**Franchise Agreement**

**Title: Restaurant Franchise Agreement**

This **Restaurant Franchise Agreement** ("Agreement") is entered into as of [Date] (the "Effective Date") between:

|  |  |
| --- | --- |
| **Party A** | **Party B** |
| **[Legal Name of Franchisor]** | **[Legal Name of Franchisee]** |
| **[Address of Franchisor]** | **[Address of Franchisee]** |
| **[City, State, ZIP Code]** | **[City, State, ZIP Code]** |
| **[Country]** | **[Country]** |

* "Franchisor" refers to Party A.
* "Franchisee" refers to Party B.
* "Restaurant" refers to the **[Name of Restaurant]** to be operated by the Franchisee under this Agreement.

**1. Grant of Franchise**

**1.1:** Franchisor hereby grants Franchisee a non-exclusive, non-transferable right and license to operate a **[Name of Restaurant]** at the location specified in **Exhibit A**, subject to the terms and conditions outlined in this Agreement.

**1.2:** The franchise granted herein permits Franchisee to use the **[restaurant]** trademarks, trade names, and logos associated with the operation of the Restaurant, in compliance with Franchisor's brand guidelines.

**2. Term and Termination**

**2.1:** The initial term of this Agreement shall be **[number of years]**, commencing from the Opening Date, as defined in **Exhibit B**. Either party may terminate this Agreement for cause upon written notice if the other party fails to cure a material breach within **[number of days]** days after receiving written notice specifying the breach.

**2.2:** Franchisee acknowledges that early termination or non-renewal may result in financial obligations as detailed in **Exhibit C**.

**3. Fees and Royalties**

**3.1:** Franchisee shall pay an initial franchise fee of **[amount]** upon execution of this Agreement, as specified in **Exhibit C**.

**3.2:** Franchisee shall also pay ongoing royalties equal to **[percentage]** of gross sales to Franchisor on a **[weekly/monthly/quarterly]** basis, as specified in **Exhibit C**.

**4. Operating Standards**

**4.1:** Franchisee shall operate the Restaurant in strict compliance with the operational standards, policies, procedures, and quality control measures prescribed by Franchisor, as set forth in the confidential Operations Manual provided by Franchisor.

**4.2:** Franchisee shall maintain the premises, equipment, fixtures, and signage of the Restaurant in a clean, safe, and attractive manner, consistent with Franchisor's standards.

**5. Marketing and Advertising**

**5.1:** Franchisee shall contribute **[percentage]** of gross sales to a cooperative advertising fund managed by Franchisor. Franchisor shall utilize these funds to develop marketing strategies, materials, and campaigns for the benefit of the **[restaurant name]** brand.

**5.2:** Franchisee shall participate in local marketing initiatives as directed by Franchisor, including but not limited to implementing approved advertising materials and promotions.

**6. Training and Support**

**6.1:** Franchisor shall provide initial training to Franchisee and designated employees regarding the operation, management, and customer service aspects of the Restaurant, as outlined in the training program described in **Exhibit D**.

**6.2:** Franchisor shall provide ongoing support, updates, and additional training programs as necessary to ensure the successful operation of the Restaurant. Franchisee acknowledges that additional fees may apply for certain training and support services.

**7. Confidentiality and Non-Competition**

**7.1:** Franchisee acknowledges that during the course of the franchise relationship, Franchisee may have access to confidential information, trade secrets, and proprietary knowledge of Franchisor. Franchisee agrees to maintain the strict confidentiality of such information and not to disclose, use, or exploit it for any purpose other than the operation of the Restaurant.

**7.2:** Franchisee agrees that during the term of this Agreement and for a period of **[number of years]** following its termination or expiration, Franchisee shall not, directly, or indirectly, engage in any business or activity that competes with the **[brand name]** franchise system within a **[specified geographic area]** as defined in **Exhibit E**.

**8. Insurance**

**8.1:** Franchisee shall, at its own expense, maintain comprehensive general liability insurance, property insurance, workers' compensation insurance, and other necessary insurance coverage related to the Restaurant. The insurance coverage shall name Franchisor as an additional insured party and comply with the minimum coverage requirements specified by Franchisor.

**9. Indemnification**

**9.1:** Franchisee agrees to indemnify, defend, and hold harmless Franchisor, its officers, directors, employees, and agents from any claims, damages, losses, liabilities, and expenses (including reasonable attorney's fees) arising out of or in connection with the operation of the Restaurant, except to the extent caused by the negligence or wilful misconduct of Franchisor

**10. Dispute Resolution**

**10.1:** Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate, shall be resolved by binding arbitration in accordance with the rules and procedures of **[Arbitration Association/Body]** in **[City, State]**. The arbitration shall be conducted by **[number of arbitrators]** arbitrator(s) appointed in accordance with said rules.

**10.2:** The prevailing party in any arbitration or legal proceeding related to this Agreement shall be entitled to recover its reasonable attorneys' fees and costs incurred in connection with such arbitration or legal proceeding.

**11. Governing Law and Venue**

**11.1:** This Agreement shall be governed by and construed in accordance with the laws of the State of **[State Name]** without regard to its conflict of laws principles.

**11.2:** Any legal action or proceeding arising out of or relating to this Agreement shall be brought exclusively in the state or federal courts located within the jurisdiction of **[County]**, **[State Name]**. The parties’ consent to the personal jurisdiction of such courts.

**12. Entire Agreement**

**12.1:** This Agreement, along with its exhibits, constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior negotiations, understandings, and agreements, whether oral or written.

In witness whereof, the parties have executed this Restaurant Franchise Agreement as of the Effective Date first above written.

|  |  |
| --- | --- |
|  |  |
| [Signature Block for Franchisor] | [Signature Block for Franchisee] |

**Exhibits**

(Additional documents or attachments that are referenced in the main agreement.)

**Exhibit A:** This exhibit includes the specific details of the location where the franchisee will operate the restaurant. It may contain the address, square footage, layout, and any other relevant information about the premises.

**Exhibit B:** This exhibit outlines the "Opening Date" of the restaurant. It may include the specific date when the franchisee is expected to open and commence operations.

**Exhibit C:** This exhibit covers the financial aspects of the agreement, including the initial franchise fee, ongoing royalties, and any other fees or payments required from the franchisee. It may detail the specific amounts, payment schedule, and any additional financial obligations.

**Exhibit D:** This exhibit shows additional provisions related to training and support, marketing, or other specific requirements that are important to the franchise relationship.

**Exhibit E:** This exhibit shows additional provisions related to geographic restrictions and non-competition clauses. (In a franchise agreement, geographic restrictions are often included to protect the franchisor's market and prevent the franchisee from competing directly with the franchised business within a specified area. These restrictions vary in scope and are outlined in this exhibit.)