

VENDING AGREEMENT

C14080

This VENDING AGREEMENT, as from time to time amended (**Agreement**), is entered into between the undersigned client (**Client**), and Compass Group USA, Inc., by and through its Canteen Vending Services Division (**Canteen**), who, in consideration of the promises contained herein, agree as follows:

1. **CANTEEN RESPONSIBILITIES.** Client grants to Canteen, as an independent contractor, the exclusive right to provide and to install vending and other related equipment (**Equipment**) to dispense food, beverage, and sundry products supplied by Canteen (**Products**) at the sites and facilities described on the signature page (**Premises**). Canteen will install, maintain, and service the Equipment in a sanitary manner in accordance with industry standards and all federal, state, and local laws. Client has no right, title, or interest to Equipment or Products, and shall not assert or disturb rights, title, or interest to any Equipment, inventory, or other property furnished or installed by Canteen on the Premises. Client shall not operate, remove, or tamper with such Equipment, Products, or other property. Client shall be responsible for any damage to the Equipment caused by the willful or negligent acts or omissions of Client, its agents, or employees. In the event that a piece of Equipment is not generating an appropriate volume of Net Sales, Canteen may, at its sole discretion, remove such piece of Equipment.

2. **CLIENT RESPONSIBILITIES.** The Client will furnish Canteen with the necessary space, trash removal, extermination services, and utilities to permit the sanitary operation of the services. Client will maintain and service the areas around the Equipment in a sanitary manner in accordance with industry standards and all federal, state, and local laws. Client will provide Canteen Employees the necessary access (and if required, necessary security access) and sufficient time to properly service and maintain the Equipment.

3. **PAYMENT TERMS.** To the extent that any amounts may be owed by Client in connection with the Services provided by Canteen hereunder, payments will be made net thirty (30) days from date of invoice via Client's option of check or electronic funds transfer into an account as designated by Canteen. Invoices not paid within fifteen (15) days of the due date are subject to a service charge calculated at the lower of 1.5% per month, or the maximum rate permitted by state jurisdiction.

4. **INDEMNIFICATION.** Each party shall indemnify, defend, and hold harmless the other from any and all losses, damages, or expenses, including reasonable attorneys' fees, arising out of or resulting from claims or actions for bodily injury, death, sickness, property damage, any breach or default hereunder, or other injury or damage if caused by any negligent act or omission of such party (except to the extent caused by the negligent act or omission of the other party, its employees, or agents). Notification of an event giving rise to an indemnification claim must (a) be received by the indemnifying party no later than ten (10) days after the party to be indemnified receives notice of the claim or lawsuit accompanied by copies of the summons, complaint, or other relevant documents relating to the claim or lawsuit; and (b) include a brief factual summary of the damage and cause thereof. Indemnification hereunder is expressly subject to, and conditioned upon, compliance with the foregoing notice provisions.

5. **INSURANCE.** Canteen shall obtain and maintain insurance for the following risks in such amounts under such policies as appropriate: general liability (including contract, products-completed operations) business automobile coverage, and workers' compensation (including employers' liability coverage). Client shall obtain and maintain insurance for the Premises against risks covered by standard forms of fire, theft, and extended coverage in such amounts under such policies as appropriate.

6. **TERM.** Unless sooner terminated as provided in Section 7 below, the term of this Agreement shall be for five (5) years beginning on the **Effective Date**, which is the date upon which Canteen begins Services set forth on the signature page.

7. **DEFAULT AND TERMINATION.** If either party shall refuse, fail, or be unable to perform or observe any of the terms or conditions of this Agreement for any reason, then the party claiming such failure shall give the other party a written notice citing the specifics of such breach. Such notice shall include copies of any and all documented failures prior to such notice date. If, within thirty (30) days from such notice, the failure has not been corrected, the non-breaching party may terminate this Agreement effective thirty (30) days after the end of such thirty (30) day period.

8. **PROPRIETARY MARKS.** Client acknowledges that the names, logos, service marks, trademarks, trade dress, trade names, and patents, whether or not registered, now or hereafter owned by or licensed to Canteen or its affiliated and parent companies (collectively **Marks**) are proprietary Marks of Canteen, and Client will not use the Marks for any purpose except as expressly permitted in writing by Canteen. Upon termination of this Agreement, Client shall (a) immediately and permanently discontinue the use and display of any Marks, and make, or cause to be made, such changes to the Premises as Canteen shall reasonably direct so as to effectively distinguish the Premises from its

former appearance (collectively **De-Image**); and (b) immediately remove and deliver to Canteen all goods bearing any Marks. If Client shall fail to De-Image the Premises within thirty (30) days of the termination date, then Canteen and its agents shall have the right to enter the Premises and De-Image the Premises, without prejudice to Canteen's other rights and remedies.

9. **ASSIGNMENT.** Either party may assign or subcontract this Agreement to an affiliated business entity with the prior written consent of the other party. This Agreement shall be binding upon the parties' successors and assigns.

10. **FINANCIAL ARRANGEMENTS.** The financial arrangements are set forth on Exhibit A, which is attached hereto and incorporated herein by this reference.

11. **EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION.** The parties shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that the parties take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

12. **ENTIRE AGREEMENT.** This Agreement, and the exhibit(s) attached hereto constitutes the entire agreement and understanding between the parties relating to the subject matter herein, and supersedes all other agreements between the parties with respect thereto. Except as otherwise noted, this Agreement may not be changed without a written amendment signed by an authorized representative of each party.

13. **NOTICES.** Unless otherwise stated, the parties shall be noticed at the addresses listed below, or to any other address as designated by one party upon notice to the other party. All notices to be given under this Agreement shall be in writing and shall be served either personally, by deposit with an overnight courier with charges prepaid, or by deposit in the United States mail, first-class postage prepaid by registered or certified mail. Any such notices shall be deemed to have been given (a) upon delivery in the case of personal delivery; (b) upon the first business day following facsimile receipt; (c) one (1) business day after deposit with an overnight courier; or (d) three (3) business days after deposit in the United States mail.

14. **BID BOND.** The parties acknowledge and agree that this Agreement incorporates by reference all of the provisions, responses, and requirements, as required in Client's RFP B16.005. The Bid Bond is also attached hereto as Exhibit B.

EFFECTIVE DATE: MARCH 1, 2016

CLIENT: GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT

By: Linda Bertolucci

Name: Linda Bertolucci

Title: Director of Purchasing and Contracts

Signature Date: 3-15-2016

LOCATION OF CLIENT PREMISES:

1. GROSSMONT COLLEGE
8800 GROSSMONT COLLEGE DRIVE
EL CAJON, CA 92020

2. CUYAMACA COLLEGE
900 RANCHO SAN DIEGO PARKWAY
EL CAJON, CA 92019

CLIENT NOTICE TO:

Name: Linda Bertolucci

Title: Director of Purchasing and Contracts

Principal Address: 8800 Grossmont College Drive, El Cajon, CA
92020

COMPASS GROUP USA, INC. BY AND THROUGH ITS CANTEEN
VENDING SERVICES DIVISION

By: Chris Hulick

Name: Chris Hulick

Title: Division President

Signature Date: 3/23/2016

CANTEEN NOTICE TO:
CANTEEN VENDING SERVICES (LOCAL DISTRICT)

Name: Chris Hulick

Title: Division President

Address: 5000 Hopyard Road, Suite 322, Pleasanton, CA 94588

COPY OF NOTICE TO:
General Counsel and Secretary
2400 Yorkmont Road
Charlotte, North Carolina 28217
Facsimile: 704.328.7998

And
President
Canteen Vending Services Division
2400 Yorkmont Road
Charlotte, NC 28217
Facsimile: 704.424.5037

EXHIBIT A

FINANCIAL ARRANGEMENTS

1. PRODUCT AND COMMISSION ARRANGEMENTS

Canteen shall provide Client a Twenty-Six Percent (26%) commission on Net Vending Sales on Client Premises, which shall be computed monthly (based on Canteen's fiscal calendar). The report detailing Commissions due Client will accompany payment which shall be forwarded within thirty (30) days of month end. Costs of providing cashless payment options (e.g. credit and debit card readers) including, but not limited to wireless communications charges, bank or credit card fees, etc. shall be deducted from Client Commissions earned.

Net Vending Sales are defined as the reported units sold multiplied by the Initial Unit Selling Prices (excluding cold food machine sales) less applicable sales taxes, California Redemption Value (if applicable), returns, spoilage, and container deposits. Payments of Commissions will be made to Client at the Notice address herein or such other place as Client may from time to time designate to Canteen in writing.

The Commission Rate(s) and Prices are based, in part, on assumptions regarding population, hours of operation, other conditions, labor costs (including, but not limited to benefits and insurance), product costs, fuel costs, Federal, state, and local tax structure, any change in Federal, state or local law including regulatory or legislative mandates, and any other levy or tax that impacts Canteen's services (**Factors**). If there are changes in such Factors, Canteen may modify the Commission Rate(s) and/or prices, which shall be noted on commission statements and/or the remittance advice. Notwithstanding the foregoing, Product prices may be adjusted by Canteen annually at a rate equal to the greater of the then-current, relevant rate published for the Employment Cost Index or the Consumer Price Index. Canteen and Client will work together regarding the implementation of the price increases.

2. CLIENT ANNUAL GUARANTEE

Notwithstanding the above section, the parties acknowledge and agree that during the Term of this Agreement Client guarantees annual Net Vending Sales of Twenty-Two Thousand Dollars (\$22,100) (**Client Annual Guarantee**). Monthly sales will be credited against the annual guarantee; and at the completion of each Agreement year, the actual monthly sales will be compared to the Client's Annual Guarantee and any shortfall will be invoiced to and paid by Client to Canteen in accordance with Section 3 of the Agreement.

EXHIBIT B

Bid Bond

BID BOND

KNOW ALL MEN BY THESE PRESENTS THAT we, Compass Group USA, Inc. by and through its
Canton Vending Services Division, as Principal, and

Liberty Mutual Insurance Company, as Surety, are held and
 duly bound into the Grossmont-Cuyamaca Community College District, hereinafter called the District, in the penal
 sum of Two Thousand Dollars (\$2,000) for the work described below for the payment of which sum in lawful
 money of the United States, we and truly to be made, we bind ourselves, our heirs, executors, administrators,
 successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that whereas the Principal has submitted the accompanying bid
 dated November 20, 2015, for 156,000 VENDING OPERATIONS FOR GROSSMONT AND CUYAMACA
COLLEGES, NOW, THEREFORE, if the Principal shall not withdraw said bid within the period specified therein after
 the opening of the same, or, if no period be specified, within sixty (60) days after said opening; and, if the Principal
 is awarded the contract, and shall within the period specified therefore, or if no period be specified, within ten
 (10) consecutive calendar days after the Award of Contract (which date shall be the day following the Board of
 Education approval of the award) complete the prescribed forms are presented to him for signature; enter into a
 written contract with the District in accordance with the bid as accepted and give bond with good and sufficient
 surety or supplies, as may be required, for the faithful performance and proper fulfillment of such contract and for
 the payment for labor and materials used for the performance of the contract; or in the event of the withdrawal of
 said bid within the period specified or the failure to enter into such contract and give such bonds within the time
 specified, if the Principal shall pay the District the difference between the amount specified in said bid and the
 amount for which the District may procure the required work and/or supplies, if the latter amount be in excess of
 the former, together with all costs incurred by the District in again calling for bids, then the above obligation shall
 be void and of no effect, otherwise to remain in full force and virtue.
 Surety, for value received, hereby stipulates and agrees that no change, deletion of items, alteration or addition to
 the terms of the contract or the call for bids, or to the work to be performed thereunder, or the specifications
 accompanying the same, shall in anywise affect its obligation under this bond, and it does hereby waive notice of
 any such change, extension of time, alteration or addition to the terms of said contract or the call for bids, or to
 the work, or to the specifications.

In the event a lawsuit is brought upon this bond by the District and judgment is recovered, the surety shall pay all
 litigation expenses incurred by the District in such suit, including reasonable attorneys' fees, court costs, expert
 witness fees and investigation expenses.

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their several seals this
 day of November 20, 2015, the name and corporate seal of each corporate party being hereto affixed
 and these presents duly assented to by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal)

Canton Vending Services Division

Principal

By

Don Thomas, Vice President & Treasurer

(Corporate Seal)

Liberty Mutual Insurance Company

By

Holly Heister

(Action Attorney-in-Fact Certificate)

Title Holly Heister, Attorney-in-Fact