

## **ARTICLE 7 - TRAINING AND TECHNICAL ASSISTANCE**

### **7.1 Initial Training Program**

You agree that it is necessary to the continued operation of the System and the Restaurant that your personnel receive such training as we may reasonably require, and accordingly agree as follows:

- (a) Prior to the opening date of your Restaurant, you and your general manager (the "**General Manager**") shall attend and complete, to our reasonable satisfaction, our initial training program, including classroom training and training in an operating restaurant at such location(s) as may be designated by us. If you wish to send additional employees to our initial training program, whether before the Restaurant opens or while the Restaurant is operating, you shall pay to us our then-current training fee for each additional trainee.
- (b) We shall determine whether you and the General Manager have satisfactorily completed initial training. If the initial training program is (a) not completed within the timeframe required by us, (b) not satisfactorily completed by you and/or the General Manager, or (c) if we in our reasonable business judgment, based upon the performance of you and/or the General Manager, determine that the training program cannot be satisfactorily completed by any such person, you shall designate a replacement to satisfactorily complete such training. Any General Manager subsequently designated by you shall also receive and complete such initial training. We reserve the right to charge a reasonable fee for any initial training provided by us to any initial General Manager or any other Restaurant personnel for any initial training provided to a replacement or successor General Manager. You shall be responsible for any and all expenses incurred by you, your General Manager and other Restaurant personnel in connection with any initial training program, including, without limitation, costs of travel, lodging, meals and wages.
- (c) As part of our initial training program, we shall provide you with opening assistance and training by a trained representative of us or our designee. The trainer will provide on-site pre-opening and opening training, supervision and assistance to you prior to the Restaurant's opening.
- (d) Upon your reasonable request or as we shall deem appropriate, we shall, during the term hereof, subject to the availability of personnel, provide you with additional trained representatives who shall provide on-site training and assistance to your Restaurant personnel. For this additional training and assistance, you shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

- (e) We reserve the right to conduct additional or refresher training programs, seminars and other related activities regarding the operation of the Restaurant. Such training programs and seminars may be offered to you and/or the General Manager or other Restaurant personnel generally, and we may designate that such training programs and seminars are mandatory for you and your General Manager and other Restaurant personnel. We will present the training program at our cost, but you must pay for your trainees' expenses, including travel, lodging, meals and applicable wages.
- (f) If you and/or your General Manager fail to complete our initial training program to our satisfaction, we shall have the option to immediately terminate this Agreement. Upon such termination of this Agreement, the parties shall deliver to each other such releases and other documents as may be required to fully rescind all agreements between them in respect of the subject matter of this Agreement.

## **7.2 Hiring and Training of Employees by You**

You shall hire and train, at your expense, except as may be set forth in Section 7.1, all employees of the Restaurant, and shall be exclusively responsible for the terms of their employment and compensation. You shall not employ anyone who refuses or fails to complete such training program. You shall at all times maintain a sufficient number of trained employees to service your customers and members, but at least the minimum number specified by us. You shall not employ any person who does not satisfactorily complete the training program.

## **7.3 General Manager**

You shall designate and retain at all times a General Manager to direct the operation and management of the Restaurant. The General Manager shall be responsible for the daily operation of the Restaurant and may be one of your controlling principals. The General Manager shall, during the entire period he or she serves as General Manager, meet the following qualifications:

- (a) The General Manager shall satisfy our educational and business experience criteria as set out in the Operations Manuals or otherwise in writing by us;
- (b) The General Manager shall devote full time and best efforts to the supervision and management of the Restaurant;
- (c) The General Manager shall be an individual acceptable to us; and
- (d) The General Manager shall satisfy the training requirements set out in Section 7.1. If, during the term of this Agreement, the General Manager is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section, you shall promptly notify us and designate a replacement within sixty (60) days after the General Manager ceases to serve, such replacement being subject to the same qualifications listed above (including completing all training and obtaining all certifications required by us). You shall provide for interim management of the Restaurant until such replacement is so designated, such interim management to be conducted in accordance with the terms of this Agreement.