

**FRANCHISE AGREEMENT**

**THIS AGREEMENT** made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**BETWEEN:**

**FRANCHISOR**  
of \_\_\_\_\_  
(the "Franchisor")

**OF THE FIRST PART**

**AND:**

**FRANCHISEE**  
of \_\_\_\_\_  
(the "Franchisee")

**OF THE SECOND PART**

**AND:**

**GUARANTOR**  
of \_\_\_\_\_  
(the "Guarantor")

**OF THE THIRD PART**

**WHEREAS:**

- A. The Franchisor has used and owns or controls the use of various trade marks, trade names, trading styles and other trade indicia (collectively referred to herein as the "Trade Marks"), all associated with the services and the conduct of business as described herein. Trade Marks shall also include any new or altered trade marks, trade names, trading styles and other trade indicia approved for use by the Franchisor, from time to time. Without limiting the generality of the foregoing, Trade Marks includes the Trade Marks (registered or otherwise) identified in Schedule "A" attached hereto and includes any alterations, changes and additions as may be made to the Trade Marks, from time to time, by the Franchisor.
- B. The Franchisor has developed various marketing, management and advertising techniques to enable it to develop and efficiently market and to organize and establish a successful ongoing business of a retail merchandising of products, accessories and related items pertaining to \_\_\_\_\_ (collectively referred to herein as the "Franchise Business") and the Franchisor has been able to organize its marketing and sales such that it is able to provide these services in a competitive and profitable manner with significant goodwill and recognition based on the Trade marks. The Franchisor is and will continue to develop various new systems and services to develop various new products, systems and services to enhance and make more efficient the Franchise Business and the goodwill relating to it.
- C. The Franchisor has developed in conjunction with manufacturers and suppliers its own uniquely and exclusively and labeled line of products or special make-ups (hereinafter referred to as "Franchisor SMUs").
- D. The Franchisor has developed the required marketing skills and expertise to make available, in conjunction with certain manufacturers and suppliers, to the Franchisee specialized unique selling programs for such items as [franchisor's consumer goods and merchandise] (hereinafter collectively referred to as "Franchisor's Programs").
- E. The Franchisor desires to grant to qualified parties, a license to own and operate a Franchise Business utilizing the Trade Marks, marketing techniques, contract and other business forms,

methods, procedures, inventory controls, standards, sales promotion, ongoing research and certain management support furnished by the Franchisor from time to time; and further the Franchisor will extend to the Franchisee the ability to take advantage of the services and economics as will be occasioned by the use of Franchisor's SMUs and Franchisor's Programs, all pursuant to this Agreement.

- F. The Franchisee understands that the specifications and controls established and insisted upon by the Franchisor are for the purpose of:
- (a) establishing and maintaining standardization and uniformity among all Franchisor's franchisees belonging to the system;
  - (b) establishing, maintaining and discharging the Franchisor's obligation to all of its franchisees to maintain the high level of quality of the products and services marketed under the Trade Marks; and
  - (c) protecting the Franchisor's proprietary rights to the Trade Marks and goodwill, all for the benefit of the Franchisor and all of its franchisees.
- G. The Franchisee desires to be franchised to operate a Franchise Business pursuant to the terms hereof in the Franchise Territory hereinafter described.

**NOW THEREFORE IN CONSIDERATION** of these premises and the mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**1. TERM OF LICENSE AND FRANCHISE**

1.1 The Franchisor hereby grants and the Franchisee hereby accepts, for a term of \_\_\_\_\_ years unless sooner terminated in accordance with the terms and conditions of this Agreement, commencing the first date hereof written, the exclusive right, license and franchise to:

- (a) operate a Franchise Business which includes without restriction (save and except as may be restricted herein) the sale, installation, maintenance (collectively referred to herein as the "Services") and provision of products, accessories and related items pertaining to [franchised products and merchandise] (collectively referred to herein as the "Products") under the trading name of "\_\_\_\_\_" as a franchisee of the Franchisor within the area (hereinafter referred to as the "Franchise Territory") as outlined in red on the map attached hereto as Schedule "B" and described as follows:

The Franchise Territory is defined as that area to include [list]

- (b) the use of the Trade Marks in the Franchise Territory and in all customer relations and sales promotions and advertising of the Franchise Business carried out pursuant to this Agreement; and
- (c) the use of all documents, Products, Services, procedures and methods of doing business as outlined and amended, from time to time by the Franchisor in writing.