**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.

**Establishment of Franchise:**

* **Franchise Location:** Franchisee intends to create and operate a franchise at [Business Address], subject to the terms of this Agreement and adherence to Parent Company's standards.
* **Use of Brand:** Franchisee is granted the privilege to employ Parent Company's brand, marketing materials, and presentation during the Agreement's valid term.

**Franchise Expenses:**

* **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.

**Confidentiality**:

* Both parties agree to maintain the confidentiality of all proprietary and sensitive information exchanged during the course of this Agreement. This includes but is not limited to business strategies, financial data, customer lists, and operational procedures.

**Indemnification**:

* Franchisee shall indemnify and hold Parent Company harmless from any claims, liabilities, damages, or expenses arising from Franchisee's operation of the franchise, except when such claims result from Parent Company's gross negligence or wilful misconduct.

**Force** **Majeure**:

* Neither party shall be held liable for any failure or delay in the performance of obligations under this Agreement due to circumstances beyond their reasonable control, including but not limited to acts of God, government actions, natural disasters, or labor disputes.

**Franchise Premises and Design:**

* **Franchise Location:** The franchise will operate at [Business Address] throughout this Agreement's term. The premises must adhere to Parent Company's design criteria, with significant renovations requiring prior corporate office notification.
* **Opening Date:** Franchisee shall not initiate business operations at the premises until a duly authorized Parent Company representative confirms compliance with franchise prerequisites.
* **Relocation Limitations:** Franchisee lacks the authority to relocate or conduct sales outside the designated premises.

**Term and Renewal:**

* **Initial Term:** This Agreement is valid for a decade from execution. It remains effective if both parties comply with its terms.
* **Renewal Option:** Franchisee can request a second ten-year term renewal by submitting written notice 90 days before contract expiry. Renewal hinges on Franchisee's adherence to this Agreement and absence of grounds for rejection.

**Gross Sales:**

* **Franchise Fee Calculation:** The franchise fee is a percentage of gross sales from Franchisee's business, covering all regular-priced merchandise revenue excluding gift card sales, taxes, and equipment/fixtures sales.
* **Audit Rights:** Parent Company retains the right to conduct an audit of all sales-to-date, with Franchisee required to furnish detailed sales records within 30 days of request.

**Sound Business Practices:**

* **Profitability and Marketing:** Franchisee must make legal efforts to sustain profitability and market presence, including allocating resources for advertising. Inadequate business promotion or poor practices may lead to Agreement termination.

**Law and Jurisdiction:**

* **Governing Law:** This Agreement adheres to the laws of [State and Country Name]. Disputes shall be resolved in local and federal courts.

**Communication:**

* **Notice Delivery:** All notices regarding this Agreement must be in writing and deemed effective upon:
* **Personal Delivery:** Upon receipt if delivered in person.
* **Fax Transmission:** Upon successful fax transmission and receipt confirmation.
* **Registered or Certified Mail:** Upon recipient's receipt 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]** |