

This Restaurant Operating Agreement, known as the “Agreement”, is created in accordance with the [INSERT LAW/ACT FOLLOWED] of [INSERT NAME OF STATE/PROVINCE] and made effective this [INSERT NUMBER] of [INSERT MONTH] of the year [INSERT NUMBER] between the following “Parties”:

[INSERT FULL NAME OF PARTICIPATING MEMBER IN THE BUSINESS FORMATION], known as “Participating Member A”, an individual whose main place of residence is located at [INSERT STREET ADDRESS] [INSERT NAME OF CITY, STATE/PROVINCE] [INSERT ZIP CODE]

AND

[INSERT FULL NAME OF PARTICIPATING MEMBER IN THE BUSINESS FORMATION], known as “Participating Member B”, an individual whose main place of residence is located at [INSERT STREET ADDRESS] [INSERT NAME OF CITY, STATE/PROVINCE] [INSERT ZIP CODE]

AND

[INSERT FULL NAME OF PARTICIPATING MEMBER IN THE BUSINESS FORMATION], known as “Participating Member C”, an individual whose main place of residence is located at [INSERT STREET ADDRESS] [INSERT NAME OF CITY, STATE/PROVINCE] [INSERT ZIP CODE].

**TERMS AND CONDITIONS**

The terms and conditions of this agreement will be as follows:

**1. DEFINITION OF TERMS**

a. "Act" - This term will refer to [INSERT YOUR DEFINITION/INTERPRETATION OF THE INDICATED TERM].

b. "[SPECIFY TERM]" - This term will refer to [INSERT YOUR DEFINITION/INTERPRETATION OF THE INDICATED TERM].

c. [SPECIFY ADDITIONAL TERMS AND THEIR DEFINITIONS HERE]

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**2. RESTAURANT ORGANIZATION**

2.1. Official Name and Location of the Restaurant Business

The Restaurant Business will officially be known as [INSERT NAME OF RESTAURANT BUSINESS BEING FORMED] and shall have its main place of business located at [INSERT COMPLETE BUSINESS ADDRESS OF RESTAURANT BEING FORMED].

2.2. Length of Term

The terms and conditions of this Agreement will be in effect until the official termination date, which is on the [INSERT NUMBER] day of [INSERT MONTH] of the year [INSERT YEAR] or until such time that the Restaurant Business will be dissolved for any of the reasons below:

[SPECIFY LIST OF REASONS FOR DISSOLUTION HERE].

2.3. Articles of Formation/Organization

[INSERT NAME OF RESTAURANT BUSINESS]’s articles of formation/organization were officially filed at the Office of [INSERT NAME OF CITY/STATE/PROVINCE] in [INSERT NAME OF COUNTRY] on the [INSERT NUMBER] day of [INSERT MONTH] of the year [INSERT YEAR] in accordance with the [INSERT NAME AND NUMBER OF LAW/ACT FOLLOWED BY THE PARTIES OF THIS AGREEMENT] of [INSERT NAME OF CITY/STATE/PROVINCE] of [INSERT NAME OF COUNTRY].

2.4. Authorization and Certification

The Participating Members will be responsible for filing, executing, and securing all of the necessary licenses, permits, authorizations, certificates, and other similar documents that are required for the formation and organization of the Restaurant Business as well as in accordance with this Agreement terms and conditions.

**3. CAPITAL AND FINANCES**

The Participating Members shall each make individual contributions amounting to [INSERT

CURRENCY] [INSERT AMOUNT], which in total will amount to [INSERT CURRENCY] [INSERT

AMOUNT] that will serve as the capital for the Restaurant Business. The schedule for such contributions to the Capital are specified in Schedule A: “Member’s Contributions to Restaurant Business Capital” of the Appendices Section of this Agreement.

The Participating Members will be permitted to make additional contributions to the Restaurant Business Capital, provided that they show the receipts and notices of such contribution no less than [INSERT NUMBER] [DAYS/WEEKS] prior to the date when the contribution is made.

**4. NET INCOME**

The net income of the Restaurant Business will be allocated to each member on the basis of their corresponding membership interest rates as specified in Schedule B: “Net Income and Net Loss Allocation Per Participating Member” per fiscal year that the Restaurant Business operates and functions.

**5. NET LOSS**

The net loss of the Restaurant Business will be allocated to each participating member on the basis of their corresponding membership interest rates, as specified in Schedule B: “Net Income and Net Loss Allocation Per Participating Member” per fiscal year that the Restaurant Business operates and functions.

**6. RESTAURANT BUSINESS EXPENDITURES**

The Participating Members are entitled to compensation to be provided by the Restaurant Business for their personal services which are inclusive of, but not limited to, the following:

[SPECIFY LIST OF MEMBER’S SERVICES HERE].

**7. DISTRIBUTIONS**

The Participating Members are given absolute discretion by the Company to determine the appropriate distributions that each Member is to receive, provided that they are also given the freedom to determine on what dates and the mode of how such distributions are to be disseminated to the Members.

**8. PARTICIPATING MEMBER’S AUTHORITY**

8.1. Authority of the Participating Members

All of the Participating Members are granted the authority and the rights to the following:

1. Acquire, develop, lease, rent, sell, and/or modify Restaurant Business property;
   1. Should it be within the best interest of the Restaurant Business, be able to borrow money in amounts no more than [INSERT CURRENCY][INSERT AMOUNT];
   2. Should it be within the best interest of the Restaurant Business, be able to lend money in amounts no more than [INSERT CURRENCY] [INSERT AMOUNT];
2. The right to initiate any form of legal action in the Restaurant Business’s name;
3. The right to settle any form of legal action made against the Restaurant Business;
4. The right to defend any form of legal action made by the Restaurant Business;
   1. To be able to employ eligible and trustworthy individuals who are official affiliates of the Restaurant Business, associates of the Participating Members, or are individuals who are able to best contribute to the Restaurant Business's purpose;
   2. To enter into any other contracts or agreements that the Participating Members may see or deem fit and is in the best interests of the Restaurant Business such as contracts or agreements made with any of the Restaurant Business’s official affiliates;
   3. To enter into any other contracts or agreements that the Participating Members may see or deem and is in the best interests of the Restaurant Business for purposes of securing insurance and protection of the Restaurant Business;
   4. Select the most appropriate method of accounting to keep track of any and all finances and expenditures of the Restaurant Business;
5. The right to be able to lease certain property to be utilized by the Restaurant Business;
6. [SPECIFY OTHER DETAILS ON THE AUTHORITY OF THE PARTICIPATING MEMBERS HERE]

8.2. Authority over Management

The Participating Members are given full authority to exercise and execute the following, provided that they send a [INSERT NUMBER] [INSERT DAYS/WEEKS] prior written notice:

1. The Participating Members are given the full authority and control over all businesses, property, as well as affairs of the Restaurant Business.
2. The Participating Members are given the full authority to create decisions regarding such business, property, and affairs regarding the Restaurant Business.
3. [SPECIFY ADDITIONAL AUTHORITY OF THE PARTICIPATING MEMBERS WHEN IT COMES TO MANAGING THE RESTAURANT BUSINESS AFFAIRS HERE].

**9. ASSIGNMENT OF MEMBERSHIP INTEREST RATES**

Provided that a majority of the Participating Members agrees and provides this agreement in the form of a written consent, any of the Participating Members are given the right to transfer, sell, encumber, assign, hypothecate, and/or [SPECIFY WHAT OTHER RIGHTS THE PARTICIPATING

MEMBERS ARE PRIVILEGED WITH HERE] a portion or the entirety of its corresponding membership interest rate within the Restaurant Business.

**10. RESTAURANT BUSINESS RECORDS**

Any accounts regarding the Restaurant Business’s expenses, audits, and important files, documents, and records are to be strictly kept at the Restaurant Business’s main office located at the [INSERT NUMBER] floor of the [INSERT NAME OF BUILDINGs THE RESTAURANT BUSINESS HAS RESIDED IN] building at [INSERT COMPLETE ADDRESS OF COMMERCIAL BUILDING].

These restaurant business records shall pertain to, but may not be limited to, the following:

1. The full names of the Participating Members;
2. The complete addresses of the Participating Members;
3. The complete resumes of the Participating Members;
4. The total capital contribution from each Participating Member in [INSERT CURRENCY];
5. Certified and true copy or copies of the Articles of Organization;
6. Certified and true copy or copies of the Restaurant Business’s official book of records;
7. Certified and true copy or copies of the Restaurant Business’s financial reports and financial statements for the past [INSERT NUMBER] year or years;
8. Certified and true copy or copies of the Restaurant Business’s tax reports for the past [INSERT NUMBER] year or years; and
9. [SPECIFY ADDITIONAL COMPANY RECORDS HERE].

**11. NOTICES**

Any and all information that is in connection with this Agreement that is required to be in writing will be written and sealed in envelopes and stamped with [SPECIFY HERE] stamps. They must also adhere to the format specified below:

ATTENTION [INSERT RECEIVING PARTICIPATING MEMBER’S NAME]

FROM: [INSERT SENDING PARTICIPATING MEMBER’S NAME]

[INSERT STREET ADDRESS] [INSERT NAME OF CITY, STATE/PROVINCE] [INSERT ZIP CODE]

[INSERT CONTACT NUMBER]

[INSERT EMAIL ADDRESS]

Any and all notices will be delivered to either in person or via direct mail and should be received by the receiving participating member no less than [INSERT NUMBER] [INSERT DAYS/WEEKS] prior to the date of effectivity declared on the written notice.

Should any Participating Member desire to change its mailing address, then it is the responsibility of that particular Participating Member to inform the other Participating Member in writing no less than [INSERT NUMBER] [INSERT DAYS/WEEKS] in advance.

**12. AMENDMENTS**

Should any changes, modifications, or amendments be applied to this Agreement, then a [INSERT NUMBER] [INSERT DAYS/WEEKS] prior written notice must be received by all

Participating Members involved before such changes, modification, or amendments are to take place. In addition, any such amendments must be consulted with a legal attorney of [INSERT NAME OF CITY/STATE/PROVINCE] and in compliance with the [INSERT NAME AND NUMBER OF LAW/STATE/ACT] of [INSERT NAME OF CITY/STATE/PROVINCE].

**13. CONFLICT RESOLUTION**

All of the Participating Members involved in this Restaurant Operating Agreement agree to utilize their best efforts in order to obtain harmonious operating conditions for the purpose of the proper execution of this Agreement terms and conditions.

In the event that any form of conflict should arise between any of the Participating Members, then all Participating Members involved will agree to hold a meeting no more than [INSERT NUMBER] [INSERT DAYS/WEEKS] subsequent to the date when the conflict first arose. Throughout the duration of the meeting, all of the Participating Members will aim to resolve the conflict in question as peacefully as possible.

**14. [INSERT ADDITIONAL SECTIONS WHICH THE PARTICIPATING MEMBERS DEEM**

**IMPORTANT TO INCLUDE IN THIS RESTAURANT OPERATING AGREEMENT HERE]**

**15. VIOLATIONS**

All of the Participating Members involved and legally bound to this Agreement acknowledge and agree that the following actions, whether deliberately or unintentionally executed, will be considered as a direct violation of the terms and conditions set forth by this Agreement:

[SPECIFY LIST/DETAILS WHICH THE PARTICIPATING MEMBERS CONSIDER AS VIOLATIONS HERE].

**16. PENALTIES AND SANCTIONS**

All of the Participating Members involved and legally bound to this Agreement acknowledge and agree that should any of the Parties be found guilty of committing one or more of the violations mentioned above, then the guilty Participating Member or Members will be subjected to the following penalties and sanctions:

[SPECIFY LIST/DETAILS WHICH THE PARTICIPATING MEMBERS CONSIDER AS PENALTIES AND

SANCTIONS HERE]

**17. TERMINATION**

With the exception of the official Termination Date, the following conditions will serve as grounds for termination of this Agreement:

[SPECIFY INFORMATION ON WITH WHICH THE PARTICIPATING MEMBERS CONSIDER AS

GROUNDS FOR TERMINATION HERE].

Should a Participating Member be found to be in default of this Agreement, then that particular Participating Member is permitted to terminate this Agreement provided that the Participating Member is able to present a [INSERT NUMBER] day’s prior written notice to the Tenant.

Should that Participating Member be found to be in default of this Agreement, then any of the other Participating Members (through a vote of majority) will be permitted to terminate this Agreement provided that the Participating Member is able to present a [INSERT NUMBER] day’s prior written notice to the Tenant.

Any and all Participating Members are permitted to terminate this Agreement, provided that a written notice be sent to the other party no less than [INSERT NUMBER] [INSERT DAYS/WEEKS] prior to the date when the notice shall take effect.

**18. GOVERNANCE**

This Agreement will be construed and will be in accordance with the rules and restrictions set forth by the [INSERT NAME AND NUMBER OF LAW/ACT FOLLOWED BY THE PARTIES IN MAKING THIS RESTAURANT OPERATING AGREEMENT] of [INSERT NAME OF STATE/PROVINCE] of [INSERT NAME OF COUNTRY]. The legal judicial courts of [INSERT NAME OF STATE/PROVINCE] will not be granted any form of exclusive jurisdiction regarding to any matters which will arise from this Agreement.

**19. CONFIDENTIALITY**

Any and all information pertaining to this Agreement or will be a result of this Agreement will automatically be considered as strictly confidential information. It will include, but will not be restricted to, the following information:

[SPECIFY INFORMATION ON WHAT MATERIALS/DOCUMENTS/INFORMATION IS CONSIDERED AS

CONFIDENTIAL INFORMATION BY THE PARTICIPATING MEMBERS HERE].

**20. SEVERANCE**

Any and all sections or provisions that are provided within this Agreement, that will be unenforceable by any legal and competent court of [INSERT NAME OF STATE/PROVINCE] within [INSERT NAME OF COUNTRY], will be severed. Such severance however, will in no way, manner, or form affect enforceability and effectivity of the remaining sections and provisions stated within this Agreement.

**21. THE ENTIRE AGREEMENT**

This Agreement legally binds all of the Participating Members and is inclusive of all the sections, terms, and conditions applicable to any and all transactions. This Agreement will supersede any and all prior agreements, arrangement, and negotiations if applicable.

IN WITNESS WHEREOF, the parties hereto have executed this Restaurant Operating Agreement as of this [INSERT NUMBER] day of [INSERT MONTH] of the year [INSERT YEAR].

[INSERT AUTHORIZED SIGNATURE]

[INSERT PARTICIPATING MEMBER A’S NAME]

[INSERT JOB TITLE AND DEPARTMENT NAME]

[INSERT RESTAURANT BUSINESS NAME]

[INSERT AUTHORIZED SIGNATURE]

[INSERT PARTICIPATING MEMBER B’S NAME]

[INSERT JOB TITLE AND DEPARTMENT NAME]

[INSERT RESTAURANT BUSINESS NAME]

[INSERT AUTHORIZED SIGNATURE]

[INSERT PARTICIPATING MEMBER C’S NAME]

[INSERT JOB TITLE AND DEPARTMENT NAME]

[INSERT RESTAURANT BUSINESS NAME]

**SCHEDULE A:**

**PARTICIPATING MEMBER’S CONTRIBUTIONS TO RESTAURANT BUSINESS CAPITAL**

|  |  |  |  |
| --- | --- | --- | --- |
| **DATE OF CONTRIBUTION** | **AMOUNT CONTRIBUTED** | **CONTRIBUTED BY** | **AUTHORIZED**  **SIGNATURE** |
| [INSERT DATE] | [INSERT CURRENCY]  [INSERT AMOUNT] | [INSERT NAME OF PARTICIPATING MEMBER] | [INSERT AUTHORIZED SIGNATURE] |
|  |  |  |  |
|  |  |  |  |
| COMPANY CAPITAL: [INSERT CURRENCY] [INSERT AMOUNT] | |  | |

**SCHEDULE B:**

**NET INCOME AND NET LOSS ALLOCATION PER PARTICIPATING MEMBER**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **NAME OF MEMBER** | **MEMBERSHIP I.D. NUMBER** | **MEMBERSHIP INTEREST RATE** | **NET**  **INCOME** | **NET**  **LOSS** |
| [INSERT NAME OF PARTICIPATING MEMBER] | [INSERT NUMBER] | %[INSERT PERCENTAGE] | [INSERT CURRENCY]  [INSERT AMOUNT] | [INSERT CURRENCY]  [INSERT  AMOUNT] |
|  |  |  |  |  |
|  |  |  |  |  |