

# FRANCHISE AGREEMENT

Location: \_\_\_\_\_ Effective Date: \_\_\_\_\_

## Parties:

Franchisor Name: \_\_\_\_\_

Address: \_\_\_\_\_

Franchisee Name: \_\_\_\_\_

Address: \_\_\_\_\_

## Recitals:

WHEREAS, Franchisor owns the proprietary marks, trade secrets, and business systems related to the operation of the franchise business described herein; and WHEREAS, Franchisee desires to obtain the right to operate a franchise business utilizing Franchisor's marks and system, and Franchisor desires to grant such right under the terms of this Agreement.

## Section 1 – Grant of Franchise:

Franchisor hereby grants to Franchisee the non-exclusive right, license, and franchise to operate a business using Franchisor's trademarks, service marks, trade secrets, and business methods (the "Franchise") within the designated territory, subject to the terms and conditions set forth in this Agreement.

## Section 2 – Term:

This Agreement shall commence on the Effective Date and shall continue for an initial term of ten (10) years, unless sooner terminated in accordance with the provisions herein. Franchisee may have the option to renew the Agreement subject to the terms, conditions, and requirements established by Franchisor at such time.

## Section 3 – Franchise Fees:

Franchisee agrees to pay Franchisor an initial franchise fee of \_\_\_\_\_ USD, due upon execution of this Agreement. Additionally, Franchisee shall pay ongoing royalty fees equal to \_\_\_\_\_% of gross sales, payable monthly. Other fees, including marketing and advertising contributions, shall be as specified in the Franchise Disclosure Document and related schedules.

## Section 4 – Training and Support:

Franchisor shall provide initial training to Franchisee and designated employees at locations specified by Franchisor. Ongoing support and updates to the business system shall be provided during the term of this Agreement as reasonably determined by Franchisor.

## Section 5 – Proprietary Rights:

Franchisor retains all right, title, and interest in and to its trademarks, service marks, trade secrets, and proprietary

information. Franchisee acknowledges that no ownership rights in these marks or materials are granted other than the limited license to operate the Franchise as set forth herein.

**Section 6 – Confidentiality:**

Franchisee agrees to maintain the confidentiality of all proprietary information provided by Franchisor and not to disclose such information to third parties, except as expressly authorized or required by law.

**Section 7 – Standards and Operating Procedures:**

Franchisee agrees to operate the Franchise in strict compliance with Franchisor's standards, specifications, and operating procedures as they may be established or modified from time to time.

**Section 8 – Advertising and Marketing:**

Franchisee shall participate in all advertising and marketing programs established by Franchisor. Franchisee agrees to contribute to any cooperative advertising funds as required in this Agreement.

**Section 9 – Insurance:**

Franchisee shall obtain and maintain insurance coverage as required by Franchisor, including but not limited to general liability, workers' compensation, and property insurance, naming Franchisor as an additional insured where appropriate.

**Section 10 – Indemnification:**

Franchisee agrees to indemnify, defend, and hold harmless Franchisor and its affiliates, officers, directors, employees, and agents from any and all claims, damages, liabilities, and expenses arising out of Franchisee's operation of the Franchise, breach of this Agreement, or violation of law.

**Section 11 – Termination:**

Franchisor may terminate this Agreement immediately upon written notice to Franchisee if Franchisee materially breaches any provision of this Agreement and fails to cure such breach within thirty (30) days after receipt of notice. Franchisee may terminate this Agreement upon written notice if Franchisor materially breaches and fails to cure within thirty (30) days.

**Section 12 – Effect of Termination:**

Upon termination, Franchisee shall immediately cease use of all Franchisor trademarks, proprietary information, and materials, and shall comply with Franchisor's post-termination obligations. Termination shall not relieve either party from liabilities accrued prior to termination.

**Section 13 – Dispute Resolution:**

Any dispute arising out of or relating to this Agreement shall first be submitted to mediation in good faith. If

unresolved, the dispute shall be finally settled by binding arbitration in the jurisdiction specified herein, conducted under the rules of the American Arbitration Association.

**Section 14 – Governing Law:**

This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_, without regard to conflicts of law principles.

**Section 15 – Notices:**

All notices shall be in writing and shall be deemed duly given when personally delivered, sent by certified mail return receipt requested, nationally recognized overnight courier, or by electronic transmission confirmed effective to the addresses set forth above or to such other address as either party may designate by notice.

**Section 16 – Entire Agreement:**

This Agreement, including any exhibits, schedules, and the Franchise Disclosure Document, constitutes the entire agreement between the parties and supersedes all prior negotiations, understandings, or agreements. No amendment or waiver shall be effective unless in writing and signed by both parties.

**Section 17 – Severability:**

If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the remaining provisions shall remain in full force and effect and shall be construed to best effectuate the original intent of the parties.

**Section 18 – Assignment:**

Franchisee shall not assign or transfer this Agreement or any rights or obligations hereunder without the prior written consent of Franchisor. Franchisor may assign this Agreement without Franchisee's consent to any successor or affiliate.

**Section 19 – Independent Contractors:**

The parties acknowledge and agree that their relationship is that of independent contractors and that nothing herein creates a partnership, joint venture, or employer-employee relationship.

**Section 20 – Signatures:**

IN WITNESS WHEREOF, the parties hereto have executed this Franchise Agreement as of the Effective Date.

**FRANCHISOR SIGNATURE**

**FRANCHISEE SIGNATURE**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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