***Franchise Agreement Template***

**Franchise Agreement**

**THIS FRANCHISE AGREEMENT** is made the\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_\_\_\_\_\_.

**BETWEEN:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ A First party/company existing under the \_\_\_\_\_\_\_\_\_\_\_\_\_ laws with principal office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**And**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Second party/company existing under the \_\_\_\_\_\_\_\_\_\_\_\_\_ laws with principal office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Second party/company existing under the \_\_\_\_\_\_\_\_\_\_\_\_\_ laws with principal office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**WHEREAS,** the **FIRST PARTY** is a suitably planned business entity under the state laws of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_and is busy in the business of franchise marketing service & Consultancy.

**WHEREAS,** the **FIRST PARTY** hereby makes agreement to go into a **FRANCHISE** Agreement with the **SECOND PARTY** in the settings of a franchise outlet chiefly described as follows:

**Franchise:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

According to the chosen area of the **SECOND PARTY** which is available in the commercial areas, without injustice to any proposal by the **FIRST PARTY** considered best for the **SECOND PARTY’S** interest;

**NOW, THEREFORE,** for and in consideration of the foregoing premises, the parties have agreed to strictly comply with the following terms and conditions, to wit:

**1.** The **FIRST PARTY** hereby honors the Franchise Rights to the **SECOND PARTY** originating on the signing thereof.

**2.** Franchise fee – The Franchise Fee shall be\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) for the establishment and operation of one (1) Franchise outlet. Further, Franchise Fee shall form and part of Business Consultation effective form signing of this contract. FRANCHISE FEE IS NON-REFUNDABLE.

**3.** Duration – This agreement shall be effectual for a period of \_\_\_\_\_\_\_ (\_\_\_\_\_\_\_) years. The beginning of the \_\_\_\_\_\_\_\_\_\_ (\_\_\_\_\_\_\_) year period shall be reckoned from the date of opening or upon delivery by mail. Upon signing off the Franchise outlet The Franchise Agreement shall be RENEWABLE WITH LESS (50%) FIFTY PERCENT FRANCHISE FEE BASED ON THE PREVAILING MARKET VALUE.

**4.** Individuality of Franchise Site –The FIRST PARTY shall not set-up another Franchise outlet within the Five Hundred Meter (500) radius of the SECOND PARTY’S designated location. Exclusion to this are outlets located within buildings, schools and malls.

**5.** Provisions

The **SECOND PARTY** shall provide the following:

1. Needed personnel source out through the First Party’s accredited manpower Agency
2. Store Space
3. All necessary equipment not included in the Franchise Fee.

**6.** Gross Revenue Sharing – Cross revenue sharing shall be collected and sharing will be as follows:

All collected royalty fees shall be deposited by the SECOND PARTY every 1st Monday of the Month or to be collected by the designated Franchise Officer of the FIRST PARTY upon the latter’s option:

\_\_\_\_\_\_% shall be given to the FIRST PARTY but no less than One thousand Five Hundred Pesos (P 1,500.00) to serve as Royalty Fee whichever is higher.

**7.** Exclusivity clause – SECOND PARTY makes agreement that all products/ services and other such products services bearing the FIRST PARTY or its ascribed suppliers.

**8.** Use of Name and System – During the affectivity of this Franchise agreement, the SECOND PARTY can use the decided franchise name/s, business system and engage in all business transaction related to the products and services carried by the FIRST PARTY.

**9.** Transfer of Technology – FIRST PARTY shall keep side by side the SECOND PARTYON THE CONTINOUS DEVELOPMENT OF Products or Services and shift thereof, including product development, for the benefit of the SECOND PARTY. Upon accepting this agreement, it is implicit that trade secrets and business system have been transferred to the SECOND PARTY by way of exchange and receipt of a copy of Business Manual of Orientations for this purpose.

**10.** Manpower Support- FIRST PARTY shall supply manpower through \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Company and obligatory benefits shall be tolerated by the SECOND PARTY.

**11.** Marketing Consultation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Company shall help the SECOND PARTY in making local marketing plan.

**12.** Insurance – The SECOND PARTY shall create inclusive fire coverage for the equipment and all other parts thereof.

**13.** Supplies – All supplies or direct material and/or additional equipment needed by the SECOND PARTY can only be purchased from the FIRST PARTY or its ascribed suppliers, upon due notice to FIRST PARTY.

**14.** Right of First Option- The SECOND PARTY shall be given the right of first option to choose site of another franchise in the same locality.

**15**. Transferability of Franchise- the SECOND PARTY may allocate or reassign the franchise if the transferee possesses all the experience set by the FIRST PARTY. This right shall be exercised by the FIRST PARTY before cancellation of the contract ending of Franchise Agreement.

1. transfer of location
2. transfer of rights

**16.** Maintenance Clause- The SECOND PARTY shall be accountable to uphold its vent in agreement to the FIRST PARTY’S standard of operations. SECOND PARTY shall be liable for all alterations, upgraded and upholding needed by the outlet based upon the FIRST PARTY/S suggestions.

**17.** Termination of Contract – the Franchise Agreement may be abolished only after \_\_\_\_\_ (\_\_\_\_\_\_) years of operation. The FIRST PARTY has the solitary power to finish the agreement even on the prior date. The right to the FIRST PARTY to abolish the agreement may arise only if the SECOND PARTY breaks any or all standard operating procedures set forward on this contract, in particular payment of royalty fees or other accounts due to the previous. The cancellation shall be done after \_\_\_\_\_ (xx) days notice of cancellation. If the SECOND PARTY wishes to finish this agreement before the franchise period, he/she shall be charge half (1/2) of the amount of the franchise fees unless the SECOND PARTY exercised his option under section \_\_\_\_\_\_ which is a obligatory condition before any cancellation be undertaken.

**18.** Post- Contract Clause – within \_\_\_\_\_ (x) years after the termination of the period of this agreement, the SECOND PARTY assumes not to connect in similar business of the FIRST PARTY.

**19.** Venue – Any d all action or actions arising or in connection with the prior agreement shall be filled wholly at the appropriate courts of stated City.

**20.** Other matters – All other matters not enclosed by this agreement shall be subject to the agreement in writing by the parties.

**IN WITNESS WHEREOF,** the parties have hereunto signed this instrument this \_\_\_\_\_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_20\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Witness Signature Witness Signature

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