

# VENDING SERVICES AGREEMENT

This 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 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 vending services (**Vending Services or Services**) and to install vending and other related equipment (collectively, the **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 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. Except to the extent necessary in connection with Services provided hereunder, Client shall not otherwise operate, remove, or tamper with such Equipment, Products, or other property. Client shall be responsible for any damage to the Equipment or Product (including the theft thereof) caused by the willful misconduct 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 Vending Sales or revenues, Canteen may, at its sole discretion remove such piece of Equipment.

2. **CLIENT RESPONSIBILITIES.** The Client will furnish Canteen, at no cost to Canteen, with the necessary space, trash removal, extermination services, and utilities to permit the sanitary operation of the Services. Client will provide a reasonably secure area within the Premises for the installation of the Equipment. In the event that there is a disruption in utilities Client will notify Canteen as soon as Client becomes aware of such disruption. Client will maintain its Premises 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 ten (10) 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.** To the extent allowable by law, 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 or breach or default 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. This shall not be deemed a waiver of sovereign immunity or any other third party defense available to Client.

5. **INSURANCE.** Canteen shall obtain and maintain insurance for the following risks in such amounts under such policies as appropriate: commercial general liability (including contractual and products-completed operations liability) in an amount not less than One Million Dollars (\$1,000,000.00) each occurrence and Two Million Dollars general aggregate; business automobile coverage in an amount not less than One Million Dollars (\$1,000,000.00) each accident; and workers' compensation (including employers' liability coverage in an amount not less than One Million Dollars (\$1,000,000.00) [each accident/each employee/policy limit] in an amount not less than that required by applicable statute.

6. **TERM.** Unless sooner terminated as provided in Section 7 below, the term of this Agreement shall be for three (3) years beginning on the **Effective Date (Initial Term)**, which is the date upon which Canteen begins Services set forth on the signature page and thereafter shall automatically renew annually for one (1) year terms, unless sooner terminated as provided herein.

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 sixty (60) 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 sixty (60) day period. Additionally, either party may terminate this Agreement at the end of each renewal term upon ninety (90) days' prior written notice to the other party.

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, (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 without 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, sexual orientation, gender identity 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, sexual orientation, gender identity, 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. Client represents to Canteen that it has the full legal authority to enter into this Agreement and that in so doing, it is not in violation of any applicable federal, state or local laws, rules or regulations.

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 facsimile, 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

<b>EFFECTIVE DATE:</b> DECEMBER 11, 2017	<b>COMPASS GROUP USA, INC. BY AND THROUGH ITS CANTEEN DIVISION</b>
<b>CLIENT:</b> LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT	By: 
By: _____	Name: Tim Bailey
Name: Mr. Jim Gray	Title: Division President
Title: Mayor	Signature Date: <u>11.9.17</u>
Signature Date: _____	<b>CANTEEN NOTICE TO:</b>
<b>LOCATION OF CLIENT PREMISES:</b> 1795 Old Frankfort Pike, Lexington, KY 40504	<b>CANTEEN</b>
<b>CLIENT NOTICE TO:</b>	Name: Tim Bailey
Name: Mr. Jim Gray	Title: Division President
Title: Mayor	Address: 4808 Chesapeake Drive, Charlotte, NC 28216
<b>Principal Address:</b> 1795 Old Frankfort Pike Lexington, KY 40504	<b>COPY OF NOTICE TO:</b>
	General Counsel and Secretary
	2400 Yorkmont Road
	Charlotte, North Carolina 28217
	And
	President, Canteen Division
	2400 Yorkmont Road
	Charlotte, NC 28217

**EXHIBIT A**  
**FINANCIAL ARRANGEMENTS**

**1. VENDING SERVICES-PROFIT AND LOSS**

<b>Product</b>	<b>Initial Unit Selling Price*</b>
Candy	\$1.00
Pastry	\$1.25
Chips	\$1.00
Crackers	\$0.50
Soda & Water	\$1.25
Energy Drinks	\$3.00
Gatorade	\$1.50

\*The above prices reflect a Ten Cent (\$0.10) discount for paying cash.

Canteen shall provide its Vending Services on a profit and loss basis, whereby Canteen shall retain all income derived and bear all costs of operation (unless such costs of operation are otherwise a Client obligation pursuant to Section 2) resulting from the provision of the Vending Services.

The prices are based, in part, on assumptions regarding population, hours of operation, other conditions on the Premises, labor costs (including, but not limited to benefits and insurance), Product costs, fuel costs, Federal, state, any change in Federal, state or local law including regulatory or legislative mandates, and local tax structure, and any other levy or tax that impacts Canteen's Vending Services (or other Services as the case may be) (Factors). If there are changes in such Factors, Canteen may modify the prices in a manner proportionate to such changes. 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 Consumer Price Index.