

FOOD SERVICES MANAGEMENT AGREEMENT

THIS AGREEMENT, made this 29 day of JANUARY, 200²~~1~~, by and between **TEXAS A&M INTERNATIONAL UNIVERSITY**, a component of the Texas A&M University System, an agency of the State of Texas, ("Client") and **ARAMARK EDUCATIONAL SERVICES, INC.**, a Delaware corporation, having its principal place of business at ARAMARK Tower, 1101 Market Street, Philadelphia, Pennsylvania ("ARAMARK").

WITNESSETH THAT:

1. **ENGAGEMENT OF ARAMARK; EFFECTIVE DATE:** Client hereby engages ARAMARK, as its exclusive agent, to manage Client's Campus Food Service Program on Client's campus in Laredo, Texas. The effective date of this Agreement is January 2, 2001.

2. **DEFINITIONS:** The following words and phrases when used in this Agreement, or any amendment hereto, shall have the meanings given to them in this Paragraph:

A. **"Accounting Period":** One of the twelve (12) segments of the ARAMARK fiscal year, each consisting of four (4) or five (5) weeks. Two (2) Accounting Periods of four (4) weeks each and one (1) Accounting Period of five (5) weeks occur in each ARAMARK fiscal quarter. The September Accounting Period in 2003 shall consist of six (6) weeks.

B. **"Agreement":** This Food Services Management Agreement.

C. **"Allocated Charge":** A charge established by ARAMARK, which is reasonably allocated to Client, for certain services provided by ARAMARK to client locations.

D. **"Campus Food Service Program":** Those cash, catering and other related food service operations to be managed by ARAMARK under this Agreement.

E. **"Direct Costs":** Costs incurred by ARAMARK directly attributable to services provided under this Agreement.

F. "Food Service Facilities": The areas, improvements, personal property and facilities made available by Client to ARAMARK for the provision of the food services as more fully described in Paragraph 3.A. below.

G. "General and Administrative Expense Allowance": ARAMARK's allowance of an amount equivalent to the greater of Three Thousand Three Hundred and Thirty Three Dollars (\$3,333) or Five Percent (5%) of Net Cash Receipts per Accounting Period for the financial reporting, legal, tax and audit services, operational accountability and management oversight provided to client locations by ARAMARK at the district, regional and corporate levels.

H. "Net Cash Receipts": Receipts received by ARAMARK from ARAMARK's cash operations less applicable state and local sales taxes.

I. "Prime Interest Rate": The interest rate published in The Wall Street Journal as the base rate on corporate loans posted by at least Seventy-Five Percent (75%) of the thirty (30) largest U.S. banks, such rate to be adjusted on the last day of each Accounting Period.

J. "Reimbursable Costs": The Direct Costs, Allocated Charges and General and Administrative Expense Allowance to be charged to Client under this Agreement.

K. "Servicewares": Items used in the serving of food and beverages such as chinaware, glassware, silverware and "take-out" packaging.

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

3. FACILITIES AND EQUIPMENT:

A. Food Service Facilities: Client shall make available to ARAMARK suitable Food Service Facilities, completely equipped and ready to operate, together with such heat, refrigeration, and utilities service as may be reasonably required for the efficient performance of ARAMARK's engagement pursuant to Section 1 of this Agreement. The Food Service Facilities shall include adequate dressing rooms and rest rooms for ARAMARK's employees and appropriate office space and office equipment including, but not limited to, desks, chairs, tables, filing cabinets and safe, for the exclusive use of ARAMARK in the performance of ARAMARK's engagement

pursuant to Section 1 this Agreement. Client shall have full access to the Food Service Facilities at all times.

B. Repair, Replacement and Maintenance: Client shall furnish building maintenance services for the Food Service Facilities, shall promptly make all equipment repairs and replacements, and shall be responsible for compliance with all federal, state and local safety and health laws and regulations with respect to the Food Service Facilities.

C. Servicewares and Small Expendable Equipment: Client shall furnish an adequate initial inventory of Servicewares and Small Expendable Equipment. At the commencement of operations hereunder, ARAMARK and Client shall jointly take an opening inventory of such Servicewares and Small Expendable Equipment, a copy of which shall become part of this Agreement, as Exhibit "A". ARAMARK shall maintain such inventory as a Direct Cost.

D. IT System: ARAMARK shall develop, implement, operate and maintain an information technology system (which may include, but not be limited to, hardware, owned and licensed software and systems support) necessary to support the services provided by ARAMARK (the "IT System"). Client shall receive an Allocated Charge for the development, implementation, operation and maintenance of the IT System. Client shall provide, at its expense, a suitable environment, including such heat, air conditioning, phone and utility service as may be reasonably required for the operation of the IT System.

4. CLEANING RESPONSIBILITIES:

A. ARAMARK's Responsibilities: ARAMARK shall maintain high standards of sanitation and shall be responsible for routine cleaning and housekeeping in the food preparation and service areas (including food service equipment, kitchen floors, hoods and grease filters) of the Food Service Facilities and for the routine cleaning of tables and chairs in such areas, including the cleaning of all tables and chairs in the seating areas on the Food Service Facilities .

B. Client's Responsibilities: Client, at its cost, shall provide regular cleaning service for walls, windows, floors, light fixtures, draperies and blinds, and periodic waxing and buffing of floors in the Food Service Facilities. In addition, Client,

at its cost, shall be responsible for routine cleaning of all grease traps, duct work, plenum chambers and roof fans in the Food Service Facilities. Client shall be responsible for trash and garbage removal and extermination service.

5. FOOD SERVICE AND MENUS: ARAMARK shall manage the Campus Food Service Program for Client and Client's students, faculty, staff and guests at such hours and locations as Client and ARAMARK shall mutually determine. ARAMARK shall submit menus to such person as Client shall designate at least one (1) week in advance of implementation. The parties will mutually agree on the cost of food items sold.

6. PERSONNEL:

A. ARAMARK shall provide and pay a staff of personnel on duty on Client's premises for the efficient management of the Campus Food Service Program. ARAMARK personnel will be subject to the rules and regulations of Client while on Client's premises. ARAMARK personnel may be employed by an ARAMARK affiliate and made available to ARAMARK pursuant to an intercompany agreement.

ARAMARK shall be reimbursed for the Direct Costs incurred by ARAMARK in connection with its personnel assigned to duty on Client's premises, including compensation and related payroll costs, and shall charge an Allocated Charge for fringe benefits and human resource services.

B. ARAMARK's personnel assigned to Client's premises shall be selected with prior approval of Client. The managers shall continue serving on Client's premises only as long as their performance is acceptable to Client, nor shall they be removed or transferred without Client's approval. The manager and all other employees of ARAMARK are employees of ARAMARK and nothing in this Agreement shall be deemed to create an employer-employee relationship between ARAMARK's managers and Client. Client shall have neither supervision nor control over ARAMARK's employees in the performance of their duty to ARAMARK.

C. ARAMARK will offer employment, or cause its affiliate to offer employment, on a fair trial basis to those of the present food service employees Client recommends, but will not be required to retain those who do not meet ARAMARK's standards or those in excess of the number required for efficient operation.

D. Client shall furnish ARAMARK with student labor to an extent mutually agreed upon.

E. If ARAMARK incurs any costs, including legal fees, retroactive wages and damages, as a result of any personnel action taken by Client or by ARAMARK or its affiliates at the direction of Client, which action ARAMARK or its affiliates would not have taken but for Client's direction, ARAMARK shall charge Client for such costs as Direct Costs to the extent allowable by the Constitution and laws of the State of Texas.

F. ARAMARK agrees that no supervisory personnel of Client shall be hired by ARAMARK for the term of this Agreement and six (6) months thereafter.

Client acknowledges that ARAMARK and its affiliates have invested considerable amounts of time and money in training the supervisory personnel assigned to the Campus Food Service Program 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 such supervisory personnel. Therefore, Client agrees that supervisory personnel assigned to the Campus Food Service Program by ARAMARK will neither be hired by Client for the term of this Agreement and six (6) months thereafter, nor will Client permit supervisory personnel assigned to the Campus Food Service Program by ARAMARK to be employed on Client's premises for a period of six (6) months subsequent to the termination of this Agreement (unless such persons were formerly personnel of Client). 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 Client's premises at any time during the twelve (12) month period immediately preceding termination of this Agreement.

In addition, to the extent allowable by the Constitution and the laws of the State of Texas Client agrees that if it violates the conditions set forth in the immediately preceding paragraph then Client shall pay to ARAMARK and ARAMARK shall accept as liquidated damages and not as a penalty for such breach, an amount equal to two times the annual salary of the ARAMARK supervisory personnel hired by

Client or allowed to work on Client's premises in violation of the terms of this Agreement.

G. ARAMARK shall not discriminate because of race, color, religion, sex, age, national origin, disability, or status as a Vietnam Veteran, as defined and prohibited by applicable law, in the recruitment, selection, training, utilization, promotion, termination or other employment-related activities concerning personnel of the Campus Food Service Program. ARAMARK affirms that it is an equal opportunity and affirmative action employer and shall comply with all applicable federal, state and local laws and regulations.

7. HEALTH EXAMINATIONS: ARAMARK shall cause all of its personnel assigned to duty on Client's premises to submit to periodic health examinations as required by law, and shall submit satisfactory evidence of compliance with all health regulations to Client upon request. The cost of such examinations shall be a Direct Cost.

8. PURCHASING: ARAMARK, as an authorized agent of Client, shall purchase and pay for, as a Direct Cost, all food, supplies and services utilized in the Campus Food Service Program. ARAMARK will credit local trade discounts to Client's account. Cash discounts or discounts not exclusively related to ARAMARK's operation at the Client's facilities shall not be credited to Client's account. Client shall be billed for purchases made hereunder as such food and supplies are utilized in the Campus Food Service Program.

In the event an affiliated company or division of ARAMARK furnishes products or ancillary services necessary to the efficient operation of the Campus Food Service Program, charges to Client for such products or ancillary services shall be competitive with the cost of obtaining such products or services from an independent source in the open market.

9. INVENTORY OF FOOD AND SUPPLIES: At the commencement of operations, ARAMARK and Client shall jointly inventory all food and related supplies to be utilized in the Campus Food Service Program that are salable or usable in the ordinary course of the Campus Food Service Program. A summary of such inventory shall become part of this Agreement, as Exhibit B. During the course of this

Agreement, title to all such food and supplies shall remain in ARAMARK. At the termination of this Agreement, ARAMARK and Client shall jointly undertake a closing inventory of all food and supplies that are salable or usable in the ordinary course of the Campus Food Service Program. The value of the opening inventory shall be offset against the value of the closing inventory. The value of the inventories shall be determined by invoice cost. In the event the opening inventory is greater than the closing inventory, the difference shall be credited against ARAMARK's final billing. In the event the closing inventory is greater than the opening inventory, the difference shall be added to ARAMARK's final billing as a Direct Cost.

10. LICENSES, PERMITS AND TAXES: ARAMARK shall obtain all federal, state and local licenses and permits required for operation of the Campus Food Service Program, and shall be responsible for all sales, use, excise, state and local business and income taxes attributable to the operation of the Campus Food Service Program. The cost of all such licenses, permits and taxes, including an estimated amount for state income taxes based on the operating unit's income, shall be charged as Direct Costs.

In the event that a determination is made by a government authority that any sales, purchases, payments, or use of property made to or by ARAMARK under this Agreement, either in whole or in part, is subject to any sales, use, gross receipts, property, or any similar tax which tax was not contemplated by the parties at the commencement of operations hereunder, the full amount of any such tax liability, together with any interest paid by ARAMARK, shall be invoiced by ARAMARK and shall be reimbursed by Client, notwithstanding the fact that this Agreement may have expired or been terminated for any reason by either party prior to the date of such determination.

11. INSURANCE: ARAMARK shall provide workers' compensation insurance as required by law. Client shall be named as an additional insured with respect to ARAMARK's comprehensive general liability insurance. In addition, ARAMARK shall carry comprehensive general liability insurance, including products, contractual, and broad form vendors' coverage, with minimum limits of at least One Million Dollars (\$1,000,000). ARAMARK shall furnish to Client, upon request, a certificate of insurance

indicating that such coverage is in effect. ARAMARK shall charge Client an Allocated Charge for providing insurance coverage and related services.

To the extent allowable by the Constitution and the laws of the State of Texas Client 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.

12. FINANCIAL TERMS: All facilities, equipment and services to be provided by Client under this Agreement shall be provided at Client's expense. Client shall retain all receipts from the Campus Food Service Program. ARAMARK shall be reimbursed for all Reimbursable Costs including its General and Administrative Expense Allowance.

13. ACCOUNTING:

A. Accounting Period Billing and Operating Statement: Within twenty (20) days after the end of each Accounting Period, ARAMARK will submit to Client an invoice and operating statement for ARAMARK's Reimbursable Costs, as noted in 2.J and the General and Administrative Expense Allowance, as noted in 2.G, for such Accounting Period.

B. Payment Terms: All invoices submitted by ARAMARK to Client shall be paid within thirty (30) days of the invoice date in accordance with Government Code Section 2251.001. To the extent allowable by the constitution and the laws of the State of Texas if invoices are not paid within thirty (30) days of the invoice date, interest shall be charged on each invoice at One Hundred Twenty-Five Percent (125%) of the Prime Interest Rate per annum or One Percent (1%) per Accounting Period, whichever is greater, on the unpaid balance (or in the event local law prohibits the charging of such rate, interest shall be charged at the maximum legal rate permitted), computed from the invoice date until the date 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 thirty (30) days of the invoice date.

14. RENEGOTIATION: The financial terms set forth in this Agreement and other obligations assumed by ARAMARK hereunder are based on conditions in existence on the date ARAMARK commences operations, including by way of example, Client's student population; labor, food and supply costs; and federal, state and local sales, use and excise taxes. In addition, ARAMARK has relied on representations regarding existing and future conditions made by Client in connection with the negotiation and execution of this Agreement. In the event of a change in the conditions or the inaccuracy or breach of, or the failure to fulfill, any representations by Client, in addition to all other rights and remedies of ARAMARK at law, in equity and under this Agreement, the financial terms and other obligations assumed by ARAMARK shall be renegotiated on a mutually agreeable basis to reflect such change, inaccuracy or breach. When the sales reach a level beyond break even, the Agreement would be renegotiated, based on mutually agreeable terms in writing.

15. 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 Campus Food Service Program, upon request, ARAMARK shall take all reasonable steps to continue to provide service upon terms and conditions satisfactory to ARAMARK and Client. In the event of a Force Majeure which interferes with the Campus Food Service Program, Client shall not be responsible for the General and Administrative Expense Allowance during the Force Majeure.

16. ACCURATE BOOKS AND RECORDS: ARAMARK shall maintain accurate books and records in connection with the Campus Food Service Program and shall retain such records for a period of two (2) years. Client may audit such books and records any time during regular business hours and with reasonable notice.

17. CONFIDENTIAL INFORMATION AND PROPRIETARY MATERIALS:

A. Confidential Information: All financial, statistical, operating and personnel materials and information, including, but not limited to, technical manuals, recipes, menus and meal plans, policy and procedure manuals and computer software programs, including those software programs created by Client based on ARAMARK supplied information, relative to or utilized in ARAMARK's business or the business of any subsidiary or affiliate of ARAMARK, shall be the property of ARAMARK and shall be confidential. Client shall keep such information confidential and shall so instruct its agents, employees and independent contractors, and the use of such information by Client in any manner shall not affect ARAMARK's ownership or the confidential nature of such information, to the extent allowable by the constitution of the State of Texas. Client shall not photocopy or otherwise duplicate any such materials without the prior written consent of ARAMARK. ARAMARK specifically understand that Client is an agency of the State of Texas and, as such, is subject to the Texas Public Information Act (the "Act"). In the event of a public information request for information claimed by ARAMARK as trade secret or other information which ARAMARK believes is exempt from disclosure, if ARAMARK desires not to disclose the requested information (or for Client not disclose the requested information), ARAMARK will designate in writing which information ARAMARK claims as a trade secret or otherwise exempt from disclosure, and provide such briefing as may be required by the Act to support its claim for submission to the Texas Attorney General in accordance with the Act. Client shall, as soon as practicable, notify ARAMARK, in writing, of any and all public information requests for ARAMARK's information which are received by Client; provided, however, that any delay in Client's notification to ARAMARK shall not be deemed to adversely affect ARAMARK's opportunity to claim exemption from disclosure.

B. Proprietary Materials: Client agrees that all computer software programs, signage and marketing and promotional literature and material (collectively referred to as "Proprietary Materials") used by ARAMARK on Client's campus in connection with the food services provided by ARAMARK under this Agreement shall remain the property of ARAMARK notwithstanding the fact that Client may have received an Allocated Charge for the use of such Proprietary Materials in connection

The terms of this Agreement may not be changed, modified or amended except by a writing signed by both parties.

20.DISPUTE RESOLUTION:

(1) The dispute resolution process provided for in Chapter 2260 of the Government Code (the "Government Code") shall be used, as further described herein, by the Client and ARAMARK, Inc. to attempt to resolve any claim for breach of contract made by the ARAMARK.

- (a) ARAMARK's claim for breach of this contract the parties cannot resolve in the ordinary course of business shall be submitted to the negotiation process provided in Chapter 2260, subchapter B, of the government Code. To initiate the process, the ARAMARK shall submit written notice, as required by subchapter B, to the Vice President for Finance and Administration of the Client. Said notice shall specifically state that the provisions of chapter 2260, subchapter B, are being invoked. A copy for the notice shall also be given to all other representative of the Client and ARAMARK otherwise Client is entitled to notice under this Agreement. Compliance by the ARAMARK with subchapter B is a condition precedent to the filing of a contested case proceeding under Chapter 2260, subchapter C, of the Government Code.
- (b) The contested case process provided in Chapter 2260, subchapter C, of the Government Code is the ARAMARK's sole and exclusive process for seeking a remedy for any and all alleged breaches of contract by the Client if the parties are unable to resolve their disputes under subparagraph (a) of this paragraph.
- (c) Compliance with the contested case process provided in subchapter C is a condition precedent to seeking consent to sue from the Legislature under Chapter 107 of the Civil Practices and Remedies Code. Neither the execution of this contract by the Client nor any other conduct of any representative of the Client

relating to this Agreement shall be considered a waiver of sovereign immunity to suit.

- (c) The submission, processing and resolution of the ARAMARK's claim is governed by the published rules adopted by the Attorney General pursuant to Chapter 2260, as currently effective, hereafter enacted or subsequently amended.
- (d) Neither the occurrence of an event nor the pendency of a claim constitutes grounds for the suspension of performance by the ARAMARK, in whole or in part
- (e) The designated individual responsible on behalf of the Client for examining any claim and conducting any negotiations related thereto as required under 2260.052 of H.B. of the 76th Legislature shall be the Chief Financial Officer, Jose Garcia.

21.WAIVER: The failure of ARAMARK or Client to exercise any right or remedy available under this Agreement upon the other party's breach of the terms, representations, covenants or conditions of this Agreement or the failure to demand the prompt performance of any obligation under this Agreement shall not be deemed a waiver of (i) such right or remedy; (ii) the requirement of punctual performance; or (iii) any right or remedy in connection with any subsequent breach or default on the part of the other party.

22.GOVERNING LAW: This Agreement shall be governed by the law of the state where the services described in Paragraph 1 are rendered, without regard to principles of conflicts of laws applicable therein.

23. TERM/ TERMINATION:

A. Term: This Agreement shall commence on the Effective Date hereof and shall continue for period of five (5) years thereafter, unless otherwise terminated as provided for herein.

B. Termination: If at any time during the term of this Agreement either party considers terminating the Agreement, such party shall give the other party written notice that it is considering such action, which notice shall set forth with sufficient specificity such party's reasons for contemplating termination. During the following thirty (30) day period the parties shall discuss, in good faith, the party's reasons for considering termination in an effort to avoid the need for such action. Following the thirty (30) day discussion period, the party considering termination, if not fully satisfied, may elect to terminate the Agreement by giving the other party sixty (60) days' written notice of its intention to terminate; provided, however, neither party may give notice of its intention to terminate during the first ninety (90) days of operation under this Agreement.

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.

TEXAS A&M INTERNATIONAL UNIVERSITY ("Client")

By: _____

Jose Garcia
Jose Garcia
Vice President for Finance and Administration

ARAMARK EDUCATIONAL SERVICES, INC. ("ARAMARK")

By: _____

Mark Nelson
Mark Nelson
Regional Vice President

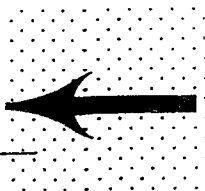


Exhibit A

Servicewares and Small Expendable Equipment

Exhibit B

Inventory