**Franchise Agreement**

This Franchise Agreement ("Agreement") is entered into between **[Parent Company]** ("Parent Company") and **[Franchisee]** ("Franchisee") on [Date]. The Agreement shall remain in effect until [Date] , unless terminated earlier or extended by mutual agreement.

**Franchise Establishment:**

* **Franchise Location:** Franchisee desires to establish and operate a franchise at **[Bussiness Address]**, subject to the terms and conditions of this Agreement and compliance with the standards and practices of the Parent Company.
* **Brand Usage**: Franchisee is granted the right to use the Parent Company's brand, marketing materials, and presentation during the term of this Agreement, provided that the Agreement remains valid.

**Franchise Costs:**

* **Payment Obligations:** Franchisee agrees to pay a quarterly fee equal to **[#]**% of total sales during the term of this Agreement. The quarters shall begin on **January 1st, April 1st, July 1st, and October 1st** of each calendar year. Failure to remit these franchise costs may result in termination of the franchise license and immediate cessation of all sales activities until the matter is resolved.

**Franchise Premises and Design:**

* **Franchise Location:** The franchise will be located at [Business Address] throughout the duration of this Agreement. The premises shall adhere to the Parent Company's design requirements, with any major renovations requiring prior notice to the corporate office.
* **Opening Date:** Franchisee shall not commence business operations at the premises until a duly designated representative of the Parent Company confirms that all franchise requirements have been met.
* **Relocation Restrictions:** Franchisee shall not have the right to relocate or conduct sales away from the established premises.

**Term and Renewal:**

* **Initial Term:** This Agreement is valid for a period of ten years from the date of execution. It remains in effect as long as both parties comply with its provisions.
* **Renewal Option:** Franchisee may request a renewal for a second ten-year term by submitting a written request no later than 90 days prior to the contract's expiration date. The Parent Company will grant the renewal term if Franchisee has operated within the terms of this Agreement and there are no reasons to reject the request.

**Gross Sales:**

* **Franchise Fee Calculation:** The franchise fee shall be a percentage of gross sales derived from Franchisee's business operations. Gross sales encompass all revenue from the sale of merchandise at regular prices, excluding the incidental sale of gift cards, sales taxes, excise taxes, and the sale of equipment or fixtures used on the premises.
* **Audit Rights:** The Parent Company reserves the right to conduct a comprehensive audit of all sales-to-date, upon written request. Franchisee shall provide a detailed record of all sales within 30 days from the date of the request.

**Good Business Practices:**

* **Profitability and Marketing:** Franchisee shall make every legal effort to maintain profitability and market exposure throughout the term of this Agreement. This includes allocating a reasonable portion of resources for advertising and marketing. Failure to adequately promote the business or implement poor business practices may result in termination of this Agreement.

**Law and Jurisdiction:**

* **Governing Law:** This Agreement is subject to the laws and regulations of [State and Country Name]. Any claims or disputes involving the Parent Company or Franchisee shall be resolved in the appropriate local and federal courts.

**Communication:**

* **Notice Delivery:** Any notice, communication, or statement relating to this agreement shall be delivered in writing and deemed effective upon:
* **Personal Delivery:** If delivered in person, upon receipt of the notice.
* **Fax Transmission:** If delivered by verified facsimile transmission, upon successful transmission and receipt confirmation.
* **Registered or Certified Mail:** If delivered via registered or certified mail, upon receipt of the mailing by the intended recipient as evidenced by a return receipt.

**Prior Agreements:**

* **Supersede:** This Agreement supersedes all prior negotiations, undertakings, and agreements between the Parent Company and the Franchisee. Both parties acknowledge and agree that no claims or promises have been made relating to this Agreement that are not specified herein.

**Verification:**

In witness whereof, the parties specified herein have executed this Agreement on the day and year first above written.

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| --- | --- | --- | --- |
| **[Parent Company]** | **[Authorized representative]** | **[Title]** | **[Date]** |
| **[Franchisee]** | **[Authorized representative]** | **[Title]** | **[Date]** |