

FRANCHISE DISCLOSURE DOCUMENT

Budget Rent A Car of Southern California,
 a California general partnership
 150 South Doheny Drive
 Beverly Hills, California 90211
 (310) 278-1021
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[http //www.budgetsocial.com/](http://www.budgetsocial.com/)



DEPT OF CORPORATION
 LOS ANGELES OFFICE
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Budget Rent A Car of Southern California (“SOCAL”) owns the exclusive rights to license the use of the “Budget Rent a Car” trademark and service mark owned by Budget Rent A Car System, Inc. to licensees within a defined territory in Southern California and Nevada. SOCAL offers licenses for the operation of businesses that rent and lease cars without drivers to the general public under the BUDGET trademarks.

The total investment necessary to begin operation of a Budget franchise is between \$2,132,290 and \$2,219,970 for a 100 car fleet and between \$10,222,190 and \$10,347,775 for a 500 car fleet. This includes \$25,000 that must be paid to the franchisor or affiliate.

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

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read your entire 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, NW, Washington, D C 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issue Date. April 17, _____ 2012

STATE COVER PAGE

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

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

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

Effective Date: April 17, _____, 2012

PREFACE

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

The following information is disclosed in connection with Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the license agreement contains a provision that is inconsistent with the law, the law will control

The license agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The license agreement contains a covenant not to compete which extends beyond termination of the franchise. This provision may not be enforceable under California law.

The license agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code 20040.5, Code of Civil Procedure Section 1281) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The agreements with Budget Rent A Car System, Inc. require application of the laws of and the forum of New Jersey. These provisions might not be enforceable under California law. Despite such disclosure, Budget and you agree to interpret and enforce the provisions of the Budget agreements as written to the maximum extent the law allows.

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