

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is entered into by and between the **WARREN COUNTY SCHOOL DISTRICT**, having its principal place of business at 589 Hospital Drive, Suite A, Warren, Pennsylvania (the “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”).

The Parties hereto, as a part of administering the Food Services Agreement between the Parties for the 2012/2013 contract year and any contract year for which the Agreement is renewed, hereby agree as follows:

1. As a part of the Request for Proposals (RFP), the District provided a projected meal count of 672,768 meals. Based on this meal count Aramark provided a projected management fee of \$16,250 (calculated by multiplying the 672,768 meals by .024 cents per meal) and a projected administrative fee of \$40,175 (calculated by multiplying the 672,768 meals by .06 cents per meal) as a part of its proposal to the District. The Parties agree that, to the extent the actual meal count in any contract year is either more than or less than the 672,768 meals projected in the RFP, Aramark’s management fee and the administrative fee will be increased or decreased accordingly by multiplying the actual meal count by .024 cents per meal for the management fee and by multiplying the actual meal count by .06 cents per meal for the administrative fee.

2. Notwithstanding the foregoing, the Parties agree that under all circumstances the guaranteed surplus shall remain at \$100,547 and Aramark’s financial liability relative to the \$100,547 guaranteed surplus shall be in an amount of up to \$150,000 (it shall not be limited to the amount of Aramark’s management fee). For example, if the food service program operates at a loss of \$50,000, the District would be entitled to payment in the amount of \$150,000 from Aramark; if the food service program operates at profit of \$10,000, the District would be entitled to payment in the amount of \$90,547 from

Aramark; etc. Aramark's financial liability to the District pursuant to the Guarantee is subject to the terms of the Basis for Financial Projections set forth on page 3.5 and 3.6 of Aramark's proposal (a copy of which is attached hereto as Exhibit A), which terms are based on information provided by the District in the RFP. Aramark's financial liability to the District pursuant to the Guarantee shall be adjusted to reflect any changes to such terms.

AND NOW, this _____ day of _____, 2012, the Parties hereby acknowledge the foregoing as the terms and conditions of this understanding.

ATTEST: (SEAL)

WARREN COUNTY SCHOOL DISTRICT

_____(SEAL)
BY:

**ARAMARK EDUCATIONAL
SERVICES, LLC**

By:

EXHIBIT A

See attached.

Renegotiation

The general and administrative expense and management fee charged by ARAMARK to the District will be increased on an annual basis by an amount to be mutually agreed on. However, in the event no agreement is reached with respect to such increase, the general and administrative expense and management fee will be increased by the yearly percentage change in the consumer price index (CPI), as published by the U.S. Department of Labor, Bureau of Labor Statistics (1982—100 percent base period), Food Eaten Away From Home, or a comparable index if that index is not available. Such increases will be effective on a prospective basis on each anniversary date of the Agreement. The yearly percentage change in the CPI shall be defined as the percentage change in the CPI during the prior 12-month reported period.

PAYMENT TERMS

Invoices will be due in 10 days from receipt. ARAMARK Education prefers that payment be made by electronic transfer of funds (automated clearinghouse [ACH]).

Financial Guarantee

ARAMARK is pleased to guarantee a [\$100,547 surplus] budget for the District's Food Service Program for the 2012–13 school year for those items of revenue and expense set forth in the food service budget included in this proposal. ARAMARK agrees to reimburse the District for the amount, if any, by which the Food Service Program fails to break even [surplus is less than \$100,547] up to \$150,000.00.

Basis for Financial Projections

Our projections are based on the data provided by Warren County School District in the Request for Proposal process, conditions existing at the time we submit our proposal, and the District's ongoing cooperation implementing ARAMARK Education's programs. Should any of the data or conditions change after submission of our proposal, we reserve the right to adjust the budget accordingly.

- **Reimbursement Rates**—Reimbursement rates for NSLP and NSBP meals will not be less than the rates assumed in this Proposal.
- **Government Commodities**—The value of government-donated commodities usable in the proposed menus or cash received in lieu thereof will not be less than during the current school year.
- **Service Days**—There will be 175 service days for the proposed school year.
- **Payroll Expenses**—The cost of wages, salaries, and fringe benefits for the District's employees or the number of District employees will not exceed levels provided in the RFP.
- **Operating Expenses**—The actual costs charged to the food service budget by the District will not exceed the projected operating expenses as set forth in this section of our proposal.
- **Product Costs**—Food costs during the target school year will not increase by an amount greater than 5 percent.
- **CPI**—As per the Request for Proposal, ARAMARK Education requests an increase each year in our administrative and management fees based on the yearly percentage change in the CPI.
- **Campus Policies**—Current District and school campus policies or regulations that affect the financial performance of the Food Service Program will not change.