

**NATIONAL RESTAURANT ASSOCIATION/
STATE RESTAURANT ASSOCIATION**

UNIFIED PARTNERSHIP AGREEMENT

This Unified Partnership Agreement (“Agreement”) is entered into as of January 1, 2017 (“Effective Date”), between the National Restaurant Association, including its subsidiaries or affiliates the National Restaurant Association Educational Foundation and the National Restaurant Association Solutions, LLC, as well as any subsidiaries or affiliates of these entities formed during the term of this Agreement (together, the “Association”), and the state restaurant association identified at the end of this Agreement, including its subsidiaries or affiliates identified in Attachment 2, as well as any subsidiaries or affiliates of these entities formed during the term of this Agreement (together, the “SA”), with the Association and the SA each a “Party” and together the “Parties.” This Agreement is entered into for mutual consideration, the receipt and adequacy of which are acknowledged by the Parties, who agree:

1. Relationship between the Association and the SA.

a. The Association is the largest national trade association in the United States providing services and products to, and advancing the interests of, the restaurant and foodservice industry and profession (the “restaurant industry”) on a national basis. The Association, through its wholly-owned subsidiary National Restaurant Association Solutions, LLC, maintains rights in certain programs owned by the Association’s affiliate National Restaurant Association Educational Foundation that serve the restaurant industry; and the Association desires to provide those rights to others, such as the SA.

b. The SA is a state-wide trade association providing services and products to, and advancing the interests of, the restaurant industry in the SA’s state. The SA may likewise utilize one or more subsidiaries or affiliates in pursuing its mission and achieving its revenue.

c. This Agreement provides comprehensively for a holistic and symbiotic relationship between the Association and the SA, and it aims to: maximize for the benefit of the joint Association/SA constituency in the SA’s state the quality and efficiency of their work on behalf of that constituency; stimulate the growth of programs undertaken jointly by the Association and the SA; recognize and reward participation and performance by the SA regarding mission and revenue; and address in a uniform way the relationships between the Association and this SA, as well as those between the Association and all the state restaurant associations.

d. This Agreement recognizes the independent nature of each state restaurant association and its unique governance process. The Agreement is not intended to usurp SA authority or autonomy but rather recognize that the Association and all state restaurant associations must address the issues facing the restaurant industry together while harnessing the collective voices, assets and intellect of all of the organizations in a unified voice.

2. Joint Obligations of the Association and the SA. This Agreement provides for the rights and obligations of the Association and the SA in their cooperation in eight areas, with the terms and conditions in each area described in Attachment 1 to this Agreement and made part of it. The Association and the SA will participate fully in all of these areas unless either is relieved of its participation in one or more areas in the Transitional and Other Provisions included in Attachment 2 to this Agreement and made part of it. The areas of cooperation are summarized below:

a. Authority. The SA is granted the authority to serve as the exclusive state restaurant association affiliate of the Association in the SA's state; and the Association is obligated to assist and provide services and products to the SA that it provides to state restaurant associations more broadly.

b. Memberships. Eligible members of the SA automatically become members of the Association and are eligible to receive Association member benefits and participate in Association governance. Multi-state restaurant companies with sales above a stipulated level with a presence in a stipulated minimum number of states are national members of the Association and of all state restaurant associations with their dues shared between the Association and the state restaurant associations.

c. ServSafe® and ProStart® Commission Programs. The ServSafe® food and alcohol safety professional training and certificate programs for restaurant industry professionals, and the ProStart® high school-level culinary and restaurant management program curriculum, both owned by the National Restaurant Association Educational Foundation and licensed to National Restaurant Association Solutions, LLC, generate commissions to the SA based upon usage of the programs in the SA's state.

d. Advocacy. The Association and the SA collaborate on advocacy regarding public policy issues affecting the restaurant industry at the local, state and national levels; and the Association and the SA share resources to assist each other in their advocacy.

e. Marketing and Communications. The Association and the SA together develop and implement a joint marketing plan to promote membership, services and products of each and both in the SA's state.

f. Product Development. The Association and the SA cooperate in the development and marketing of new services, products or activities, with the Association focusing exclusively on those with national reach and demand.

g. ProStart® Grants. The ProStart® high school-level culinary and restaurant management program provides grants to state restaurant associations by the National Restaurant Association Educational Foundation.

h. Data Sharing. The Association and the SA cooperate, share and update membership lists on no less than a quarterly basis.

The Association and the SA will aim to annually develop and mutually agree on specific goals and on taking specific actions to reach those goals on the parts of both Parties in each of these areas.

This Agreement does not address state-specific programs of the SA conducted in cooperation with the Association, which are not described above or in Attachment 1 and which may be subject to cooperation between the Association and the SA under separate arrangements or agreements.

3. Separate Obligations of the Association. The Association's obligations to the SA including the following:

a. Exclusivity. The Association will not enter into an agreement, with terms and conditions comparable to the terms and conditions of this Agreement, with any other association in the restaurant industry in SA's state without the written approval of the SA.

b. Governance. The Association will provide for representation of the state restaurant associations in its governing documents, including via dedicated seats for representatives of state restaurant associations on the Association's Board of Directors. In addition, the Association will cooperate with organizations such as the Council of State Restaurant Associations, as well as participate in periodic meetings and events of these bodies for the purpose of advancing and improving the joint programs and activities of the Association and the state restaurant associations.

4. Separate Obligations of the SA. The SA's obligations to the Association include the following:

a. Structure. The SA will remain incorporated as a nonprofit corporation under the laws of its state and will maintain federal income tax exemption. It will comply with all applicable state and local legal and regulatory requirements. The articles of incorporation or corporate charter of the SA, and its Bylaws, will be consistent with the SA's obligations under this Agreement and, at the same time, will meet the requirements of the law of the SA's state. The SA will be a member of the Council of State Restaurant Associations.

b. Exclusivity. The SA will not enter into an agreement with terms and conditions comparable to the terms and conditions of this Agreement or with products similar to those described in this agreement or agreed to in the future, with any other national or regional association without the written approval of the Association, except for any agreements necessary for those SA's who also serve as state affiliates of the American Hotel and Lodging Association (AHLA).

c. Geographic Limitation. The SA will not conduct, sponsor, assist, market, or promote any programs, services, products or activities addressed in this Agreement or its attachments directly to individuals or entities outside the SA's state without the written approval of the other state restaurant association(s) affected, except as may be provided in the Transitional or Other Provisions of this Agreement in Attachment 2. However, nothing herein precludes or

prevents the SA from posting information on its website or in other general and public media not directed at, or communicated to, specific restaurant industry entities or individuals in other states.

5. Transitional or Other Provisions. To the extent that there are transitional features of the relationship between the Association and the SA, or other features not applicable to other state restaurant associations, those are described in Attachment 2 to this Agreement and made part of it.

6. Intellectual Property. The Association, as defined in this Agreement, owns all right, title, and interest in and to the trademarks listed in Attachment 3 to the Agreement and made part of it (the “Association Marks”), including but not limited to the marks **ServSafe®**, **ProStart®**, and **National Restaurant Association®**, and the copyrighted materials (the “Association Copyrights”) used in connection with the programs, grants, materials, and communications described in this Agreement. The SA, as defined in this Agreement, owns all right, title, and interest in and to the trademarks listed in Attachment 2 to the Agreement and made part of it (the “SA Marks”), including but not limited to the marks for the SA’s name and logo used in connection with the programs, grants, materials, and communications described in this Agreement. The SA grants to the Association a non-exclusive license to use the SA Marks in connection with the terms, rights and obligations of this Agreement.

a. Right to Use the Marks and Copyrights.

i. The Association grants to the SA a non-exclusive license to use the Association Marks and the Association Copyrights (sometimes collectively referred to herein as the “Association IP”) in connection with the terms, rights and obligations of this Agreement, including the right to use, reproduce, distribute, modify, publish, perform, or publicly display the Association Copyrights.

ii. The SA will use the ™ symbol or the ® symbol (as appropriate) in connection with the Association Marks. The symbol must appear at least once on all materials, goods, and Web pages bearing the Association Marks. Any and all uses of the Association Copyrights must be accompanied by the following copyright notice: “Copyright [INSERT DATE OF FIRST PUBLICATION] National Restaurant Association Educational Foundation. All rights reserved.”

iii. The SA will also use the following statement at least once on all printed materials, advertising, promotional materials, goods, and Web pages on which the Association Marks will be used: “The [identify marks] are trademarks of National Restaurant Association, and its subsidiaries or affiliates the National Restaurant Association Educational Foundation and the National Restaurant Association Solutions, LLC and are used with permission.”

iv. The SA will always use the Association Marks in a manner that is satisfactory to the Association and in compliance with this Agreement. The Association will always use the SA Marks in a manner that is satisfactory to the SA and in compliance with this Agreement.

v. The SA will not modify, amend or change the Association IP in any manner without obtaining the Association's prior written approval. The Association will not modify, amend or change the SA Marks in any manner without obtaining the SA's prior written approval.

vi. The SA will not authorize, allow or permit any third party to use the Association IP without obtaining the Association's prior written approval. The Association will not authorize, allow or permit any third party to use the SA Marks without obtaining the SA's prior written approval.

vii. The SA will not register or attempt to register, either on its own or through a third party, the Association Marks or any similar marks in the United States or any state or international trademark office. The Association will not register or attempt to register, either on its own or through a third party, the SA Marks or any similar marks in the United States or any state or international trademark office.

viii. The SA will not register or use the Association Marks or any similar marks in any Web domain names. The Association will not register or use the SA Marks or any similar marks in any Web domain names.

ix. The Association will own all right, title, and interest in and to any derivative works that the SA may create that are based in whole or part on the Association Copyrights.

x. If this Agreement is terminated, the SA will immediately cease all use of the Association IP and the Association will immediately cease all use of the SA Marks.

b. Goodwill and Ownership of the Association and SA Marks. The SA recognizes the value of the goodwill associated with the Association Marks, and acknowledges that the Association Marks, including all rights in them and goodwill pertaining to them, belong exclusively to the Association, as defined in this Agreement. The Association therefore retains the right to use or to license the use of the Association Marks for any goods or services other than those expressly set forth in this Agreement. The Association recognizes the value of the goodwill associated with the SA Marks, and acknowledges that the SA Marks, including all rights in them and goodwill pertaining to them, belong exclusively to the SA, as defined in this Agreement. The SA therefore retains the right to use or to license the use of the SA Marks for any goods or services other than those expressly set forth in this Agreement.

c. The Title and Protection of the Association's and the SA's Rights. The SA will not, during the term of this Agreement, or at any time after that term, attack the title or rights of the Association in and to the Association Marks. The Association will not, during the term of this Agreement, or at any time after that term, attack the title or rights of the SA in and to the SA Marks.

d. Quality of Goods/Services. The SA agrees that the goods/services provided or rendered under this Agreement will be of a quality satisfactory to the Association. The SA will prepare, sell and distribute the goods/services provided or rendered under this Agreement in accordance with all applicable local, state and federal laws and regulations. The

SA's use of the Association Marks will at all times comply with the National Restaurant Association's Logo Guidelines and the ServSafe® Brand Guidelines (the "Guidelines"); and the SA acknowledges receipt and understanding of the Guidelines. The Association may change the Guidelines from time-to-time and those changes will be effective immediately upon communication to the SA. The SA will not engage in any conduct that places the Association Marks or Association Copyrights in a negative light or context.

e. Protection of the Association's and the SA's Rights. If the SA discovers the use of any third party marks that may infringe upon the Association Marks, or the infringing use of the Association Copyrights, the SA will immediately notify the Association in writing. The Association will have the sole right to determine whether any action shall be taken on account of any infringements. If the Association discovers the use of any third party marks that may infringe upon the SA Marks, the Association will immediately notify the SA in writing. The SA will have the sole right to determine whether any action shall be taken on account of any such infringements.

7. Mediation and Dispute Resolution.

a. If the Association or the SA determines that the other has breached the terms of this Agreement, the Parties will in good faith use their best efforts in an informal attempt to resolve the matter. The Parties will meet in person if feasible, and may be represented by their employed or volunteer leaderships and/or by outside consultants or experts to assist in this informal dispute resolution effort.

b. If the Parties' good faith, best efforts have been unsuccessful in resolving the dispute, either Party may initiate a mediation and possible arbitration process by written notice to the other describing in detail the alleged breach. Within ten (10) business days of the notice, each Party will identify a nominator; the two nominators will select a knowledgeable and experienced mediator/arbitrator from among those familiar with the nonprofit organization field but who has no relationships with either the Association or the SA for at least the five (5) previous years. In this phase, the mediator/arbitrator will meet with the Parties, using whatever procedures or approaches the mediator/arbitrator determines and with this entire mediation phase lasting no more than fifteen (15) days if possible, to attempt to resolve the alleged breach in a way that is mutually acceptable to the Parties.

c. Failing a successful mediation effort, the mediator/arbitrator will conduct whatever further process the mediator/arbitrator deems appropriate to reach a binding decision regarding the breach. The Parties instruct the mediator/arbitrator to conduct this phase of the dispute resolution process as quickly and efficiently as possible, with no discovery or only minimal and summary discovery, and with this entire arbitration phase lasting no more than thirty (30) days if possible. The mediator/arbitrator will issue a written determination regarding the alleged breach, including assessing costs and possible financial penalties to one or both Parties. The determination of the mediator/arbitrator is final; and neither Party will make any attempt to overturn or appeal that determination in any forum.

8. Term and Termination.

a. Term. This Agreement, with all of its attendant rights and obligations, is effective as of the Effective Date and will remain in full force and effect for eight (8) years (the “Initial Term”) unless terminated earlier in accordance with the provisions of this Agreement. After the Initial Term, this Agreement will automatically renew each year on its anniversary date for additional one-year periods unless terminated earlier in accordance with the provisions of this Agreement.

b. Termination. The Parties may mutually agree to terminate this Agreement. The Association may unilaterally elect not to renew and terminate this Agreement, and all similar agreements with state restaurant associations, for the purpose of reforming and revising those agreements by providing notice in writing to the associations, including the SA, at least one hundred eighty (180) days prior to the end of the Initial Term or any renewal term of this Agreement. In that case, this Agreement will terminate as of the end of that term of the Agreement. If the mediation and dispute resolution process finds against the SA, with or without financial penalty to the SA, the Association may proceed, but is not required to proceed, with termination of this Agreement by thirty (30) days written notice to the SA. If the mediation and dispute resolution process finds against the Association, with or without financial penalty to the Association, the SA may proceed, but is not required to proceed, with termination of this Agreement by thirty (30) days written notice to the Association.

c. Post-Termination. After termination of this Agreement for any reason, the Association and the SA will each have the right to notify each member of the SA of the termination. The SA will cease to represent or suggest any affiliation with the Association and will return any Association property or assets that may be in the possession of the SA at the time of termination; and the Association will cease to represent or suggest any affiliation with the SA and will return any SA property or assets that may be in the possession of the Association at the time of termination. The Association and the SA will continue to honor the terms of this Agreement regarding intellectual property, which will survive the termination of this Agreement. The Association will pay any amounts accrued and owing to the SA as of the termination of this Agreement within thirty (30) days of termination.

9. Liability.

a. Separate Entities. The Association and the SA, on behalf of themselves as well as the subsidiaries and affiliates of each, expressly acknowledge and warrant that they are, and will remain, separate legal entities. The Association’s relationship with the SA is one of independent contractors exclusively as described in this Agreement; and no agency or joint venture arrangement is intended or effected. In particular, notwithstanding the title of this Agreement, no legal partnership is intended or effected. Neither Party is authorized to incur any liability, obligation, or expense on behalf of the other unless specifically authorized under the terms of this Agreement.

b. Agency. All employees or agents performing services that are to be performed by the Association under this Agreement will at all times be under the Association’s exclusive direction and control and will be employees or agents of the Association and not of the SA. All employees or agents performing services that are to be performed by the SA under this

Agreement will at all times be under the SA's exclusive direction and control and will be employees or agents of the SA and not of the Association.

c. Indemnification. Each Party will indemnify and hold harmless the other Party, its officers, directors, agents, members, and employees, from and against any action, suit, proceeding, claim, damage, liability, obligation, cost, or expense (including but not limited to reasonable legal fees and defense costs) that may arise against the other Party by reason of any act or omission by the indemnifying Party, its officers, directors, agents, members, and employees arising from or in connection with performance of, or alleged failure to perform, the indemnifying Party's obligations under this Agreement.

10. Confidentiality. The Association and the SA may at times come into possession of confidential information of the other, such as books, records, materials, financial data, promotional or advertising plans or data, whether maintained on paper, digitally or otherwise (the "Confidential Information"). That Confidential Information will be maintained in confidence and will be subjected to the same level of protection that each party would utilize for its own similar Confidential Information. Neither the Association nor the SA will disclose Confidential Information of the other except: (a) if permitted in writing by the other, (b) if already in the public domain through no action or omission of the disclosing Party, or (c) if required under compulsion of law; in any event, neither the Association nor the SA will disclose Confidential Information of the other without written notice to the other at least five (5) business days in advance, identifying clearly what Confidential Information is to be disclosed.

11. Notices. Any notices or communications required under this Agreement will be in writing and will become effective five (5) business days after mailing, postage prepaid, or one (1) business day after sent by overnight delivery, in either case addressed to the current President/CEO of the recipient Party, whether the Association or the SA.

12. Assignment. This Agreement may be assigned only upon the prior written approval of the other Party.

13. Attachments. The Attachments to this Agreement are integral to it, are part of it, and are fully valid and enforceable in all respects as though included within the text of the main Agreement. In any conflict or inconsistency between the main Agreement and an Attachment to it, the main Agreement prevails.

14. Severability. If any term, condition, provision, feature or section of this Agreement or its attachments is found to be illegal, invalid or otherwise unenforceable, the balance of the Agreement will remain in, and be given, full force and effect.

15. Amendment. This Agreement supersedes all understandings or agreements between the Parties on, or related to, the subject matter of this Agreement. The Agreement may not be amended orally but only by a writing signed on behalf of both Parties. Any amendment to the Agreement, other than with respect to the Transitional or Other Provisions and Attachment 2, will be generally applied to all state restaurant associations affiliated with the Association.

SA

**NATIONAL RESTAURANT
ASSOCIATION**

SA Name: _____

SA State: _____

Effective Date: January 1, 2017

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

(DESCRIBE SA SUBSIDIARIES OR
AFFILIATES IN TRANSITIONAL OR
OTHER PROVISIONS, ATTACHMENT 2)

**NATIONAL RESTAURANT
ASSOCIATION EDUCATIONAL
FOUNDATION**

By: _____

Name: _____

Title: _____

Date: _____

**NATIONAL RESTAURANT
ASSOCIATION SOLUTIONS, LLC**

By: _____

Name: _____

Title: _____

Date: _____

National Restaurant Association/State Restaurant Association
Unified Partnership Agreement Attachment 1
Areas of Cooperation

This Attachment 1 to the Unified Partnership Agreement (“Agreement”) by and between the National Restaurant Association, including its subsidiaries or affiliates the National Restaurant Association Educational Foundation and the National Restaurant Association Solutions, LLC, as well as any subsidiaries or affiliates of these entities formed during the term of this Agreement (together, the “Association”), and the state restaurant association identified in the Agreement, including its subsidiaries or affiliates identified in Attachment 2, as well as any subsidiaries or affiliates of these entities formed during the term of this Agreement (together, the “SA”), provides for the rights and obligations of the Association and the SA in their cooperation in eight areas. Capitalized terms not otherwise defined herein have the same meanings as those assigned to them in the Agreement.

I. AREAS OF COOPERATION

1. Authority. The SA is granted the authority to serve as the exclusive state restaurant association affiliate of the Association in the SA’s state; and the Association is obligated to assist and provide services and products to the SA that it provides to state restaurant associations more broadly.

2. Memberships.

- a. Beginning January 1, 2017, membership in the Association shall remain as currently structured in two categories: Association Chain members and state restaurant association members. All SA members who are not Chain members (as defined in the existing 2016 structure) will continue to be eligible to be members of the Association, entitled to receive Association member benefits and participate in Association governance, without additional charge by the Association to the members or to the SA. Likewise, all Association members domiciled in the SA’s state will be members of the SA.
- b. Beginning January 1, 2018, a seamless national membership model will prevail, providing a common dues schedule and membership privileges in the Association and in every state restaurant association to qualified National Members. National Members shall be defined as restaurant industry companies (which shall include hotels, managed services, and convenience stores, but not restaurant industry suppliers or allied vendors) with system-wide United States annual sales in excess of fifty million dollars (\$50,000,000) and locations in more than three (3) states. The Association and the SA will jointly and collaboratively work to convert all qualifying memberships to the national membership model taking effect January 1, 2018.
- c. An existing SA member who meets the new definition of a National Member as of January 1, 2018, but did not meet the previous national membership criteria for a “Chain” [i.e., eight (8) units in five (5) or more states], may, by mutual agreement between the

Association and the affected state restaurant associations, be offered an alternative and transitional dues amount if required in order to retain the member.

- d. Existing Association members that do not qualify as National Members as of January 1, 2018 may elect to participate as National Members nevertheless.
- e. The Association will retain a portion of dues collected from National Members and remit a portion of dues from National Members to a dues pool to be shared with all state restaurant associations. The portions of the aggregate National Members' dues will be distributed as follows:
 - i. Tier 1: National Member dues collected up to \$3,500,000 will be split 40% to the Association and 60% among the state restaurant associations as provided herein.
 - ii. Tier 2: National Member dues collected between \$3,500,000 and \$5,000,000 will be split 55% to the Association and 45% among the state restaurant associations.
 - iii. Tier 3: National Member dues collected in excess of \$5,000,000 will be split 45% to the Association; 45% among the state restaurant associations and 10% reserved for an Association-administered Mitigation Pool (Section II).
- f. The Association will guarantee a total of \$2 million available in the shared dues pool in 2018 and \$2.5 million annually thereafter.
- g. Beginning January 1, 2018, National Member dues distributed by the Association to the individual state restaurant associations will be allocated based on a formula. The state restaurant association where the headquarters of the National Member is located will receive sixty percent (60%) of that National Member's dues. The remaining forty percent (40%) will be allocated to the remaining state restaurant associations based on their percentage of the total national restaurant establishments relative to the national total and based upon the prior year's published data by Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at www.bls.gov/cew or other mutually agreed upon resources.
- h. Beginning as of January 1, 2018, and continuing thereafter while the Agreement is in effect, the SA will receive a minimum distribution from National Member dues of \$15,000 per year.
- i. Beginning as of January 1, 2018, if the SA can document a loss of dues previously received by the SA from National Members not domiciled in the SA's state in excess of \$25,000 in comparison to the amount of dues received directly from the corporate headquarters location of the National Member in the Base Year of 2015 (as defined below), the SA will annually receive from the Association an amount equal to 50% of the documented lost Base Year dues. The NRA may request documentation in the form of dues notices and corresponding receipts identifying the payees.

- j. All dues payable by the Association to the SA will be paid to the SA quarterly and within thirty (30) days after the end of each calendar quarter.
- k. The Association will create a Franchisee Program that will:
 - i. Work with state restaurant associations to develop franchisee membership collateral and organize a membership drive that requests franchisor National Members to encourage their franchisees' membership participation at the state level.
 - ii. Create an optional SA dues model/formula with a consistent fee structure for corporate and co-op purchasing of franchisee membership.
- l. The Association will develop a National Sales Training Program that will provide assistance to state restaurant associations on the process of recruiting, hiring, and training of sales personnel.
- m. In an effort to ensure an integrated membership model with those state restaurant associations which also represent the lodging sector, the Association will limit its recruitment of lodging-related foodservice members to the following corporately held brands (and not their franchised properties):
 - Marriott/Ritz/Starwood
 - Hilton Worldwide
 - Carlson Rezidor Group
 - Four Seasons Group
 - Best Western Group
 - InterContinental Hotels Group
 - Loews Hotel & Resorts
 - Hyatt Hotels Corporation
 - Omni Hotels & Resorts
 - Kimpton Hotels
 - Destination Hotels & Resorts
 - Choice Hotels
 - Wyndham Hotel
 - Accor Hotel Group

3. ServSafe® and ProStart® Commission Programs.

- a. The Association's ServSafe® food and alcohol safety professional training and certificate program, and any other similar programs to be developed and offered in the future, will generate commissions to the SA based upon usage of the programs in the SA's state. Commissions are based on products sold and revenue generated based on the sale of products billed to addresses within the state. The products included in the commission formula are:
 - i. ServSafe® Manager

- ii. ServSafe® Alcohol (generic)
 - iii. ServSafe® Food Handler (generic)
 - iv. ServSafe® Allergens (generic)
 - v. ProStart®
- b. The commission for all state restaurant associations will be a single, flat commission rate of fifteen percent (15%) on the net revenues in the SA's state for each program subject to commissions.
- c. If the SA's rate is currently different, the SA will transition from the SA's current commission rate to the fifteen percent (15%) flat commission rate over a five-year period, where in each year of the transition the commission rate will not be changed, whether increased or decreased, by more than the percentages indicated:
 - i. Year 1: 0%
 - ii. Year 2: 2%
 - iii. Year 3: 3%
 - iv. Year 4: 4%
 - v. Year 5: 5%
 - Example 1: If the SA's commission rate is at ten percent (10%) in 2016, its commission rate will transition to fifteen percent (15%) as follows: Year 1: 10%, Year 2: 12%, Year 3: 15%, Year 4: 15%, Year 5: 15%.
 - Example 2: If the SA's commission rate is at twenty percent (20%) in 2016, its commission rate will transition to fifteen percent (15%) as follows: Year 1: 20%, Year 2: 18%, Year 3: 15%, Year 4: 15%, Year 5: 15%.
- d. The SA must promote and use only the Association programs and will not promote, use, sponsor, create, assist, or advise in any way related to a competing program. Any current SA competing program "grandfathered" prior to December 31, 2015 will be reflected in the Transitional and Other Provisions of the Agreement.
- e. The Association and the state restaurant associations will jointly establish a process to review and evaluate for inclusion under the Agreement any training, certificate or educational curriculum programs not covered by the Agreement. Any outcome of such process or inclusion under the Agreement is subject to mutual agreement.
- f. The Association and the SA agree to the following:
 - i. Promotion: Collaboratively promote ServSafe® and ProStart® commission-based programs.
 - ii. Sales planning and execution: Develop sales and marketing plans, establish sales goals and create action plans, and conduct periodic reviews to track sales progress.
 - iii. Tracking and confidentiality: Share, subject to privacy policies and confidentiality requirements, sales and customer data and analysis.

- iv. Certification and curriculum: To the extent possible, promote the development of food safety and alcohol training and certificate laws, regulations and curriculum standards consistent with Association or Association-licensed training and certificate materials.
 - v. Usage: Use ServSafe® materials, ProStart® materials and any other materials as mutually agreed in strict conformity with standards of use and quality control as provided in the Agreement and its attachments.
- g. The Association may, at its discretion, provide the SA with incentives for revenues in excess of sales goals.
 - h. If the SA, through its advocacy efforts, achieves new regulatory requirements in the SA's state for new state-specific products or programs that meet criteria provided by the Association, the SA shall earn a twenty-five percent (25%) commission rate on the sale of those products in the SA's state, as long as the product remains in the market in accordance with the terms of this Agreement.
 - i. The SA will receive a discount of thirty-two percent (32%) on all ServSafe®-covered products purchased by the SA for its in-house training classes. These purchases are excluded from State commission payments.

4. Advocacy

- a. The advocacy work of the industry requires a Collective Advocacy Program. This is a collaborative multi-lateral effort by the state restaurant associations, the Association and the membership. The new model is intended to facilitate a renewed commitment to this shared approach. All National Members will have access to the Association and state restaurant association advocacy teams, providing a nationwide network of government affairs professionals and lobbyists that cover all legislative and regulatory issues on federal, state and local levels. As part of its contribution to this collective effort the SA agrees to commit its government affairs resources to the new membership model. To support the new model, the Association agrees to expend at least an aggregate of one million dollars (\$1,000,000) annually, on such activities in such amounts as deemed appropriate by the Association, to the following:
 - i. Messaging support and development to ensure the industry is represented by a single advocacy voice;
 - ii. Polling and data to analyze and inform positions on issues and issues strategy;
 - iii. Grassroots resources (e.g., staff time, grassroots software, etc.) to mobilize restaurateurs;
 - iv. Advice and financial resources for use of consultants;
 - v. Advice and financial resources for legal research and litigation support;
 - vi. Research on impact of issues;
 - vii. Resources to engage on ballot initiatives; and

- viii. Expense offset to state restaurant associations for performance in Association-targeted advocacy and activities programs.
- b. The Association and the SA together shall:
 - i. Collaborate on local, state and national advocacy issues and member requests to ensure coordinated and effective representation of the restaurant industry. This shall include an annual advocacy shared resources conversation for coordination and planning purposes;
 - ii. Coordinate and collaborate on mapping relationships at federal, state and local levels for purposes of growing grassroots impact when both agree there is a need;
 - iii. Work collaboratively to support existing annual financial political action committee (“Restaurant PAC”) and restaurant advocacy fund (“RAF”) state goals for the SA’s state. This includes the SA either separately or jointly with the Association hosting, organizing, and participating in Restaurant PAC and RAF events each year and/or supporting other existing Restaurant PAC or RAF fundraising events;
 - iv. Share information about member engagement, key contacts, advocacy priorities, and other grassroots political advocacy efforts on all legislative and political areas of interest;
 - v. Provide National Members with opportunity to lobby and advocate on federal, state and local levels, and access to an annual advocacy summit with an in-depth preview of the upcoming year’s issues and discussion of priorities; and
 - vi. Maintain regular communication that assures the Association and the SA the ability to inform our members on the status of any policy, legislative, regulatory or legal issues that involves the SA or Association.
 - c. The SA shall:
 - i. Proactively develop relationships with federal lawmakers and collaborate with the Association to engage, activate and increase the political clout of the restaurant industry;
 - ii. Cooperate and participate with the Association-affiliated federal Restaurant PAC and will not organize, establish or support a separate or additional federal PAC in the restaurant industry;
 - iii. Distribute to each renewed SA member annually a Restaurant PAC prior corporate authorization form;
 - iv. Promote, encourage, and undertake efforts to drive attendance to the annual Association Public Affairs Conference;
 - v. Inform the Association in advance of the SA’s engagement on an advocacy issue at the federal level in order to coordinate and maximize restaurant industry advocacy impact;
 - vi. Have a mutual understanding that none of the advocacy provisions of this agreement should create conflict between the SA’s and their bylaws, and NRA and its bylaws or their respective leadership/board directors;
 - vii. Provide the following to National Members:
 - State and local lobbying and advocacy support;

- Representation on consensus issues, in alignment with the positions of both the SA and the Association;
- Communication and collaboration regarding advocacy strategy on an ongoing, annual basis; and
- Communication and collaboration regarding fundraising strategy that supports a coordinated advocacy approach.

d. The Association shall:

- i. Work with the SA to identify shared advocacy resources;
- ii. Provide an annual report disclosing resources and monies spent on advocacy priorities;
- iii. Devote resources to help the SA assist the Association in relationship building with federal lawmakers to increase the political clout of the industry;
- iv. Inform the SA in advance of Association engagement on an advocacy issue at the state and local level within the SA's state to coordinate and maximize restaurant industry advocacy impact;
- v. Provide and partner with the SA on grassroots activation software to increase engagement and mobilization of members in the SA's state in accordance with the restaurant industry's strategic plans;
- vi. Collaborate with the SA as appropriate to facilitate and assist with in-district outreach to federal lawmakers; and
- vii. Direct Association political donations (PAC money) to state and local candidates in the SA's state through and in concert with the established SA state or local PACs.

5. Marketing and Communications.

- a. The Association and the SA will promote one another on their respective websites, all digital communication media, in publications, and at owned or sponsored expositions or trade shows of each.
- b. The Association and the SA will include each other's logos and contact information on their respective websites and elsewhere consistent with the trademark licensing terms of the Agreement.
- c. The Association will establish a process that facilitates regular communication with the collective and joint membership of the Association and the SA.
- d. All use of logos, marks and marketing and other materials will be in accordance with trademark and copyright usage guidelines and other guidelines which may be provided by the Association or the SA, including via posting to a website portal or other mechanism established for the purpose of exchanging information amongst the Association and the state restaurant associations, as summarized in the Agreement.

6. Product Development.

- a. The Association will work with the SA to assure collective development of services and products so that the Association offers fewer and more impactful services and products that have nationwide reach.
- b. The Association will not conduct a direct marketing campaign for a service or product that is singularly targeted to restaurant industry firms or individuals in the SA's state, where the SA offers, sponsors, or endorses a competing service or product that is "grandfathered" as reflected in the Transitional and Other Provisions of this Agreement. This does not preclude the Association from endorsing, sponsoring or offering a competing service or product at the national level, however.
- c. The Association will include on its website separate references for each new product or service that the Association develops and offers through the state restaurant associations.

7. ProStart® Grants.

- a. The SA shall offer the ProStart® program within its state.
- b. The Association, through its affiliate the National Restaurant Association Educational Foundation, will continue to distribute seven hundred fifty thousand dollars (\$750,000) in aggregate annual grants and support for the ProStart® program, in equal amounts to each state restaurant association, including the SA.
- c. Beginning in 2017, the Association, through its affiliate the National Restaurant Association Educational Foundation, will distribute an additional five hundred thousand dollars (\$500,000) in aggregate annual grants and support, which will be allotted among the state restaurant associations according to program size and in support of targeted ProStart® program drivers. The SA will follow an application process in order to be considered to receive funds. States must sign and adhere to the most recent version of the ProStart® national and state standards, and ProStart® school criteria.
- d. The Association, through its affiliate the National Restaurant Association Educational Foundation, and the SA will collectively work in support of and through the ProStart® program, to:
 - i. Enhance the image of the restaurant industry with external audiences.
 - ii. Develop the next generation of managers and leaders in the restaurant industry by:
 - Developing and implementing messaging campaigns about careers in the industry;
 - Assisting in increasing the number of employment activities for students in the ProStart® program and those who have completed the ProStart® program;

- Improving educator support;
 - Improving educator training;
 - Increasing connections with the restaurant industry; and
 - Increasing the number of ProStart® programs.
- e. The Association, through its affiliate the National Restaurant Association Educational Foundation, will compile, collect and regularly share with the SA best practices related to funding of ProStart® programs in the SA's state.
- f. The Association will collaborate with the SA on ProStart® fundraising activities in the SA's state.
8. Data Sharing.
- a. The Association and the SA will exchange and update membership lists no less than quarterly to reflect deletions or additions to Association and SA membership lists with basic membership information in a mutually agreed format.
- b. Basic membership information shall include: for companies, the ID #, member category, company name, address and phone number; and for individuals the ID #, parent ID #, name, title, and email address.
- c. The membership list file (restaurants/for-profit food service operators) submitted from the SA must comply with outlined specifications to be provided to the SA by the Association.
- d. The contents of the file submitted by the SA will include all active SA members.
- e. The Association and the SA shall cooperate on obtaining and updating multiple contacts for National Members and location information.
- f. The Association will provide a method/facility to allow for on-demand submission of data.
- g. The SA will have fifteen (15) business days after the end of each quarter to comply with delivery requirements.

II. MITIGATION

For the first two years of the Agreement, 2017 and 2018, the SA is guaranteed payments from the Association equal to at least Base Year revenue. "Base Year" revenue is defined as 2015 payments received from the Association for covered activities (which may include broker commissions, chain/National Member dues, and/or ProStart® grants) as illustrated in Attachment 2.

Beginning in 2019, the Association shall annually fund a mitigation pool ("Mitigation Pool") with one hundred and twenty-five thousand dollars (\$125,000) plus ten percent (10%) of any aggregate annual National Member dues revenue generated above five million dollars

(\$5,000,000). Beginning with 2019, if the SA does not yet receive payments from the Association under the Agreement equal to at least Base Year revenue, the SA will be eligible to receive a distribution from the Mitigation Pool.

If sufficient funds are available in the Mitigation Pool to cover the difference between Base Year revenue and actual revenue received by all state restaurant associations eligible for a distribution in a given year, then the Association will distribute full mitigation payments to all eligible state restaurant associations. If sufficient funds are not available, then the Association will determine an appropriate distribution, in consultation with a joint NRA/SA implementation task force. Any funds remaining in the Mitigation Pool after mitigation payments are distributed remain the property of the Association.

III. IMPLEMENTATION

An implementation task force comprised of four Association senior staff members and the CEOs of four state restaurant associations shall be mutually appointed by the NRA and SA's to assist with ensuring the full and effective implementation of this agreement by the Association and all state restaurant associations.

National Restaurant Association/State Restaurant Association
Unified Partnership Agreement Attachment 2
Transitional or Other Provisions

1. Transitional.
[NRA to insert the formula for transition of the commission paid by the Association to this SA for the ServSafe® program and the ProStart® curriculum revenue from this SA's current commission level to the uniform 15 percent level to be achieved.]

2. State Exceptions.
[SA to review/insert list of state-specific partnership/sponsorship programs that this SA has participated in since the original Dual Membership Agreement and that the NRA agrees not to compete against.]

3. Other Programs.
[SA to review/insert whatever special or unique NRA and NRAEF Educational and Training Programs or contractual arrangements exist, or are negotiated, between the Association and this SA.]

4. Marks.
[SA to review/insert the name(s) of the SA and of any pertinent subsidiary or affiliate and the logo(s) of the SA and of any pertinent subsidiary or affiliate.]

**National Restaurant Association/State Restaurant Association
Unified Partnership Agreement Attachment 3
Association Marks**



