

# Franchise Agreement Form Sample

This **franchise agreement form sample** provides a comprehensive template for outlining the terms between franchisors and franchisees, including detailed royalty fee clauses. It ensures clear understanding of payment structures and obligations, facilitating a smooth business relationship. Use this sample to draft agreements that protect both parties' interests effectively.

## Franchise Agreement

This **Franchise Agreement** ("Agreement") is made and entered into as of *[Date]*, by and between:

- **Franchisor:** [Franchisor Name], with principal address at [Franchisor Address]
- **Franchisee:** [Franchisee Name], with principal address at [Franchisee Address]

### 1. Grant of Franchise

The Franchisor hereby grants the Franchisee the right to operate a franchise business under the Franchisor's trademark and business system at an approved location.

### 2. Term

The term of this Franchise Agreement shall be *[X]* years from the Effective Date, unless sooner terminated as provided herein.

### 3. Fees and Payments

- a. **Initial Franchise Fee:** The Franchisee shall pay the Franchisor a non-refundable initial franchise fee of *[Amount]* upon execution of this Agreement.
- b. **Royalty Fees:**
  - i. The Franchisee agrees to pay the Franchisor a recurring royalty fee of *[X%]* of the Franchisee's Gross Sales, payable on a *[weekly/monthly]* basis by the *[Xth]* day of each month for sales generated in the preceding period.
  - ii. **Definition of Gross Sales:** Gross Sales shall mean all revenue derived from the operation of the franchised business, less deductions for refunded sales and any sales taxes collected.
  - iii. **Late Payment:** Any royalty fees not paid within *[X]* days of the due date shall incur a late fee of *[X%]* per month on the overdue amount.
- c. **Additional Fees:** The Franchisee may be subject to other fees as specified in Exhibit A attached hereto.

### 4. Training and Support

The Franchisor shall provide initial training and ongoing support as detailed in the Franchise Operations Manual.

### 5. Termination

Either party may terminate this Agreement under certain conditions as outlined in Section X.

### 6. Miscellaneous

This Agreement constitutes the entire understanding between the parties and may not be amended except in writing signed by both parties.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first written above.

**Franchisor:**

**Franchisee:**

\_\_\_\_\_  
Name/Title/Date

\_\_\_\_\_  
Name/Title/Date

*This is a sample document for informational purposes only. Please consult with a legal professional before using or modifying this template for actual agreements.*