

RESTAURANT MANAGEMENT AGREEMENT

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Schedule - Owner's Operating Standards

RESTAURANT MANAGEMENT AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[NAME OF RESTAURANT OWNER]
[address]
(the "Owner")

- and -

[NAME OF MANAGER]
[address]
(the "Manager")

RECITALS:

WHEREAS the Owner is the owner of a restaurant called _____ and located at _____ (the "Restaurant");

AND WHEREAS the Owner desires to retain the Manager, and the Manager desires to be so retained, on the terms and conditions which are set forth herein.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and promises which are set forth herein, the parties hereby agree as follows:

1. RETENTION OF MANAGER

Owner hereby engages Manager and Manager agrees to operate and manage the Restaurant under the name "_____" for the account of, and on behalf of, Owner on an exclusive basis, in accordance with the terms of this Agreement.

2. TERM

This Agreement shall remain in effect for a period of ____ years, commencing on the date hereof, and ending on the ____ day of _____, _____ unless terminated earlier as provided below (the "Term").

3. DUTIES OF MANAGER

3.1 *Duties and Responsibilities.* Subject to the provisions of this Agreement, Manager shall have decision-making authority in the day-to-day operation, direction, management and supervision of the Restaurant. Manager's authority and obligations shall include:

- (a) hiring, training, compensation, supervision and termination of Restaurant personnel, and determining the number of staff required;
- (b) the creation of food and beverage menus, wine lists, and the pricing of the same and the setting of dress codes for the Restaurant, all of which shall, prior to being implemented by Manager, be approved by Owner, such approval not to be unreasonably withheld or delayed;
- (c) maintaining and operating the Restaurant in accordance with the operating standards ("Operating Standards") set by Owner (a copy of which are attached to this Agreement as Schedule ____). As to matters relating to the operation or management of the Restaurant which are not provided for in this Agreement, Manager shall consider in good faith Owner's reasonable observations and requests with respect thereto, provided that Owner shall not make any such

requests which would be inconsistent with the Operating Standards. At Owner's request, Manager shall meet with Owner to discuss such observations and requests;

- (d) establishing and supervising all advertising, public relations and promotional policies with respect to the Restaurant with the costs thereof not exceeding the applicable amounts set forth in the annual operating budget;
- (e) purchasing and maintaining the Restaurant's inventory of food, beverages (including, without limitation, wines and liquors) and operating supplies;
- (f) obtaining, and keeping in full force and effect, in the name of Owner or Manager, as appropriate (or as expressly provided herein), with preference to be in the name of the Owner if legally possible to do so, all necessary licenses and permits (including the liquor license and other bar, restaurant, sign and occupancy licenses and permits) as may be required by law to operate the Restaurant from time to time. Manager shall not take any actions which could jeopardize or otherwise adversely affect any of such licenses or permits. Manager shall comply with the conditions set forth in any such licenses and permits and at all times shall manage and operate the Restaurant in accordance with such conditions and other applicable laws;
- (g) applying sound administrative, accounting, cash management, budgeting, operational, sales, advertising, legal, personnel and purchasing policies and practices in accordance with the terms of this Agreement to the end of optimizing the aggregate amount of cash flow generated by the Restaurant. The parties acknowledge that Manager shall prepare the annual operating budget consistent with the goal of optimizing cash flow; and
- (h) notifying Owner if it has actual knowledge relating to, and promptly forwarding to Owner any notices or other communications it delivers or receives with respect to: (i) the occurrence of damage or destruction to the Restaurant; (ii) any litigation, claim or proceeding affecting Owner, Manager or the operation of the Restaurant in which the amount claimed or in controversy is \$_____ or more or otherwise which is material to the operation of the Restaurant, and any written threat to institute any of the same which is likely to give rise to any such litigation, claim, or proceeding; (iii) any notice of violation (or alleged violation) of any law relating to the ownership or operation of the Restaurant which could expose Owner or Manager to any criminal penalty or to any civil penalty or which is otherwise material to the ownership or operation of the Restaurant; and (iv) any strikes or other material labor unrest relating to the Restaurant.

3.2 *Limitation on Manager's Authority.* In addition to any other limitations on Manager's authority set forth in this Agreement, Manager shall not, without Owner's written approval (which written approval, solely with respect to items (a) and (c) below, shall not be unreasonably withheld or delayed), take any of the following actions with respect to the Restaurant (except as otherwise expressly permitted by the terms hereof and except if the specific terms of such action shall have been expressly provided for in the annual operating budget or otherwise approved in writing by Owner):

- (a) enter into any contract or other agreement which could require payment of more than \$_____ per year or having a term longer than one year (unless such contract is terminable after one year upon not more than thirty (30) days notice without penalty) or so modify or amend any such contract or agreement, subject to the further limitation that Manager shall not enter into any contract or other agreement for more than \$_____ unless the same shall contain provisions unconditionally exculpating Owner; or
- (b) enter into any lease, license, concession or other occupancy agreement; or
- (c) enter into any arrangement for the employment of any professional firm (other than attorneys and accountants) except as set forth in the annual operating budget; or
- (d) enter into, renew, modify, amend or terminate any union contract or collective bargaining agreement affecting the Restaurant; or