County; (3) participation or contributions by County to the Public Employment Retirement System; (accumulation of vacation leave or sick leave; or (5) unemployment compensation coverage provided by County.

3. FINANCIAL AND ACCOUNTING ARRANGEMENTS:

A. Meal Service and Prices: ARAMARK shall provide meals to the County's inmates, staff and visitors at the per meal prices set forth in **Attachment A**. Any prepackaged religious meals requested by the administration or religious authority shall be provided at a price to be mutually agreed in advance. The County shall notify ARAMARK of the actual number of meals ordered each day at a mutually agreed upon time prior to meal service, and the County shall make additions or deletions to such order within a mutually agreed upon time prior to meal service. When the initial notice of meals ordered is not given timely, ARAMARK shall prepare and will be paid for the same number of meals as prepared for the previous day.

The initial inmate meal menus, including required portion sizes, are set forth in Attachment "B". Changes in the menu must be jointly approved in advance by the County and ARAMARK without a formal amendment to this Agreement. Staff meals shall be different from the inmates' meals and menus.

B. Price Adjustments: The per meal prices stated in this Agreement are firm for the period beginning on the September 1, 2008 and ending on June 30, 2011. Per meal prices for any and each subsequent 12-month period shall be increased prior to the beginning of each such period by an amount to be mutually agreed upon; provided, however, that in the event no agreement is reached with respect to such increase, per meal prices shall be increased by the quarter of the yearly percentage change in the CPI-I (defined herein) and the yearly percentage change in the Market Basket of Products (defined herein) constituting the menu in accordance with the immediately following paragraph.

The base period for comparison for a CPI or Market Basket of Products increase in ARAMARK's per meal price(s) shall be the annual average from May of the then current year to May of the immediately preceding year, and shall be based upon the greater of the Consumer Price Index, All Urban Consumers (CPI-I), U.S. City Average, Food Away From Home Index, published by U.S. Department of Labor and the Market Basket of Products (individually referred to as the "Index"). Such adjustments shall be calculated using a percentage in which the numerator is the Index for the third month preceding the beginning of the new 12-month period and the denominator which is the Index for the third month preceding the beginning of the prior 12-month period. The percentage shall be applied to the then-current per meal price to determine the price for the subsequent 12-month period, and such unit price shall be effective the first (1st) day of such 12-month period. The "Market Basket of Products" means the regional or local cost, in the aggregate, of the core products utilized to produce the agreed upon menu (such as dairy, protein, beverages, etc.) based on the Bureau of Labor Statistics data.

C. Capital Investment: ARAMARK agrees to make a capital investment to County in an amount up to One Hundred Thousand Dollars ($100,000.00) (the "Investment"). County agrees to invest the Investment in the purchase and installation of food service equipment in the

County's kitchen facilities and officer dinning areas. Any equipment purchased by ARAMARK on County's behalf shall be purchased as a "sale-for-resale" to the County. County shall hold title to all such equipment upon such resale. County acknowledges that it is a tax-exempt entity and will provide ARAMARK with a copy of the appropriate tax-exempt certificate. The County shall have final approval over equipment purchased by ARAMARK. Should the County deny the purchase of any equipment which is necessary for ARAMARK to perform at the prices established under this Agreement, the parties agree to renegotiate the Agreement in good faith to mitigate any adverse economic burden on ARAMARK.

The Investment shall be amortized on a straight-line basis over a period of five (5) years, commencing upon the complete expenditure of the Investment. Upon expiration and non-renewal or termination of this Agreement by either party for any reason whatsoever prior to the complete amortization of the Investment, County shall reimburse ARAMARK for the unamortized balance of the Investment as of the date of expiration or termination.

D. Additional Services: Food, beverage and other services required or desired by the Facility outside the scope of this Agreement shall be provided by ARAMARK upon written authorization by the County and/or Sheriff at mutually agreed upon prices for such services.

ARAMARK's Fresh Favorites program shall be initiated on a date to be mutually agreed upon by the parties within the first thee months of this agreement.

E. Initial Four-Week Payment: Prior to the commencement of operations hereunder, ARAMARK shall submit to the County an invoice for an amount equal to the estimate of ARAMARK's total meal billings for one (1) four-week accounting period (the "Initial Payment").

Prior to each anniversary of the commencement of operations hereunder, ARAMARK shall submit to the County an invoice in an amount equal to the increase, if any, or a credit memo for the decrease, if any, in such Initial Payment from the amount previously billed.

The foregoing payments shall be retained by ARAMARK and credited to the County at the time of the last billing made by ARAMARK to the County at the termination of this Agreement.

F. Billing: ARAMARK shall submit to the County by the tenth (10th) day of every month weekly charges for the preceding month an invoice pursuant to Attachment A.

G. Manner Of Payment: Payment shall be made by check payable to ARAMARK Correctional Services, LLC within thirty (30) days after the invoice date. Such payment shall be sent to:

ARAMARK Correctional Services, LLC
P.O. Box 406019
Atlanta, Georgia 30384-6019

(Payments only shall be sent to this address, all other correspondence shall be sent

to the address set forth in Section 9 hereof.).

4. **MATERIAL ADVERSE CHANGE:** The financial arrangements in this Agreement are based on conditions existing as of the Effective Date including any representations regarding existing and future conditions made by County in connection with the negotiation and execution of this Agreement. If such conditions change due to causes beyond ARAMARK's control, including, but not limited to, a change in the scope of ARAMARK's services, menu changes, a decrease in the Facility's inmate population or the availability of inmate labor; increases in food, fuel, equipment, utilities and supply costs, Federal, State and local sales, and other taxes and other operation costs or other unforeseen external market conditions outside ARAMARK's control, then ARAMARK shall give County written notice of such increase or change, and within thirty (30) calendar days after such notice, ARAMARK and County shall mutually agree upon modification(s) to offset the impact of the increase or change, which modifications may include any or a combination of the following: an adjustment to ARAMARK's price per meal, modifications to the menu, or modifications to ARAMARK's scope of services.

5. **FEDERAL SURPLUS COMMODITIES:** ARAMARK shall use available U.S. Department of Agriculture commodities in providing food service to the inmates and staff of each Facility. ARAMARK shall comply with the rules and regulations of the U.S. Department of Agriculture in securing said commodities. All books and records pertaining to the meal preparation and delivery for each Facility shall be available for a period of thirty-six (36) months after the close of federal fiscal year (October 1 through September 30) to which they pertain for inspection and audit by representatives of the United States Department of Agriculture, and/or the General Accounting Office at any reasonable time or place. Commodities received shall be used solely for the benefit of the County. In developing the prices to be charged by ARAMARK under this Agreement, ARAMARK has relied on the County's representation regarding the quantity and mix of USDA commodities utilized during two (2) immediately preceding years in the facilities covered by this Contract. In the event the mix and/or quantity of government donated commodities changes from the mix and quantity utilized in prior years, so as to increase actual food costs over the level of projected food cost set forth in the invoice, the prices charged by ARAMARK shall be renegotiated to reflect such change.

ARAMARK shall credit the invoice presented to the County for the value of U.S. Department of Agriculture commodities used, minus any shipping or handling charges actually incurred. The value of the commodities shall be the value set forth on the invoice, bill of lading, delivery receipt or other similar document from the U.S. Department of Agriculture or distributing State agency. If no value is set forth, the County and ARAMARK shall together contact the U.S. Department of Agriculture or distributing State agency to ascertain such value.

6. **ACCESS AND RECORDS:** ARAMARK will maintain accurate books and records in connection with the food service operation and shall retain such records for thirty-six (36) months after the close of the federal fiscal year (October 1, through September 30).

7. **TERM OF AGREEMENT:** The initial term of this Agreement shall commence on September 1, 2008, and shall continue through June 30, 2011. Thereafter, the County and ARAMARK may extend this Agreement for additional periods of twelve (12) months each,

provided that the services to be provided, and the prices thereof, for the extension period, have been mutually agreed upon by the County and ARAMARK.

8. TERMINATION:

A. Termination For Convenience: Either party may terminate this Agreement for convenience, at any time during the term or any renewal or extension, upon thirty (30) days notice to the other party.

B. Termination For Default: Either party may terminate this Agreement upon a breach or default of this Agreement by the other party, which is not cured within thirty (30) days after receipt by the defaulting party of a notice from the non-defaulting party, specifying the nature of such breach or default. For purposes of this Paragraph 8.B, breach or default by ARAMARK is defined as:

(i) ARAMARK or any of its principals, partners or members, including the limited liability company itself, has pled nolo contendere, or has pled or been found guilty of a criminal violation, whether state or federal, involving, but not limited to, governmental sales or purchases, including but not limited to the rigging of bids, price fixing, or any other collusive and illegal activity pertaining to government bidding and governmental contracting;

(ii) ARAMARK has subcontracted, assigned, delegated, or transferred its rights, obligations or interests under this Agreement in violation of Paragraph 12 hereof.

(iii) ARAMARK has filed bankruptcy, become insolvent or made an assignment for the benefit of creditors, or a receiver, or similar officer is appointed to take charge of all or part of ARAMARK's assets.

C. Consequences of Termination: If this Agreement is terminated under any circumstances, the County shall pay ARAMARK for all inmate and staff meals, and other services, provided by ARAMARK to and including the date of termination, at the prices and within the payment periods set forth in this Agreement. The County's obligation to pay for meals and services provided shall survive the termination or expiration of this Agreement.

Upon the expiration or any termination of this Agreement, the County may choose, if requested by ARAMARK, to purchase ARAMARK's usable inventory of food and supplies. The purchase price for such inventory shall be ARAMARK's invoice cost.

9. NOTICE: All notices or other communication hereunder shall be deemed to be duly given when made in writing and delivered in person or deposited in the United States mail, postage prepaid, certified mail, return receipt requested and addressed to the party at its respective address first set forth above, or such other address as it may designate, by notice given as aforesaid.

10. CONFLICTS OF INTEREST: ARAMARK covenants that it presently has no interest

and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with performance of this Agreement and no person having any such interest shall be employed. In addition, no officer, agent or employee of the County and no member of its governing body shall participate in any decision relating to this Agreement which affects his/her personal interest or any corporation, partnership, association which he/she is directly or indirectly interested or has any personal or pecuniary interest.

11. **CONFIDENTIAL INFORMATION:** All financial, statistical, operating and personnel materials and information, including, but not limited to, software, technical manuals, recipes, menus and meal plans, policy and procedure manuals and computer programs relative to or utilized in ARAMARK's business (collectively, the "ARAMARK Proprietary Information") are and shall remain confidential and the sole property of ARAMARK and constitute trade secrets of ARAMARK. The County shall keep all ARAMARK Proprietary Information confidential and shall use the ARAMARK Proprietary Information only for the purpose of fulfilling the terms of this Agreement. The County shall not photocopy or otherwise duplicate any materials containing any ARAMARK Proprietary Information without the prior written consent of ARAMARK. Upon the expiration or any termination of this Agreement, all materials containing any ARAMARK Proprietary Information shall be returned to ARAMARK.

12. **ASSIGNMENT**: ARAMARK may not assign this Agreement without the County's prior written consent (not to be unreasonably withheld, conditioned or delayed), except that ARAMARK may assign this Agreement, in its sole discretion, to any of its affiliates without any consent being required. The term "affiliate" means any corporation, limited liability company or any other person controlling, controlled by or under common control with, ARAMARK.

13. **PRESS RELATIONS:** ARAMARK shall coordinate with the County Sheriff or Facility Administrator on any and all press or media releases.

14. **ENTIRE AGREEMENT:** This Agreement represents the entire agreement and understanding between the County and ARAMARK and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the County and ARAMARK.

15. **SEVERABILITY:** If any provision hereof or the application thereof to any person or circumstance is held to any extent, to be void, invalid or unenforceable, the remainder of this Agreement, and the application of such provision to other persons or circumstances, shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

16. **WAIVER:** The failure of ARAMARK or the County to exercise any right or remedy available under this Agreement upon the other party's breach of the terms, covenants and 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 such right or remedy; or the requirement of punctual performance; or of any subsequent breach or default on the part of the other party.

17. **SUBJECT TO FUNDING**: The contract is subject to annual appropriations of funds by the Shelby County Government. In the event sufficient funds for the contract are not appropriated by Shelby County Government for any of its fiscal period during the term hereof, then the contract will be terminated. In the event of such termination, ARAMARK shall be entitled to receive compensation for any satisfactory work performed as of the termination date and shall be reimbursed for the unamortized balance, if any, due ARAMARK pursuant to Paragraph 3.C hereof.

18. **ORDER OF PRECEDENCE:** It is understood and agreed between the parties that in the event of a variance between the terms and conditions of the Agreement and any exhibit, attachment or amendment thereto and the terms and conditions contained either within the Request for Proposals/Bids or the Response thereto, the following order of precedence applies: (a) the body of the Agreement; (b) ARAMARK's response to the RFP; and (c) the COUNTY'S RFP Number 08-003-57.

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

ARAMARK Correctional Services, LLC

By: _____
David Kimmel
Vice President, Finance

Shelby County Government
State of Tennessee

By: _____
Name:
Title:

APPROVED:

_____
Contract Administrator
Assistant County Attorney

COMPANY ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF PHILADELPHIA

Before me, the undersigned Notary Public, in and for the State and County aforesaid, personally appeared David Kimmel, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself to be an officer authorized by appropriate action and/or Resolution to execute the preceding instrument of ARAMARK Correctional Services, LLC, the within named bargainor, a limited liability company, and that he as such Vice President, Finance, executed the foregoing instrument for the purpose therein contained, by signing the name of the limited liability company by himself as Vice President, Finance.

WITNESS my hand and official seal at office this 18th day of November, 2008.

Marien Campos
Notary Public

My Commission Expires: March 20, 2012

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
MARIEN CAMPOS, Notary Public
City of Philadelphia, Phila. County
My Commission Expires March 20, 2012

Attachment A
Shelby County Jail, TN
Shelby County Jail and Jail East

Year 1 Effective 9/1/2008 - 6/30/2009

The total annual cost for the adult, juvenile and staff meals provided under the Contract during Fiscal Year 2008-2009 shall be four million forty-one thousand nine hundred twelve and 00/100 dollars ($4,041,912.00) payable in the amount of $77,729.08 per week (the "Weekly Fee"), except as provided herein. The fee billing structure will be effective beginning September 1, 2008. Should the total number of inmate meals provided at both facilities reach an average of 2,900 or above over a 30 day period, the Weekly Fee shall be adjusted as outlined below. Should the total number of staff meals provided at both facilities increase to an average of 495 and above over a 30 day period, the Weekly Fee shall be adjusted as outlined below. Should diets and special meals deviate from current counts by 20% over a 30-day period, the Weekly Fee shall be adjusted as outlined below. Adjustments to the Weekly Fee, should any of the meal counts for the types listed above exceed the noted upper thresholds over the specified period of time, shall be made for said meals served in excess of that threshold during that time and shall be billed as follows:

a. Inmate and Juvenile meals: $1.163
b. "Weight gain" medical and special diets: $1.82
c. Staff meals: $1.82

The annual cost set forth above does not include any additional services or special functions (including catering), which the County may request under separate Purchase Order. The prices for any additional services shall be mutually agreed upon at the time of service and evidenced by a valid County Purchase Order.

The foregoing prices are based on the menu agreed upon by ARAMARK and the County. All menus may be changed from time to time as mutually agreed upon by the parties without formally amending this Agreement.

Year 2 Effective 7/1/2009 – 6/30/2010

The total annual cost will be $4,203,588.48 with a Weekly Fee of $80,838.24, except as noted above. Adjustments to the Weekly fee as outlined above will be billed as follows:

a. Inmate and Juvenile meals: $1.210
b. "Weight gain" medical and special diets: $1.893
c. Staff meals: $1.893

Attachment A (Continued)
Shelby County Jail, TN - Shelby County Jail and Jail East

Year 3 Effective 7/1/2010 – 6/30/2011

The total annual cost will be $4,371,732.02 with a Weekly Fee of $84,071.77, except as noted above. Adjustments to the Weekly fee as outlined above will be billed as follows:

a. Inmate and Juvenile meals: $1.258
b. "Weight gain" medical and special diets: $1.969
c. Staff meals: $1.969

The total annual cost and meal prices for subsequent years will be adjusted pursuant to Paragraph 3.B of the Agreement.