FOOD SERVICES AGREEMENT

This Agreement is entered into this 12th day of May, 2009 by and between Gavilan Community College District ("District") and Pacific Dining Services ("Operator") who are collectively referred to herein as "the Parties." This Agreement is entered into with reference to the following Recitals, all of which are incorporated herein by this reference.

RECITALS

WHEREAS, in or about March 11, 2009, the District issued a Request for Proposals ("the RFP") pursuant to which the District requested proposals to provide food/beverage services at the District; the RFP is incorporated herein by this reference.

WHEREAS, on or about April 11, 2009, the Operator submitted a written response to the RFP ("the RFP Response"); by this reference, the RFP Response is incorporated herein.

WHEREAS, the Operator is engaged in the business of providing institutional food and beverage services; the Operator is duly qualified licensed and otherwise authorized to engage in the business of providing food and beverage service.

WHEREAS, the District and the Operator desire to establish the terms and conditions pursuant to which Operator shall provide food/beverage services at the District, as set forth in this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is acknowledged by the Parties and each of them, the Parties agree as follows:

1 DISTRICT FOOD/BEVERAGE SERVICE. The Operator shall provide food and beverage services at the District as set forth herein.
   1.1 District Cafeteria. During the days and hours set forth in this Agreement, the Operator shall provide food/beverage service in the District Cafeteria.
   1.2 Satellite Operation. In the District's sole discretion and subject to a written modification of this Agreement duly executed by and between the District and the Operator, in addition to food/beverage service in the District Cafeteria, the Operator may provide beverage/snack service in additional locations at the District main campus separate from the District Cafeteria ("the Satellite Operation").
   1.3 District Catered Events. If an event is conducted by the District at the District campus which includes catered food/beverage service, the Operator may be afforded an opportunity to submit a proposal to the Contract Administrator to provide such catering services. If the Operator is selected to provide catering services for a special event, the rights and obligations of the Operator and the District shall be as set forth in the Agreement for Catering Services relating to such event.
   1.4 Exclusions. Unless otherwise directed by the District and confirmed in writing by both the District and Operator, the scope of items/services the Operator is permitted to provide or offer under this Agreement excludes the following: (a) vending machine operations at the District, (b) periodic barbecues, picnics, receptions, potluck meals, baked/package food sales and similar functions conducted by or on behalf of the District faculty, staff, students or student organizations; and (c) food/beverage services for any other District owned or operated facility, including without limitation, the District's satellite centers.
2 GENERAL. All operations conducted by the Operator pursuant to this Agreement shall comply with the following general requirements.

2.1 Compliance with Laws. The Operator shall ensure that all operations of the Operator under this Agreement shall comply with applicable laws, ordinances, rules and regulations (collectively "the Laws"), including without limitation, the Laws of the State of California, County of Santa Clara and the City of Gilroy relating to the storage, handling, preparation and service of food/beverage.

2.2 Licenses, Permits, Governmental Authorizations. The Operator now has and shall maintain, at its sole cost and expense, all licenses, permits, governmental authorizations and/or approvals required by any federal, state or local governmental or regulatory bodies necessary for its operations under this Agreement.

2.3 Compliance with District Policies. All operations of the Operator under this Agreement shall comply with applicable District policies in effect at the time this Agreement is executed, modifications to existing policies occurring after the date of execution of this Agreement and policies enacted during the Term of this Agreement. Without limiting the generality of the foregoing, the Operator shall not under this Agreement, at any time, offer, with or without payment, any alcoholic beverages.

2.4 Maintenance of Books and Records. The Operator shall maintain books and records of expenses and revenue in connection with its operations under this Agreement. Books and records shall be contemporaneously maintained in accordance with generally accepted accounting principles applied in a consistent manner. Books and records, along with underlying source data, shall be available to the District for review, inspection or reproduction upon reasonable advance request at Operator's principal place of business or at the District. The District reserves the right to audit the books and records maintained by the Operator relating to Cafeteria operations. The District shall be solely responsible for the costs of such audit, unless the results of such audit show that the Gross Revenue in any twelve (12) month period of the Term is understated by the Operator by five percent (5%) or more, the Operator shall be responsible for payment of all audit costs.

2.5 Assignment of Agreement and/or License. Operator shall not, without prior written authorization from the District, which may be withheld at the District's discretion, sell, assign, transfer or otherwise convey this Agreement, the rights and obligations herein and/or the Non-Possessor Licenses for Use/Occupancy granted herein to any other person, entity or organization.

2.6 Food Safety Certification. In accordance with California law and the ordinances, regulations and/or mandates by the County of Santa Clara Department of Environmental Health, Operator shall employ at least one person certified in food safety. There are a number of organizations that provide the necessary training and testing for certification. The Department of Environmental Health has developed its own training and testing program that meets the requirements for this certification. For further information or assistance regarding this law, please call the Santa Clara County Department of Environmental Health at 1-408-918-3400 during normal business hours.

3 DISTRICT CAFETERIA OPERATIONAL RIGHTS AND OBLIGATIONS

3.1 Operator Labor/Materials/Services. Except as otherwise expressly provided in this Agreement, the Operator shall, at its sole cost and expense, obtain all necessary labor, materials, equipment, furnishings, fixtures and other items necessary to timely and completely perform its obligations under this Agreement. The Operator and Operator's personnel shall be responsible for procurement of food, including without limitation, condiments, dressings and all other foodstuffs necessary to perform and provide the food/beverage operations/services contemplated under this Agreement.
3.2 Non-Possessory Licenses for Use/Occupancy of District Cafeteria. The District grants the Operator a non-exclusive license to use the District Cafeteria situated in the Student Services Building at the Gilroy campus for the sole purpose of providing the District Cafeteria food/beverage service and related purposes. The Student Services building is more particularly identified in the cross-hatched portion of the District Campus map attached to this agreement as Exhibit "A" which is incorporated herein by this reference. The District Cafeteria is more particularly identified in the cross-hatched portion of the Student Services building map attached to this Agreement as Exhibit "B" which is incorporated herein by this reference. For purposes of this Agreement, the Operator and the District agree that the District Cafeteria consists of three (3) physical and discrete components generally described as: (a) the Back Food Storage and Preparation Component; (b) the Food Service Component and (c) the Dining Room Component. The locations of each Component of the District Cafeteria are more particularly identified in the District Cafeteria Layout attached to this Agreement as Exhibit "C" which is incorporated herein by this reference.

3.2.1 Food Preparation/Food Service Components. During the days and hours of the Operator's operation of the District Cafeteria, the Operator will have an exclusive license to use the Food Preparation and Food Service Components of the Cafeteria. The foregoing notwithstanding, the District shall be permitted to use the Food Preparation and Food Service Components during non-operating hours and shall be permitted at all times to store food items and food preparation items in the Food Preparation and Food Service Components, and shall have access to such items during operation hours provided such access does not unreasonably interfere with Operator's business.

3.2.2 Dining Component. During the days and hours of the Operator's operation of the District Cafeteria, the Operator will have a non-exclusive license to use the Dining Component; notwithstanding the Operator's license to use the Dining Component, during the Operator's use of the Dining Component, patrons of the District Cafeteria and others will be permitted to concurrently use the Dining Component and the District owned furniture and furnishings now or hereafter situated in the Dining Component.

3.3 Fixtures, Alterations and Improvements. The District Cafeteria is equipped with the fixtures, machinery and equipment necessary for its operation and all such fixtures, machinery and equipment are of good quality and fully operational. Operator shall not place any new or additional trade fixtures, machinery or equipment in, or make any alterations or improvements of any kind to the District Cafeteria without the prior written consent of the District. All trade fixtures, machinery, equipment, alterations and/or improvements shall be acquired, installed, or made, as the case may be, at Operator's sole cost and expense. Operator shall request any approvals required of the District in writing providing sufficient detail to permit the District to reasonably evaluate the request of Operator, including, without limitation, reasonably detailed plans and specifications with respect to any alterations or improvements. In the event that the District does not respond in writing to any request for approval within thirty (30) days of its receipt thereof, such request shall be deemed denied. Notwithstanding any approval of the District, Operator shall not commence any alterations or improvements unless and until the District has posted and recorded an appropriate notice of non-responsibility and all alterations and/or improvements have been approved by all appropriate government agencies. Operator shall thereafter cause the District to receive written notice of the proposed commencement date of any work corresponding to alterations or improvements no later than ten (10) business days prior thereto. Unless agreed otherwise in a written modification duly executed by the District and Operator, prior to the termination of this Agreement pursuant to section 10 hereof or
the expiration of the term of this Agreement, Operator shall, at its sole cost and expense (i) remove all trade fixtures, machinery and equipment now or hereafter installed by Operator, (ii) restore the District Cafeteria to its condition prior to any alterations or improvements made by Operator; and (iii) repair any material damage caused by such removal or restoration, ordinary wear and tear accepted.

3.4 **Kitchen/Food Preparation/Food Service Utensils.** The Operator shall be responsible for procuring all necessary kitchen/food preparation/food service utensils for conducting food/beverage service operations in the District Cafeteria. The Operator shall, as necessary or appropriate, from time-to-time replace/repair existing utensils and to procure additional utensils as necessary for its kitchen, food preparation and food/beverage service operations under this Agreement.

3.5 **District Provided Utility Services.** Without cost to the Operator, the District will provide the following utilities to the District Cafeteria for use by the Operator in performing the Operator's obligations under this Agreement: (a) natural gas, (b) electricity, (c) potable domestic water, (d) two lines of local telephone service for voice and fax; and (e) connection to the District local area network. To the extent that any utility service is provided by the District, there shall be no liability of the District to the Operator, nor shall there be other remedies of the Operator against the District or the District if a utility service is interrupted, eliminated or reduced by the utility service provider and such interruption, elimination or reduction is not the result of the District's non-payment of utility service charges. Notwithstanding the telephone and fax lines pursuant to the foregoing, the Operator is solely responsible for obtaining and installing a telephone and fax machine.

3.6 **Limitations on Operator Use of the District Cafeteria.** The Operator's use of the District Cafeteria shall be exclusively in connection with the Operator's provision of food/beverage services under this Agreement. The Operator shall not use, nor permit use, of the District Cafeteria for any purpose not permitted by this Agreement, in violation of the Laws, or for the storage, distribution or dissemination of any hazardous or toxic materials or substances.

3.7 **Limitations on Use of District Owned Property.** Except as expressly provided in this Agreement, the Operator shall not be permitted to use, occupy, possess or access property (whether real or personal) owned by the District.

3.8 **Proprietary Rights.** Operator currently, and shall during the term of this Agreement, owns, holds and/or has written authorization to use all trademarks, service marks, trade names, and other proprietary rights in connection with the operation of Operator's food/beverage service and such use does not and will not infringe upon the rights of any other person or entity. Operator does not have, and under this Agreement, shall not acquire, any rights to the use of any trademark, service marks, trade names, and other proprietary rights of the District.

3.9 **Signage.** Operator shall be entitled to maintain signage for the District Cafeteria, provided that Operator shall have obtained the prior written approval of the District with regard to the design of such signage and location placement, which approval shall not be unreasonably withheld.

3.10 **Operator Personnel.** The Operator shall employ all necessary managerial, supervisory, operational and other personnel to perform its obligations under this Agreement and to ensure delivery of quality food/beverage services at the District. Operator shall list all job openings with the District Student Job Placement Office, and for all non-managerial positions, Operator shall give District students priority consideration for hiring. The Operator shall be responsible for all acts, omissions and other conduct of its personnel engaged in providing services under this Agreement. If requested by the District and for reasonable good cause, the Operator will dismiss employees, including managerial and supervisory employees, from providing services under this Agreement. Unless the
District's request is not supported by reasonable good cause, there shall be no liability of the District to the Operator for requesting the dismissal of any Operator employee. The Operator shall comply with all laws, rules and regulations applicable to the hiring, retention, promotion and termination of employees. Without limiting the generality of the foregoing, the Operator shall comply with the District's policy that there be no discriminatory practices in the employment, retention, promotion or termination of employees of contractors/operators/vendors to the District. No employee, officer, agent or representative of the Operator in connection with this Agreement shall be deemed an employee of the District. The Operator is solely responsible for recruiting, retaining and promoting employees in connection with its operations under this Agreement.

3.11 Operator Personnel Uniforms. While providing food/beverage services under this Agreement, Operator employees will wear appropriate uniform clothing which may identify the Operator. Prior to commencement of food/beverage service operations under this Agreement, the Operator shall provide the Contract Administrator with sample(s) of the proposed uniform for review and approval. The Contract Administrator approved uniform(s) shall not be modified without the prior consent of the Contract Administrator.

4 BASIC SERVICES

4.1 General. The Operator shall provide all Basic Services, as more particularly enumerated in Exhibit "D" to this Agreement entitled Basic Services, which is incorporated herein by reference in its entirety.

4.2 District Cafeteria Menu. The Operator shall prepare a menu and pricing of food/beverage items available for sale at the District Cafeteria which includes a sufficient variety of properly prepared food items with quality ingredients. Menu items shall routinely include ethnic foods consistent with the ethnicity of the District student body, vegetarian items, salads/salad bar and fast foods. In addition to routine menu items, in conjunction with special District events or holidays, appropriate menu items relating to the special District event or holiday will be made available by the Operator. Prior to commencement of the District Cafeteria operations, the Operator shall submit to the Contract Administrator its proposed menu and pricing schedule for review and approval. Prior to making changes to the menu and/or menu pricing and prior to offering food in conjunction with special District events or holidays, the Operator shall submit the proposed menu items and/or menu pricing to the Contract Administrator for review and approval. The Operator shall modify menu items or pricing as may be reasonably requested by the Contract Administrator. In addition to offering Operator prepared food items in the District Cafeteria, the Operator may offer for sale in the District Cafeteria packaged food/snack items such as chewing gum, potato chips, candy and similar pre-package food/snack items.

4.2.1 District's Right to Direct Brand Names. The District retains the right to direct the brand name of the beverage products provided in the District Cafeteria. The District currently has an exclusive marketing agreement with Pepsi, and upon expiration of that agreement, it is the District's intention to offer an exclusive right to sell products to a major distributor of beverages such as Pepsi, Coke, 7UP or other major market beverage distributor. All beverages sold in the Cafeteria or at any location on the District campuses shall comply with any exclusive marketing agreement entered into by the District. The District shall obtain and provide fountain dispenser machines at no cost to Operator. Pricing for drink mixes for the fountain dispensers will be determined pursuant to the District's exclusive marketing agreement or by competitive bid.
4.2.2 **Nutritional Certification Requirements.** Operator shall comply with all nutritional certification requirements set forth in the Basic Services, which is attached hereto as Exhibit D.

4.3 **Hours and Days of Operation.** The Operator shall maintain an appropriately sized and skilled workforce, including supervisory personnel to operate the District Cafeteria as a food/beverage service facility during the times/days set forth hereinbelow.

4.3.1 **Regular District Sessions.** The District Cafeteria shall be in operation Monday through Friday with the exception of District holiday days. Hours of operation shall be from 7:00 A.M. to 8:00 P.M. Monday through Thursday and 7:00 A.M. to 2:00 P.M. on Fridays.

4.3.2 **Summer Sessions.** During the District’s Summer sessions, the District Cafeteria shall be in operation Monday through Friday with the exception of District holiday days. Hours of operation shall be from 7:30 A.M. to 2:00 P.M.

4.3.3 **Inter-Sessions.** During the District’s inter-sessions, the District Cafeteria shall be in operation Monday through Friday with the exception of District holiday days. Hours of operation shall be from 7:30 A.M. to 2:00 P.M.

4.3.4 **Amended Days/Hours of Operation.** The foregoing hours of operation notwithstanding, if the books and records maintained by the Operator evidence that operations at the District Cafeteria pursuant to the foregoing hours of operation generates negative revenue, upon request of the Operator, the Contract Administrator may consider amending the hours of the Operator’s District Cafeteria operations. The decision of the Contract Administrator regarding amended hours/days of the Operator’s District Cafeteria operations is final and binding on the Operator, unless the decision is the result of fraud or bad faith of the Contract Administrator.

4.4 **Maintenance and Cleaning of Components of District Cafeteria.** Maintenance and cleaning of the District Cafeteria Components shall be completed by the Operator and District personnel pursuant to the following.

4.4.1 **Operator’s Cleaning and Maintenance of District Cafeteria.** During the hours/days of Operator operations at the District Cafeteria, the Operator and its personnel shall provide routine cleaning and maintenance of all Components of the District Cafeteria. Without limiting the generality of the foregoing, cleaning and maintenance shall include, without limitation: (a) Dining Component: bussing and sanitizing tables, emptying trash/recycling bins, sweeping and mopping floor surfaces and generally maintaining a neat and orderly appearance in the Dining Component; (b) Food Preparation Component/Food Service Component: cleaning and sanitizing all District equipment and furnishings including refrigerators, cabinets, counters, steam table, ovens, grills, fryers, and other food preparation areas and surfaces, emptying trash/recycling bins, sweeping and mopping floor surfaces and generally maintaining a neat and orderly appearance in the Food Preparation and Food Service Components.

4.4.2 **Cleaning and Maintenance of District Cafeteria.** The District maintenance/operations staff will provide daily cleaning of the Dining Room Component of the District Cafeteria outside the hours/days of Operator’s District Cafeteria operations. The District provided cleaning of the Dining Room Component will consist generally of: (a) daily cleaning/dusting of fixtures and furnishings; (b) vacuuming of carpeted areas; and (c) periodic waxing of vinyl floor covering and shampooing of carpeting. At the conclusion of its daily operations at the District Cafeteria, the Operator shall leave the Dining Room Component in a reasonably neat and orderly condition so that the District maintenance/operations staff can readily access the Dining Room Component and the areas of the Dining Room Component to be cleaned.
4.4.3 Limitations on District Cleaning and Maintenance. The District provided cleaning and maintenance of the District Cafeteria shall exclude any repairs to machinery, equipment or fixtures situated in the Food Preparation and Food Service Components. Repairs, replacements or restoration of such machinery, equipment or fixtures shall be at the sole cost and expense of the Operator. The District will repair, replace or restore furniture and furnishings owned by the District and situated in the Dining Component, provided that if any such furniture or furnishings are damaged or destroyed by the Operator or the Operator’s personnel, the Operator shall be responsible for the costs of repair, replacement or restoration of the same.

5 DISTRICT CAFETERIA AND BUILDING SYSTEMS

5.1 Maintenance, Repairs and Modifications to the District Cafeteria and Building Systems. The District will maintain the District Cafeteria structural elements and building systems serving the District Cafeteria, including electrical and heating, ventilating and air conditioning systems, except to the extent that maintenance, repairs or replacement of the same are caused by the Operator or its personnel, in which event, the Operator shall be solely responsible for the costs of maintenance, repairs or replacement. If the Operator does not perform and complete the requisite maintenance, repairs or replacement for which it has been deemed responsible within ten (10) of the District’s written notice to the Operator of maintenance needs, without waiving or limiting any right or remedy of the District, the District may thereafter complete required maintenance, repairs or replacement at the cost and expense of the Operator. During the Term or Extended Term, the District reserves the right to add, delete, improve or otherwise modify the District Cafeteria or building systems serving the District Cafeteria without liability to the Operator provided that the additions, deletions, improvements or other modifications are not completed in a manner which unreasonably disrupts the Operator’s food/beverage operations under this Agreement.

5.2 Damage or Destruction of the District Cafeteria. If the District Cafeteria is damaged or destroyed, rights and obligations of the District and the Operator shall be governed by the following provisions.

5.2.1 Partial Damage or Destruction. If the District Cafeteria is partially destroyed or damaged and the nature of the damage/destruction to the District Cafeteria does not unreasonably impair the Operator’s food/beverage service operations, during repairs, restoration or replacement of the damaged/destroyed portions of the District Cafeteria, the Operator shall continue to provide such services. If the nature of the partial damage/destruction of the District Cafeteria is such that the Operator’s food/beverage service operations in the District Cafeteria are materially affected, pending the completion of repairs, restoration or replacement of the damaged/destroyed portions of the District Cafeteria, the Operator may cease its food/beverage service operations therein. In such event, the Annual Payments due from the Operator for the then current year of the Term during which the damage/destruction occurred will be reduced by the proportion of the time that the Operator is unable to conduct food/beverage service operations in that year of the Term.

5.2.2 Total Damage/Destruction. If the District Cafeteria is totally damaged/destroyed and the nature of the damage/destruction requires more than six (6) months to repair, restore or re-build, either the District or the Operator may terminate this Agreement by written notice to the other. In the alternative, pending the completion of repairs, restoration or replacement of the damage/destruction to the District Cafeteria, the Operator may by written notice cease its food/beverage service operations therein. In such event, the Annual Payments due from the
Operator for the then current year of the Term during which the damage/destruction occurred will be reduced by the proportion of the time that the Operator is unable to conduct food/beverage service operations in that year of the Term.

5.2.3 Application of Insurance Proceeds. If any damage/destruction to the District Cafeteria is covered by a policy of insurance required of the District or the Operator under this Agreement, all insurance proceeds shall be used and applied exclusively to completion of repairs, restoration or replacement of the damaged/destroyed portions of the District Cafeteria.

5.2.4 No Claim for Consequential Damages. Unless expressly provided for and covered by a policy of insurance maintained by the District or the Operator pursuant to this Agreement, neither the District nor the Operator shall be entitled to recover consequential damages arising out of or relating to the partial and/or total destruction of the District Cafeteria, including, without limitation, damages for lost profits, employee wages and benefits due or payable pending completion of repairs, restoration or replacement of the damage/destruction to the District Cafeteria, penalties for cancellation and/or suspension of subordinate contracts, or other costs and expenses relating to the cessation or termination of this Agreement.

6 SATELLITE CENTER OPERATIONS.

6.1 Satellite Food/Beverage Service Operation. Subject to mutual agreement with the Contract Administrator, the Operator may be permitted satellite food/beverage service and/or beverage/snack operations at the District's Hollister and Morgan Hill satellite centers.

6.2 Scope and Location of Satellite Food/Beverage Service Operation. The hours/days and location of the Operator's Satellite Food Service/Beverage Operation is subject to mutual agreement between the Operator and the Contract Administrator. The extent and scope of food/beverage services to be offered at the Satellite Food Service Operation shall be by mutual agreement between the Contract Administrator and the Operator. The mutual agreements reached between the Contract Administrator and the Operator regarding the Satellite Operation shall be reflected in a written Amendment to this Agreement.

7 DISTRICT RESPONSIBILITIES. In addition to District responsibilities set forth elsewhere in this Agreement, the District will be responsible for the following.

7.1 Utility Service Connections. The District will provide points of connection for distribution of electrical power, domestic water and natural gas utility services throughout the District Cafeteria as necessary for the Operator's operations under this Agreement.

7.2 Security. The Operator is solely responsible for security of the Food Preparation and Food Service Components of the District Cafeteria. During the hours/days of the Operator's food service operations in the District Cafeteria, the Operator personnel shall generally monitor safety and security of persons and property in, on or about the District Cafeteria. In the event of emergency circumstances, the Operator shall promptly notify the District Campus Security and/or the County of Santa Clara Police/Fire Departments. If a Satellite Operation is conducted under this Agreement, except for routine functions of the District Campus Security, the Operator shall be solely responsible for security arrangements in relation to the Satellite operations.

7.3 Operator Personnel Parking. The District grants the Operator a non-exclusive license to park motor vehicles of its personnel in the District Parking Lot(s) as designated from time-to-time by the Contract Administrator. The license to park is subject to all existing
and hereafter enacted Parking Rules and Regulations of the District or the District, including the use of decals or other identification devices. Violations of the District Parking rules and regulations will subject the owner of the motor vehicle to penalties including parking fines or towing of vehicles. The number of parking spaces and Parking Lot locations for parking motor vehicles belonging to Operator and Operator's personnel may be modified from time-to-time by the Contract Administrator based upon the parking requirements and needs at the District. Neither the Operator nor its personnel will be charged a fee for parking while engaged in providing services under this Agreement. Parking for Operator personnel at the District at other times will be subject to the then standard District parking charges.

7.4 Delivery/Loading Area. The District/the District will provide a designated area at the District for the delivery of items for the Operator's operations under this Agreement. The District reserves the right to modify the days/times of permitted deliveries, the designated delivery route(s) and/or the location of deliveries. The Operator and/or the delivery service shall be solely responsible for any damage to District property resulting from deliveries or unloading of items delivered for the Operator.

7.5 Solid Waste Disposal; Recycling. Solid waste generated from the Operator's operations under this Agreement will be removed by the District's solid waste disposal contractor without cost to the Operator, except as otherwise expressly provided herein. The District will cause a maximum of three (3) trash bins with three (3) cubic yard capacity for the Operator's use only in connection with the Operator's operations under this Agreement; the costs of additional trash bins shall be at the Operator's expense. The Operator and its personnel shall not use nor permit the trash bins to be used for disposal of any materials or substances which are hazardous or toxic, or which by law, rule or regulation are not permitted to be disposed in a class III landfill. The District will cause trash bins to be placed at various locations in the District Cafeteria. During the days/hours of Operator food/beverage service in the District Cafeteria, Operator personnel are responsible for emptying trash bins as necessary to maintain a sanitary, neat, clean and orderly condition in the District Cafeteria. The District requires recycling of paper, plastic, cardboard, aluminum and similar recyclable materials. The District will provide recycling bins in and about the District Cafeteria and will cause the same to be removed on a regular basis. Costs of the recycling bins and the removal of materials for recycling will be borne by the District; revenue generated by recycled materials is the sole property of the District. Notwithstanding the District's provision of recycle bins and removal of the same, during the days/hours of Operator food/beverage service in the District Cafeteria, Operator personnel shall monitor the recycling bins to maintain the same in a neat, orderly and sanitary manner.

7.6 Maintenance of District Owned Furniture and Furnishings. District owned furniture and furnishings in the District Cafeteria will be maintained by the District without cost to the Operator. The foregoing notwithstanding, the cost of repair, restoration or replacement of damage or destruction of District owned furniture or furnishings caused by the Operator, its employees, agents or representatives shall be borne by the Operator.

7.7 Pest Control. The District, with its own forces or through a vendor, will provide and regular and routine pest control in and about the District campus, including the Cafeteria, without cost to the Operator. The foregoing notwithstanding, the District recognizes and acknowledges that its routine pest control may not be sufficient to satisfy state and local health laws, rules and regulations for food service establishments including, without limitations, routine inspections by the County of Santa Clara Department of Environmental Health referenced in Paragraph 5.12 of the Basic Services and attached hereto as Exhibit D. In this regard, the Operator shall, at its sole cost and expense, be solely responsible for obtaining all additional required
and/or necessary pest control services to ensure compliance with all state and local health laws, rules and regulations for food service establishments.

7.8 **Contract Administrator.** The District will designate an employee of the District as the Contract Administrator with authority to act on behalf of the District under this Agreement. The Contract Administrator is Joseph Keeler, Vice President of Administrative Services; by written notice to the Operator, the District may change the Contract Administrator.

8 **INSURANCE; INDEMNITY**

8.1 **Operator Insurance.** At all times during the Term of this Agreement, the Operator shall obtain and maintain the insurance coverages noted herein; each required policy of insurance shall be in the minimum coverage amount noted herein.

8.1.1 **Workers Compensation Insurance; Employer's Liability Insurance.** The Operator shall obtain Workers Compensation Insurance covering all employees of the Operator engaged in operations under this Agreement. The Workers Compensation Insurance shall cover claims under workers' compensation, disability benefits and other similar employee benefit laws applicable to the Operator's operations under this Agreement. The Employer's Liability Insurance shall cover bodily injury or death by accident or disease to any employee which arises out of the employee's employment by the Operator. The Employer's Liability Insurance may be obtained as a separate policy of insurance or as additional coverage under the Workers Compensation Insurance policy. The minimum coverage amount under the Workers Compensation Insurance shall be in accordance with applicable law. The minimum coverage amount under the Employers Liability Insurance shall be One Million Dollars ($1,000,000).

8.1.2 **Commercial General Liability Insurance.** The Commercial General Liability Insurance obtained by the Operator shall cover the types of claims set forth below which may arise out of or result from the operations of the Operator under this Agreement. The Commercial General Liability Insurance shall cover: (a) claims for damages for bodily injury, sickness, disease or death of persons other than the Operator's employees; (b) claims for damages due to injury or death of persons or damage to property, including the loss of use thereof; (c) claims for damages arising out of bodily injury or death of persons or damage to property arising out of Operator's ownership, maintenance or use of motor vehicles; (d) contractual liability applicable to the obligations under this Agreement; and (e) completed operations. The Commercial General Liability Insurance policy shall name the District including, without limitation, District officers, directors, employees, representatives, the District's Board of Trustees and individual members of the Board of Trustees, as additional named insureds thereunder. The minimum coverage amount under the Commercial General Liability Insurance shall be One Million Dollars ($1,000,000) with Two Million Dollars ($2,000,000) aggregate.

8.1.3 **Property Casualty Insurance.** The Property Casualty Insurance obtained by the Operator shall cover the perils and risks of loss, damage or destruction of: (a) all trade fixtures and equipment, including without limitation, the Operator's Equipment/Fixtures merchandise and other personal property situated from time-to-time in, on or about the District Cafeteria; and (b) all items of personal property situated at the location of the Satellite Operation, including the facility from which the Satellite Operation is conducted. The coverage amount under the Property Casualty Insurance shall be one hundred percent (100%) of the actual replacement costs. The Property Casualty Insurance shall include coverage against the perils of "fire and extended coverage," vandalism, malicious mischief, theft, sprinkler leakage, earthquake, and flood damage. Proceeds of the Property
Casualty Insurance shall be used by the Operator exclusively for the purposes of rebuilding, restoring, replacing or repairing damage to property caused by peril(s) included within coverage under the Property Casualty Insurance policy. The minimum coverage amount under the Property Casualty Insurance shall be One Million Dollars ($1,000,000) with Two Million Dollars ($2,000,000) aggregate.

8.1.4 Additional Insurance Coverages. If the Operator is awarded a contract to provide food/beverage service at a catered event sponsored by the District, if required by the Contract Administrator, the Operator shall provide additional or different insurance coverages in connection with Operator’s service for such an event.

8.1.5 Certificates of Insurance; Policy Requirements. Prior to the commencement of the Term of this Agreement, the Operator shall deliver to the Contract Administrator Certificates of Insurance evidencing each of the insurance coverages required to be obtained and maintained by the Operator. Each policy of insurance obtained by the Operator hereunder shall provide, by endorsement or otherwise, that the policy of insurance will not be permitted to lapse or expire, or to be materially modified without at least thirty (30) days advance written notice to the District. All insurance shall be placed with California admitted insurers with a current A.M. Best’s rating of no less than A:VII, unless approved by the District.

8.1.6 Deductibles; Premiums. The Operator is solely responsible for the full and timely payment of premiums for policies of insurance the Operator is required to obtain and maintain under this Agreement. In the event of a loss under a policy of insurance obtained and maintained by the Operator hereunder, the Operator shall be solely responsible for payment of the deductible, if any, associated with such loss. Any and all deductibles in excess of $2,000 must be approved by the District.

8.1.7 District Rights. If the Operator fails or refuses to obtain and maintain any policy of insurance required hereunder, the District may, but is not obligated to, obtain such policy of insurance on behalf of the Operator. If the District obtains a policy of insurance on behalf of the Operator pursuant to the foregoing, the Operator shall be responsible for payment of all premiums associated with such policy of insurance and an administrative fee equal to twenty-five percent (25%) of the premium costs.

8.2 District Insurance. During the Term of this Agreement, the District will maintain insurance against the perils, losses and claims described herein, provided that the District may, in its discretion, elect to self-insure, obtain commercially available insurance policy(ies) or obtain insurance coverages through one or more Joint Powers Authorities.

8.2.1 General Liability Insurance. The District will obtain General Liability Insurance covering the risks of death or bodily injury to persons and damage to property.

8.2.2 Property Casualty Insurance. The District will obtain Property Casualty Insurance which will include coverage for the risks of loss, damage or destruction to the District Cafeteria. The foregoing notwithstanding, the District’s Property Casualty Insurance will not provide coverage for the risk of loss, damage or destruction of items of personal property situated in, on or about the District Cafeteria owned by the Operator, including without limitation, the Operator’s Equipment/Fixtures.

8.3 Waiver of Subrogation. The District and the Operator each waive all rights of recovery against the other or against the Trustees, directors, partners, officers, employees, agents or representatives, as applicable, of the District and the Operator, arising out of a loss or damaged which is insured under a policy of property casualty insurance in effect at the time of such loss or damage. The foregoing waiver shall be required of
the insurers of the District and the Operator to the extent that there is no additional premium costs for such waiver of subrogation.

8.4 Operator Indemnification. To the fullest extent permitted by law, the Operator shall indemnify, defend and hold harmless the District and, as applicable, its employees, officers, directors, Board of Trustees, individual members of the Board of Trustees, agents and representatives ("the Indemnified Parties") from any and all claims, demands, losses, responsibilities or liabilities for: (i) injury or death of the Operator's employees arising out of this Agreement; (ii) injury or death of persons or damage to property, or (iii) other costs or charges, directly or indirectly arising out of or attributable, in whole or in part, to the negligent or willful acts, omissions, errors and/or other conduct of the Operator and its employees, agents and representatives. The foregoing shall include, without limitation, attorneys fees and costs incurred by the Indemnified Parties and shall survive the termination of this Agreement until any such claim, demand, loss, responsibility or liability covered by the provisions hereof is barred by the applicable Statute of Limitations.

9 OPERATOR PAYMENTS

9.1 Annual Payments. For each fiscal year of the Term (July 1 through June 30), the Operator shall make an Annual Payment to the District in the amount of Nineteen Thousand Dollars ($19,000.00) ("the Annual Payment"). The Annual Payment shall be made in twelve (12) equal monthly installments of One Thousand Five Hundred Eighty Three Dollars and Thirty Three Cents ($1,583.33), with each monthly installment due on the first day of each calendar month during the Term. The Annual Payment shall increase by two percent (2%) per annum on the first day of each fiscal year in each of the five years of the Term.

9.2 Annual Revenue Payments. In addition to the Annual Payments due pursuant to Paragraph 9.1 above, the Operator shall make annual payments equal to six percent (6%) of Operator's Revenue (less tax) in excess of Three Hundred Eighty Four Thousand Dollars ($384,000.00) for the Fiscal Year. Within thirty (30) days of the end of each Fiscal Year of the Term, the Operator shall prepare and submit to the District a detailed statement of Gross Revenues realized for the Fiscal Year along with a calculation of the Percentage of Revenue due the District for that Fiscal Year. The Operator shall make a lump sum payment of the Percentage of Revenue due for each Fiscal Year of the Term concurrently with its submission of the statement of Fiscal Year Gross Revenues. The Operator acknowledges that notwithstanding the expiration of the Term, it is obligated to submit the statement of Gross Revenue for the last Fiscal Year of the Term and to make payment of the Percentage of Revenue for the last Fiscal Year of the Term, within thirty (30) days of the Termination Date. For purposes of this provision, each Fiscal Year shall commence on the date of the month of the Commencement Date and shall end the twelfth (12th) month thereafter.

9.3 Associated Student Body ("ASB") Annual Contribution. Each fiscal year during the Term, the Operator shall make a contribution to the Gavilan College ASB in the amount of One Thousand Two Hundred Dollars ($1,200.00). The ASB Annual Contribution shall be made in twelve (12) equal monthly installments of One Hundred Dollars ($100.00), with each monthly installment due on the first day of each calendar month during each fiscal year of the Term.

9.4 Scholarship Fund Contribution. Each fiscal year during the Term, the Operator shall make a contribution to a Gavilan College Scholarship Fund in the amount of One Thousand Two Hundred Dollars ($1,200.00). The annual Scholarship Fund contribution shall be made in two equal installments on the first day of Gavilan College's fall and spring academic semesters, respectively. Scholarship Funds will be
awarded in the name of the Operator to one or more Gavilan College students in accordance with criteria established by the Gavilan College Financial Aid office.

9.5 **Equipment Use/Replacement Payment.** For each fiscal year of the Term, Operator shall make an annual non-refundable payment of Five Thousand Dollars ($5,000.00) to District for Operator’s use and/or replacement, if necessary, of District Cafeteria equipment, machinery and fixtures. This sum shall reimburse the District, in part, for wear and tear of District equipment, machinery and fixtures arising out of and in connection with Operator’s use of such equipment, machinery and fixtures. Operator’s payment shall not constitute a prepayment or offset of any kind or have any effect whatsoever as to Operator’s obligation to clean, maintain and repair District-owned fixtures, equipment and furnishings as set forth in paragraphs 3.3 and 4.4.3, above. The Equipment Use/Replacement annual payment shall be paid to the District in twelve (12) equal monthly installments of Four Hundred Sixteen Dollars and Sixty Seven Cents ($416.67), with each monthly installment due on the first day of each calendar month during each fiscal year of the Term.

9.6 **In Kind Contributions.** For each fiscal year of the Term, Operator shall provide to District in kind catering services with a total retail value of products and services in the sum Five Hundred Dollars ($500.00) for District sponsored events. In addition, for each fiscal year of the Term, Operator shall provide to District in kind catering services with a total retail value of products and services in the sum One Thousand Dollars ($1,000.00) for ASB sponsored events. All requests for in kind catering services shall be submitted to the District’s Vice President of Administrative Services for District approval, which may be granted or denied in the sole discretion of the District. Unless expressly confirmed by written agreement duly executed by the District and Operator, the District shall not be liable to Operator for any excess fees, charges or sums of any amount incurred for in kind catering services provided by Operator pursuant to this Agreement.

9.7 **Security Deposit.** Operator shall deposit with District upon execution of this Agreement, by cash or cashier’s check, the sum of Ten Thousand Dollars ($10,000.00) to be deposited by the District as security during the Term of the Agreement as and for security against losses or damages sustained by the District due, in whole or in part, to acts and omissions of Operator including, without limitation, damage to the District Cafeteria structure, building systems, fixtures, equipment or machinery, damages or losses arising out or in connection with Operator’s insolvency, failure to make payments due under this Agreement, or inability to maintain and operate the District Cafeteria. District’s acceptance and deposit of Operator’s Security Deposit shall, in no way, constitute an accord and satisfaction or waiver of any and all rights and remedies the District may be entitled to pursue against Operator pursuant to this Agreement or by operation of law. The Security Deposit may be refunded, in whole or in part, to Operator upon expiration of the Term of this Agreement provided that Operator has fully complied with and performed all of its obligations under this Agreement the District has not sustained any losses or damages as a result, in whole or in part, of acts and omissions of Operator including, without limitation, damage to the District Cafeteria structure, building systems, fixtures, equipment or machinery, damages or losses arising out or in connection with Operator’s insolvency, failure to make payments due under this Agreement, or inability to maintain and operate the District Cafeteria.

9.8 **Operator’s Transmittal of Payments.** All payments due from the Operator shall be paid by check made payable to “Gavilan Community College District” and delivered to:

Gavilan Community College District  
Director of Business Services  
5055 Santa Teresa Boulevard
Gilroy, California 95020

9.9 District Remedies for Late Payments.

9.9.1 Service Charge. If the Operator fails to make payment of any sum due under this Agreement to the District for the amount due and when due, the Operator shall pay to the District an service charge equal to ten percent (10%) of the amount due. The Operator acknowledges and agrees that the late payment of any sum due from the Operator to the District will cause the District to sustain losses and damages not contemplated by this Agreement and which will be extremely difficult to ascertain and that such service charge represents a fair estimate of the losses and damages which the District will sustain by reason of late payment by the Operator. The Operator further agrees that such service charge shall not be deemed or construed to neither be a waiver of the Operator's default with respect to such overdue payment nor prevent the District from exercising any other right or remedy, whether arising under this Agreement or by operation of law, arising out of such late payment.

9.9.2 Attorneys Fees. If the District retains legal counsel to initiate collection procedures, including without limitation, legal proceedings to collect late payments due from the Operator or service charges due from the Operator on account of overdue payments, the Operator shall pay, as costs, all reasonable legal fees and other related expenses arising out of or related in any manner to such collection procedures, including legal proceedings.

10 TERM.

10.1 Term. The Term of this Agreement shall commence on the first day of Operator's occupancy of the District Cafeteria. The first day of Operator's Term, for occupancy purposes shall be July 1, 2009. The Term shall terminate five (5) years thereafter on June 30, 2014, unless terminated earlier pursuant to the terms of this Agreement. If the Term shall terminate on a day other than the last day of the then current academic session at the District, notwithstanding any term of this Agreement to the contrary, the Term shall be extended to the end of the then current academic session at the District ("the Academic Session Extension"). All terms and conditions of this Agreement shall be applicable during the Academic Session Extension.

10.2 District Termination of Agreement for Operator Default. The District may terminate this Agreement by written notice to the Operator if the Operator commits an event of default which shall include without limitation: (a) the Operator's breach of any material obligation hereunder; (b) an assignment by Operator for the benefit of creditors; (c) the Operator files or has filed against the Operator a proceeding for protection under state insolvency laws or the United States Bankruptcy Code; or (d) the Operator conducts operations under this Agreement in violation of the Laws. Upon the District's issuance of the written notice pursuant to the foregoing, the Operator shall have seven (7) days to undertake and complete a cure of the matters set forth in the District's written notice, provided that if the nature of the matters set forth in the District's notice reasonably requires more than seven (7) days to complete the cure, this Agreement shall not be terminated so long as the Operator diligently prosecutes the cure to completion. If the Operator fails to take cure actions set forth above or to diligently and completely prosecute cure actions, this Agreement shall be deemed terminated, without further action of the District or the Operator, as of the eighth (8th) day after the date of the District's written notice. The Operator may terminate this Agreement upon written notice to the District of the District's default of a material obligation of the District under this Agreement. Upon the Operator's issuance of the written notice pursuant to the foregoing, the District shall have seven (7) days to undertake and complete a cure of
the matters set forth in the Operator's written notice, provided that if the nature of the matters set forth in the Operator's notice reasonably requires more than seven (7) days to complete the cure, this Agreement shall not terminate so long as the District diligently prosecutes the cure to completion. If the District fails to take cure actions set forth above or to diligently and completely prosecute cure actions, this Agreement shall be deemed terminated, without further action of the District or the Operator, as of the eighth (8th) day after the date of the Operator's written notice.

10.3 District Termination for District Convenience. The District may, at any time during the Term or any extension thereof, by written notice to the Operator, elect to terminate this Agreement for the District's convenience. The termination of this Agreement for the District's convenience shall be effective thirty (30) days after the date of the District's notice of termination for the District's convenience, unless a longer period is set forth in the District's written notice.

10.4 Rights and Obligations Upon Termination of Agreement. Upon the expiration of the Term or the District's termination of this Agreement for the Operator's default or the District's convenience, the rights and obligations of the District and the Operator shall be as set forth below.

10.4.1 Operator Vacation of the District Cafeteria. As of the date of the expiration of the Term or as of the effective date of the District's termination of this Agreement for the Operator's default or the District's convenience, the Operator shall, at its sole cost and expense remove all items of personal property owned or operated by the Operator, including Operator's Equipment and Fixtures, except for those which have been permanently affixed to the District Cafeteria. Operator's removal of Operator-owned equipment and fixtures which have been permanently affixed to the District Cafeteria shall be conducted in accordance with paragraph 3.3, above. Any item of personal property remaining in, on or about the District Cafeteria shall as of the effective date of expiration of the Term or the District's termination of this Agreement shall be deemed the property of the District and the District may thereafter dispose of such items of personal property without liability to the Operator. The Operator shall, if requested by the District, execute such further instruments, including without limitation, one or more Bills of Sale, as reasonably necessary to effectuate the intent of this provision.

10.4.2 Conveyance of Operator Equipment/Fixtures to the District. As of the date of the expiration of the Term or as of the effective date of the District's termination of this Agreement for the Operator's default, title to all of the Operator's Equipment and Fixtures that have been permanently affixed to the District Cafeteria shall be deemed conveyed to the District, free and clear of claims, liens or encumbrances of third parties. The Operator shall, if requested by the District, execute such further instruments, including without limitation, one or more Bills of Sale, as reasonably necessary to effectuate the intent of this provision.

11 DISPUTES.

11.1 Mandatory Mediation. All claims, disputes and other matters in controversy between the District and Operator arising out of or pertaining to this Agreement shall be submitted for resolution by non-binding mediation conducted under the auspices of the Judicial Arbitration Mediation Service ("JAMS") and the Comprehensive Arbitration Rules and Procedures of JAMS in effect at the time that a Demand For Mediation is filed. The commencement and completion of mediation proceedings pursuant to the foregoing is a condition precedent to Operator's commencement of arbitration proceedings pursuant to Paragraph 11.3 below. Neither this mediation provision nor the arbitration provision, below, however, shall constitute or be deemed a waiver by the District of any and all jurisdictional challenges to the claims including, without limitation,
claims that the action is barred by the applicable statute of limitations, California Tort Claims Act, and/or any and all statutory conditions precedent.

11.2 Jurisdictional Challenges to Arbitration. The Superior Court of the State of California for the County of Santa Clara shall have sole and exclusive jurisdiction to hear and rule upon all claims, disputes and/or disagreements arising out of or pertaining to jurisdictional challenges to arbitration including (1) whether claimant has waived its right to arbitration (Code of Civil Procedure § 1281.2(a)); (2) whether grounds exist for revocation of the agreement (Code of Civil Procedure § 1281.2(b)); (3) whether a party to the arbitration agreement is also a party to pending court action or special proceeding with a third party arising out of the same transaction series of related transactions and there is a possibility of conflicting rulings on a common issue or fact or law (Code of Civil Procedure § 1281.2(c)); (4) whether the claims is time-barred by the applicable statute of limitations; (5) whether the claim is time-barred by the California Tort Claims Act; and/or (6) whether claimant has failed to satisfy any and all statutory conditions precedent to arbitration.

11.3 Arbitration. Subject to and notwithstanding the limitations set forth in Article 11.2 above, all claims, disputes, disagreements or other matters in controversy between District and Operator arising out of or pertaining to this Agreement shall be resolved by arbitration conducted by a JAMS arbitrator identified as having expertise in public works matters and in accordance with the Comprehensive Arbitration Rules and Procedures of JAMS in effect as of the date that a Demand for Arbitration is filed, except as expressly modified herein. The locale for any arbitration commenced hereunder shall be the regional office of JAMS closest to the Project Site. A Demand for Arbitration shall be filed and served within a reasonable time after the occurrence of the claim, dispute or other disagreement giving rise to the Demand for Arbitration, but in no event shall a Demand for Arbitration be filed or served after the date when the institution of legal or equitable proceedings based upon such claim, dispute or other disagreement would be barred by the applicable statute of limitations. In connection with any arbitration proceeding commenced hereunder, the discovery rights and procedures provided for in California Code of Civil Procedure §1283.05 shall be applicable, and the same shall be deemed incorporated herein by this reference. Notwithstanding Rule 24 of JAMS Comprehensive Arbitration Rules and Procedures, in any arbitration to resolve a dispute relating to this Agreement, the arbitrator’s award shall be supported by law and substantial evidence. Subject to and notwithstanding the mediation and arbitration provisions set forth herein, all claims demands, disputes, disagreements or other matters in controversy by the Operator as against the District seeking money or damages in any sum shall, as a condition precedent to suit including, without limitation, a demand for arbitration, be subject to the claims provisions of the California Government Code section 900, et seq.

12 MISCELLANEOUS.

12.1 Governing Law; Interpretation. This Agreement shall be governed and interpreted in accordance with California law. This Agreement shall be interpreted as a whole in accordance with its fair meaning and not strictly for or against the Operator or the District. Marginal headings in this Agreement are for convenience of reference only and shall not enlarge or diminish any rights or obligations of the District or the Operator. In the event of conflicts or inconsistencies between the terms of this Agreement and any portion of the RFP Response, the terms of this Agreement shall govern and control.

12.2 Cumulative Rights and Remedies. Duties and obligations set forth in this Agreement are in addition to and not in lieu of duties and obligations arising by operation of law and applicable to the transaction contemplated in this Agreement. No action or failure
to act by the District shall be deemed a waiver of any right or remedy afforded the District under this Agreement or by operation of law nor a waiver of any default or breach by the Operator of its obligations under this Agreement.

12.3 Operator Independent Contractor Status. In performing its obligations under this Agreement, the Operator is an independent contractor to the District and not an agent or representative of the District.

12.4 Severability. If any term or condition of this Agreement is deemed invalid, unenforceable or void by a court of competent jurisdiction, such term or condition shall be deemed severed from this Agreement and all remaining terms and conditions shall remain in full force and effect.

12.5 Notices. Notices shall be addressed as follows:
   If to District:
     Joseph D. Keeler
     Vice President of Administrative Services
     Gavilan Joint Community College District
     5055 Santa Teresa Boulevard
     Gilroy, California 9502

   If to Operator:
     Richard McMahon
     President
     Pacific Dining Services
     PO Box 32761
     San Jose, California 95152

The recipients and addresses for notices may be modified by the Parties by notice to the other.

12.6 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

12.7 No Assignment. Neither the District nor the Operator shall assign this Agreement without the prior consent of the other. The District's consent to the Operator's assignment may be granted, denied or conditioned in the sole discretion of the District.

12.8 Entire Agreement. This Agreement, the RFP, the RFP Response and the Attachments hereto as Exhibits “A” – “D” inclusive, constitute the entire agreement and understanding between the Parties concerning the subject matter hereof. The foregoing notwithstanding, if there is any conflict or inconsistency between the terms of this Agreement and any portion of the RFP Response, the terms of this Agreement shall govern and prevail. This Agreement supersedes and replaces all prior verbal and written negotiations, understandings and/or agreements of the Parties relating to the subject matter hereof. This Agreement may be amended only by written instrument duly executed by or on behalf of the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth above.

"DISTRICT"
GAVILAN JOINT COMMUNITY COLLEGE DISTRICT

By: ___________________________
Joseph D. Keeler
Vice President of Administrative Services

"OPERATOR"
PACIFIC DINING SERVICES

By: ___________________________
Richard McMahon
President
EXHIBIT A

CAMPUS MAP

MAIN CAMPUS, GILROY
6555 Santa Teresa Blvd.
Gilroy, CA 95020
408-854-3800 or
831-637-1108 (from Holder)

BUILDING GUIDE
AL  A4 Lecture
APE  Adapted Physical Education
AR  Art
BOS  Business Office Building
BU  Business
CD  Child Development
CH  Chemistry
CHP  Childcare
CJ  Computer Science
COB  Cosmetology
GV  Gym
HOE  Health Occupations Bldg.
HRT  Human Resources
HRC  Human Resource Center
L  Library
LB  Life Sciences
MAY  Math/Science
OS  Office of Student Services
PA  Police Academy
PB  Portable Buildings
PH  Physical Science
SG  Student Services
SNF  Security/Maintenance
SS  Social Science
TH  Theater

KEY TO GAVILAN COLLEGE

Administration  SC
Admissions & Records  SC
Art Gallery  LI
AS  SC
Academic Computing  BU
Athletic Training  GY
Bookstore  SC
Business Office  BOS
Cafeteria  SC
Campus Police  LI
Career/Transfer Services  SC
Campus Map  LI
Child Development Center  CD
Children's Developmental Center  CD
Children's Infant Childcare  CD
Children's Preschool  CD
Brs  LI
Community Ed  LI
Computing Environments  LI
Corrections Office  GY
Disability Resource Center  LI
Equestrian Center  GY
English/Spanish Services  LI
Early Childhood Program  PA
Education Center  SC
Information Technology  SC
Law Enforcement  SC
Math Lab  PB14
MESA  PB19
Music  TH
National Program  PB2
Nursing  ANB
Paralegal  BOA
Physical Education  GY
Police Academy  PA
Public Information Office  PB2
Recreations  PB11
RFP  BU
Student Services  SM
Student Health Services  SC
Student Services Office  SC
TTC Program  SC
TV Station  LI

FOOD SERVICES, RFP NO. 09-002
EXHIBIT A, CAMPUS MAP
EXHIBIT D

BASIC SERVICES

1. The Food Service Firm (FSF) will provide a full range quick food service.
   1.1 Breakfast, lunch and dinner meals must be available for purchase at this location. The FSF shall prepare a menu and pricing of food/beverage items available for sale at the District Cafeteria which includes a sufficient variety of properly prepared food items with quality ingredients. Menu items shall routinely include ethnic foods consistent with the ethnicity of the District student body, hamburger and vegetarian burgers deli sandwiches, vegetarian items, salads/salad bar and fast foods. In addition to routine menu items, in conjunction with special District events or holidays, appropriate menu items relating to the special District event or holiday will be made available by the Operator. Prior to commencement of the District Cafeteria operations, the Operator shall submit to the Contract Administrator its proposed menu and pricing schedule for review and approval.
   Prior to changes to the menu approved by the Contract Administrator and prior to offering food in conjunction with special District events or holidays, the Operator shall submit the proposed menu items to the Contract Administrator for review and approval. The Operator shall modify menu items or pricing as may be reasonably requested by the Contract Administrator. In addition to offering Operator prepared food items in the District Cafeteria, the Operator may offer for sale in the District Cafeteria packaged food/snack items such as chewing gum, potato chips, candy and similar pre-package food/snack items.
   1.2 The FSF is required to conspicuously post the menu items along with pricing for all items. Such postings must be in a neat and professional manner with no written signs used for displaying information. Hand written boards may be used for alternating daily menu items but such signs must be neat and orderly in appearance.
   1.3 No menu items will be reserved as exclusive rights to this location. The foregoing notwithstanding, DISTRICT retains the right to direct the brand name of the beverage products provided in the DISTRICT Cafeteria. It is DISTRICT's intention to offer an exclusive right to sell products to a major distributor of beverages such as Pepsi, Coke, 7UP or other major market beverage distributor. All beverages sold in the Cafeteria are to comply with any exclusive marketing agreement entered into by DISTRICT. Pricing for drink mixes for the fountain dispensers will be determined pursuant to the DISTRICT's exclusive marketing agreement or by competitive bid.

2. Nutritional Certification Requirements:
   2.1. Animal products used at this location will be raised in humane living conditions and fed a diet free of animal by-products.
   2.2. Produce and meats will be fresh; and Operator shall strive to purchase and use meats and dairy products free of antibiotics and hormones.
   2.3. No food containing partially hydrogenated vegetable oils, shortening or margarine with 0.5 grams or more trans fat per serving may be stored, used or served.
   2.4. Operator shall strive to purchase and use produce, prepared foods, meats and/or goods that have traveled less than 200 miles from the source to the college.
   2.5. The FSF will support fresh domestic seasonal crops and purchase produce that is in season.
   2.6. The FSF will keep on file nutritional information for the food products offered.
3. All beverages sold in the Cafeteria or at any location on the District campuses shall comply with any exclusive marketing agreement entered into by the District.
   3.1. Beverages offered for sale through the Gavilan College Cafeteria fountain machine(s) will be limited to beverages produced or distributed by the District's selected beverage vendor.
   3.2. The District's selected beverage vendor will provide and install fountain machine(s) for your use in the Gavilan College Cafeteria. Maintenance/replacement of the fountain machine(s) will be by the District's beverage vendor and not the District.
   3.3. Beverages offered for sale in the Gavilan College Cafeteria, outside of the fountain machines, will be limited to beverages produced or distributed by the District's selected beverage vendor, except for one-hundred percent (100%) fruit juice beverages sold in the Gavilan College Cafeteria refrigerated cases.
   3.4. Drink mixes for the Gavilan College Cafeteria fountain dispenser and beverages offered for sale in the Gavilan College Cafeteria outside of the fountain machine(s) must be procured from the District’s selected beverage vendor except for one-hundred percent (100%) fruit juice beverages sold in the Gavilan College Cafeteria refrigerated cases. Pricing for drink mixes for the fountain dispensers will be determined pursuant to the District's exclusive marketing agreement or by competitive bid.
   3.5. All beverages offered for sale in the Gavilan College Cafeteria shall be contained in plastic or paper containers only. Cans and glass containers will not be permitted.

4. DISTRICT is an environmentally-conscious institution and requires that the FSF participates in the college's composting and recycling programs. DISTRICT will provide containers for organic material for composting.
   4.1. Packaging consideration should include the following:
   4.2. Use of 100% recycled-content paper products.
   4.3. Use of vegetable-based plastic, biodegradable and recyclable products.
   4.4. No polystyrene or "Styrofoam" products.
   4.5. No wax or plastic coated paper products.
   4.6. No excessive or needless packaging.
   4.7. The FSF will use "Green Seal" certified cleaning supplies. (Attachment GS-1)
   4.8. The FSF will use "Energy Star" equipment. (Attachment ES-1)
   4.9. The FSF will practice and incorporate utility conservation.

5. The FSF will maintain and operate to the schedule and requirements of DISTRICT.
   5.1. Operator shall use its best practical effort to ensure that Deliveries are made before 7:30 a.m. Monday through Friday.
   5.2. The minimum hours of operation during the school year will be:
       5.2.1. 7:00 a.m. to 8:00 p.m. Monday through Thursday.
       5.2.2. 7:00 a.m. to 2:00 p.m. on Friday
       5.2.3. Closed Legal holidays (these dates may change from time to time):
               New Years Day - January 1
               Martin Luther King Day (3rd Monday in January)
               Lincoln's Birthday - February 12
               Presidents Day (3rd Monday in February)
               Memorial Day (last Monday in May)
               Independence Day - July 4
               Labor Day (1st Monday in September)
               Veterans Day - November 11
               Thanksgiving (4th Thursday in November)
               California's Admission Day - December 24
Christmas Day - December 25

5.3. Closed College holidays:
   Staff Development Day
   The day after Thanksgiving (4th Friday in November)
   December 26th through December 31st

5.4. During Summer Session and the Inter-Session, the minimum hours of operation will be Monday through Friday 7:30 a.m. to 2:00 p.m.

5.5. The FSF is responsible for posting the hours of operation at all entrances to the facility and for maintaining the posted hours of operation.

5.6. DISTRICT reserves all rights it may have to exercise an option for limited Cafeteria service on Saturdays between 7:00 a.m. and 12:00 p.m. This option, if exercised, shall be confirmed by written modification to the Agreement and duly executed by and between DISTRICT and the FSF.

5.7. The FSF must have an authorized decision maker on-site during operating hours.

5.8. The FSF must uphold a socially-conscious business model and mission statement.

5.9. The FSF will give priority consideration for hiring DISTRICT students during the hiring process. FSF will place job openings with DISTRICT Student Job Placement Office.

5.10. The FSF must have high speed transactions for credit card, debit cards, and e-debit. The FSF is required to ring up all sales and provide a receipt to the purchaser.

5.11. The FSF will provide a suggestion box, review the customer input and share the submissions with the designated Project Manager.

Retail food facilities are routinely inspected by Registered Environmental Health Specialists from the County of Santa Clara Department of Environmental Health. The Inspection Reports generated from the routine inspections are posted on the County of Santa Clara Department of Environmental Health's website and are required to be posted at the retail food facility. The Food Service Firm must sufficiently maintain the facilities to ensure the facility passes all such inspections by the County of Santa Clara Department of Environmental Health. Should the Operator receive an unfavorable inspection report, Operator shall have three business (3) days to cure any and all identified deficiencies set forth therein or risk financial penalties by the District or contract termination.

6. The District will grant to the FSF non-exclusive licenses to operate and maintain the DISTRICT Cafeteria on its main campus, located at 5055 Santa Teresa Boulevard, Gilroy, California. The FSF will provide a full range quick food service menu Monday through Friday during the hours of operation as set forth in the Agreement.

6.1. DISTRICT is responsible for the cleaning and maintenance of the exterior area of the restaurant space. DISTRICT will clean and maintain the floors and general areas of the dining component of the Cafeteria as set forth more fully in the Agreement.

6.2. DISTRICT will provide the following natural gas, electricity, water and two telephone lines as part of the basic fee.

6.2.1. DISTRICT will provide basic maintenance for these utilities to the point of entry to the restaurant space.

6.3. DISTRICT will provide restroom facility for use of all FSF staff.

6.4. DISTRICT will provide seating for use in the cafeteria area for all customers.

7. The FSF is responsible for the interior of the restaurant space.

7.1. The FSF is responsible for cleaning and maintenance of the food preparation, display and service areas including floors and walls within the kitchen. The FSF shall, as part of this RFP, furnish any additional required food preparation
equipment, food storage equipment, food display and servicing equipment as they feel necessary to meet the conditions of the agreement.

7.2. The FSF shall furnish, at no cost to DISTRICT, all food preparation and service equipment and utensils, including, but not limited to, pots, pans, mixing bowls, knives, spatulas, etc. that may be required.

7.3. The FSF is responsible for the maintenance of all utilities, fixtures and equipment within the Vendor's facility. The FSF is responsible to extend electric, water, gas and sewage lines to the necessary sinks and equipment.

7.3.1. The FSF will coordinate with DISTRICT's Maintenance Department regarding all maintenance operations.

7.3.2. The FSF is responsible for all fire and safety equipment within the interior restaurant space.

7.3.3. The FSF is responsible for all cleaning and trash collection and disposal within the food service facility. DISTRICT will provide dumpsters for disposal of trash and will service those dumpsters on a regular basis.

7.3.4. The FSF is responsible for any logos, signs or displays in their assigned service area.

8. The FSF must become familiar with and follow all directives and procedures of DISTRICT's Emergency Preparedness Plan which will be provided upon the contract award.

If any conflict should arise between the Basic Services set forth herein and the services enumerated in the Agreement, the FSF shall interpret the Contract Documents so that the more stringent provision shall take precedence as to the FSF's services.
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ATTACHMENT GS-1

THE GREEN SEAL®

The Green Seal is a non-profit organization devoted to environmental standard setting and product certification. Green Seal’s mission is to work towards environmental sustainability by identifying and promoting environmentally responsible products, purchasing, and production. Green Seal offers certification to all products covered by its Standards. Manufacturers may submit their products for evaluation by Green Seal. Through its standard setting, certification and education programs, Green Seal:

identifies products that are designed and manufactured in an environmentally responsible manner;

offers scientific analyses to help consumers make educated purchasing decisions regarding environmental impacts;

ensures consumers that any product bearing the Green Seal Certification Mark has earned the right to use it; and

encourages manufacturers to develop new products that are significantly less damaging to the environment than their predecessors.

Those which comply with Green Seal's requirements may be authorized to use the Green Seal Certification Mark on products and in product advertising. Manufacturers authorized to use the Green Seal Certification Mark on their product are subject to an ongoing program of testing, inspection, and enforcement.

For additional information on Green Seal or any of its programs, contact:

Green Seal
1001 Connecticut Avenue, NW, Suite 827
Washington, DC 20036-5625
(202) 872-8400
www.greenseal.org
Amendment No. 1 to Food Services Agreement

This Amendment No. 1 to Food Services Agreement ("Amendment") is entered into this ___ day of May, 2009 by and between Gavilan Joint Community College District ("District") and Pacific Dining Services ("Operator").

WHEREAS, on or about May 12, 2009, the District and the Operator entered into a written agreement entitled "Food Services Agreement" ("Agreement") pursuant to which the District and the Operator established the terms and conditions pursuant to which Operator agreed to provide food and beverage cafeteria services at the District.

WHEREAS, subsequent to the District's decision to award the Food Services Agreement to Operator, the District determined that due to the contract termination of the existing Food Service Management/Consulting Services Agreement on May 31, 2009 and the commencement of Operator's Agreement on July 1, 2009, there is a two week period from June 15 through June 30, 2009 during which the District will have no cafeteria services for its student body.

WHEREAS, since the District does not have ample time to engage in public bidding to bridge the two week gap in cafeteria services and it is, moreover, impractical and impossible to contract with any Operator for two weeks of cafeteria services, the District has determined that it is in the best interests of the District and its student body to amend Operator's Agreement to provide food and beverage cafeteria services for the period June 15 through June 30, 2009.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is acknowledged by the District and the Operator, the District and the Operator desire to amend the Agreement as set forth herein.

Operator shall commence its occupancy of the District Cafeteria on or after June 1, 2009, and Operator shall have the District Cafeteria fully operational and open for business on or before June 15, 2009, the first day of the District's Summer Session. In addition to the Operator's payments to the District set forth in Article 9 of the Agreement, Operator shall make a one-time payment to District equal to ten percent (10%) of Operator's Revenue (less tax) for the period commencing June 15, 2009 and continuing through June 30, 2009 ("Initial Period"). On or before August 17, 2009, the Operator shall prepare and submit to the District a detailed statement of Gross Revenues realized for the Initial Period, together with its one-time payment equal to ten percent (10%) of Operator's Revenue (less tax) for the Initial Period.

Except as expressly set forth above, no other term, condition or covenant of the Agreement shall be amended or modified and all such terms, conditions and covenants of the Agreement remain unaffected and enforceable.

"DISTRICT"
GAVILAN JOINT COMMUNITY COLLEGE
DISTRICT

By: __________________________
Joseph D. Keeler
Vice President of Administrative Services

"OPERATOR"
PACIFIC DINING SERVICES

By: __________________________
Richard McMahon
President