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June 25, 2010

We would like to make the following announcement to all Arelco employees:

The Stockholders of Arelco, Inc. have agreed to sell substantially all the assets of Arelco's Rental Division and Retail Sales Division to the Taylor Family of St. Louis, owners of Enterprise Holdings – operators of the Alamo Rent A Car, Enterprise Rent-A-Car and National Car Rental brands through its regional subsidiaries. The sale is effective 12:01 AM Central, August 1, 2010. Although Arelco will no longer be involved in these businesses, Enterprise Holdings plans to continue to operate these divisions in substantially the same form after this sale occurs.

TO: The following Arelco Departments:

- **All RENTAL Locations in all nine (9) states**
- **RETAIL SALES & RETAIL SERVICE**
- **CLERKS OFFICE (Title & Cashier)**
- **RECEPTIONISTS**
- **RECON – Clean Up**
- **RECON – Service**
- **RECON – Inventory Control**

Between now and July 31, 2010, these Arelco employees will be offered the opportunity to apply for comparable positions with Enterprise Holdings that will be the same or very similar to their current positions with Arelco. All Arelco employees in these departments who satisfy Enterprise Holdings' hiring standards will be offered employment. The employment of the Arelco employees in each of these departments will officially terminate at midnight on July 31, 2010 and employment with Enterprise Holdings will begin on August 1, 2010.

Enterprise Holdings will conduct an application and screening process for Arelco employees in these divisions who wish to continue their employment with new ownership. Pay and benefits for these positions will be based on Enterprise Holdings standards and may vary somewhat from those provided by Arelco. Eligible employees will receive detailed information regarding compensation and benefits soon.

All earned, unused paid vacation days and other paid benefit days will be prorated as of July 31, 2010 and will be paid by Arelco with each employee's final paycheck.

All Arelco employees will remain employed on an at-will basis by Arelco until their employment with Arelco comes to an end for any reason. Of course, Arelco expects all of our employees to maintain their high standards of performance throughout this transitional period.

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TO: The following Arelco Departments:

- ACCOUNTING
- BODY SHOP
- HR
- LEASING
- REMARKETING
- RENTAL ADMIN (HQ)

Arelco will continue to operate its headquarters in Indianapolis on a short-term basis (approximately 30 TO 120 days) following the sale transaction for the purpose of winding down its administrative operations. The Leasing and Remarketing Divisions will continue to be operated by Arelco and those employees will remain employed.

The Body Shop will cease operations by August 31, 2010. Body Shop employees will be offered a severance benefit if they remain actively employed until their severance date, which will be on or about August 31.

The Rental Accounting employees and most General Accounting and HR employees will be asked to continue their duties until August 31, 2010. They will be offered a severance benefit if they perform their duties until that date.

If the Rental Administration (HQ) personnel are not offered positions with Enterprise Holdings, they will be offered a severance benefit if they continue their employment until a date to be determined, ranging from 30 to 120 days after closing.

The severance benefit for affected Headquarters personnel, which will be contingent upon continued employment in good standing until a designated severance date (which may be between 30 and 120 days post-closing), will be comprised of two components: a “years of service severance benefit” and a “severance benefit” based on the employee’s monthly income. If you are eligible for severance, you will receive a written severance agreement in the next week or so explaining the details of your severance benefits.

Kim Smith will begin a new role as the Airport Market Manager for the Indianapolis Airport overseeing the Alamo, Enterprise and National brands. Kim will also play an integral part in the transition of our operations to new ownership. It is everyone’s desire to make this transition as smooth as possible for all involved.

No doubt, you have many questions as to what happens July 31<sup>st</sup> and beyond. A ‘frequently asked questions’ (FAQ) document is included with this announcement to help answer some of those questions. This information is also available at [www.arelconet.com](http://www.arelconet.com). In addition, we will be reaching out to each of you regarding the next steps.

We want to take this opportunity to thank all of you for the outstanding work you have done for us over these many years. Arelco has been recognized time and time again for our customer service, and integrity. We recognize that our company’s success has come directly from the dedication and hard work of people like you. On behalf of the outgoing owners and directors of Arelco, we wish you the best in all your future endeavors.

**ARELCO, INC.**

Dave Pilcher  
Executive Vice President  
Sales & Administration

Rod Smith  
President

Kim Smith  
Executive Vice President  
Rental Operations

## FAQ's

### Frequently Asked Questions

#### ***What is Enterprise Holdings?***

Enterprise Holdings, through its regional subsidiaries, is North America's largest and most comprehensive service provider in the car rental industry, operating the Alamo Rent A Car, Enterprise Rent-A-Car and National Car Rental brands. Other affiliated business lines include Enterprise Fleet Management, Enterprise Commercial Trucks, Enterprise Car Sales, Enterprise Rideshare vanpooling and WeCar car sharing.

#### ***When does this acquisition take effect?***

The Taylor Family takes ownership of Arelco's assets on August 1, 2010.

#### ***What does this acquisition mean to me and my employment with Arelco?***

Your employment with Arelco runs through July 31, 2010. On August 1, 2010, the acquisition by the Taylor Family takes effect thus ending your employment with Arelco, unless you are asked to stay on through Arelco's short transition period.

#### ***Will I have the opportunity to work for new ownership?***

Arelco employees who are in field operational positions will have the opportunity to apply for similar positions with new ownership. Due to redundant positions between the Enterprise Holdings headquarters and Arelco's corporate office, those in administrative positions at corporate will not have this opportunity.

#### ***Will there be any severance?***

Affected full-time employees who work 30 or more hours per week will receive a Severance Benefit. The retention package is contingent upon completion of required duties' performance and is comprised of two components:

- A "years of service severance benefit"
- A "severance benefit" based on the employee's monthly income. If you are eligible for severance, you will receive a written severance agreement in the next week or so explaining the details of your severance benefits.

#### ***What if I am offered a position with Enterprise Holdings and I decline the offer, do I qualify for severance?***

No; Arelco will provide no Severance Benefit for those who have an opportunity with Enterprise Holdings and decline to accept.

#### ***Will I receive unemployment?***

Any employee whose employment with Arelco ends as of July 31, 2010 through job elimination or layoff and who does not accept a tendered job offer with Enterprise Holdings should apply for unemployment benefits through the state agency. Every state handles the unemployment process uniquely, therefore you will need to contact your local agency to understand the application and eligibility process.

## **COMPENSATION AND EMPLOYEE BENEFITS**

### ***How long will I continue to earn wages with Arelco?***

Employee will be paid all wages earned up through termination of employment with Arelco, which is through July 31, 2010.

### ***How will unused vacation time be handled?***

All earned unused paid vacation days will be paid to the employee by Arelco.

All earned other paid benefit days will be prorated at July 31, 2010

### ***What will my health benefits be following the July 31 acquisition?***

Beginning August 1, 2010, you and/or your covered dependents may elect COBRA continuation coverage for a period of time set by the law. Enrollment materials are sent to you automatically if you qualify. New ownership will assist in the processing of these requests on your behalf.

### ***How does COBRA work?***

If you are enrolled in Arelco's medical plan on your last day of service, you will have the right to purchase continuation coverage by electing COBRA coverage.

### ***How long does COBRA last?***

COBRA lasts 18 months and, in some cases, longer. An information package explaining your options under COBRA will be sent to you two weeks following your last day of service. Please be sure that HR has your correct mailing address as soon as possible.