

**ADDENDUM TO STANDARD CONTRACT  
FOR FOOD SERVICE MANAGEMENT SERVICES**

**THIS ADDENDUM**, made this 2nd day of January, 2008, by and between **WARREN COUNTY SCHOOL DISTRICT** ("District") and **ARAMARK EDUCATIONAL SERVICES, LLC**, a Delaware limited liability company, having its principal place of business at ARAMARK Tower, 1101 Market Street, Philadelphia, Pennsylvania ("ARAMARK").

**WITNESSETH THAT:**

1. District issued a Request For Proposal dated January, 2006 ("RFP") for the provision of food service on District's premises;
2. ARAMARK submitted a proposal dated February 1, 2006 (the "Proposal") to District in response to the RFP;
3. District wishes for ARAMARK to provide food services to District under the terms and conditions of the RFP, the Proposal and this Addendum.

**NOW THEREFORE**, in consideration of the mutual covenants herein, and intending to be legally bound, the parties hereto agree that the following paragraphs shall be added to the RFP and Proposal.

1. **ENTIRE AGREEMENT; NO CONFLICT:** The agreement (the "Agreement") between the parties shall consist of the RFP, the Proposal (as hereinafter defined) and this Addendum. The Addendum dated November 20, 2006, is hereby revoked in its entirety and replaced by this Addendum. In the event of any conflict in the terms and conditions between the RFP, the Proposal and this Addendum, the terms and conditions of this Addendum shall govern.

The Agreement represents the entire agreement between the parties and supersedes any and all prior agreements. All prior negotiations have been merged into this Agreement, and there are no misunderstandings, representations or agreements, oral or written, express or implied other than those set forth herein.

2. Article XXII shall be added to **STANDARD TERMS AND CONDITIONS** as follows:

**"XXII. Definitions:** The following words and phrases when used in this Addendum shall have the meanings given to them in this Paragraph:

- A. "Accounting Periods":** The two (2) Accounting Periods of four (4) weeks each and one (1) Accounting Period of five (5) weeks which occur in each quarter.
- B. "Addendum":** This document.
- C. "Agreement":** District's Request For Proposals (the "RFP"), ARAMARK's response to such RFP (the "Proposal"), and this Addendum and all appropriate attachments.
- D. "Current Year":** The period beginning July 1, 2007, and ending June 30, 2008.
- E. "Equivalency Factor":** The amount of \$2.6675 used to determine the number of Meal Equivalents served by ARAMARK. If this Agreement is renewed after the Current Year and if the Equivalency Factor changes in any renewal year, ARAMARK will receive an automatic adjustment to the per-meal rate charged to District hereunder to equitably compensate ARAMARK for the loss of per-meal revenue due to the change in the Equivalency Factor.
- F. "Food Service Facilities":** The areas, improvements, personal property and facilities made available by District to ARAMARK for the provision of the food services as more fully described herein.
- G. "Food Service Program":** The preparation and service of food to District's students, staff, employees and authorized visitors. The Food Service Program may include National School Lunch Program, the School Breakfast Program, the Summer Lunch Program, the Special Milk Program, Summer Food Service Program, Child/Adult Care Food Program, and a la carte food service.
- H. "Meal Equivalent":** A meal provided by ARAMARK determined by dividing the total of cash receipts, other than from sales of National School Lunch and Breakfast Program meals by the Equivalency Factor.
- I. "Proposal":** ARAMARK's response to District's RFP dated February 1, 2006.

**J. "RFP":** District's document titled "Warren County School District Request for Proposal", dated January, 2006, including Addenda (collectively, the "RFP").

**K. "Servicewares":** Items utilized in the service of food, including such things as chinaware, glassware and silverware.

**L. "Small Expendable Equipment":** Items utilized in the preparation of food, including such things as pots, pans and kitchen utensils."

**M. "Special Function":** Any function, not including the meals provided to students during normal school hours, at which food services are requested by the District and provided by ARAMARK.

**3. STANDARD TERMS AND CONDITIONS, Article VIII. EMPLOYEES**

**Subarticle A shall be amended to read as follows:**

A. The District shall have final approval authority regarding the appointment and retention of ARAMARK's Food Service Director for the District. If the Food Service Director, or any of ARAMARK's personnel, are not acceptable to the District, the District may request, in writing, the removal of such Food Service Director or personnel. Upon the receipt by ARAMARK of such a request, ARAMARK will provide, within a reasonable time, a replacement or replacements reasonably acceptable to the District.

**Subarticle M., shall be added as follows:**

**"M. Restrictive Covenant:**

(1) ARAMARK agrees that no supervisory employees of District shall be hired by ARAMARK for the Term of this Agreement and 12 months thereafter. For the purpose of this prohibition, "supervisory employees" shall be defined as those persons who have directly or indirectly performed management or professional services on District's premises at any time during the 12 month period immediately preceding termination of this Agreement.

(2) District acknowledges that ARAMARK has invested considerable amounts of time and money in training its supervisory employees in the



systems, procedures, methods, forms, reports, formulas, computer programs, recipes, menus, plans, techniques and other valuable information which is proprietary and unique to ARAMARK's manner of conducting its business and that such information is available, on a confidential basis, to ARAMARK's supervisory employees. Therefore, District agrees that supervisory employees of ARAMARK, with the exception of Candis Reider, will not be hired by District for the Term of this Agreement and 12 months thereafter, nor will District permit supervisory employees of ARAMARK, with the exception of Candis Reider, to be employed on District's premises for a period of 12 months subsequent to the termination of this Agreement whether as an individual or as owner, partner, majority stockholder, director, officer, or employee of a food service provider. For the purpose of this prohibition, "supervisory employees" shall be defined as those persons who have directly or indirectly performed management or professional services on District's premises at any time during the 12 month period immediately preceding termination of this Agreement.

(3) If either party breaches the conditions set forth in subparagraphs (1) and (2), above, then the breaching party shall pay to the non-breaching party and the non-breaching party shall accept as liquidated damages and not as a penalty for such breach, an amount equal to two times the annual salary of the supervisory employee hired by or allowed to work in breach of the terms of this Agreement."

**5. STANDARD TERMS AND CONDITIONS, Article XI. USE OF FACILITIES, Subarticle D.,** shall be deleted in its entirety, and in its place shall be inserted the following:

"D. District shall provide and ARAMARK shall maintain an adequate inventory of Servicewares, Small Expendable Equipment and cash registers. All Servicewares, Small Expendable Equipment and cash registers shall remain the property of District."

**6. STANDARD TERMS AND CONDITIONS, Article XI. USE OF FACILITIES, Subarticles R. and S.,** shall be added as follows:

"R. **Inventory:** At the commencement of operations, ARAMARK and District shall jointly inventory all food and related supplies to be utilized in District's Food Service Program. ARAMARK and District shall mutually agree on the usability and value of such existing inventory. Except for government donated foods and commodities and items previously invoiced to and paid by the District, title to the

inventory shall be with ARAMARK. Title to all food and supplies purchased during the term of this Agreement, other than government donated foods and commodities, shall remain in ARAMARK. At the termination of this Agreement, ARAMARK and District shall jointly undertake a closing inventory of all food and supplies. ARAMARK and District shall mutually agree upon the usability and value of such existing inventory. The District shall purchase such usable food and supplies, excluding government donated foods and commodities, from ARAMARK at the agreed upon value, less credit for the value of any District owed food and supplies identified during the opening inventory. For purposes herein, the value of food and supplies shall be determined by invoice cost.

**S. IT System:** ARAMARK agrees to provide, install, maintain and operate an information technology system (which may include, but not be limited to, hardware, owned and licensed software and systems support) necessary for the operation of District's Food Service Program (the "IT System"). The District shall provide, at its expense, a suitable environment, including such heat, air conditioning, phone and utility service as may be reasonably required for the installation, implementation, operation and maintenance of the IT System."

**T. The District's IT System:** The parties agree that the District will retain its current SNAP system and corresponding equipment and that, because ARAMARK is not required to replace the SNAP system and corresponding equipment as contemplated in the RFP at an estimated total cost of \$8,000, the District was entitled to a credit in the amount of \$2,700 in accordance with the terms of the 2006-2007 Addendum.

The parties agree that the District shall receive an additional credit in the amount of \$2,700 for the current year. In the event this Agreement is renewed for the 2008-2009 school year, the District shall be entitled to a final credit in the amount of \$2,700 for the then current year.

Upon expiration or termination of this Agreement by either party for any reason whatsoever prior to the complete amortization of the credit, ARAMARK shall reimburse the District for the unamortized balance of the credit within 30 days of the expiration date or termination date.

Additionally, ARAMARK acknowledges that it must utilize an information technology system that is compatible with the existing SNAP system, the District's hardware and software, and permits the use of existing staff and student meal cards.



7. **STANDARD TERMS AND CONDITIONS, Article XII, PURCHASES**, shall be deleted in its entirety, and in its place shall be inserted the following:

"**XII. PURCHASES:** ARAMARK, as an authorized agent of District, shall purchase and pay for all food, supplies and services utilized in District's Food Service Program."

8. **STANDARD TERMS AND CONDITIONS, Article XIV. LICENSES, FEES & TAXES**, shall be deleted in its entirety, and in its place shall be inserted the following:

"**XIV. LICENSES, PERMITS, TAXES AND INSURANCE:**

**A. Licenses, Permits and Taxes:** ARAMARK shall obtain all federal, state and local licenses and permits required for District's Food Service Program and shall be responsible for all sales, use and excise taxes and all other state and local taxes attributable to District's Food Service Program.

In the event that a determination is made by a government authority that any sales, purchases, payments maintenance or use of inventory or property made to or by ARAMARK under this Agreement, either in whole or in part, are subject to any sales, use, gross receipts, or any similar tax that was not contemplated by the parties at the time this Agreement was entered into, the full amount of any such tax liability, together with any interest or penalties thereon, shall immediately be reimbursed by the District to ARAMARK upon ARAMARK's demand thereof, notwithstanding the fact that this Agreement may have expired or been terminated for any reason by either party hereto prior to the date of such determination; further, in the event that such determination is made during the Term of this Agreement, District, from the time of such determination forward, shall pay such tax to ARAMARK or, if applicable, shall assist ARAMARK in collecting such tax at the point of sale."

**B. Insurance:**

ARAMARK shall procure from a qualified insurance underwriter and keep in force during the term of this Agreement, Automobile and General Liability Insurance, including Product Liability and contractual coverage in the following amounts:

<u>General Liability</u>	
Bodily Injury and	\$2,000,000 each occurrence

Property Damage	\$2,000,000 aggregate
<u>Automobile Liability</u>	
Bodily Injury and	\$2,000,000 each person
Property Damage	\$2,000,000 each occurrence
<u>Excess Liability (Umbrella)</u>	
Bodily Injury and	\$3,000,000
Property Damage	
<u>Worker's Compensation</u>	Statutory Coverage
<u>Employer's Liability</u>	Statutory Coverage

The District will be provided certificates evidencing such coverage.

District and ARAMARK waive any and all right of recovery from each other for property damage, or loss of use thereof, howsoever occurring. This waiver shall include, but not be limited to, losses covered by policies of fire, extended coverage, boiler explosion and sprinkler leakage. This waiver shall not apply to claims for personal injury or death."

**9. STANDARD TERMS AND CONDITIONS, Subsection XVII. TERM AND TERMINATION**, shall be deleted in its entirety, and in its place shall be inserted the following:

**"XVII. TERM AND TERMINATION:**

**A.** This Agreement shall become effective on July 1, 2007, and shall terminate on June 30, 2008 (the "Term") and may be renewed by mutual agreement of District and ARAMARK for up to three additional terms of one school year each.

**B. Termination:** Either party may terminate this Agreement for cause by giving 60 days' written notice to the other party of its intention to terminate as of the date specified in the notice.

**C. Other Circumstances:** This section is deleted and is not a part of the Agreement

**D. Force Majeure:** Neither party shall be responsible to the other for any losses resulting from the failure to perform any terms or provisions of

this Agreement, except for payments of monies owed, if the party's failure to perform is attributable to war, riot, or other disorder; strike or other work stoppage; fire; flood; or any other act not within the control of the party whose performance is interfered with, and which, by reasonable diligence, such party is unable to prevent. Any such occurrence shall be referred to as a "Force Majeure".

In the event of a Force Majeure which interferes with the operation of District's Food Service Program, upon request, ARAMARK will take all reasonable steps to continue to provide service upon terms and conditions satisfactory to ARAMARK and District and any guarantee provided herein shall be adjusted to account for lost Gross Receipts and any increase in District's Total Food Service Costs."

**10. Standard Terms and Conditions, subsection XX, Miscellaneous.** The following provisions shall be added:

J. If a court holds any part, term or provision of this Agreement to be unenforceable, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular part, term or provision.

K. Any amendment or modification of this Agreement must be in writing and signed by the Parties, and notwithstanding the actions of the Parties to the contrary, no oral modification shall be effective and legally binding unless such modification has been reduced to writing and has been signed by the Parties

L. The Parties agree that in no case shall either Party be liable for any loss of business, consequential or indirect damages.

M. Neither District nor ARAMARK shall assign or subcontract this Agreement without the prior written consent of the other; provided, however, that either party may assign the Agreement to an Affiliate without the consent of the other party. For purposes of this Agreement, "Affiliate" shall mean a company which controls, is controlled by, or is under common control with the assigning party or its ultimate parent company. Despite any such assignment, it is expressly agreed that the DISTRICT shall remain liable for any damages that occur as a result of a breach of this Agreement by an Affiliate of the District and



ARAMARK shall remain liable for any damages that occur as a result of a breach of this Agreement by an Affiliate of ARAMARK.

11. Article XXIII shall be added to **STANDARD TERMS AND CONDITIONS** as follows:

**"XXIII. CONFIDENTIAL INFORMATION AND PROPRIETARY MATERIALS:**

**A. Confidential Information:** Operating, marketing and personnel materials and information, including, but not limited to, manuals, recipes, menus and meal plans relative to or utilized in ARAMARK's business or the business of any affiliate of ARAMARK (but excluding financial and statistical information) (collectively, "Confidential Information"), shall be the property of ARAMARK and shall be confidential. District shall keep such Confidential Information confidential during or subsequent to the Term of this Agreement and shall so instruct its agents, employees, and independent contractors, and the use of such Confidential Information by District in any manner shall not affect ARAMARK's ownership or the confidential nature of such Confidential Information. District shall not photocopy or otherwise duplicate any such Confidential Information, except for Confidential Information needed for audits and administrative reviews conducted by the appropriate State agency or United States Department of Agriculture, without the prior written consent of ARAMARK.

**B. Proprietary Materials:** District agrees that all computer software programs, signage and marketing and promotional literature and material (collectively referred to as "Proprietary Materials") used by ARAMARK on District's premises in connection with the food services provided by ARAMARK under this Agreement shall remain the property of ARAMARK notwithstanding the fact that District may have received a Charge for the use of such Proprietary Materials in connection with District's Food Service Program. Upon termination of this Agreement, all use of trademarks, service marks, and logos owned by ARAMARK or licenses to ARAMARK by third parties shall be discontinued, and District shall immediately return to ARAMARK all Proprietary Materials.

**C. District Information:** ARAMARK acknowledges that during the course of this Agreement, ARAMARK shall have access to business systems, techniques and methods of operation developed at great expense by District which ARAMARK recognizes to be unique assets of District's

business. ARAMARK agrees to keep such information confidential and shall not disclose such information directly or indirectly during or subsequent to the Term of this Agreement."

12. Article XXIV shall be added to STANDARD TERMS AND CONDITIONS as follows:

**"XXIV. Accounting:**

**A. Accounting Period Billing:** Within seven days after the end of each Accounting Period, ARAMARK will submit to District an invoice for District's Financial Obligation for such Accounting Period.

**B. Accounting Period Operating Statement and Notification of Billing Adjustment:** Within 30 days after the end of each Accounting Period, ARAMARK shall submit to District an operating statement for such Period. Any difference between the amount of the invoices previously submitted for the Accounting Period and the amount shown on the operating statement as owing to ARAMARK for the Accounting Period will be reflected in the subsequent Accounting Period billing.

**C. Payment Terms:** All invoices submitted by ARAMARK to District shall be paid within 30 days of the invoice date. In the event invoices are not paid within 30 days of the invoice date, the unpaid portion shall bear interest at the rate of once percent (1%) per month, commencing with the due date until such portion has been paid. The right of ARAMARK to charge interest for late payment shall not be construed as a waiver of ARAMARK's right to receive payment of invoices within 30 days of the invoice date.

**D. Current Year Reconciliation:** Within 30 days following the end of the Current Year, ARAMARK shall submit to District an operating statement for the Current Year and shall pay to District the amount, if any, due District or shall submit to District an invoice pursuant to Article XXIV, herein.

13. Article XXV shall be added to STANDARD TERMS AND CONDITIONS as follows:

**"XXV. Renegotiation:** The District acknowledges that in its RFP it made certain representations, including items such as student population. The Parties acknowledge that ARAMARK has relied upon these representations. In the event



said representations shall change, or be inaccurate by an amount greater than 5%, the financial terms and other obligations assumed by ARAMARK shall be renegotiated on a mutually agreeable basis to reflect such change or inaccuracy.

14. Article XXVI shall be added to **STANDARD TERMS AND CONDITIONS** as follows:

**“XXVI. Financial Terms:**

**A. District’s Food Service Program:** ARAMARK shall manage District's Food Service Program for the benefit to District's students, faculty and staff. All Federal and State reimbursements and cash receipts shall be utilized solely in District's Food Service Program or for the improvement of such Food Service Program. All cash receipts shall be turned over to District for deposit in District's food service account. District represents and warrants that all financial and operating information provided by District to ARAMARK is true, complete and correct and presents fairly and accurately all items of revenue and expense of District’s Food Service Program to be managed by ARAMARK herein in conformity with generally accepted accounting principles consistent with that of the preceding years and applied in accordance with past practice.

**B. District's Responsibilities:** All facilities, equipment and services to be provided by District shall be at District's expense.

**C. Payment to ARAMARK:** ARAMARK shall provide services pursuant to this Agreement and District shall pay ARAMARK for such services at the rate of \$2.339 per meal served (“District’s Financial Obligation”).

**D. Meal Count:** The number of National School Lunch and Breakfast Program meals served to children shall be determined by actual count. Meal Equivalents shall be determined as set forth in Paragraph 2 hereof.

**E. Number of Meals:** This section is deleted and is not a part of the Agreement

**F. Renegotiation:** If the Agreement is renewed after the current year, the Parties agree that the per-meal rate charged by ARAMARK to the District may be increased to reflect increased food costs and other costs of operation upon the mutual agreement of the Parties.



**G. ARAMARK Guarantee:**

**1) Projected Food Service Budget Surplus:** ARAMARK estimates that the projected surplus for the Current Year shall be at least Forty Thousand Dollars (\$40,000) (the "Projected Surplus") for those items of revenue and expense set forth in the mutually agreed upon budget attached hereto as Exhibit "A" (the "Food Service Budget").

**2) ARAMARK Reimbursement:** ARAMARK agrees to reimburse District for the amount, if any, by which District's Surplus is less than the Projected Surplus for the Current Year ("District's Shortfall") up to the amount of \$34,000. District shall be responsible for the balance of the District's Shortfall. The remainder of this section has been deleted.

**3) Reimbursement Conditions and Assumptions:**  
ARAMARK's obligation to reimburse District in accordance with Paragraph G(2), above, shall remain in effect only during the Current Year and is contingent upon the following conditions and assumptions remaining in effect for the Current Year:

- (i) Reimbursement rates for Food Service Program meals shall not be less than the rates in effect for the prior school year.
- (ii) The value of government donated commodities or cash in lieu thereof received shall not be less than the value of government donated commodities or cash in lieu thereof received during the prior school year.
- (iii) There shall be at least 179 full service days where breakfast and lunch are served for the Current Year.
- (iv) The average student enrollment for the Current Year shall be at least 5,290.
- (v) The cost of wages, salary, and fringe benefits for the District's employees or the number of District employees shall not exceed \$740,740. ARAMARK's obligation is based on the Federal and State minimum wage laws in effect as of July, 2007. Should the minimum wage be increased above the July 1, 2007 level pursuant to any Federal, State or

local law or regulation, ARAMARK's obligation shall automatically be adjusted to cover increased labor costs resulting directly or indirectly from such increase.

- (vi) The actual costs charged to the Food Service Budget by District shall not exceed the projected operating expenses as set forth in Exhibit "A" attached hereto and made a part hereof.

In the event any of the foregoing conditions or assumptions are not met during the Current Year, ARAMARK's obligation shall be reduced by the amount of any increase in District's Total Food Service Costs or any reduction in Gross Receipts which is attributable to the changes in such conditions or assumptions.

#### **H. FINANCIAL COMMITMENT:**

In accordance with the Addendum dated November 20, 2006, ARAMARK made a financial commitment to the District in an amount up to Ten Thousand Dollars (\$10,000) for marketing materials (the "Financial Commitment"). A description of the Financial Commitment, including the total cost thereof, shall be attached to this Agreement as Exhibit "B." Except for ARAMARK proprietary materials, which shall be identified pursuant to Exhibit B and which shall remain the property of ARAMARK, any items purchased by ARAMARK shall be purchased as a "sale-for resale" to the District. Title to such purchases shall vest in the District upon such resale. District acknowledges that it is a tax-exempt entity and will provide ARAMARK with a copy of the appropriate tax-exempt certificate. The Ten Thousand Dollar (\$10,000) financial commitment shall be amortized on a straight-line basis over a period of three (3) years, commencing upon the date the marketing materials are placed in service, as more fully set forth in the amortization schedule attached hereto as Exhibit "B."

Upon expiration or termination of this Agreement by either party for any reason whatsoever prior to the complete amortization of the financial commitment, District shall reimburse ARAMARK for the unamortized balance of the financial commitment as of the date of expiration or termination as set forth in the attached amortization schedule.

**15. Article XXVII shall be added to the STANDARD TERMS AND CONDITIONS as follows:**

**XXVII: Indemnification**

**A.** ARAMARK agrees to indemnify and hold the District and its Board of Directors, officers, administrators and employees harmless from any liability (including reasonable attorney's fees and costs) imposed against the District by reason of the negligent, reckless or willful acts or omissions of ARAMARK or its employees in performing its services and duties.

**B.** The District agrees to indemnify and hold ARAMARK and its partners, directors, officers, and employees harmless from any liability (including reasonable attorney's fees and costs) imposed against ARAMARK by reason of the negligent, reckless or willful acts or omissions of the District or its employees.

**C.** In connection with the performance of the work and services contemplated by this Agreement, ARAMARK agrees to comply with all laws, rules, and regulations, whether federal, state, county or municipal, which are now or in the future may be applicable to its business and employees. ARAMARK shall defend, protect and indemnify and save the District, its Board of Directors, officers, administrators and employees harmless against any and all claims, demands, investigations and causes of action of every kind or character (including attorney's fees and costs) filed or made concerning, alleging, growing out of or arising from any violation by ARAMARK of the above-referenced laws, regulations or rules.

**D.** The provisions of this Section shall survive the termination of this Agreement.

**16. Article XXVIII shall be added to the STANDARD TERMS AND CONDITIONS as follows:**

**XVIII. Periodic Review:**

Representatives of the Parties will meet on a regular basis to review ARAMARK'S performance of the services set forth in this Agreement, and generally to review the results of operations under this Agreement in comparison with the expectations of the Parties. Except in unusual circumstances, the ARAMARK representative will be the District Manager. The District representative will be appointed by the Superintendent, or his or her



designee.

**17. Article XXIX shall be added to the STANDARD TERMS AND CONDITIONS as follows:**

**XXIX. Special Functions:**

The District shall have the right from time to time to request ARAMARK to render additional food service on the premises for special functions. ARAMARK shall provide food services at such special functions on a cost per meal basis, with 90% of the resulting gross sales going to ARAMARK and 10% of the resulting gross sales going to the District. The District's percentage of the gross sales shall be deposited in a cafeteria equipment fund. The parties agree that any percentage of gross sales acquired by the District in accordance with this provision shall not be a part of the calculations used to determine whether the projected surplus of \$40,000 has been met and shall not be deducted from the potential \$34,000 owed to the District in the event that the \$40,000 projected surplus is not achieved.

**18. Article XXX shall be added to the STANDARD TERMS AND CONDITIONS as follows:**

**XXX. Form of Notice and Delivery:**

Any notice required or permitted under this Agreement shall be in writing and shall be delivered either personally or by Certified or Registered Mail, with proper postage prepaid

If to ARAMARK, to:

ARAMARK Educational Services, LLC

2300 Warrenville Rd

Downers Grove, IL 6051

Attn: Vice President and Chief Financial Officer, ARAMARK Education (K-12)

Copy to:

ARAMARK Educational Services, LLC

ARAMARK Tower

1101 Market Street

Philadelphia, Pennsylvania 19107-2988

Attn: Vice President and Associate General Counsel, ARAMARK Education (K-12)"

If to WCSD, to:  
Warren County School District  
185 Hospital Drive  
North Warren, PA 16365  
Attn: Superintendent or Board President

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be signed by their duly authorized representatives the day and year first above written.

**WARREN COUNTY SCHOOL  
DISTRICT ("District")**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title:

**ARAMARK EDUCATIONAL  
SERVICES, LLC ("ARAMARK")**

Date: 11/9/08

By: Mary Foster  
Regional Vice President,  
ARAMARK Education

**EXHIBIT A**

**2007-2008 Food Service Budget**



# Exhibit A

## Projected Operating Cost 2007-2008

Warren County School District

Based on

179 days of service @ Secondary

Based on

179 days of service @ Elementary

ACTUAL "IN SCHOOL REVENUE" REVENUE (DOLLARS ONLY):

### Breakfasts:

Elementary Paid	#	<u>17,438</u>	X	<u>\$ 1.00</u>	=	<u>\$ 17,438</u>
Secondary Paid	#	<u>12,628</u>	X	<u>\$ 1.00</u>	=	<u>\$ 12,628</u>
Reduced	#	<u>16,936</u>	X	<u>\$ 0.30</u>	=	<u>\$ 5,081</u>
Adult	#		X	<u>\$ 1.20</u>	=	<u>\$ -</u>
A la Carte Sales	#		X		=	<u>\$ -</u>
Other Sponsors	#		X		=	<u>\$ -</u>
Subtotal Breakfasts:						<u>\$ 35,146.80</u>

### Lunches:

Elementary Paid	#	<u>129,190</u>	X	<u>\$ 1.70</u>	=	<u>\$ 219,623</u>
Secondary Paid	#	<u>130,397</u>	X	<u>\$ 1.85</u>	=	<u>\$ 241,234</u>
Reduced	#	<u>70,500</u>	X	<u>\$ 0.40</u>	=	<u>\$ 28,200</u>
Adult	#		X		=	
A la Carte Sales	#		X		=	<u>\$ 308,732</u>
Other, i.e., Head Start Senior Citizens, etc.	#		X		=	<u>\$ -</u>
Other Sponsors	#		X		=	
Subtotal Lunches:						<u>\$ 797,789.45</u>

### Supplements:

Paid	#		X		=	<u>\$ -</u>
Reduced	#		X		=	<u>\$ -</u>
A la Carte Breakfast	#		X		=	<u>\$ -</u>
Subtotal Supplementals:						<u>\$ -</u>

Special Milk	#		X		=	<u>\$ -</u>
Vending Machine Sales	#		X		=	<u>\$ -</u>
Special Functions	#		X		=	

TOTAL "IN SCHOOL" REVENUE = \$ 832,936

FEDERAL REIMBURSEMENTS:

Breakfasts:

Free	#	3,278	X	\$	1.35	=	\$	4,425
Free, severe need	#	101,010	X	\$	1.61	=	\$	162,626
Reduced	#	1,347	X	\$	1.05	=	\$	1,414
Reduced, severe need	#	15,589	X	\$	1.31	=	\$	20,422
Paid	#	30,066	X	\$	0.24	=	\$	7,216

Lunches

Free	#	222,966	X	\$	2.47	=	\$	550,726
Reduced	#	70,500	X	\$	2.07	=	\$	145,935
Paid	#	259,587	X	\$	0.23	=	\$	59,705

Supplements:

Free	#		X			=	\$	-
Reduced	#		X			=	\$	-
Paid	#		X			=	\$	-

Special Milk:

Paid	#		X			=	\$	-
Free	#		X			=	\$	-

Summer Foodservice:

Breakfast	#		X			=	\$	-
Lunch	#		X			=	\$	-
Snack	#		X			=	\$	-

TOTAL FEDERAL REIMBURSEMENT = \$ 952,469

STATE REIMBURSEMENTS:

Breakfasts:

Free	#	3,278	X	\$	0.11	=	\$	361
Free, severe need	#	101,010	X	\$	0.11	=	\$	11,111
Reduced	#	10,756	X	\$	0.11	=	\$	1,183
Reduced, severe need	#	4,183	X	\$	0.11	=	\$	460
Paid	#	30,066	X	\$	0.11	=	\$	3,307

Lunches

Free	#	222,966	X	\$	0.15	=	\$	33,445
Reduced	#	70,500	X	\$	0.15	=	\$	10,575
Paid	#	259,587	X	\$	0.15	=	\$	38,938

Breakfast Incentive, .02

#			X	\$	0.02	=	\$	-
---	--	--	---	----	------	---	----	---

Breakfast Incentive, .04

#			X			=	\$	-
---	--	--	---	--	--	---	----	---

TOTAL STATE REIMBURSEMENT = \$ 99,380

TOTAL OF ALL REIMBURSEMENTS = \$ 1,051,849

INTEREST INCOME = \$ -

TOTAL REVENUE = \$ 1,884,786

This Page To Be Completed by FSMC and SFA

Breakfast Total	151290
Lunch Total	553053
Meal equiv	103537
<b>Total Meals</b>	<b>807880</b>

**Expenses That SFA is Contracting for And Charging to the Foodservice Account**

EXPENSES:	TOTAL COST	COST PER MEAL:
Food Cost - Including Commodities	\$ 828,029	1.0249
Commodity Delivery Charge	\$ 7,000	0.0087
Freight		0.0000
Labor Cost - District:	\$ 740,740	0.9169
Fringe Benefits & Taxes -District		0.0000
On-Site Manager Salary & Benefits	\$ 184,818	0.2288
Direct allocated Expenses - District	\$ -	0.0000
Direct Expense - Other		0.0000
Long Term Rent		0.0000
Liability Insurance	\$ 8,027	0.0099
Supplies Expense (Paper & Cleaning)	\$ 87,023	0.1077
Non- Food		0.0000
Travel Expense	\$ 5,000	0.0062
Vehicle Expense	\$ 5,000	0.0062
Other		0.0000
Promotions	\$ 6,800	0.0084
Office Expense	\$ 3,000	0.0037
Replacement Cost (Smallwares)	\$ 3,000	0.0037
Concept Marketing		0.0000
Computer Expense	\$ 2,300	0.0028
Telephone	\$ 4,000	0.0050
Amortization Exp		0.0000
Printing		0.0000
Administrative Cost		0.0000
Management Fee	\$ 5,000	0.0062
Training		0.0000
		0.0000
 Subtotal Expenses	 \$ 1,889,737	 Total Cost Per Meal:
 Less Commodity Usage Per Reimbursable Lunch	 \$ 78,350	 2.3391
 TOTAL EXPENSES	 \$ 1,811,387	
 SUMMARY:		
Total Revenue:	\$ 1,884,786	
Total Expenses:	\$ 1,811,387	
Projected District RETURN/(SUBSIDY))	\$ 73,399	
 GUARANTEE	 \$ 40,000	



**EXHIBIT B**

**Amortization Schedule and Description of Financial Commitment**

Warren County SD  
BUYBACK AMORTIZATION SCHEDULE

B-Nov-06

Initial Principle 10,000.00  
Term 3 Years  
Interest Rate % Prime 125%  
Prime 0.00%

Month	Monthly Depreciation	Accumulated Reserve	Remaining Principle	Monthly Interest	Monthly Charge	Yearly Interest	Total Yr Cost
1	277.78	277.78	9,722.22	0.00	277.78		
2	277.78	555.56	9,444.44	0.00	277.78		
3	277.78	833.33	9,166.67	0.00	277.78		
4	277.78	1,111.11	8,888.89	0.00	277.78		
5	277.78	1,388.89	8,611.11	0.00	277.78		
6	277.78	1,666.67	8,333.33	0.00	277.78		
7	277.78	1,944.44	8,055.56	0.00	277.78		
8	277.78	2,222.22	7,777.78	0.00	277.78		
9	277.78	2,500.00	7,500.00	0.00	277.78		
10	277.78	2,777.78	7,222.22	0.00	277.78		
11	277.78	3,055.56	6,944.44	0.00	277.78		
12	277.78	3,333.33	6,666.67	0.00	277.78	0.00	3,333.33
13	277.78	3,611.11	6,388.89	0.00	277.78		
14	277.78	3,888.89	6,111.11	0.00	277.78		
15	277.78	4,166.67	5,833.33	0.00	277.78		
16	277.78	4,444.44	5,555.56	0.00	277.78		
17	277.78	4,722.22	5,277.78	0.00	277.78		
18	277.78	5,000.00	5,000.00	0.00	277.78		
19	277.78	5,277.78	4,722.22	0.00	277.78		
20	277.78	5,555.56	4,444.44	0.00	277.78		
21	277.78	5,833.33	4,166.67	0.00	277.78		
22	277.78	6,111.11	3,888.89	0.00	277.78		
23	277.78	6,388.89	3,611.11	0.00	277.78		
24	277.78	6,666.67	3,333.33	0.00	277.78	0.00	3,333.33
25	277.78	6,944.44	3,055.56	0.00	277.78		
26	277.78	7,222.22	2,777.78	0.00	277.78		
27	277.78	7,500.00	2,500.00	0.00	277.78		
28	277.78	7,777.78	2,222.22	0.00	277.78		
29	277.78	8,055.56	1,944.44	0.00	277.78		
30	277.78	8,333.33	1,666.67	0.00	277.78		
31	277.78	8,611.11	1,388.89	0.00	277.78		
32	277.78	8,888.89	1,111.11	0.00	277.78		
33	277.78	9,166.67	833.33	0.00	277.78		
34	277.78	9,444.44	555.56	0.00	277.78		
35	277.78	9,722.22	277.78	0.00	277.78		
36	277.78	10,000.00	0.00	0.00	277.78	0.00	3,333.33
TOTALS	10,000.00			0.00	10,000.00	0.00	10,000.00
				=====	=====	=====	=====