<b>\$ 81,681</b>	\$ 109,203	\$ 102,433
Less Allowance for Doubtful Receivables	<b>(3,478)</b>	(58,917)	(56,352)
Current Accounts Receivable, Net	<b>\$ 78,203</b>	\$ 50,286	\$ 46,081

**4. RELATED PARTY TRANSACTIONS**

At July 31, 2021, 2020, and 2019, the Company had payables to NP Auto Group, Bundy American, LLC (Bundy), Rent-A-Wreck of America, Inc. (RAWA), and other affiliates in the amounts of \$313,078, \$715,603, and \$375,459, respectively.

NP FRANCHISE GROUP, LLC

NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2021, 2020, AND 2019

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4. RELATED PARTY TRANSACTIONS (CONTINUED)

During the year ended July 31, 2019, the Company paid a management fee to RAWA for management oversight of the Company. Total fees paid to RAWA from the Company under the management agreement was \$24,000 for the year ended July 31, 2019. The fees paid to RAWA from the Company are included in general and administrative expenses.

For the years ended July 31, 2021, 2020, and 2019, the Company did not have any employees. Instead, the Company paid fees for administrative services to NP Auto Group and RAWA. Administrative fees were \$220,189, \$365,458, and \$380,364 for the years ended July 31, 2021, 2020, and 2019, respectively.

5. PROPERTY AND EQUIPMENT

Property and equipment at July 31, 2021, 2020, and 2019, consisted of the following:

	<u>July 31, 2021</u>	<u>July 31, 2020</u>	<u>July 31, 2019</u>
Computer Hardware and Software	\$ 82,501	\$ 82,501	\$ 82,501
Less Accumulated Depreciation and Amortization	<u>(80,839)</u>	<u>(77,989)</u>	<u>(75,139)</u>
Net Property and Equipment	<u>\$ 1,662</u>	<u>\$ 4,512</u>	<u>\$ 7,362</u>

6. CONTINGENCIES

The Company is party to routine legal proceedings incidental to its business from time to time. Certain claims, suits, and complaints arise in the ordinary course of business and may be filed against the Company. Based on facts known to the Company at the date of the auditors' report, management believes all such matters are adequately provided for, covered by insurance, or, if not so provided for or covered, are without merit, or involve such amounts that would not have a material adverse effect on the results of operations or financial position of the Company.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 16, 2021, the date on which the financial statements were available to be issued.

**NP FRANCHISE GROUP, LLC**

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

<b>NP Franchise Group</b>			
<b>Balance Sheet</b>			
<b>as of 10/31/2021</b>			
<b>(unaudited)</b>			
	10/31/2021		
<b>Assets</b>		<b>Liabilities and Member's Equity</b>	
Current Assets		Current Liabilities	
Cash and Cash Equivalents	\$271,418	Accounts Payable and Accrued Expenses	413,979
Account Receivable, Net	(187,655)	Due From Affiliates	(105,436)
Prepaid Expenses and Other current Assets	34,955	Total Current Liabilities	308,543
Total Current Assets	118,718		
		UNSECURED DEBT PRE PETITION	
		JJF PAYABLE	
Other Assets		Member's Equity	(161,761)
Property and Equipement, Net	4,512	Total Liabilities & Member's Equity	\$146,782
Intangible Assets	23,552		
Total Other Assets	\$28,064		
Total Assets	146,782		

	<b>NP Franchise Group</b>	
	<b>Statement of Income</b>	
<b>For the Third Month ending, October 31, 2021</b>		
	<b>(unaudited)</b>	
		10/31/2021
<b>Revenue</b>		
Initial Fees		\$76,500
License Fees		164,080
National Advertising		38,455
Reservation Income		128,543
<b>Revenue</b>		<b>407,578</b>
<b>Expense</b>		
Salaries and Employee Benefits		70,318
Advertising and Promotion		12,500
Sales and Marketing		53,056
General Administrative		34,144
<b>Total Expenses</b>		<b>170,018</b>
Net Earnings (Loss)		237,560

**EXHIBIT C**  
**GENERAL RELEASE**

## EXHIBIT C

### GENERAL RELEASE

**THIS GENERAL RELEASE** (“Release”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **NP FRANCHISE GROUP, LLC**, a Maryland limited liability company (“NP Franchise Group”), and \_\_\_\_\_ (“Franchisee”), \_\_\_\_\_ (“Operating Company”), and \_\_\_\_\_ (“Guarantor”).

1. NP Franchise Group and Franchisee entered into a certain Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement"), whereby NP Franchise Group granted to Franchisee the right to own and operate a vehicle rental business using the name “NextCar” located at \_\_\_\_\_ (the "Franchised Business");
2. Franchisee assigned the operating rights under the Franchise Agreement to Operating Company.
3. Franchisee, Guarantor, and Operating Company sign this Release as an express condition of either (i) the consent of NP Franchise Group to Franchisee’s transfer of the Franchise Agreement or the transfer of an interest in Operating Company; or (ii) the consent of NP Franchise Group to mutually terminate the Franchise Agreement.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements contained herein and other good and valuable consideration, receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. Release by Franchisee, Guarantor, and Operating Company. Franchisee, Guarantor, and Operating Company, for themselves and their respective successors, assigns, heirs, personal representatives and all other persons acting on their behalf or claiming under them (collectively, the “Franchisee Releasers”), hereby release and forever discharge NP Franchise Group and its past and present officers, directors, shareholders, members, parents, subsidiaries, affiliates, agents, employees, attorneys, insurers, representatives, predecessors, successors, and assigns, and each of them, from any and all claims, debts, liabilities, demands, obligations, costs, expenses, suits, actions, and causes of action, of whatever nature, known or unknown, suspected or unsuspected, vested or contingent (collectively, “Claims”) that the Franchisee Releasers ever had, now have, or may in the future have, arising out of or relating to any act, omission or event occurring on or before the date of this Release.

2. Waiver Of Civil Code Section 1542. To the extent California law applies to this Release, the Franchisee Releasers hereby expressly, voluntarily and knowingly waive, relinquish and abandon each and every right, protection and benefit to which they would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any applicable laws of similar effect to Section 1542, whether now or hereinafter existing under the laws of California or any other applicable federal and state law with jurisdiction over the

parties' relationship. The Franchisee Releasors acknowledge that Section 1542 of the Civil Code of the State of California provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

3. Risk of changed facts. The Franchisee Releasors understand that the facts in respect of which the release in Section 1 above is given may turn out to be different from the facts now known or believed by the parties to be true. The Franchisee Releasors hereby accept and assume the risk of the facts turning out to be different and agree that the release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

4. No prior assignment. The Franchisee Releasors represent and warrant that they are the sole owners of all Claims and rights released by them hereunder and that they have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1 above.

5. Covenant not to sue. The Franchisee Releasors covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 above with respect to any Claim released under Section 1 above.

6. Complete defense. Franchisee Releasors: (i) acknowledge that this Release shall be a complete defense to any Claim released under Section 1 above; and (ii) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

7. Governing law. This Release shall be governed by, and interpreted and construed under, the laws of the State of Maryland.

8. Authorization. The person who executes this Release on behalf of Franchisee represents and warrants that Franchisee has authorized that person to enter into this Release on behalf of Franchisee. Franchisee, Guarantor, and Operating Company represent and warrant that they have the authority to enter into this Release on behalf of themselves and the other persons and entities to be bound by their signature.



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

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

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:** \_\_\_\_\_  
An individual

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**GUARANTOR:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**OPERATING COMPANY**  
\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT D**  
**LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

**EXHIBIT D**  
**LIST OF STATE ADMINISTRATORS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p><b>CALIFORNIA</b> Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677</p>	<p><b>NEW YORK</b> New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21<sup>st</sup> Floor New York, New York 10005 (212) 416-8236</p>
<p><b>HAWAII</b> Commissioner of Securities of the State of Hawaii Department of Commerce &amp; Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><b>NORTH DAKOTA</b> North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p><b>ILLINOIS</b> Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p><b>RHODE ISLAND</b> Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527</p>
<p><b>INDIANA</b> Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b> Division of Insurance Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563</p>
<p><b>MARYLAND</b> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p><b>VIRGINIA</b> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p>
<p><b>MICHIGAN</b> Michigan Attorney General’s Office Consumer Protection Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1<sup>st</sup> Floor Lansing, Michigan 48913 (517) 335-7622</p>	<p><b>WASHINGTON</b> Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760</p>
<p><b>MINNESOTA</b> Minnesota Department of Commerce 85 7<sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600</p>	<p><b>WISCONSIN</b> Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139</p>

**AGENTS FOR SERVICE OF PROCESS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

<p><b>CALIFORNIA</b>          Commissioner of Financial Protection and Innovation          Department of Financial Protection and Innovation          320 West Fourth Street, Suite 750          Los Angeles, California 90013-2344          (213) 576-7500          Toll Free: (866) 275-2677</p>	<p><b>NEW YORK</b>          New York Secretary of State          New York Department of State          One Commerce Plaza,          99 Washington Avenue, 6<sup>th</sup> Floor          Albany, New York 12231-0001          (518) 473-2492</p>
<p><b>HAWAII</b>          Commissioner of Securities of the State of Hawaii          Department of Commerce &amp; Consumer Affairs          Business Registration Division          Securities Compliance Branch          335 Merchant Street, Room 205          Honolulu, Hawaii 96813          (808) 586-2722</p>	<p><b>NORTH DAKOTA</b>          North Dakota Securities Commissioner          State Capitol          600 East Boulevard Avenue, Fifth Floor          Bismarck, North Dakota 58505-0510          (701) 328-4712</p>
<p><b>ILLINOIS</b>          Illinois Attorney General          500 South Second Street          Springfield, Illinois 62706          (217) 782-4465</p>	<p><b>RHODE ISLAND</b>          Director of Department of Business Regulation          Department of Business Regulation          Securities Division, Building 69, First Floor          John O. Pastore Center          1511 Pontiac Avenue          Cranston, Rhode Island 02920          (401) 462-9527</p>
<p><b>INDIANA</b>          Secretary of State          Franchise Section          302 West Washington, Room E-111          Indianapolis, Indiana 46204          (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b>          Division of Insurance          Director of the Securities Regulation          124 South Euclid Avenue, Suite 104          Pierre, South Dakota 57501          (605) 773-3563</p>
<p><b>MARYLAND</b>          Maryland Securities Commissioner          200 St. Paul Place          Baltimore, Maryland 21202-2020          (410) 576-6360</p>	<p><b>VIRGINIA</b>          Clerk of the State Corporation Commission          1300 East Main Street, 1<sup>st</sup> Floor          Richmond, Virginia 23219          (804) 371-9733</p>
<p><b>MICHIGAN</b>          Michigan Attorney General’s Office          Consumer Protection Division, Franchise Section          525 West Ottawa Street          G. Mennen Williams Building, 1st Floor          Lansing, Michigan 48913          (517) 335-7622</p>	<p><b>WASHINGTON</b>          Director of Department of Financial Institutions          Securities Division          P.O. Box 9033          Olympia, WA 98507-9033          (360) 902-8760</p>
<p><b>MINNESOTA</b>          Commissioner of Commerce          Minnesota Department of Commerce          85 7<sup>th</sup> Place East, Suite 280          St. Paul, Minnesota 55101          (651) 539-1600</p>	<p><b>WISCONSIN</b>          Division of Securities          4822 Madison Yards Way, North Tower          Madison, Wisconsin 53705          (608) 266-2139</p>

**EXHIBIT E**  
**COLLISION DAMAGE WAIVER INDEMNIFICATION AND FEE**  
**AGREEMENT**

## Exhibit E

### **COLLISION DAMAGE WAIVER INDEMNIFICATION AND FEE AGREEMENT**

This INDEMNIFICATION AND FEE AGREEMENT (“**Agreement**”), dated as of \_\_\_\_\_, 20\_\_\_\_ (“**Effective Date**”), is entered into by and between NP Auto Group, Inc., a Maryland corporation (“**Company**” or “**NP Auto Group**”), and \_\_\_\_\_, (“**Franchisee**”).

WHEREAS, Company and its affiliates have established a Collision Damage Waiver (CDW) program (the “**CDW Program**”) that permits franchisees to sell CDW to customers and seek indemnification from Company for certain Covered Losses to Covered Vehicles (as defined below) incurred by customers who purchase CDW.

WHEREAS Franchisee wishes to participate in the CDW Program and offer optional damage coverage to its vehicle rental customers.

WHEREAS, Company has agreed to indemnify the Franchisee for certain vehicle property damage claims arising out of the CDW program.

**NOW, THEREFORE**, in consideration of the mutual promises herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Franchisee Appointment; Fee; Termination.
  - a. Franchisee agrees to participate in the CDW program, subject to the terms and conditions of this Agreement.
  - b. In consideration of the services provided by Company (or its affiliates) under this Agreement, for each collision damage waiver sold to customers under the CDW Program, Franchisee agrees to pay to Company (or its affiliate) the sum of \$19.60 multiplied by the number of days of CDW coverage purchased.
  - c. Company and Franchisee each may terminate this Agreement at any time, with or without cause, upon one (1) month's written notice to the other party, and Company shall be obligated to pay to Franchisee the compensation and expenses due up to the date of the termination.

2. Indemnification by Company.

- d. In consideration of Franchisee's agreement to sell CDW under the CDW program to its customers that rent motor vehicles owned or leased by Franchisee, Company hereby indemnifies and agrees, subject to paragraph 2(c), to indemnify and hold harmless Franchisee from and against Covered Losses. A “**Covered Loss**” under this Agreement means any and all vehicle property damage claims, liabilities, losses, or damages (each a “**Loss**”) resulting from collision, vandalism or acts of nature that are covered under the CDW agreements between Franchisee and its customers for vehicles owned or leased by Franchisee (“**Covered Vehicles**”), other than Losses resulting from theft of a Covered Vehicle; theft-related damage to a Covered Vehicle; damage to the roof or overhead of a Covered Vehicle; hail damage; or towing, storage, or impound charges. The exclusions to the definition of “Covered Loss” described in the preceding sentence apply even if Franchisee is required by law or contract to waive its right to recover for such Losses from customers that purchase CDW. Company’s indemnification obligation is subject to:
- i. a \$100 per occurrence deductible, which deductible Franchisee shall not pass on to any customer (“**Retention**”); and
  - ii. a maximum limit per claim of the actual cost of repair of the vehicle up to the lesser of: (A) the Manheim MMR average value of the Vehicle at the date of Loss; and (B) \$40,000 per vehicle.
- e. Company may, in its sole discretion, insure its obligations under paragraph 2(a) through an insurer of its choice (“**Insurer**”) with a provision for the Insurer to pay the Loss proceeds, less a \$100 per-occurrence deductible directly to Franchisee or its heirs, executors, administrators, successors or assigns upon documentation of a claim.
- f. Company shall not be obligated to indemnify Franchisee under paragraph 2(a) for a specific Loss to the extent such Loss is attributable to a finding contained in a final, non-appealable judgment by a court of competent jurisdiction that holds that the act or omission in connection with such Loss resulted from a bad faith violation of law, willful misconduct, or self-dealing by Franchisee.

3. Company's Continuing Duty. All agreements and obligations of Company contained herein shall continue during the period Franchisee participates in the CDW Program and shall continue thereafter so long as Franchisee has any unresolved vehicle property damage claims in connection with CDW sold to customers under the CDW program, including the indemnification obligation described in paragraph 2(a) above.

4. Notice of Claims.

- a. Notice. If Franchisee receives a complaint, claim, or other notice of any legal action (“**Action**”), Loss or other liability that may give rise to indemnification under paragraph 2 above, Franchisee shall promptly notify Company of each such complaint, claim, or other notice; however, the failure to notify Company will not relieve Company from any liability under this Agreement.
- b. Proof of Loss. Within 60 days of the vehicle property damage CDW Loss, Franchisee will provide the Company and any Insurer or administrator with complete documentation of the Loss, including the Date of Loss, proof of ownership or lease of the vehicle .proof of the customer's purchase of the CDW property damage waiver, a detailed description of the vehicle damage, identification of any third parties that may be responsible, a copy of any police reports related to the damage, two *bona fide* estimates of the costs of repair, evidence of the purchase price of the vehicle and evidence of the Average Wholesale Value of the Vehicle at the Date of Loss.

5. Examination of Books and Records. The Company shall have the right to examine Franchisee's books and records as follows:

- a. Franchisee shall allow the Company to access its digital rental records on an ongoing basis.
- b. Franchisee shall allow Company to have ongoing access to WebRent on a live, 24/7/365 basis.
- c. Franchisee shall provide Company with the claim documentation identified in section 4(b) above and on reasonable request thereafter.
- d. Company shall have the ongoing right, upon reasonable request, to audit the Franchisee’s records regarding CDW sold under the CDW program, including all rental agreements.

6. Notices. Any notice or other communication under this Agreement shall be in writing and shall be deemed given upon receipt by a party at its address set forth below or at such other address as such party shall hereafter furnish in writing to the other party hereto.

7. Subrogation. There is no waiver of subrogation against any third parties who are at fault or partially at fault for the damage to a vehicle. However, the CDW program will be “primary” before the collision insurance benefits purchased by the Franchisee, and the CDW program will not subrogate against the Franchisee's collision insurance policy.



8. Dispute Resolution. If Franchisee and Company are unable to resolve a dispute or controversy under this Agreement through informal negotiation, Franchisee and Company agree to the following dispute resolution process:

- a. Face-to-Face Meeting. Before initiating a judicial proceeding, Franchisee and Company agree to make a good faith effort to resolve the dispute at a face-to-face meeting (“**Face-to-Face Meeting**”) between Franchisee and one of our representatives, each of whom is authorized to making binding commitments on behalf of their respective parties. The Face-to-Face Meeting will be held at Company’s Franchisee Service Center where located at the time of the dispute (currently, Laurel, Maryland) within 30 days after the date of written notice proposing the meeting, unless Franchisee and Company agree otherwise in writing. If the Face-to-Face Meeting is not held within 30 days (or within the otherwise agreed-upon time period), the request for a Face-to-Face Meeting will expire, and the requesting party may file a demand for arbitration without making additional attempts to resolve the dispute informally.
- b. Choice of Venue. The parties agree that any action that you bring against us, in any court, whether federal or state, must be brought only within the state and judicial district for Frederick, Maryland. Any action that we bring against you in any court, whether federal or state, may be brought within the state and judicial district for Frederick, Maryland, waiving any other jurisdiction that may correspond to them by virtue of their domiciles, current or future.
  - i. The parties agree that this Section 8.b. will not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue will be as set forth above.
  - ii. The parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.
  - iii. ANY SUCH ACTION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A CONSOLIDATED, COMMON, OR CLASS ACTION.
- c. Parties Rights are Cumulative. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy provided under this Agreement or provided or permitted under law or equity; rather, each remedy will be cumulative of every other right or remedy.
- d. Injunctions. Nothing in this Agreement will bar our right to obtain precautionary measures or injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

- e. Waiver of Jury Trials. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.
  
- f. Must Bring Claims Within One Year. EACH PARTY TO THIS AGREEMENT AGREES THAT ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES' RELATIONSHIP, OR YOUR OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER, SHALL BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE IRREVOCABLY BARRED; PROVIDED, HOWEVER, THAT THE PARTIES AGREE THAT THIS SECTION 16.E.6 SHALL NOT APPLY TO A CLAIM BY US SEEKING INDEMNIFICATION UNDER THIS AGREEMENT OR CLAIMS ARISING FROM YOUR NONPAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWED TO NP FRANCHIS0045 GROUP, OR YOUR REFUSAL TO SUBMIT TO AN AUDIT AS PROVIDED IN THIS AGREEMENT.
  
- g. Waiver of Punitive Damages. EXCEPT FOR CLAIMS NP FRANCHISE GROUP BRINGS AGAINST YOU FOR UNAUTHORIZED USE OF THE PRICELESS TRADEMARKS OR UNAUTHORIZED USE OR DISCLOSURE OF KNOW-HOW, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES IT HAS SUSTAINED.
  
- h. Payment of Legal Fees. You agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement; and/or (b) successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship.
  
- i. Survivability. The provisions of this Section 8 will continue in full force and effect after termination of this Agreement

9. Confidentiality. Company and Franchisee each acknowledge that, in order for the intents and purposes of this Agreement to be accomplished, Franchisee will at times obtain access to certain confidential information concerning the Company and its affairs, including, but not limited to, business methods, information systems, financial data and strategic plans which are unique assets of Company (“**Confidential Information**”). Franchisee covenants not to, either directly or indirectly, in any manner, utilize or disclose to any person, firm, corporation, association or other entity, other than a retained attorney or accountant, any Confidential Information, except to the extent as may be required by law or a court order.
  
10. Counterparts: Entire Agreement; Modification; Headings.
  - a. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall be deemed to constitute one and the same instrument.
  - b. This Agreement contains the entire agreement of the parties and supersedes any previous agreements; all representations, inducements, promises or agreements oral or otherwise not written herein will be of no force or effect. No modification of this Agreement shall be binding unless executed in writing by each of the parties hereto.
  - c. Section headings are not part of this Agreement, are solely for convenience of reference, and shall not affect the meaning or interpretation of any provision of this Agreement.
  
11. Successors and Assigns.
  - a. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns. Nothing expressed or referred to herein is intended or shall be construed to give any person other than Company, Franchisee and their heirs, executors, administrators, successors or assigns any legal or equitable right remedy, or claim under or with respect to any provision of this Agreement.
  - b. Franchisee shall not assign any of its rights or delegate any of its duties under this Agreement without the prior consent of Company.
  - c. Company will have the right to transfer or assign this Agreement and all or any part of its rights or obligations under this Agreement to any person or legal entity, and any assignee of Company will become solely responsible for all of its obligations under this Agreement from the date of assignment.
  
12. Relationship of Company to Franchisee. The Company acknowledges that payment made to Franchisee is valid and sufficient consideration for the Representative's duties as set forth in this Agreement.
  
13. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, in whole or in part, the remainder of this Agreement shall be unaffected thereby and shall remain in full force and effect.

14. Governing Law. This Agreement shall in all respects be governed by and construed and enforced in accordance with the laws of the State of Maryland (without reference to principles of conflict of laws).

15. Effect of Waiver. The waiver by either party of the breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach thereof

**[Signature Page Follow]**

IN WITNESS WHEREOF, Franchisee and Company have each caused this Agreement-  
to be duly executed as of the day and year first above written.

**NP AUTO GROUP, INC.,**  
a Maryland corporation

**FRANCHISEE**

-

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

\_\_\_\_\_

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

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

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

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

13900 Laurel Lakes Avenue  
Suite 100  
Laurel, Maryland 20707  
Telephone (240) 581-1300

**EXHIBIT F**  
**OPERATING MANUAL TABLE OF CONTENTS**

**EXHIBIT F**  
**MANUAL TABLE OF CONTENTS**

The number of pages devoted to each subject are as follows:

Starting up.....	9
Customer Service.....	9
Telephone Technique.....	8
Fleet Management.....	14
Maintenance.....	15
Insurance.....	8
Rates.....	4
Operations.....	30
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Accounting/Finance.....	11
Supplementary Businesses.....	4
Expansion.....	2
Forms/Appendix.....	21
<b>Total Number of Pages.....</b>	<b>184</b>

**EXHIBIT G**  
**SAMPLE MASTER LEASE AGREEMENT**





## MASTER LEASE AGREEMENT

This agreement ("Master Lease Agreement") is made as of \_\_\_\_\_ by and among:

1. KFL, LLC, a Maryland limited liability company having its principal place of business at 11411 Rockville Pike, Kensington, Maryland 20895 with administrative offices at 105 Main St., Laurel, MD 20707, (hereinafter referred to as "we," "us," "our," or "lessor"); and,
2. \_\_\_\_\_, residing at \_\_\_\_\_ ("Franchisee"), a franchisee of NP Franchise Group, LLC ("NP Franchise Group") under the terms of a Franchise Agreement dated \_\_\_\_\_ ("Franchise Agreement"); and,
3. \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (the "Operating Company") (Franchisee and Operating Company are referred to in this agreement jointly and severally as "lessee," "you" or "your"); and,
4. the Guarantor named on the Signature Page hereof ("Guarantor").

This agreement describes the rights, duties, and obligations of the parties respecting the lease of motor vehicles ("leased vehicles"). You will submit to us a Vehicle Lease Order ("VLO") describing the desired vehicle(s), vehicle delivery date(s) and estimated initial cost and lease payment for each vehicle that you wish added to this Master Lease Agreement. Each leased vehicle will be particularly described in a Vehicle Delivery Receipt ("VDR") that you will sign upon accepting delivery of the leased vehicle. Each VLO and each VDR, whether now or hereafter executed, are part of this master agreement. A sample VLO and a sample VDR are attached as Exhibit 1 and 2.

This constitutes a master agreement between you and us and covers all vehicles leased by you from us. It continues in force as long as at least 1 vehicle remains on lease.

You do not acquire any right, title, or interest in any leased vehicle except as a lessee. We will acquire each leased vehicle only upon receipt of your VLO. The date on which we acquire a leased vehicle is the "Acquisition Date." Title to leased vehicles remains in lessor's name from the Acquisition Date until purchased by you.

## 1. TERM

Each vehicle is leased for a period beginning on the date the vehicle is delivered to you and continuing for a minimum of 12 months or a maximum of 18 months thereafter, unless the term is extended in writing by mutual agreement of the parties.

This agreement is terminable at our option in the event you fail to cure a default under this agreement or a default under the Franchise Agreement. Termination for default will be effective on delivery of written notice to you.

## 2. LEASE PAYMENTS AND OTHER CHARGES

- a. Monthly Lease Payments. You will pay us in advance on the 1<sup>st</sup> day of each month for each leased vehicle the Monthly Lease Payment specified in its VDR, without abatement, setoff or counterclaim arising out of any circumstances whatever. If delivery is taken on any day other than the 1<sup>st</sup> day of a month, at the time of delivery, you will pay prorated interest for the total number of days between the date of delivery and the 1<sup>st</sup> day of the following month. You will continue to pay us Monthly Lease Payments until the vehicle is purchased by you regardless of any written extension of the lease term for a vehicle.
- b. Deposits. You will deposit with us \$750 per leased vehicle. One-half this amount is due with each signed VLO. The balance is due on delivery of each leased vehicle. Deposits will be credited to you at the close of each lease, provided you are in compliance with the terms of this lease. If you default under the terms of this Lease Agreement, we have the right to apply all the deposits you paid to us to all amounts due us under this Lease Agreement.
- c. Excess Mileage. If you default under the terms of this Lease Agreement, you will pay us an Excess Mileage Fee of \$.15/mile for each mile in excess of 2,200 miles per month for each leased vehicle that you do not purchase under the terms of Paragraph 7, below.
- d. Shipping and Transport Charges. The cost of shipping each leased vehicle is payable to us on delivery of each lease vehicle.
- e. All Other Charges. Inspection, Get-Ready Costs, Registration, Titling and Taxes are your sole responsibility and shall be paid by you to those service providers and/or respective state agencies. You agree to immediately reimburse us upon receipt of invoice if we pay all or a portion of the inspection, get-ready costs, registration, titling or tax charges on your behalf.

All amounts due us shall be paid by automatic electronic debit from a bank account satisfactory to us on the first business day after the 1<sup>st</sup> of each month or, if applicable, upon invoice. If a payment fails for any reason, you will pay us a late fee of 5% of the total amount due. In addition to the late charge, lease payments and any other sums due under this Lease Agreement will bear interest at the rate of 1-1/2% per month calculated from the date the payment was due until paid.

### **3. MAINTENANCE, TAXES AND FEES**

a. Fees and Taxes. Leased vehicles shall be titled and registered in our name or that of any other party we designate. You will have each vehicle safety inspected whether or not required by a state or other authority, at your expense, and you will make alterations and repairs necessary to comply with the manufacturer's specifications or the regulations of a state or other authority. You will pay any costs or fines imposed as a result of your failure to properly complete inspections. If we elect, or are required, to pay any of the foregoing expenses, you will reimburse us on receipt of our invoice.

b. Parking and Traffic Citations. You will pay traffic and parking citations incurred as a result of the use of a leased vehicle. If we receive notice of delinquent citations, you will pay us the amount due to the charging authority plus \$50.00 for each such citation.

c. Safety Inspection. You will conduct a comprehensive safety inspection of each leased vehicle before you rent it to the public.

c. Maintenance. Maintenance and repair of leased vehicles are your responsibility. You will maintain leased vehicles in good operating condition and in compliance with maintenance procedures required or recommended by a vehicle's manufacturer and/or NP Franchise Group. You will perform the maintenance and repairs necessary to keep each vehicle manufacturer's warranty in effect. You will keep your vehicle maintenance records in the Webrent computer system, and will grant us the right to audit and access all Webrent computer system data, including, but not limited to, rental transactions, maintenance transactions, and fleet transactions.

d. Manufacturer Recalls. Before you rent a leased vehicle to the public, and periodically throughout the lease term, you will verify with its manufacturer that it is not subject to any active or open factory recall. If a leased vehicle is subject to a manufacturer's recall, you will comply with the terms of the recall and return the vehicle to an authorized dealer within 15 days of knowledge of or receipt of a recall notice. Leased vehicles that are subject to manufacturer's recalls may not be rented to the public unless and until the vehicle has been inspected and serviced at an authorized dealership.

### **4. LIMITATION ON USE OF LEASED VEHICLES**

a. Leased vehicles will be used only in the ordinary course of the operation of your franchised auto rental business.

b. You will not use a leased vehicle for transportation of persons for hire. You will not permit leased vehicles to be used in violation of federal, state or municipal laws or ordinances, or contrary to the provisions of an applicable insurance policy. You will indemnify, hold harmless, and defend us and NP Franchise Group from and against fines, forfeitures, seizures, damages or penalties resulting from violations of the laws of any state or other public authority.

c. The use of leased vehicles is limited to the United States, and Canada.

d. You indemnify us for all loss we incur as a result of the conversion,

abandonment, unauthorized use, sale or concealment of leased vehicles. You will immediately reimburse us for such loss.

e. You will not place advertising signs, lettering, insignia, or other devices in or upon a leased vehicle without our prior written consent.

f. You will not convey, assign or transfer a leased vehicle or any interest under this agreement without our prior written consent.

## **5. INSURANCE AND INDEMNITY**

a. **Liability Insurance.** During the term of this Agreement and until each leased vehicle is purchased by you, you will provide and maintain the automobile liability insurance required by the terms of the Franchise Agreement. Coverage will begin on the Acquisition Date.

b. **Collision and Comprehensive Insurance.** You will maintain comprehensive and collision insurance with deductibles satisfactory to us, covering loss from collision, fire, theft, windstorm and other comprehensive hazards. Coverage will begin on the Acquisition Date.

c. **Other Requirements.**

(i) You must provide us with written evidence of insurance prior to delivery of leased vehicles. The evidence of insurance must name us, NP Franchise Group, and any other party we designate as an additional insured and loss payees. Any notice of cancellation, expiration or material change in the insurance coverage must be delivered to us at least 30 days in advance of the noticed event.

(ii) You will cooperate fully with us and any insurer in the investigation, prosecution, or defense of any accidents, claims and suits arising out of the use or operation of leased vehicles.

d. **Failure to Provide and Maintain Insurance.** If you fail to provide or maintain the insurance coverage called for in this Lease Agreement, or fail to furnish us with the required evidence of insurance coverage, we may at our option, immediately terminate this Lease Agreement and repossess the leased vehicles without prior notice. In the alternative we may, but are not required to, obtain insurance coverage on your behalf; if we do, you will pay us the cost of said insurance.

e. **Indemnification.** You will indemnify us and hold us, our agents and employees, free and harmless from all losses or liability of any kind, including costs of suit and attorney's fees, arising from the condition (including, without limitation, latent or other defects, whether raised under the doctrine of strict liability or otherwise) or operation of any leased vehicle. You will defend all claims brought against us in connection with the condition or operation of a leased vehicle. The termination of this agreement will not terminate your obligations under this provision. We will give you prompt notice of any claim subject to this indemnity, and you will be entitled to control its defense, provided that we may, at our option, participate

in the defense.

## **6. LOSS OR DAMAGE**

a. **Responsibility for Payments.** Your responsibility for payment of charges due under this agreement will continue during the time a leased vehicle is stolen, converted, destroyed, damaged, or missing and during the time required for any repair, adjustment, or servicing, unless you and we agree in a writing signed by both of us to cancel the lease for that vehicle.

b. **Limitation of Our Liability.** We are not liable to you for business loss, or interruption of, or damage to, your business or profits, or for other damages of any kind caused by reason of theft, conversion, destruction, loss, repairs, adjustments, servicing, replacement or unavailability, for any reason, of a leased vehicle. We will not be liable to you for failure to deliver a requested or promised vehicle.

c. **Damage or Destruction of Leased Vehicles.** You bear the risk of loss or damage to leased vehicles. If a leased vehicle is lost, stolen, or so damaged that it cannot, in our judgment be economically repaired, then its lease will be terminated after receipt of notice by us of such loss or damage. On termination you will pay us an amount equal to the Book Value (as shown on the Statement for that vehicle) of the vehicle for the month in which the loss was reported to us. You will be credited any insurance proceeds received by us with respect to such vehicle.

## **7. PURCHASE OF VEHICLES**

You must purchase each leased vehicle in "as is" condition for a price equal to the Book Value for the month of settlement of the purchase as provided in your monthly statement. The purchase must be completed on or before the end of the lease term for that vehicle. If you purchase the leased vehicle before the end of the lease term, there will be no prepayment penalty.

After you pay the purchase price in cash or certified funds, plus fees, taxes and other amounts necessary to prepare the vehicle to conform with legal requirements for sale, we will deliver documents of title to you via overnight mail.

To exercise your option to purchase a lease vehicle, you must give us notice in writing of your intent to do so no less than 10 days prior to the requested settlement date. The notice must include a copy of the VDR or the most recent monthly statement for that vehicle.

## **8. DEFAULT BY YOU**

a. If at any time during the lease term, we deem ourselves insecure with respect to this lease or any VDR, or if you:

1) fail in the performance of any covenant, term, condition or obligation in this agreement;

2) fail to cure a default in your NP Franchise Group franchise agreement;

3) become insolvent, or make an assignment for the benefit of creditors,  
Or if a receiver is appointed for your property;

4) permit an attachment, garnishment, levy or execution against a  
leased vehicle,

we may, but will not be required to, terminate this Lease Agreement, and we may do so without prior notice to you. We may repossess the leased vehicles without prior notice and without process of law. You expressly waive any further interest in the vehicle and any right of action arising out of such entry and repossession. We shall not be liable in damages for any termination pursuant to this paragraph. A default as to one leased vehicle constitutes a default as to all leased vehicles.

b. If we exercise our right to terminate this agreement by reason of your default, you will pay us upon demand the difference (if any) between the total of the Book Values of the leased vehicles for the month in which your default occurred and the net value of liquidation of all leased vehicles subject to this Lease Agreement (“Net Liquidation Value”). The Net Liquidation Value is equal to the actual sales price that we receive from the sale of the leased vehicles minus: (i) all amounts due under the Lease Agreement through the date of termination; (ii) Excess Mileage Fees; (iii) all costs that we incur in the repossession and disposal of leased vehicles, such as, but not limited to, auction fees, transportation costs, management, management travel and per diem, investigation, inspection, and towing; (iv) all fees and costs incurred by us as a result of your failure to comply with the Vehicle Return Condition Standards set forth in Exhibit A; and (v) an administration fee of \$100 for each leased vehicle subject to this Lease Agreement. If the Net Liquidation Value exceeds the total Book Values for the leased vehicles, we will pay the surplus amount to you.

c. Our repossession of a leased vehicle will not constitute a payment, release, novation, or accord and satisfaction of any of your obligations hereunder. All of your obligations under this lease agreement will remain in force until fully satisfied.

d. If we employ an attorney to enforce our rights, you will pay us the actual attorneys fees and related expenses, including court costs we incur in obtaining and collecting a judgment against you.

## **9. DISCLAIMER OF WARRANTIES**

Vehicles are leased as is, and we make no warranties, express or implied, as to any vehicle or its equipment. We disclaim any implied warranty of merchantability and any express or implied warranty of fitness for any particular purpose. No defect or unfitness of a vehicle or its equipment will relieve you of your obligations under this agreement.

## 10. GUARANTY

The undersigned Guarantor hereby irrevocably, absolutely and unconditionally guarantees your performance under this agreement. In the event of default, we may proceed at our option against you or Guarantor in any order or concurrently. This guaranty is continuing and applies to all leased vehicles and to all VDRs executed by you and to all amendments hereto, even if you or we fail to give notice to Guarantor of subsequent VDRs or amendments to this agreement.

## 11. DISPUTE RESOLUTION

a. Face-to-Face Meeting. Before initiating a judicial proceeding, You and KFL agree to make a good faith effort to resolve the dispute at a face-to-face meeting (“Face-to-Face Meeting”) between you and one of our representatives, each of whom is authorized to making binding commitments on behalf of their respective parties. The Face-to-Face Meeting will be held at the NP Franchise Group Franchisee Service Center where located at the time of the dispute (currently, Laurel, Maryland) within 30 days after the date of written notice proposing the meeting, unless You and KFL agree otherwise in writing. If the Face-to-Face Meeting is not held within 30 days (or within the otherwise agreed-upon time period), the request for a Face-to-Face Meeting will expire, and the requesting party may file a claim with without making additional attempts to resolve the dispute informally. You and KFL agree that the written notice proposing a Face-to-Face Meeting must be dated before the expiration of the applicable limitation on the period of time in which a claim may be brought under Section 11.b.

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

1. The parties agree that this Section 11.b. will not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue will be as set forth above.
2. The parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.
3. Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action.

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

d. Injunctions. Nothing in this Agreement will bar our right to obtain precautionary measures or injunctive relief against threatened conduct that will cause us loss or damages, under

the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

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

f. Must Bring Claims Within One Year. EACH PARTY TO THIS AGREEMENT AGREES THAT ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES' RELATIONSHIP, OR YOUR OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER, SHALL BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE IRREVOCABLY BARRED; PROVIDED, HOWEVER, THAT THE PARTIES AGREE THAT THIS SECTION 11.f SHALL NOT APPLY TO A CLAIM BY US SEEKING INDEMNIFICATION UNDER THIS AGREEMENT OR CLAIMS ARISING FROM YOUR NONPAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWED TO KFL, OR YOUR REFUSAL TO SUBMIT TO AN AUDIT AS PROVIDED IN THIS AGREEMENT.

g. Waiver of Punitive Damages. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES IT HAS SUSTAINED.

h. Payment of Legal Fees. You agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement; and/or (b) successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship.

i. Survivability. The provisions of this Section 11 will continue in full force and effect after termination of this Agreement

## 12. MISCELLANEOUS

a. We have the right to lease, or finance leased vehicles via security interest or by assigning our interest under this agreement, or both. Any such security interest and its lien will be superior to this lease. You will recognize any such assignment and will not assert against the assignee any defense, counterclaim or setoff that you have or may have against us.



b. This instrument, the VLOs, and the VDRs constitute the entire agreement between the parties in regard to the lease of vehicles and may be modified only in a writing executed by you and us.

c. Neither the failure of a party to insist upon the performance of any term or condition of this agreement, or to exercise any right or privilege conferred by this agreement, nor the waiver by a party of any such term or condition will be construed as thereafter waiving any such term, condition right or privilege, or waiver of the right to thereafter insist upon strict compliance with this agreement.

d. Should any part, term or provision of this contract be held by any court to be invalid or in conflict with any law, the validity of the remaining portions or provisions shall not be affected thereby but shall remain in force.

e. This agreement is binding on the parties, their successors, legal representatives and assigns; however, you have no right to assign, sublet, transfer, encumber or convey this agreement or any interest in it without our prior written consent.

f. This agreement is made in, and will be construed in accordance with the laws of, the state of Maryland.

g. Any notice required to be given by a party herein to the other must be in writing and will be deemed delivered when deposited in the United States Mail, postage prepaid, and sent to the other party at its address as the same appears herein or at an address of which such party may have previously notified the other party in writing. Delivery may also be accomplished by email, fax or overnight courier.

**[Signature page Follows]**

**SIGNATURE PAGE**

**FRANCHISEE**

\_\_\_\_\_  
Signature of NextCar Franchisee

\_\_\_\_\_  
Home Street Address of Franchisee

\_\_\_\_\_  
Printed Name of Franchisee

\_\_\_\_\_  
City, State, Zip Code of Franchisee

---

**OPERATING COMPANY**

\_\_\_\_\_  
Printed name of Operating Company

\_\_\_\_\_  
Street Address of Operating Company

By: \_\_\_\_\_  
Signature of Operating Company

\_\_\_\_\_  
City, State, Zip Code Operating Company

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

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

---

**GUARANTOR 1**

**GUARANTOR 2**

\_\_\_\_\_  
Signature of Guarantor 1

\_\_\_\_\_  
Signature of Guarantor 2

\_\_\_\_\_  
Printed name of Guarantor 1

\_\_\_\_\_  
Printed name of Guarantor 2

Dated Signed: \_\_\_\_\_

Dated Signed: \_\_\_\_\_

---

**KFL, LLC**

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

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

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

EXHIBIT 1

VEHICLE LEASE ORDER - VLO (Excel File)

EXHIBIT 2

VEHICLE DELIVERY RECEIPT – VDR (Excel File)

EXHIBIT 3

MONTHLY STATEMENT - (Excel File)

EXHIBIT A  
VEHICLE RETURN CONDITION STANDARDS

Set forth below are the standards to be used by Lessee and Lessor in inspecting Vehicles returned by Lessee to Lessor.

**GENERAL CONDITIONS**

- 1) Vehicle will be returned washed and vacuumed. Vehicles not returned in this condition will be washed and vacuumed by the lessor or the auction and the Lessee will be responsible for any charges for this service.
- 2) Two sets of keys are required.
- 3) Operations and warranty books must be in the vehicle.
- 4) Previously repaired collision damage in excess of \$300 must be reported and accompanied by repair orders.
- 5) Lessor will absorb the repair cost of those units returned with less than \$300 chargeable damage. Lessee will be charged for all repair amounts above \$300.

**MAINTENANCE**

Vehicles must be maintained as described in the Owner's Manual and Limited Warranty Statement. Any failures of engines/transmissions due to noncompliance will be chargeable to Lessee.

**SHEET METAL AND PAINT**

All dings and dents above normal wear and tear, poorly repaired paint or metal, a scratch or multiple scratches that break the paint and make a panel objectionable because of quantity or length are to be considered chargeable against the maximum damage allowance of \$300. Chargeable dings and dents will be considered above normal wear and tear when a single panel contains damage that will require more than one half hour sheet metal repair (painting excluded).

**FRONT AND REAR BUMPERS, BUMPER GUARDS, BODY SIDE MOLDINGS, WHEEL OPENING MOLDINGS, EXTERIOR MOLDINGS AND WINDOW MOLDINGS.**

Only minor dents, nicks and scratches are allowed to these protective guards and moldings.

## **TIRES**

All tires must have 5/32 of an inch or better original tread across all tread, including the spare. All tires must match by make, size and type and be to manufacturer's original equipment standards. No gouges, cuts, plugs or vulcanized sidewalls allowed.

None should be returned with a "spare" on the vehicle. All tires should be usable at the time of turn-in.

## **WHEELS AND WHEEL COVERS**

All must be original equipment. Damages will be chargeable to the damage allowance. Wheels and wheel covers must not be missing. If unit has wheel covers requiring wrenches or keys, these must be returned with the unit.

## **GLASS**

The Lessee will be charged if the windshield, rear window or side windows are in such condition that they require replacement due to sandblasting, cracks or chips. All glass replacements will require replacement or related window seal. Failure to replace the seal can result in a chargeback to the Lessee of the cost of seal and any resulting damage. All glass replaced must be manufacturer original equipment and is the responsibility of Lessee and will be chargeable to the damage allowance.

## **LIGHTS**

Damage to headlights, taillights, turn signals, running lights and coach lamps will be chargeable to the damage allowance.

## **INTERIOR SOFT TRIM AND CARPETS**

Damage to carpet or upholstery will be charged to the damage allowance. This includes non-cleanable stains, cuts, tears, burns, mildew and offensive odors.

## **ORIGINAL EQUIPMENT AND ACCESSORIES**

All original equipment and accessories must be on the Vehicle. All missing parts (such as body side moldings, wheel covers, trunk rugs, spare tires, jacks and wheel wrenches) are to be replaced with manufacturer's original equipment. Warranty books and owner's manuals must be in the Vehicle.

## **OPERATING CONDITION**

Each Vehicle and all its accessories shall be in sound mechanical and electrical operating condition. Repairs of these items must be made prior to turn-in or the chargeable damage allowance will be excluded.

Vehicle Lease Order - VLO

VLO - Vehicle Lease Order for Master Lease Number #

You order for lease, under the terms of the Master Lease Agreement, which is incorporated by reference, the vehicles listed below. You understand that you are ordering Used Vehicles that may be purchased at an Auction (if approved by lessor) and that the price may vary by up to \$\_\_\_\_\_. You also agree that the vehicles will be in Clean Wholesale or Average Wholesale condition and they will not be in "like new" condition. You agree that the amount due below shall be electronically transferred from your account to the lessor's account. The vehicles are to be delivered to:

Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Delivery Contact Name \_\_\_\_\_ Delivery Contact Telephone Number \_\_\_\_\_ Delivery Contact Days and Hours of Availability \_\_\_\_\_

Lessee Signature \_\_\_\_\_ Date \_\_\_\_\_

Cash Needed to complete transactions

Desired Vehicle Delivery Date (the accepted window is 30 days before or after)	Year	Make	Model	Trim	Mileage Range	Estimated Initial Cost Of Vehicle Block Price Plus Auction Fees	\$300	Estimated Capitalized Cost at Start of Lease	Estimated Monthly Depreciation Estimate @ 2.25% per Month	7.5%	\$15.00	Estimated Cost of Monthly Lease Payment
							Estimated Acquisition Fee			Estimated Interest Cost at Prime Rate plus 4 Points	Estimated Monthly Admin fee	
1 #####	2010	Kia	Sedona	LX	<12k	\$16,200	\$300.00	\$16,500	\$371.25	\$103.10	\$15.00	\$489.35
2 #####	2010	Nissan	Sentra	S	<15k	\$12,200	\$300.00	\$12,500	\$281.25	\$77.05	\$15.00	\$373.30
3 #####	2009	Nissan	Versa	S	<19k	\$10,200	\$300.00	\$10,500	\$236.25	\$64.73	\$15.00	\$315.98
4 #####	2008	Ford	Fusion	SE-4	<19k	\$11,800	\$300.00	\$12,100	\$272.25	\$74.59	\$15.00	\$361.84
5 #####	2008	Mazda	Mazda	Sedan i	<19k	\$11,400	\$300.00	\$11,700	\$263.25	\$72.12	\$15.00	\$350.37
6							\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00
7							\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00
8							\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00
9							\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00
10							\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00
<b>Totals ---&gt;</b>						\$61,800	\$1,500.00	\$63,300	\$1,424.25	\$391.60	\$75.00	\$1,890.85

Pay to Lessor		Service Provider	Pay State Agency	Total Cash needed to get vehicle in rental service.
\$375	\$375	Estimated Vehicle Safety Inspection, Satellite Tracking and general get ready.	Estimated State - Title License Plate and Taxes (if any)	
50% of Lease Deposit Due with Signed Lease Order	50% of Lease Deposit Due upon delivery	Estimated Shipping and Transport Due Upon Delivery		
\$375.00	\$375.00	\$200.00	\$275.00	\$1,350.00
\$375.00	\$375.00	\$200.00	\$275.00	\$1,350.00
\$375.00	\$375.00	\$200.00	\$275.00	\$1,350.00
\$375.00	\$375.00	\$200.00	\$275.00	\$1,350.00
\$375.00	\$375.00	\$200.00	\$275.00	\$1,350.00
\$0.00	\$0.00			\$0.00
\$0.00	\$0.00			\$0.00
\$0.00	\$0.00			\$0.00
\$0.00	\$0.00			\$0.00
\$0.00	\$0.00			\$0.00
\$1,875.00	\$1,875.00	\$1,000.00	\$1,375.00	\$6,750.00

Pay This Amount with completed Lease Order \$ 1,875.00

# Vehicle Delivery Receipt- VDR

VDR - Vehicle Delivery Receipt for Master Lease Number #

You accept for lease the vehicles listed below, under the terms of the Master Lease Agreement, which is incorporated by reference. You agree to accept these vehicles in their current as delivered condition. You agree to conduct a comprehensive safety inspection before You begin using these vehicles. :

Lessee Signature \_\_\_\_\_ Date \_\_\_\_\_

Vehicle Shipped Date	Auction Location Shipped from	Transport Carrier	Transport Cost	Vehicle Delivery Date	Monthly Statement Start Date	Unit Stock Number	Year	Make	Model	Trim	Vin	Start Miles	Cost Of Vehicle (Block Price Plus Auction Fees)	\$300	Caapitalized Cost at Start of Lease	Monthly Depreciation Charge @ 2.25% per Month	7.5%	\$15.00	Monthly Lease Payment	Additional Days Charged	7.50%	\$375	Total Amount Due
														Buyer Fee			Interest Charge at Prime Rate plus 4 Points	Monthly Admin Charge			Addition al Days Interest Charge	50% of Lease Deposit Due upon delivery	
07/18/10			309.00	07/21/10	08/01/10	89724	2010	Kia	Sedona	LX	ab12345678912345678	16715	16,200.00	300.00	16,500.00	371.25	103.10	15.00	489.35	14	36.62	375.00	720.62
07/07/10			309.00	07/10/10	08/01/10	39367	2010	Nissan	Sentra	S	ab12345678912345678	14234	12,200.00	300.00	12,500.00	281.25	78.11	15.00	374.36	25	27.58	375.00	711.58
07/07/10			309.00	07/10/10	08/01/10	39367	2009	Nissan	Versa	S	ab12345678912345678	18234	10,200.00	300.00	10,500.00	236.25	65.61	15.00	316.86	25	23.05	375.00	707.05
07/07/10			309.00	07/10/10	08/01/10	39367	2008	Ford	Fusion	SE-4	ab12345678912345678	19100	11,800.00	300.00	12,100.00	272.25	75.61	15.00	362.86	25	26.67	375.00	710.67
07/07/10			309.00	07/10/10	08/01/10	39367	2008	Mazda	Mazda	Sedan	ab12345678912345678	20202	11,400.00	300.00	11,700.00	263.25	73.11	15.00	351.36	25	25.77	375.00	709.77
														0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
														0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
														0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
														0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
														0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
														0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
<b>Total</b>			1,545.00										61,800.00	1,500.00	63,300.00	1,424.25	395.54	75.00	1,894.79	114	139.68	1,875.00	3,559.68

This Amount Due within 5 Days of Delivery \$ 3,559.68

Invoice Date 08/01/10		Sample Statement 123 Main Street Anytown, Md. 20707								Security Deposit Per Unit 750.00	Credit Limit Available Credit \$400,000 \$51,130	Next Invoice Date 9/1/2010		Prime plus Margin 3.25 4.00	Interest Days charged this period 31						
Monthly Payment Start Date	Unit Stock Number	Year	Make	Model	Trim	Vin	Start Miles	Original Capitalized Cost	Lease Term Months	Security Deposit	End of Lease Term Value	End of Term Date	Number of Prior Payments Completed	Interest Value before this month's payment is applied	2.25% Monthly Reduction of Original Capitalized Cost	Book Value after this month's payment and deposit is Posted	Interest Due in Advance	Statement Admin Monthly Charge	Misc Charges	Monthly Payment	
1	08/01/10	89724	2009	Kia	Sedona	LX	17 digit vin 17	19715	16,500.00	12	750.00	12,045.00	08/01/11	0	16,500.00	371.25	15,378.75	101.60	15.00		487.85
2	06/01/10	39367	2009	PONT	G6	SE1	17 digit vin 17	18234	11,550.00	12	750.00	8,431.50	06/01/11	2	11,030.25	259.88	10,020.38	67.92	15.00		342.79
3	05/01/10	30004	2010	PONT	G6	SE1	17 digit vin 17	7473	12,500.00	12	750.00	9,125.00	05/01/11	3	11,656.25	281.25	10,625.00	71.77	15.00		368.02
4	08/01/09	37068	2007	HONDA	ACCORD	SE1	17 digit vin 17	34430	12,100.00	18	750.00	7,199.50	02/01/11	12	8,833.00	272.25	7,810.75	54.39	15.00		341.64
5	07/01/09	39479	2009	Kia	OPTIMA	LX	17 digit vin 17	18933	11,650.00	18	750.00	6,931.75	01/01/11	13	8,242.38	262.13	7,230.25	50.75	15.00		327.88
6	04/01/09	29480	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	12929	10,150.00	18	750.00	6,039.25	10/01/10	16	6,496.00	228.38	5,517.63	40.00	15.00		283.37
7	04/01/09	39368	2009	FORD	FOCUS	SE1	17 digit vin 17	18515	11,300.00	18	750.00	6,723.50	10/01/10	16	7,232.00	254.25	6,227.75	44.53	15.00		313.78
8	04/01/09	28499	2008	CHEV	AVEO	LS	17 digit vin 17	25301	7,350.00	18	750.00	4,373.25	10/01/10	16	4,704.00	165.38	3,788.63	28.97	15.00		209.34
9	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
10	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
11	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
12	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
13	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
14	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
15	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
16	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
17	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
18	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
19	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
20	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
21	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
22	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
23	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
24	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
25	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70



Invoice Date 08/01/10		Sample Statement 123 Main Street Anytown, Md. 20707								Security Deposit Per Unit 750.00	Credit Limit Available Credit \$51,130	Next Invoice Date 9/1/2010	Prime plus Margin 4.00	Interest Days charged this period 31							
Account Number 12345678										Interest Rate ->		Prime Rate 3.25	2.25% Monthly Reduction of Original Capitalized Cost	Book Value after this month's payment and deposit is Posted	Interest Due in Advance	Statement Admin Monthly Charge	Misc Charges	Monthly Payment			
Monthly Payment Start Date	Unit Stock Number	Year	Make	Model	Trim	Vin	Start Miles	Original Capitalized Cost	Lease Term Months	Security Deposit	End of Lease Term Value	End of Term Date	Number of Prior Payments Completed	Interest Value before this month's payment is applied							
26	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
27	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
28	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
29	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
30	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
31	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
32	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
33	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
34	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
35	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
36	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
37	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
38	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
39	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
40	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
41	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
42	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
43	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
44	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
45	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
46	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
47	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
48	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
49	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
50	04/01/09	29483	2009	HYUNDAI	ACCENT	GLS	17 digit vin 17	14130	10,200.00	18	750.00	6,069.00	10/01/10	16	6,528.00	229.50	5,548.50	40.20	15.00		284.70
<b>Totals</b>									521,500.00		37,500.00	315,766.75			348,869.88	11,733.75	299,636.13	2,148.18	750.00	0.00	14,631.93

Payments are due on the 1st day of each month. A late payment charge equal to 5% of total payment due will be assessed on payments received by us after the 10th day of the month.

\$ -  
Payment Due 14,631.93

**EXHIBIT H**  
**LIST OF CURRENT FRANCHISEES**

**Exhibit H**  
**List of Current Franchisees as of July 31, 2021**

<b>Name</b>	<b>Franchise Owner</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>	<b>Phone</b>
<b>FLORIDA</b>						
NEXTCAR OF FT. LAUDERDALE	Richard Piotrowski	321 W. State Road 84	FT. LAUDERDALE	FL	33315	(954) 900-4536
NEXTCAR OF ORLANDO	Richard Piotrowski	3255 McCoy Road	ORLANDO	FL	32812	(321) 800-6002
<b>MONTANA</b>						
NEXTCAR RENTAL OF BOZEMAN (AIRPORT)	Colin Albee - Bozeman Car Rentals, LLC	23 North 7th Avenue	BOZEMAN	MT	59715	(406) 587-0933
NEXTCAR RENTAL OF BOZEMAN (LOCAL)	Colin Albee - Bozeman Car Rentals, LLC	23 North 7th Avenue	BOZEMAN	MT	59715	(406) 587-0933
<b>NEW YORK</b>						
NEXTCAR OF PORT JERVIS	Jason Dobbs	42-46 Main Street	PORT JERVIS	NY	12771	(845) 856-2277
<b>PUERTO RICO</b>						
NEXTCAR OF AGUADILLA AIRPORT (BQN)	Allied Holdings, LLC	Wings Street #333 Ramey Base	AGUADILLO	PR	00690	(787) 890-3010
NEXTCAR OF SAN JUAN	Allied Holdings, LLC	10200 Calle Celestial Marginal	CAROLINA	PR	00979	(787 ) 726-7350

**EXHIBIT I**  
**LIST OF FORMER FRANCHISEES**

**Exhibit I**

**List of Franchisees Who Left the NextCar System - August 1, 2020 through July 31, 2021**

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

**1. List of Franchisees Who Had an Outlet Terminated, Canceled, Not Renewed, or Otherwise Voluntarily or Involuntarily Ceased to do Business Under the Franchise Agreement during the Fiscal Year Ended July 31, 2020**

None

**2. Franchisees Who Have Not Communicated with Us During 10 Weeks Preceding the Issuance Date of the Disclosure Document**

None

**EXHIBIT J**  
**RESERVATION SERVICES ENROLLMENT FORM**

**Exhibit J**  
**NextCar Reservation Services – Booking Channel Participation Agreement**  
**(“Participation Agreement” or “Agreement”)**

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

This Participation Agreement outlines the terms and conditions for the NextCar Car and Truck Rental franchisee identified below (“Franchisee” or “you”) to participate in the “NextCar Reservation System” provided by NP Auto Group, Inc. (“Company,” “we,” or “us”). For purposes of this Agreement, the “NextCar Reservations System” or “Reservation Services” means car rental services provided by NP Auto Group through various channels, including the “NextCar” website and toll-free telephone numbers, as well as via third-party providers, such as traditional and online travel agencies and the Global Distribution System. We reserve the right to alter or amend this Agreement from time to time in the event that system wide changes are deemed prudent or as our channel agreements are altered or amended.

1. **Fees and Commissions.** The “Reservation Channel Fees and Commissions” and “Deposit” listed on Schedule 1 of this Participation Agreement are in effect as of the date you sign below. You will be notified of fee, commission or deposit changes at least 30 days in advance.
2. **Deposit.** NP Auto Group reserves the right to require a deposit (“Deposit”) for any reservation source, based upon the volume of reservations that you receive from the source(s). The Deposit is a security deposit against future NextCar Reservation System reservation invoices and obligations, and will be maintained at a level commensurate with location volume at the discretion of NP Auto Group. You agree that:
  - a. Our deposit policy exists to protect our supplier relationships and the other franchise owners and stakeholders in our reservation system whose interests are all vitally tied to the preservation and development of the reservation system.
  - b. Our expectation is that you will maintain a Deposit equal to an average of two months of reservation fees for all locations that you operate. We reserve the right to increase the amount of your Deposit based upon the volume of reservations that you receive. We also will monitor your Deposit amount and will require that a sufficient deposit be maintained to meet anticipated commissions on existing reservations. In addition, we may, in our discretion, increase Deposit amounts for all Reservation System participants at any time. We may use your Deposit to cover any past-due amounts at any time and will return any unused Deposit amounts to you upon termination of your participation in the NextCar Reservation System.
3. **Prepaid Reservation Withholding and Prepaid Proceeds.** Customers who use the NextCar Reservation System have an option to prepay their reservation. The prepayments are deposited with NP Auto Group (not the franchisee) and remain in NP Auto Group’s possession until they have been applied as a credit to your monthly NextCar Reservation System invoice after the vehicle rental has taken place. You agree to an ongoing 10 percent withholding of “Prepaid Reservation Proceeds” (defined below) generated by the NextCar Reservation System and its

central merchant account; provided that the ongoing withholding for Prepaid Reservation Proceeds generated by the NextCar Reservation System and processed through select OTA channels who process prepaid reservations as merchant of record on our behalf will be two percent. "Prepaid Reservation Proceeds" means the net amount of the funds from prepaid reservations that are disbursed to the location, less the commissions due on the total reservation invoice. Prepaid Reservation Proceeds will be withheld from the monthly prepaid reservation proceeds, and this amount will be added to your reservation deposit account and tracked as a credit memo on your monthly NextCar Reservation System invoice.

4. **Method of Payment.** On the Reservation Services invoice due date, your bank account will be debited or your payment card charged for the total balance due. It is your responsibility to notify NP Auto Group of any changes to your relevant bank or payment card account information. If method of payment is rejected, your reservation services will be immediately suspended and any Deposit will be applied to the balance due. In order to have service reestablished, you must pay a \$250 reconnection fee, (except in the case of an expired payment card) and an additional Deposit may be required. **We may terminate your participation in the reservation system immediately without notice if you fail to timely pay any amounts due in connection with the NextCar Reservation System.**
  
5. You also agree to comply with the following NextCar Reservation System policies:
  - a. **Honoring Reservations.** You agree to honor all confirmed reservations for a minimum of two hours after the quoted arrival time at the rates and during the business hours established by you and published by NP Auto Group. If, for any reason, You do not or cannot honor the reservation at the time a rental was scheduled to begin, including if the reserved vehicle is unavailable or you do not have sufficient inventory, you agree, at your sole expense, to either: (a) upgrade the customer to a higher-class vehicle at no additional charge, or (b) obtain a vehicle from another company for the customer. In any event, you shall be responsible, and make arrangements to pay or reimburse the customer, for any price differential and reasonable expenses and costs incurred by the customer. In addition, the following guidelines apply if a customer arrives more than two hours after the quoted arrival time:
    - i. If a customer provides NP Auto Group with accurate flight information at the time the reservation is made and the reservation is confirmed, you should honor the reservation for a minimum of 24 hours after the quoted arrival time at the rates and during the business hours established by you and published by NP Auto Group, when customers flight was delayed.
    - ii. If a customer has made a Reservation Deposit or Prepayment to NP Auto Group, and arrives for rental more than two hours after the scheduled arrival, but within the reserved rental period, you must make best efforts to provide a comparable vehicle to the customer at the earliest time practical, and at a cost no higher than the total price quoted in the reservation.



- iii. On those occasions when a customer arrives beyond the time limits set forth above, you agree to use your best efforts to accommodate the customer with a vehicle similar in rate, size and type to the vehicle originally reserved.
- b. Franchisee's Station Information and Policies; Third-Party Booking System Policies. We agree to maintain a current data bank of: (A) Franchisee's station information, rental qualifications and policies, vehicles, rental rates and availability, as made available to us by you and as requested from time to time by us; and (B) the rules and regulations established by the owners of each applicable automated reservation system included in the NextCar Reservation System.
- c. Your Responsibility for Rates and Other Information. Franchisee acknowledges and agrees that it is Franchisee's responsibility to maintain its own rates, blackouts and promotions through the ASAP RATE system. Franchisee further acknowledges and agrees that: NP AUTO GROUP SHALL NOT BE RESPONSIBLE, NOR SHALL IT BE LIABLE FOR, ANY INCORRECT RATE(S) QUOTED OR POSTED THROUGH NO FAULT OF ITS OWN. FRANCHISEE ACKNOWLEDGES THAT THE FRANCHISEE SHALL BE RESPONSIBLE FOR RATE MANAGEMENT SERVICES, AND THOSE SERVICES WILL INCLUDE INFORMATION INPUT FROM HUMAN BEINGS. NP AUTO GROUP SHALL NOT BE RESPONSIBLE FOR ANY LOSS OF REVENUE CAUSED BY RENTAL RATE MISCALCULATIONS THAT MAY OCCUR WITHIN THE RESERVATION SYSTEM FORMAT (INTERNET OR GLOBAL DISTRIBUTION SYSTEM ("GDS")). NP AUTO GROUP MAKES NO REPRESENTATION THAT THE RESERVATION SYSTEM WILL BE UNINTERRUPTED OR ERROR-FREE, AND NP AUTO GROUP WILL NOT BE LIABLE FOR THE CONSEQUENCES OF ANY INTERRUPTIONS OR ERRORS, INCLUDING BUT NOT LIMITED TO LOSS OF BUSINESS, LOSS OF REVENUE, LOSS OF CUSTOMERS OR ANY LIABILITIES RESULTING DIRECTLY OR INDIRECTLY, FROM CUSTOMER COMPLAINTS OR POTENTIAL PRICING OFFSETS TO SETTLE CUSTOMER COMPLAINTS.
- d. Overbooking. You acknowledge and agree that the NextCar Reservation System, and the relationship of NP Auto Group and its affiliates with various reservation channels are valuable assets of NP Auto Group and its affiliates. You further understand that various reservation channels have specific requirements for local rental agencies, and that NP Auto Group has discretion to determine if you meet reservation channel requirements and whether to allow and/or suspend and/or terminate Franchisee's listing on various channels. You agree that you will not knowingly overbook on the NextCar Reservation System, nor make provisional reservations directly with other reservation channels in anticipation of the potential for overbooking. If you unintentionally overbook on the NextCar Reservation System, you agree that immediately upon discovering the overbooking, you will contact the NP Auto Group reservation center to resolve the overbooking issue.
- e. Inspection and Audit. You understand that various reservation channels have specific requirements with which NP Auto Group (and its affiliates) and you must comply. To confirm compliance with their requirements, these reservation channels have the right to

conduct a limited audit of both NP Auto Group and your reservation records to confirm compliance. You agree to cooperate fully with any such audit and that you will bear the local costs associated with such an audit (i.e., copying charges).

6. Assignment. NP Auto Group has the right to transfer or assign this Agreement or any part of our rights or obligations under this Agreement to any person or legal entity. Franchisee may not assign this Agreement without the prior written approval of NP Auto Group. Any assignment or transfer without the prior written approval of NP Auto Group will be deemed void, constitute a material breach of this Agreement, and will result in the immediate termination of this Agreement.
7. By signing below, you agree to the terms and conditions above and agree to pay the Reservation Fees and Commissions described on the following page. The reservation billing period will begin on the 1st day of the month and end on the last day of the month. You understand that the status of all reservations, including actual time and mileage amounts charged, must be reported using the NextCar Reservation Services Management System by the close of each monthly billing cycle. Reservations that are not reported will be charged commission based on the time and mileage reserved.

**FRANCHISEE:**

Company Name:

Signed by: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

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

**NP AUTO GROUP, INC.**

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

Print Name: \_\_\_\_\_

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

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

## GUARANTY

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

### GUARANTOR(S)

1. \_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

**Schedule 1**  
**Reservation Channel – Fees and Commissions**

1. Per-Channel Fees and Commissions

The following are the Reservation Fees and Commissions as of the Effective Date:

<b>Channel</b>	<b>Charge per Completed Reservation</b>	<b>Commission Expense Percentage of Time and Mileage on Completed Reservations<sup>(1)</sup></b>	<b>Commission Expense - Percentage of Time &amp; Mileage on Cancellations<sup>(2)</sup></b>	<b>Commission - Percentage of Time &amp; Mileage on Direct Cancellation and No-Show Reservations</b>
NextCar Website and Call Center	\$3.50	3.5%	0%	0%
GDS Travel Agents - Sabre, Worldspan, Gallileo; Amadeus Travel agents	\$11.70	13.5%	0%	0%
Online Travel brokers (Gotrental cars, rentcars, discover car hire, rentcarla, bookinggroup)	\$3.50	10%	0%	0%
Kayak.com (Prepaid & Pay on arrival)	\$3.50	23.5%	0%	0%
Expedia.com Travelocity.com Orbitz.com, CheapTickets.com, CarRentals.com – Pay-On-Arrival	\$11.70	26%	0%	25%
Expedia.com Travelocity.com Orbitz.com, CheapTickets.com, CarRentals.com <b>“Prepaid” (Non-cancellable non refundable to customer)</b>	\$11.70	32%	32%	32%

Note 1: Commission expenses include delivery fees associated with your participation in the applicable third-party booking channels that we pay on your behalf. “Completed reservations” mean all non-cancelled reservations.

Note 2: Cancellations will be considered reservations cancelled at the source of the booking. Reservations must be cancelled at the source with which they were booked to be credited.

2. Deposit

You agree to pay this initial deposit of \$                      for reservations taken on your behalf. This deposit is due upon signing.

\_\_\_\_\_ Initial here to Accept.

**EXHIBIT K**

**WEB RENT END USER LICENSE AGREEMENT**

## EXHIBIT K

### ASAP COMPUTER SYSTEM End User License Agreement

NOTICE TO ALL USERS: CAREFULLY READ THE FOLLOWING LEGAL AGREEMENT ("**AGREEMENT**") FOR THE LICENSE OF ASAP COMPUTER SYSTEM OR THE ASAP MOBILE APP ("APP") (COLLECTIVELY, "**SOFTWARE**") BY NP AUTO GROUP, INC. ("**NP AUTO**"). BY CLICKING THE ACCEPT BUTTON OR USING THE SOFTWARE, YOU CONSENT TO BE BOUND BY AND BECOME A PARTY TO THIS AGREEMENT. IF YOU DO NOT AGREE TO ALL OF THE TERMS OF THIS AGREEMENT, CLICK THE BUTTON THAT INDICATES THAT YOU DO NOT ACCEPT THE TERMS OF THIS AGREEMENT AND DO NOT USE THE SOFTWARE.

1. **License Grant.** Subject to the payment of the applicable license fees, which are set at the discretion of NP Auto and may vary from time-to-time, and subject to the terms and conditions of this Agreement, NP Auto hereby grants to you (also referred to herein as "**You**") a non-exclusive, non-transferable right to use the current version of the Software. The Software is accessible via the Internet only and may not be copied or installed by you on a computer, smart phone, or like device ("**Client Device**").

- a. Use. The Software is licensed as a single product. The Software is "in use" when you log on to the Internet site, or App, on which it is made available by NP Auto.
- b. Multiple Access. You may access and use the Software on multiple Client Devices within your vehicle rental front office, administrative office, or home office, PROVIDED THAT all use of the Software is related to the operation of a vehicle rental business ("**Franchised Business**") under a franchise agreement with NP Auto or its affiliate (including but not limited to NP Franchise Group LLC) ("**Franchise Agreement**"). You may access the Software from multiple Client Devices at the same time. As set forth in the Franchise Agreement, provision of suitable Client Devices and Internet access shall be the sole responsibility of you.
- c. Identified Users. You may authorize certain employees to have access to and use the Software. You shall identify to NP Auto in writing those employees who shall have access to the Software, each of whom NP Auto shall assign a unique access ID and password. You shall secure and require your Identified Users to secure and not share their access IDs and passwords. If any Identified User ceases to be an employee, or if at any time you wish to terminate access of any Identified User, you shall advise NP Auto in writing so that their access ID can be disabled. For the purposes of this Agreement, the term "**You**" shall include Identified Users, as applicable. You shall at all times be responsible for all actions, or lack of action, by any or all of your Identified Users.
- d. Right to Deny Access. For the protection of You and the Identified Users, NP Auto reserves the right, at its sole discretion (i) to deactivate any access ID; (ii) to require Identified User(s) to change passwords; or (iii) to deny, limit or terminate access to the Software or any portion thereof, at any time, as necessary or advisable to protect the security and integrity of the Software. Whenever NP Auto is able to do so without compromising the security or integrity of the Software, NP Auto will give you reasonable notice before taking such action. If NP

Auto determines, in its sole discretion, that it is advisable to take immediate action, without prior notice to You, NP Auto will notify You as soon as reasonably practicable of its action and, if it can do so without compromising the security of the Software or any investigation, the reason for the action.

2. **Term and Termination.** This Agreement is effective for so long as you continue to operate a Franchised Business unless and until earlier terminated as set forth herein. This Agreement will terminate automatically if you fail to comply with any of the limitations or other requirements described herein, if you fail to pay the periodic Software license fee set by NP Auto pursuant to the Franchise Agreement, or if the Franchise Agreement is terminated. Upon any termination or expiration of this Agreement, Your access (and that of all Identified Users) to the Software will be terminated. Termination of this Agreement shall be in addition to and not in lieu of any equitable remedies available to NP Auto.

3. **Updates.** NP Auto shall have no obligation to but may, at its sole discretion, replace, modify, or upgrade the Software, including its operation and functionality, without prior notice to you. This Agreement shall apply to the updated Software automatically, regardless of whether you receive notification of the update.

4. **Amendment of Agreement.** NP Auto may increase the periodic License Fee for use of the Software and may unilaterally, from time-to-time, amend the terms of this Agreement. Upon amendment hereof, your continued use of the Software will constitute agreement to the terms and conditions of the amended Agreement.

5. **Ownership Rights.** The Software is proprietary to NP Auto and/or its affiliates, including NP Franchise Group, and constitutes Know-How (as that term is defined in and protected pursuant to the Franchise Agreement). As between You and NP Auto, NP Auto owns and retains all right, title and interest in and to the Software, including the source and object code, business processes, layout, structure, know-how, images, photographs, animations, video, music, text and applets incorporated into the Software, and all copyrights, patents, trade secret rights, trademarks (including but not limited to ASAP<sup>TM</sup>), and all other intellectual property rights therein. Your possession, installation, or use of the Software does not transfer to you any title to the intellectual property in the Software, and you will not acquire any rights to the Software except as expressly set forth in this Agreement.

6. **Data.** Use of the Software shall involve the input of certain data by You and shall result in the generation of additional data, including financial information of the Franchised Business and customer data and customer lists (collectively, the “Data”). As set forth in the Franchise Agreement, all Data shall be owned by and is hereby assigned to our affiliate, NP Franchise Group. You retain a license to use the Data as set forth in the Franchise Agreement. You shall obtain all necessary consents to ensure that NP Auto and its affiliates can collect, use, and disclose data as contemplated by this Agreement and the Franchise Agreement and as set out in the privacy policy of NP Auto.

7. **Restrictions.** As to the Software, You agree to comply with the obligations set forth in the Franchise Agreement with respect to the Computer System (as that term is defined in the Franchise Agreement). You may not rent, lease, loan, or resell the Software or access to or use of the Software. You may not reverse engineer, translate, decompile, or disassemble the Software, or attempt to access or view the source code of the Software. You may permit only Identified Users to access and use the Software. You may not transfer any of the rights granted to you under this Agreement. You may not modify, or create derivative works based upon, the Software in whole or in part. You may not copy the Software. All rights not expressly set forth hereunder are reserved to NP Auto. NP Auto reserves



the right to periodically conduct audits without advance notice to verify compliance with the terms of this Agreement.

8. **Security Risks.** You acknowledge that Internet-based and software solutions cannot be made perfectly secure or reliable and that data processing entails the likelihood of some human and machine errors, omissions, downtime, delays, and losses, including inadvertent loss or corruption of data, which may give rise to losses or damage. You accept responsibility for adopting reasonable measures to limit your exposure with respect to such potential losses and damage. While NP Auto will use its good faith and reasonable efforts to provide a high level of availability for the Software, availability may be impacted adversely by a number of factors over which NP Auto has limited or no control, and for which NP Auto will not be liable. The availability of the Software is also subject to scheduled downtime for maintenance purposes, unscheduled maintenance, and general system outages. While NP Auto will work in good faith to resolve problems in a reasonable manner, taking into account the scope and effect of the problems, NP Auto does not commit to specific service levels with respect to the Software.

9. **Disclaimer of Warranties/Limitation of Liability.** WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE SOFTWARE OR THE INFORMATION TRANSMITTED THROUGH THE SOFTWARE. NP AUTO SPECIFICALLY DISCLAIMS ALL INDIRECT OR IMPLIED WARRANTIES TO THE FULL EXTENT ALLOWED BY APPLICABLE LAW, INCLUDING WITHOUT LIMITATION ALL IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, TITLE, OR FITNESS FOR ANY PARTICULAR PURPOSE. IN ADDITION, WE WILL BEAR NO LIABILITY OR RESPONSIBILITY FOR: (A) ERRORS OR OMISSIONS OF INFORMATION CONTAINED IN THE SOFTWARE; OR (B) COMPUTER HARDWARE, SOFTWARE, OR SYSTEM FAILURES IN CONNECTION WITH THE SOFTWARE.

**Under no circumstances and under no legal theory, whether in tort, contract, or otherwise, will NP Auto be liable to you or to any other person for any indirect, special, incidental, or consequential damages of any character including, without limitation, damages for loss of profits, goodwill, work stoppage, computer failure or malfunction, or for any and all other damages or losses. This limitation of liability will not apply to liability for death or personal injury to the extent that applicable law prohibits such limitation. Furthermore, some states and jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, so this limitation and exclusion may not apply to you.** The foregoing provisions will be enforceable to the maximum extent permitted by applicable law.

10. **Miscellaneous.** This Agreement is governed by the laws of the State of Maryland, without reference to conflict of laws principles. The parties agree that all disputes arising out of this Agreement may be brought only within the state and judicial district for Frederick, Maryland. This Agreement sets forth all rights for the user of the Software and is the entire agreement between the parties. This Agreement supersedes any other communications with respect to the Software and Documentation; however, in the event of any conflict between this Agreement and the terms or conditions of the Franchise Agreement, the terms and conditions of the Franchise Agreement shall prevail to the extent of any such conflict. No provision hereof will be deemed waived unless such waiver will be in writing and signed by NP Auto or a duly authorized representative of NP Auto. If any provision of this Agreement is held invalid, the remainder of this Agreement will continue in full force and effect. The parties confirm that it is their wish that this Agreement has been written in the English language only.

**Franchisee**

\_\_\_\_\_

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

**Operating Company**

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

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

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

**NP AUTO GROUP, INC.**

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

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

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

## **RECEIPTS**

## STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

Hawaii:	PENDING
Illinois:	PENDING
Indiana:	PENDING
Michigan:	PENDING
Minnesota:	PENDING
North Dakota:	PENDING
Rhode Island:	PENDING
South Dakota:	PENDING
Wisconsin:	PENDING

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

## RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If NP Franchise Group, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement with, or make a payment to, NP Franchise Group, LLC or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement and the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement and the payment of any consideration that relates to the franchise relationship.

If NP Franchise Group, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit D.

### Franchise Seller Information:

Names: Mike DeLorenzo, George Moorhead, John Poisson, Jon Dill, and Andres Lezcano  
Address: 13900 Laurel Lakes Avenue, Suite 100, Laurel, Maryland 20707  
Telephone Number: 240-455-0672

Date of Issuance: January 4, 2022.

NP Franchise Group, LLC authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I received a Disclosure Document dated January 4, 2022 that included the following Exhibits:

- |  |  |
|--|--|
| A. Franchise Agreement, State Riders, and Brand Share Addendum | F. Operating Manual Table of Contents            |
| B. Financial Statements  | G. Sample Master Lease Agreement                 |
| C. General Release   | H. List of Franchisees                           |
| D. List of State Agencies/Agents for Service of Process        | I. List of Terminated Franchisees                |
| E. Collision Damage Waiver Fee and Indemnification Agreement   | J. Reservations Services Participation Agreement |
|  | K. ASAP End User License Agreement Receipts      |

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Print Your Name (Prospective Franchisee)

\_\_\_\_\_  
Your Signature (Prospective Franchisee)

Please sign this copy of the receipt, date your signature, and return it to NP Franchise Group, LLC, at 13900 Laurel Lakes Avenue, Suite 100, Laurel, Maryland 20707. This Disclosure Document is also available via email from our website [www.nextcar.com](http://www.nextcar.com).

## RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If NP Franchise Group, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement with, or make a payment to, NP Franchise Group, LLC or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement and the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement and the payment of any consideration that relates to the franchise relationship.

If NP Franchise Group, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit D.

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| D. List of State Agencies/Agents for Service of Process        | I. List of Terminated Franchisees                |
| E. Collision Damage Waiver Fee and Indemnification Agreement   | J. Reservations Services Participation Agreement |
|  | K. ASAP End User License Agreement Receipts      |

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Your Name (Prospective Franchisee)

\_\_\_\_\_  
Your Signature (Prospective Franchisee)

Please sign this copy of the receipt, date your signature, and retain it for your records. This Disclosure Document is also available via email from our website [www.nextcar.com](http://www.nextcar.com).