

## MANAGEMENT AGREEMENT

This Management Agreement ("Agreement") is made and entered into as of this 1st day of July, 2014 by and between **Mountain Home School District #193** ("FSA" "School Food Authority" "District"), a public school district, and **Compass Group USA, Inc.** by and through its Chartwells Division ("FSMC" or "Chartwells")

### WITNESSETH:

WHEREAS, the SFA wishes to retain Chartwells to provide certain food and food-related services at all of the campuses within the jurisdiction of the SFA (the "Premises");

NOW, THEREFORE, in consideration of the mutual agreements set forth below and other good and valuable consideration, acknowledged by each of the Parties to be satisfactory and adequate, Chartwells and the SFA agree as follows.

#### **Section 1. PURPOSE OF THE AGREEMENT**

1.1 Appointment of Chartwells. The SFA hereby retains Chartwells and grants to Chartwells the exclusive right to provide and manage the SFA's food service program ("Service," "Services," "Food Service" or "Food Service Program") at the SFA's Premises. Chartwells shall render the Food Services within the facilities of the Premises, including but not limited to, the food preparation, serving, dining and storage areas ("Facilities") designated for the Food Service Program. Food offered on the Premises pursuant to Section 4.3 below is excluded from the definition of "Service," "Services," "Food Service" and "Food Service Program".

1.2 General Purpose. Chartwells shall be responsible for the SFA's Food Service Program and shall prepare and serve wholesome, nutritious and appetizing meals to the reasonable satisfaction of the SFA. Chartwells shall comply with the applicable provisions of the National School Lunch Program ("NSLP"), the School Breakfast Program ("SBP"), the Fruit and Vegetable Program ("FFVP"), the Summer Food Service Program ("SFSP"), the Simplified Summer Food Program ("SSFP"), the After School Snack Program, the Child and Adult Care Food Program Supper Program ("CACFP"), the Special Milk Program ("SMP") and the U.S. Department of Agriculture ("USDA") Regulations set forth in 7 CFR 210, 7 CFR 215, 7 CFR 220, 7 CFR 225, 7 CFR 226, 7 CFR 245, 7 CFR 250 and any requirements imposed by any applicable state agency.

1.3 Independent Contractor. Chartwells may serve as an agent for the District in performance of Services hereunder. Chartwells shall be an independent contractor and shall retain control over its employees and agents. Chartwells shall be free to perform Services for any other SFA, company or organization during the term of this Agreement.

#### **Section 2. COMMENCEMENT & TERMINATION**

2.1 Commencement and Term. The term of this Agreement shall be for one (1) year beginning on July 1, 2014 and continuing until June 30, 2015 ("Term") unless terminated by either Party as hereinafter provided. The Parties may by mutual agreement renew this Agreement for up to four (4) successive one (1) year renewal periods. *7 CFR 210.16*

2.2 Termination. Either Party may terminate this Agreement without cause by giving sixty (60) days notice in writing to the other Party of its intention to do so. *7 CFR 210.16(d)*

2.3 Breach. If either Party breaches a material provision hereof (“Cause”), the non-breaching Party shall give the other written notice of such Cause. If the Cause is remedied within thirty (30) days of receipt of notice, the notice shall be void. If such Cause is not remedied within thirty (30) days of receipt of notice, the Party giving notice shall have the right to terminate the Agreement upon expiration of such remedy period. However, neither Party shall be responsible to the other for any losses or failure to perform its respective obligations under the Agreement when such failure is caused by conditions beyond the Party’s control such as fire, explosion, water, Acts of God, civil disorder or disturbances, labor disputes, vandalism, war, riot, sabotage, weather and energy-related closings, pandemic, epidemic, governmental rules and regulations or like causes beyond the reasonable control of such Party or the damage or destruction of real or personal property of such causes. In addition, the Parties agree that nothing in this paragraph modifies the Parties’ right to terminate this Agreement by giving sixty (60) days notice in accordance with Section 2.2. above. *7 CFR Part 3016*

### **Section 3. EMPLOYEES**

3.1 Personnel Obligations. Chartwells shall be responsible for employees on its payroll including, but not limited to, responsibility for recruitment, employment, promotion, payment of wages, pension benefits, layoffs and termination. Chartwells shall comply with all applicable laws and regulations related thereto. Chartwells shall prepare and process the payroll for its employees and shall withhold and pay all applicable federal and state employment taxes and payroll insurance relating to its employees including, but not limited to, income, social security and unemployment taxes and worker’s compensation costs and charges.

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

3.3 Work Hours. Chartwells and the SFA shall comply with Section 103 and 107 of the Contract Work Hours and Safety Standards Act as set forth in 40 USC 327-330 and supplemented by U.S. Department of Labor Regulations as set forth in 29 CFR Part 5. *7 CFR Part 3016*

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All hourly Food Service employees are employees of the LEA. The FSMC manager(s) shall direct and supervise the food service employees.

3.5 Hours. Chartwells shall recommend the number of work hours and the number of positions required at the Premises.

3.6 Background Checks. Chartwells shall adhere to applicable state and federal regulations in screening prospective employees. Chartwells shall comply with criminal background checks and fingerprint regulations required by law for all new hires.

3.7 Regulations. Chartwells shall instruct its employees to abide by the policies, rules and regulations with respect to its use of SFA Premises as established by the SFA from time to time and which are furnished in writing to Chartwells.

3.8 Removal of Employee. The SFA may provide Chartwells with written notice that it requires the removal of an employee of Chartwells if such employee violates health requirements or conducts himself/herself in a manner which is detrimental to the physical, mental or moral well-being of students, staff or faculty, and any removal shall be performed only if in allowed under local, state, or federal laws, rules or regulations. In the event of the removal of any such employee, Chartwells shall immediately restructure its staff without disruption in Service.

3.9 Emergency Devices. All Food Service personnel assigned to the SFA shall be instructed on the use of all emergency switches and fire and safety devices in the Facility.

3.10 Student Workers. The District may assign work duties to students within the Food Service operations for experience. The number of student Food Service workers shall be mutually agreed to by the parties. The FSMC will supervise such students along with the Districts authorized representatives. The education of the students shall not be impeded by their work in the Food Service operation. Students shall not be exposed to hazardous conditions while working in the Food Service.

3.11 Senior Management. Chartwells shall inform the SFA prior to hiring Senior Management positions for the SFA's Food Service Program. All persons to be hired as Food Service Directors, Assistant Directors and Supervisors must be presented for the SFA's evaluation and approval, which approval shall not be unreasonably withheld. Noncompliance will be considered a breach of this Agreement. .

3.12 Non-solicitation. Chartwells' employees performing Services or administrative work at the Premises shall be subject to the rules and regulations established by the SFA as reasonable and necessary for its operations. Neither Party shall during the Term of this Agreement or for one year thereafter solicit to hire, hire or contract with either Party's employees who managed any Services or any other highly compensated employee, or any persons who were so employed, whether at the premises or another facility operated by the other ("Supervisory Employee") during the year prior to the expiration or termination of this Agreement, nor will the Client permit supervisory employees of Chartwells to be employed on the Client's Premises, for a period of one year subsequent to the termination or expiration of this Agreement (unless such employees were formerly employees of the Client) whether as an individual or as owner, partner, majority stockholder, director, officer or employee of a food service provider ("One-year Non-solicitation"). In the event of any breach of such One-year Non-solicitation, the breaching Party shall pay and the injured Party shall accept an amount equal to twice the annual salary of the relevant Employee as liquidated damages.

3.13 Training of District Employees. Chartwells will provide training to District employees in all aspects of the Food Service as deemed necessary, including but not limited to Serve-safe training, improving food preparation methods, safety, sanitation, or operations. Training will be discussed and coordinated with the SFA. 3.15

3.14 Monthly Meetings. The SFA and the FSMC will meet monthly at a minimum to discuss the status of the Food Service Program, staffing issues, menus, operations, asset condition, financials, and other aspects of the Food Service Program.

#### **Section 4. MANAGEMENT SERVICES & SPECIAL FUNCTIONS**

4.1 Management Services. Chartwells shall provide all management, administrative and dietetic services required for the efficient supervision and operation of SFA's Food Service Program. .

4.2 Special Functions. Chartwells shall provide Food Services for administration and student-related functions as reasonably requested by the SFA. Such requests must be received at least ten (10) days prior to the date of the function. All food and labor costs (not otherwise paid for by the District) for these functions will be billed directly to the school organization involved, unless otherwise specified by the SFA. Any special arrangements regarding other costs which might be incurred at these functions may be negotiated between Chartwells and the organization requesting Services. Donated commodities may not be used in any manner related to special functions.

4.3 Fundraisers. The SFA reserves the right to authorize organizations within the school to offer food as part of fund raising activities during the school day. The SFA also may authorize and allow student celebrations and events sponsored by parents or PTA's (Parent Teachers Associations on behalf of the students such as birthdays or educational activities. All food served in connection with approved activities will be compliant with the Smart Snacks Requirements and other applicable USDA requirements. If such events are deemed to be in violation of CFR 7 210 & 220 regarding competitive foods as published in the Federal Register/ Vol. 78, No. 125, the SFA will indemnify and hold Chartwells harmless for any liability or penalties as a result of such activities or events.

#### **Section 5. EQUIPMENT, FACILITIES & UTILITIES**

5.1 Facilities and Equipment. The SFA shall make available without any cost or charge to Chartwells, the Facilities and equipment including, but not limited to, kitchen equipment, smallwares, suitably furnished office space, facilities for the safekeeping of funds and those areas of the Premises in which Chartwells shall provide its Services.

5.2 Condition of Facilities and Equipment. The Facilities and equipment provided by each Party for use in the Food Service Program shall be in good condition and maintained to ensure compliance with applicable laws concerning building conditions, sanitation, safety and health. Chartwells shall take proper care of all furniture, fixtures and equipment provided by the SFA and shall timely notify the SFA of any known deficiencies. Chartwells shall not be held accountable for pre-existing conditions. At the expiration of this Agreement, Chartwells shall return to the SFA the Facilities and all furniture, fixtures and equipment furnished by the SFA in the condition in which received, except for ordinary wear and tear and damage by the elements, and except to the extent that such Facilities or equipment may have been lost or damaged by vandalism, fire, flood, other Acts of God or theft by persons other than employees of Chartwells, unless such damage has been caused through the negligence of Chartwells or its employees.

5.3 Utilities. The SFA shall furnish at its expense, light, power, hot and cold water, telephone service, high-speed internet service and other utilities as are necessary for the operation of the Services to be furnished hereunder.

5.4 School's Use of the Facilities. The SFA is encouraged to utilize Chartwells for catering and other Food Service needs in addition to the School Lunch, Breakfast and/or Special Milk Programs. However, the SFA reserves the right, in its sole discretion, to sell or dispense any food or beverage before or after the SFA's regularly scheduled lunch or breakfast periods, provided such use does not interfere with the operation of the School Lunch, Breakfast and/or Special Milk Programs.

5.5 Extracurricular Activities. If the SFA utilizes the Facilities for extracurricular activities before or after the SFA's regularly scheduled Food Service periods, the SFA shall return the Facilities and equipment to Chartwells in the same condition as received, normal wear and tear excepted.

5.6 Rental Facilities for Community Use. The SFA retains the right to rent or donate the Facilities during non-school hours or weekends, provided that such activity does not interfere with the normal Food Service Program. When such functions take place, the SFA may require that a member of the Food Service staff be on duty to maintain the safe use of equipment and/or to provide access to the Facilities. The SFA will indemnify Chartwells for any loss or damages arising out of a third party's use of the Food Service equipment or Facilities. All Facilities and equipment used by a third party shall be returned to Chartwells in the original condition in which it was found, reasonable wear and tear excepted, so as not to unreasonably interfere with Chartwells' performance under this Agreement.

## **Section 6. MAINTENANCE, REPAIRS & SANITATION**

6.1 Maintenance. The SFA shall furnish all building maintenance and all repairs to the Food Service areas without cost to Chartwells and shall replace, repair and maintain its equipment, except when damage results from the negligence of Chartwells or its employees. The SFA shall keep such equipment and Facilities maintained in a safe operating condition such that no Chartwells employee is exposed to or subjected to any unsafe situation which would violate the Occupational Safety and Health Act including, but not limited to, the general duty and the specific duty clauses thereof or any other similar federal, state or local law or regulation. However, if equipment provided by the SFA becomes inoperative, hazardous or inefficient to operate, Chartwells shall have the right to undertake repairs or replacements at the expense of the SFA if the SFA fails to do so after having been given a reasonable amount of time to correct the equipment deficiency. ~~The SFA shall at its expense, provide maintenance personnel and outside maintenance services, parts and supplies for properly maintaining the Facilities and its equipment.~~

6.2 Cleaning. The SFA shall be responsible for the cleaning and maintenance of floors, windows, walls, light fixtures, ceilings, hoods, ducts, grease traps and the general care of the Facility. Chartwells shall be responsible for the routine cleaning of the food preparation areas, serving areas, dining areas, dish rooms and storerooms, including the ordinary and routine cleaning of counters and operating equipment used in connection with the Food Service Program.

6.3 Sanitation. The SFA shall provide for the daily removal of waste and garbage and regular extermination services at its expense.

## **Section 7. INVENTORY**

7.1 Chartwells shall purchase all food for the SFA at the lowest prices possible consistent with maintaining the quality standards prescribed by the SFA. All such transactions must meet procurement standards set by the USDA. Transactions shall be conducted as provided by law and in a manner to provide maximum open and free competition.

7.1.1 Chartwells shall request, receive and inspect food delivered by vendors.

7.1.2 Chartwells shall maintain adequate storage practices, inventory and control of government-donated foods in conformance with the SFA's agreement with any applicable state agency.

7.1.3 In accordance with the Buy American Provisions of 7 CFR Part 250, Chartwells shall purchase, to the maximum extent practicable, domestic commodities that are produced and processed in the United States and will substantially use agricultural commodities that are produced in the United States. "Substantially" means that over fifty-one percent (51%) of the final processed products consist of agricultural commodities that were grown domestically.

7.2 Processing Contracts. All goods, services or moneys received as the result of a rebate under a processing contract must be utilized in the SFA's nonprofit Food Service Program.

## **Section 8. FOOD SERVICE**

8.1 Menus. Chartwells shall consult with an advisory board, comprised of such members as the SFA shall designate, regarding the overall operation of the SFA's Food Service Program, including menus. Chartwells shall submit menus to the SFA for approval. Any menu changes may only be made with the approval of the SFA. Seasonal changes, special school programs or shifts in student preferences shall be taken into consideration in menu preparation. All menus will be nutritionally acceptable to the SFA and in accordance with applicable regulations.

8.2 Control of Food Service. The SFA shall retain control of the quality, extent and general nature of its Food Service. *7 CFR 210.16(a)(4)*

8.3 Food Specifications. The SFA must provide detailed specifications including, but not limited to, grade and weight for each food component or menu item as specified in 7 CFR 210 and include these specifications in all Invitations For Bid ("IFBs") or Requests for Proposal ("RFPs"). Specifications may also cover other items such a grade, purchase units, style, condition, weight, ingredients, formulations, and delivery time. *7 CFR 210.16(c)(3)*

8.4 Noncompliant Foods. No payment shall be made for meals that are spoiled or unwholesome at the time of delivery, do not meet detailed specifications as developed by the SFA for each food component specified in the NSLP or do not otherwise meet the requirements of this

Agreement, provided, however, that SFA has notified Chartwells within 48 hours of delivery of such meals. *7 CFR 210.16c(3)*

8.5 Nutrition Education. Chartwells shall promote the nutritional education aspects of the SFA's Food Service Program and cooperate in the efforts of the SFA to coordinate these aspects with classroom instruction.

## **Section 9. ACCOUNTING, RECORDS & AUDITS**

9.1 Records. Chartwells shall maintain such records as the SFA will need to support its reimbursement claims and shall provide such records promptly to the SFA at the end of each calendar month, at a minimum. Such records shall be available for a period of five (5) years from the date such record is made for inspection and audit by representatives of the applicable state's education and agriculture regulatory agencies, the USDA and the U.S. General Accounting Office at any reasonable time and place; except that, if audit findings have not been resolved, the records shall be retained beyond the five (5) year period for as long as required for the resolution of the issues raised by the audit. Such records include, but are not limited to, Daily Cash Reports, Edit Check Worksheets, Production Records Milk Rosters Daily Meal Count Sheets and Summary of Meal/Milk counts. These records will remain on the SFA's premises and are the property of the SFA. In accordance with regulations, an SFA official will review records maintained by Chartwells for the purpose of preparing monthly reimbursement vouchers. *7 CFR 210.16c(1) and 7 CFR 210.23c*

9.2 Availability of Records. The SFA, the applicable state's education and agriculture regulatory agencies, the USDA, Comptroller General of the United States or any of their duly authorized representatives, shall have access to any books, documents, papers and records of Chartwells which are solely and directly pertinent to this Agreement, for the purpose of making audits, examinations, excerpts and transcriptions. *7 CFR Part 3016*

9.21 Availability of Data Records. Chartwells will maintain demographic records by location of student meal count by category by month for reporting and market share analysis. All records required by the SFA for third party reporting must be made available from the FSMC if possible.

9.3 Reimbursement Records. Chartwells shall retain records to support the SFA's reimbursement claim of the daily number of meals served, by type. These meal counts must be reported daily. *7 CFR 210.16(c)(1)*

9.4 Revenue Records. Chartwells shall retain revenue records broken down by source, type and category of meal or Food Service (e.g., a la carte sales, reduced-price and full-price lunch meals, breakfast meals, vending machine sales, etc.).

9.5 Invoices. Chartwells shall, on a monthly basis, invoice the SFA an amount equal to the number of meals sold for the applicable period.

9.6 Invoice Statement. All invoices submitted by Chartwells must represent that articles have been furnished or Services rendered before payment can be made to Chartwells from the SFA's Food Service account.

9.7 Detailed Description. All invoices submitted by Chartwells must include a detailed description of the goods, supplies, services or other items being submitted for reimbursement. Goods and services charged to the SFA shall be reasonable and necessary for the operation of the non-profit school foodservice.

9.8 Taxes and Assessments. Chartwells shall pay when due all federal, state, local and other governmental taxes or assessments in connection with the Services. The Parties will determine by mutual agreement and in accordance with relevant law whether any of the Services are subject to sales tax. Even if the SFA is tax exempt, the SFA may be liable for the collection and remittance of sales tax to the applicable state department of revenue for some of the Services. If any of the Services are subject to sales tax, the Parties will determine by mutual agreement which Party will collect and/or remit the sales tax to the appropriate state department of revenue. If the SFA is responsible for collecting and/or remitting sales tax for some of the Services, the SFA's tax liability will not be waived by Chartwells either collecting and/or remitting such sales tax. If the Parties are unable to resolve any dispute or controversy regarding the taxability of any of the Services, such dispute or controversy shall be resolved by a ruling of the applicable state department of revenue.

The SFA shall pay when due all federal, state, local and other governmental use and property taxes or assessments arising in connection with the Premises, equipment, offices and utilities. Chartwells shall pay when due all license and permit fees in connection with the Services. The SFA shall reimburse Chartwells for all licenses and permit fees paid in connection with the Services.

9.9 Invoice Due Date. Payment shall be due within twenty (20) days of the invoice date.

#### **Section 10. FINANCIAL, PURCHASING & MEAL PAYMENT**

10.1 Fixed Rate Per Meal. The FSMC will be paid at a fixed rate per meal/lunch equivalent. The fixed rate per meal for the 2014-2015 school year shall be:

##### **FCPM Meal Equivalent Rates**

###### **SBP**

Breakfast                      \$2.3250 per meal - (2 Breakfasts = 1 meal)

###### **NSLP**

Lunch                              \$1.6890 per meal (1 Lunch = 1 meal)

Snack                                \$2.3250 per meal (4 Snacks = 1 meal)

Meal Equivalent                \$1.6890 per meal (\$3.00 = 1 meal)

**(a la Carte and Cash Sales)**

###### **SFSP/SSFP**

Breakfast                      \$2.3250 per meal (2 Breakfasts = 1 meal)

Lunch                                \$1.6890 per meal (1 Lunch = 1 meal)

###### **CACFP**

Supper                              \$1.6890 per meal (1 Supper = 1 meal)



10.2 Computing Meals and Meal Equivalents. A full meal is one which is eligible for government reimbursement. For calculation purposes each reimbursable lunch shall be considered one (1) meal and two (2) reimbursable breakfasts shall be considered a full meal. Four (4) reimbursable snacks shall be considered one (1) meal. One (1) supper shall be considered one (1) meal. The number of meal equivalents shall be determined by dividing the total of all food sales except reimbursable meals and snacks by \$3.00. Meal equivalents include adult meals, a la carte meals, snack bar, catering, conference, vended meals, and any other function sales.

10.3 Operating Expenses. Included in the fixed cost per meal are Chartwells' costs of operating the Food Service Program which shall include, but not be limited to: (a) the cost of goods including food, beverages and supplies; (b) The resident Food Service Director's salary, wages, payroll taxes, FICA, and benefits such as medical, dental, life, workers compensation, and disability insurance, and bonus for Chartwells employees; and (c) other costs, charges and expenses necessary to perform the duties and obligations under this Agreement including, but not limited to, office supplies, insurance, marketing, training, licenses/permits, laundry, amortization expense, uniforms, postage, paper goods and taxes.

10.4 Conditional Operating Budget. Both parties shall work together to ensure a financially sound and well-run operation. If the LEA makes a net profit in the food service account after deducting operating and indirect expenditures from all food service receipts and all federal and state meal reimbursements, the LEA must deposit the net income back into the food service account. Chartwells estimates that the bottom line of the operational financial report for the 2014-2015 school year will be \$0.00 (break-even). This estimate is based on the following conditions and assumptions remaining in effect for the school year and is not a guaranteed amount.

(a) Reimbursement rates for NSLP and SBP meals will not be less than the rates estimated in Chartwells' proposal and reimbursement revenue will not be less than that estimated in Chartwells' proposal

(b) The value of government-donated commodities and/or cash in lieu thereof will not be less than the value of government-donated commodities and/or cash in lieu thereof estimated in Chartwells' proposal

(c) The number of days meals are served during the school year will not be less than 172 elementary service days, 173 middle school service days and 174 high school service days.

(d) The number of serving periods, locations, serving times and types of Service will not change materially.

(e) The student enrollment for the Term of the Agreement will not be less than 3,532 students.

(f) The level of wages, salaries and fringe benefits will not exceed those included in Chartwells' proposal.

(g) Certain variable SFA expenses must be identified and capped so as not to exceed current rates.

(h) The actual costs charged to the Food Service budget by the SFA shall not exceed the projected operating expenses as set forth in Chartwells' proposal.

(i) The selling prices of Menu Pattern Meals and a la carte selections will not be less than those included in the proposal.

(j) Service will not be interrupted as a result of fire, work stoppage, strike or school closing.

(k) The SFA and its representatives including but not limited to, school principals, teachers and SFA employees shall fully cooperate with Chartwells in the implementation of the Food Service Program. The SFA shall fully cooperate with Chartwells to limit the expansion of competitive food sales in order to maximize the gross receipts and other non-cash sales of the Food Service Program.

(l) The SFA shall have submitted all applications for reimbursement for free and reduced price meals, except where such failure is due to an act or omission of Chartwells.

(m) There are no bad debts including losses from uncollectible accounts.

10.5 Surplus Revenues. Any surplus revenues existing after deducting the approved Operating Expenses, Administrative Fee and Management Fee from verified Food Service receipts and all federal and state reimbursements shall remain with the SFA in the food service account.

10.6 Investment. Chartwells will make available funds to invest in certain improvements to the District's premises to facilitate the performance of the Food Service Program (collectively the "Investment"). Any Investment shall be mutually agreed upon by Chartwells and the District. Once funded, the Investment shall be amortized over a period of 1 (one) to 5 (five) years, as to be determined by the District, and will be calculated on a straight-line depreciation basis. Such amount shall be billed in addition to the Fixed Rate Per Meal billed rate for meals and presented on the monthly invoice. The District shall hold title to items funded by the Investment at the time they are purchased and/or installed at the Facility. If the Agreement is terminated or not renewed for any reason prior to the full amortization of the Investment, the District shall promptly select one of the following options: (i) pay the full amount of the unamortized portion of the Investment immediately upon termination; (ii) retain any equipment or other items funded by the Investment and continue to make payment to Chartwells in accordance with the agreed upon monthly amortization schedule; or (iii) require the successor food service management company to promptly pay Chartwells the unamortized portion of the Investment in full and continuing to pay the remaining monthly amortization payments to such successor company instead of to Chartwells.

10.7 Annual Grant. Chartwells will provide an initial grant in the amount of Five Thousand (\$5,000) which shall be used at the Districts discretion to fund initiatives supporting student achievement or safety. Grants may be offered to the District in subsequent years. Availability of grant funds will be determined by Chartwells based upon account profitability and program requirements. Grant availability will be determined by June 1st each year and will be paid by July 15th.

10.8 Financial Reconciliation. Within ninety (90) days of the end of the school year, the parties shall complete a reconciliation of the annual operational financial report, which report shall be signed by the parties at the bottom as being true and correct.

10.9 Humanitarian Meals. The SFA will maintain a program whereby the FSMC provides alternate meals to students who are unable to pay the full or reduced price for a standard meal. Such alternate meals may consist of items such as cold sandwiches or other comparable substitutes, the cost of which shall be recorded as a deficit on the students food service account. All efforts will be made by the SFA staff to collect this unpaid balance by the means of parent notification. . In the event that the student presents a standard meal for purchase and is unable to pay the full or reduced price for such meal, the standard meal price will be charged to the student as a credit.. In the event there are unpaid meals credited to student's accounts, the FSMC will bill the SFA and be reimbursed the agreed upon FCPM rate for all standard and alternative meals served regardless of the collectability of the account. In determining the financial results of the food service program, the cost of provision of such alternate and standard meals at no cost to students shall be excluded from the calculation of financial results for purposes of determining achievement of the financial guarantee set forth in the Agreement.

#### **10.10 Fresh Fruit and Vegetable Program (FFVP) (if applicable)**

Chartwells can assist in the administration of the Fresh Fruit and Vegetable Program to the extent requested by the Mountain Home School District and allowed by FFVP regulations. If the District elects to have Chartwells process the vendor invoices for the FFVP Chartwells will bill the District on a cost reimbursable basis and in accordance with the requirements of Section 19 of the National School Lunch Act, all applicable regulations and policies, and the FFVP Handbook for Schools. The SFA and FSMC further agree that:

- Not more than ten percent (10%) of the total funds awarded to the school and/or schools for operation of the FFVP may be used for administrative expenses.
- The SFA will regularly monitor the FSMC operations to ensure compliance with relevant FFVP requirements.
- The FSMC will submit a FFVP cycle menu based on USDA Food and Nutrition Service (FNS) guidance.
- The FSMC will document and track FFVP expenses separately and make this documentation easily accessible for SFA review.

#### **The following provisions apply to the FFVP:**

1. Allowable costs will be paid from the nonprofit school food service account net of all discounts, rebates, and applicable credits, to the extent those credits are allocable to the allowable portion of costs billed to the SFA. 7 CFR 210.21(f)(1)(i)
2. Chartwells shall separately identify for each cost the amount of that cost which is allowable, and the amount that is unallowable. 7 CFR 210.21(f)(1)(ii)(A)
3. This Agreement excludes all unallowable costs from billing documents and certifies that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs, in a manner suitable for contract cost determination and verification. 7 CFR 210.21(f)(1)(ii)(b)

4. Chartwells' determination of allowable costs shall be made in compliance with USDA and NSLP regulations and OMB cost circulars. 7 CFR 210.21(f)(1)(iii)

5. Chartwells shall identify the amount of each discount, rebate and credit on bills and invoices presented to the SFA and individually identify the amount as a discount, rebate, or in the case of the applicable credits, the nature of the credit. If permitted by the state agency, this information may be reported less frequently than monthly, but no less frequently than annually. 7 CFR 210.21(f)(1)(iv) This information shall be reported monthly with the invoice described in Section 9.5 of this Agreement.

6. Chartwells shall identify the method by which it will report discounts, rebates and other credits that are allocable to the contract but not reported prior to expiration of the contract. 7 CFR 210.21(f)(1)(v)

7. Chartwells shall maintain documentation of costs, discounts, rebates and credits and furnish same upon request of the district, state agency, or USDA. 7 CFR 210.21(f)(1)(vi)

8. Chartwells must ensure that its system of inventory management does not result in the SFA being charged for donated foods.

#### **Section 11. COMMODITIES**

11.1 Any USDA donated commodities received for use by the SFA and made available to Chartwells shall be used in SFA's food service. All commodities will become and remain the property of the SFA.

11.2 Chartwells will provide the following services in relation to commodities which services shall be performed in accordance with the applicable requirements of 7 CFR Part 250:

- a. Preparing and serving meals
- b. Ordering or selection of donated foods, in coordination with the SFA in accordance with 7 CFR 250.52
- c. Storage and inventory management of donated foods in accordance with 7 CFR 250.52
- d. Payment of processing fees and or submittal of refund requests to a processor on behalf of the SFA, or remittance of refunds for the value of donated foods in processed end products to the SFA, in accordance with subpart C of 7 CFR 250

11.3 Chartwells must credit the SFA for the value of all donated foods received for use in the SFA's meals service in the school year (including both entitlement and bonus foods), including the value of donated foods contained in processed end products, in accordance with the contingencies in 7 CFR 250.51 (a). Chartwells shall use the USDA's monthly list of commodity food values to report the value of donated foods.

11.4 Chartwells will use all donated ground beef and ground pork products, and all processed end products, in the SFA's food service.

11.5 Chartwells will use all other donated foods, or will use commercially purchased foods of the same generic identity, of a U.S. origin, and of equal or better quality than the donated foods in the SFA's food service.

11.6 Chartwells must ensure compliance with the requirements of subpart C of 7 CFR part 250 and with the provisions of the distributing and/or the SFA's processing agreements in the procurement of processed end products on behalf of the SFA, and will ensure crediting of the SFA for the value of donated foods contained in such end products at the processing agreement value.

11.7 Chartwells will not enter into the processing agreement with the processor required in subpart C of 7 CFR 250.

11.8 Chartwells will comply with the storage and inventory requirements for donated foods.

11.9 The distributing agency, sub distributing agency, or SFA, the Comptroller General, the Department of Agriculture, or their duly authorized representatives, may perform onsite reviews of Chartwells' food service operation, including the review of records, to ensure compliance with requirements for the management and use of donated foods.

11.10 Chartwells shall maintain records to document its compliance with the requirements relating to donated foods in accordance with 7 CFR 250.54(b).

11.11 Any extension or renewal of this Agreement is contingent upon fulfillment of all provisions in this Agreement relating to donated foods.

11.12 The SFA shall ensure that Chartwells is in compliance with the requirements of this section through its monitoring of the food service operation, as required in 7 CFR parts 210, 225, or 226, as applicable. Chartwells accepts liability for any negligence on its part that results in any loss of, improper use of, or damage to USDA donated foods

11.13 The SFA shall conduct a reconciliation at least annually (and upon termination of the Agreement) to ensure that Chartwells has credited it for the value of all donated foods received for use in the SFA's food service in the school year, including, in accordance with the requirements in 7 CFR 250.51(a), the value of donated foods contained in processed end products.

11.14 If, upon termination of the agreement, there remains USDA donated commodities that have not been used but have been credited to the SFA, then SFA shall cause the subsequent FSMC to pay to Chartwells the credited value of such commodities. [a1]

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## **Section 12. INSURANCE & INDEMNITY**

12.1 To the extent permitted by state law, each Party shall indemnify, defend and hold the other harmless 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 or other injury or damage to the extent caused by the negligent act or omission of such Party.

12.2 Notification of an event giving rise to an indemnification claim ("Notice") must be received by the indemnifying Party within thirty (30) days following receipt of such claim and

shall include a brief factual summary of the damage and cause thereof. An indemnification claim is expressly subject to and conditioned upon compliance with the Notice provisions hereunder.

12.3 Chartwells shall obtain and maintain insurance for the following risks in such amounts under such policies as appropriate: general liability (including contract, products-completed, operations and business automobile coverage) and worker's compensation (including employer's liability coverage).

12.4 Certificates of insurance for such coverage shall be furnished upon thirty (30) days prior notice. The SFA shall be listed as an additional insured.

12.5 The SFA shall obtain and maintain insurance for the Food Service Facilities, service equipment, offices and utilities against risks covered by standard forms of fire, theft and extended coverage in such amounts and under such policies as appropriate.

### **Section 13. SFA RESPONSIBILITIES**

13.1 Food Service Conformity. The SFA shall remain responsible for ensuring that the Food Service Program is in conformance with its agreement under the NSLP, the SBP, the SFSP, the SSFP, the CACFP, the SMP and, if applicable, the FFVP and shall monitor the Food Service Program through periodic on-site visitations. *7 CFR 210.16(a)(2)(3)*

13.2 Advisory Board. The SFA shall establish an advisory board comprised of parents, teachers and students to assist in menu planning. *7 CFR 210.16(a)(8)*

13.3 Health Certification. The SFA shall maintain applicable Health Certification and ensure that all state and local regulations are being met by Chartwells' employees preparing and/or serving meals at the SFA's Premises. *7 CFR 210.16(a)(7)*

13.4 Pricing. The SFA shall establish all program and non-program meal and a la carte prices. The SFA shall establish all prices, including price adjustments for food items served under the nonprofit SFA Food Service account (e.g., reimbursable meals, a la carte service, adult meals and vending machines).

13.5 Menu Cycle. The SFA shall develop and include in the ITB or RFP a twenty-one (21) day cycle menu. Chartwells must adhere to the cycle for the first twenty-one (21) days of meal Service. Changes thereafter may be made with the approval of the SFA. *7 CFR 210.16(b)(1)*

13.6 Signature Authority. The SFA shall retain signature authority on the application/agreement to participate in the NSLP, SBP, SFSP, SSFP, CACFP, SMP and FFVP, including the SFA's free and reduced-price policy statement. *7 CFR 210.16(a)(5)*

13.7 Internal Controls. The SFA shall establish internal controls that ensure the accuracy of lunch counts prior to the submission of the monthly reimbursement claim. At a minimum, the SFA shall: (a) review worksheets and make comparisons of daily free, reduced-price and paid lunch counts against data which will assist in the identification of lunch counts in excess of the number of free, reduced-price and paid lunches served each day to children eligible for such lunches; (b) develop and implement a system for follow-up on those lunch counts that suggest the

likelihood of lunch-counting problems; and (c) conduct an on-site review of the counting and claiming system employed by each Facility within the jurisdiction of the SFA. *7 CFR 210.8(a)*

13.8 Reimbursement Claims. The SFA shall be responsible for signing and submitting reimbursement claims. This responsibility cannot be delegated to Chartwells. *7 CFR 210.16(a)(5)*

13.9 Contractual Responsibility. The SFA shall be responsible for all contractual agreements entered into in connection with the Food Service Program (e.g., vending meals to other school food authorities). *7 CFR 210.19(a)(1)*

13.10 Financial Responsibility. The SFA shall retain control of the Food Service account and overall financial responsibility for the Food Service Program. *7 CFR 210.19(a)(1)*

13.11 Program Review. The SFA shall be responsible for ensuring resolution of Food Service Program review and audit findings. *7 CFR 210.9(b)(17) and 210.18(k)(1)(2)*

13.12 Parent Letters. The SFA shall develop, distribute and collect the parent letters and applications for free and reduced-price meals and free milk. *7 CFR 245.6*

13.13 Verifying Free and Reduced-price Meal Applications. The SFA shall be responsible for determining and verifying applications for free and reduced-price meals or free milk benefits and the conduct of any hearings related to such determinations. This responsibility shall not be delegated to Chartwells. *7 CFR 245.6*

13.14 Food Donated by USDA. The SFA shall assure that the maximum amount of government-donated foods are received and utilized by Chartwells. *7 CFR 210.9(b)(15)*

13.15 Commodity Processing Contracts. The SFA shall establish commodity processing contracts. This responsibility cannot be delegated to Chartwells. *7 CFR 250.12(f)*

13.16 A la carte Offering. In order to offer a la carte Food Service, the SFA must offer all eligible children reduced-price and full price reimbursable meals. *7 CFR 210.16(a)*

13.17 Inventory Losses. The LEA shall be responsible for maintenance, upkeep and pest control of all food service areas including freezers, coolers, walk-in refrigerators and freezer areas. In the event that food held in these areas is spoiled, deemed unusable due to improper cooler/freezer temperatures, power loss or pest infestation, the FSMC shall invoice the LEA for the market value of the unusable product.

13.18 Inventory. The SFA shall provide a physical inventory of supplies and equipment available for use by Chartwells prior to the commencement of this Agreement. Before the commencement of this contract, the existing food and operational supplies shall be delivered and charged to the FSMC for the performance of this contract. The value of existing food and supplies shall be deducted from the first FSMC invoice to the LEA. The cost of food and operational supplies ordered by FSMC on behalf of the LEA in performance of this contract shall be paid for by the FSMC. The inventory of food and operational supplies shall remain the FSMC's property.

13.19 Equipment Damage. The SFA shall be responsible for loss or damage not caused by Chartwells to equipment owned by the SFA and located on its Premises.

13.20 Equipment Installation. The SFA shall furnish and install any equipment or make any structural changes needed to comply with federal, state and local laws.

13.21 Fixture Repairs. The SFA shall be financially responsible for repairs to all permanent fixtures such as faucets, lights, sewers, air conditioning, heating vents, hoods and all electrical work.

13.22 Food Service Areas. The SFA shall make available without cost to Chartwells, mutually agreed to areas of the Premises which are reasonably necessary for Chartwells to render its Services.

13.23 Access. The SFA shall have unlimited access to all areas used by Chartwells for purposes of inspections and audits.

13.24 Trash Removal. The SFA shall have designated areas for the removal of all garbage and trash.

13.25 Painting. The SFA shall be responsible for painting within the dining areas.

#### **Section 14. HEALTH CERTIFICATION**

14.1 Health Certification. Chartwells shall have state or local health certification for any facility outside the SFA in which it proposes to prepare meals and Chartwells shall maintain this certification for the duration of this Agreement. *7 CFR 210.16c(2)*

14.2 Safety Regulations. Chartwells shall obtain and post all applicable health permits for the Facilities. Chartwells shall comply with all health and safety regulations required by federal, state or local law.

#### **Section 15. ENVIRONMENTAL & ENERGY COMPLIANCE**

15.1 Environmental. The SFA and Chartwells shall comply with all applicable standards, orders or requirements issued under 7 CFR Part 3016 as follows: (a) Section 306 of the Clean Air Act; (b) Section 508 of the Clean Water Act; (c) Executive Order 11738; and (d) applicable Environmental Protection Agency regulations. Violations shall be reported to the USDA and to the U.S. Environmental Protection Agency Assistant Administrator for Enforcement as set forth in EN-329.

15.2 Energy. The SFA and Chartwells shall recognize mandatory standards and policies relating to energy efficiency that are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act. *7 CFR Part 3016*

#### **Section 16. DEBARMENT/SUSPENSION CERTIFICATION**

16.1 Debarment/Suspension Certification. Chartwells shall sign a debarment/suspension certification. This certification assures the SFA that Chartwells has not been debarred from entering into contracts with the federal government or any entity receiving federal funds or suspended from entering into contracts during a time when Chartwells is being investigated for a legal action taken to debar Chartwells from contracting activities. *7 CFR 3017.510*



16.2 Location of Certificate. The certification is attached to the signed Agreement and kept on file at the SFA. A copy of the certification will be forwarded to the state agency with a copy of the signed Agreement. *7 CFR 3017.510*

**Section 17. INDEPENDENT PRICE DETERMINATION**

17.1 Independent Price Certification. Chartwells shall certify that the prices in the offer have been arrived at independently, without consultation, communication or agreement for the purpose of restricting competition. *7 CFR 301*

17.2 Certificate of Independent Price Determination. Chartwells and the SFA shall sign and submit a Certificate of Independent Price Determination with the Agreement. Chartwells shall attach the certification to the signed Agreement which is kept on file at the SFA. The SFA shall also forward a copy of the certification to the state agency with a copy of the signed Agreement. *7 CFR 3017*

**Section 18. LOBBYING ACTIVITIES**

18.1 Lobbying Certification. Chartwells shall sign and submit a certification regarding lobbying which conforms in substance with the language contained in *7 CFR 3018*.

18.2 Location of Certification. The certification regarding lobbying shall be attached to the signed Agreement and kept on file at the SFA. A copy of the certification shall also be forwarded to the state agency with the signed Agreement. *7 CFR 3018*

18.3 Disclosure of Lobbying Activities. Chartwells shall disclose lobbying activities in connection with any school nutrition programs. *7 CFR 3018*

18.4 Location of Disclosure Form. The Lobbying Disclosure Form shall be attached to the signed Agreement and kept on file at the SFA. A copy of the Form shall also be forwarded to the state agency with the signed Agreement. *7 CFR 3018*

**Section 19. GENERAL TERMS & CONDITIONS**

19.1 Governing Law. This Agreement, its construction, validity, effect, performance and enforcement shall be governed by and construed under the laws of the State of Florida.

19.2 Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the operation of the Food Service Program and supersedes all prior or contemporaneous negotiations, discussions or understandings. There are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the Parties relating to the matters covered by this Agreement other than those set forth in this Agreement. No variation or modification of this Agreement or attached Exhibits and no waiver of their provisions shall be valid unless in writing and signed by the duly authorized officers of Chartwells and the SFA.

19.3 Severability. Each article, paragraph, subparagraph, term and condition of this Agreement, and any portions thereof, will be considered severable. If for any reason, any portion of this Agreement is determined to be invalid, contrary to or in conflict with any applicable present or

future law, rule or regulation in a final ruling issued by any court, agency or tribunal with valid jurisdiction, that ruling will not impair the operation of or have any other effect upon, any other portions of this Agreement; all of which will remain binding on the Parties and continue to be given full force and effect.

19.4 Assignment. Neither Chartwells nor the SFA may assign or transfer this Agreement, or any part thereof, without the written consent of the other Party; except the Parties may assign this Agreement to an affiliated company or wholly owned subsidiary without prior approval and without being released from any of their responsibilities hereunder.

19.5 Captions. All captions in this Agreement are intended solely for the convenience of the Parties and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

19.6 Construction and Effect. No failure of either Party to exercise any power reserved to it by this Agreement or to insist upon strict compliance by the other Party with any obligation or condition hereunder and no custom or practice of the Parties at variance with the terms hereof shall constitute a waiver of either Party's right to demand exact compliance with any of the terms of this Agreement. Waiver by either Party of any particular default shall not affect or impair either Party's right to exercise any or all of its rights and powers herein, nor shall that constitute a waiver by that Party of any right hereunder or of its right upon any subsequent breach or default to terminate this Agreement prior to the expiration of its terms.

19.7 Proprietary Materials. SFA 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 Chartwells or its affiliated and parent companies (collectively, "Marks") are proprietary Marks of Chartwells, and SFA shall not use the Marks for any purpose except as expressly permitted in writing by Chartwells. Upon termination of this Agreement, SFA shall (a) immediately and permanently discontinue the use and display of any Marks and make or cause to be made such changes to the Facility as Chartwells shall reasonably direct so as to effectively distinguish the Facility from its former appearance (collectively, "De-image"); and (b) immediately remove and deliver to Chartwells all goods bearing any Marks. If SFA shall fail to De-image the Facility within thirty (30) days of the termination date, Chartwells and its agents shall have the right to enter the Facility and De-image the Facility without prejudice to Chartwells' other rights and remedies.

19.8 Notices. If any notice or other correspondence is required to be delivered under this Agreement, it shall be given in writing and shall be delivered personally, by overnight delivery service or by United States mail, postage prepaid, certified mail, return receipt requested, in which event it shall be deemed given upon receipt to the Parties at the following addresses (or to such other address as a Party may designate by notice).

To SFA: Mountain Home School District #193  
ATTN: Cliff Ogborn  
P.O. Box 1390  
470 North 3<sup>rd</sup> East Street  
Mountain Home, ID 83647

To Chartwells:           Chartwells  
                                  ATTN: President-Schools  
                                  3 International Drive  
                                  Rye Brook, NY 10573  
                                  Facsimile No. (914) 935-5550

With a copy to:           Compass Group USA, Inc.  
                                  ATTN: General Counsel  
                                  2400 Yorkmont Road  
                                  Charlotte, North Carolina 28217

19.9 Confidentiality. In the course of providing the Services hereunder, the Parties may be exposed to trade secrets or other confidential or proprietary information and materials of the other Party including, but not limited to, menus, recipes, signage, Food Service surveys and studies, management guidelines, procedures, operating manuals and software, all of which shall be identified as confidential ("Confidential Information"). The Parties agree to hold in confidence and not to disclose any Confidential Information during the Term of this Agreement and for two (2) years afterward, except that the Parties may use or disclose Confidential Information: (a) to its employees and affiliates or others to the extent necessary to render any Service hereunder, provided that the other Party is first notified of the information that will be provided to any party outside of this Agreement and provided further that such information is disclosed only after such outside party is required to maintain it in confidence as required hereunder; (b) to the extent expressly authorized by either Party; (c) to the extent that at the time of disclosure, such Confidential Information is in the public domain, or after disclosure enters the public domain other than by breach of the terms of this Agreement; (d) that is in the possession of either Party at the time of disclosure and is not acquired directly or indirectly from the other Party; (e) that is subsequently received on a non-confidential basis from a third party having a right to provide such information; or (f) as required by order during the course of a judicial or regulatory proceeding or as required by a government authority. The Parties agree not to photocopy or otherwise duplicate any Confidential Information without the express written consent of the other Party. Each Party's Confidential Information shall remain the exclusive property of the Party and shall be returned to the other Party upon termination or expiration of this Agreement.

In the event of any breach of this provision, the Parties shall be entitled to equitable relief in addition to all other remedies otherwise available to it at law. This provision shall survive the termination or expiration of this Agreement.

19.10 Information Technology Systems. In connection with the services being provided hereunder, Chartwells may need to operate certain information technology systems not owned by SFA ("Non-SFA Systems"), which may need to interface with or connect to SFA's networks or information technology systems ("SFA Systems"). Chartwells shall be responsible for all Non-SFA Systems, and SFA shall be solely responsible for SFA Systems, including taking the necessary security and privacy protections as are reasonable under the circumstances. If Chartwells serves as the merchant-of-record for any credit or debit card transactions in connection with any of the services provided hereunder, then Chartwells will be responsible for complying with all applicable laws, regulations and payment card industry data security standards related to the protection of cardholder data ("Data Protection Rules"). If Non-SFA Systems

interface with or connect to SFA Systems, then SFA agrees to implement forthwith upon request from SFA, at its own expense, the changes to the SFA Systems that Chartwells reasonably requests and believes are necessary or prudent to ensure Chartwells' compliance with the Data Protection Rules. Each party shall indemnify, defend and hold harmless the other party from all claims, liabilities, damages and costs (including reasonable lawyer's fees) to the extent caused by the indemnifying party's failure to comply with its obligations in this section.

19.10 Chartwells shall comply with all applicable laws, regulations related to the protection of student data.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the respective dates written below.

**Mountain Home School District #193**

By: Cliff Ogborn

Name: CLIFF OGBORN

Title: DIR FISCAL OPERATIONS

Date: 6/20/2014

**COMPASS GROUP USA, INC. BY AND THROUGH ITS CHARTWELLS DIVISION**

By: Rhonna Cass

Name: Rhonna Cass

Title: President-Schools

Date: 6/19/14

U. S. DEPARTMENT OF AGRICULTURE

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***Certification Regarding Debarment, Suspension, Ineligibility  
and Voluntary Exclusion - Lower Tier Covered Transactions***

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This certification is required by the regulations implementing Executive Orders 12549 and 12689, Debarment and Suspension, 7 CFR Part 3017 Subpart C Responsibilities of Participants Regarding Transactions. The regulations were published a Part IV of the January 30, 1989, Federal Register (pages 4722-4733), and Part II of the November 26, 2003 Federal Register (pages 66533-66646). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

The prospective lower tier participant certifies, by submission of this Certification, that:

1. Neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency;
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

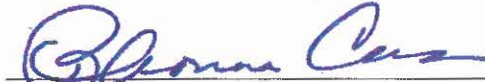
Compass Group USA, Inc., by and through its Chartwells Division

Organization Name

PR/Award Number or Project Name

Rhonna Cass, President – Schools

Name and Title of Authorized Representative



Signature



Date

## CERTIFICATION REGARDING LOBBYING

**Applicable to Grants, Subgrants, Cooperative Agreements, and Contracts Exceeding \$100,000 in Federal Funds.**

Submission of this certification is a prerequisite for making or entering into this transaction and is imposed by section 1352, Title 31, U.S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

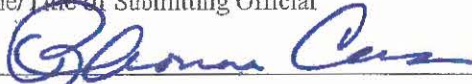
The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all covered subawards exceeding \$100,000 in Federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.

Compass Group USA, Inc., by and through  
its Chartwells Division

3 International Drive, Rye Brook, NY 10573  
Name/Address of Organization

Rhonna Cass, President – Schools  
Name/Title of Submitting Official

  
Signature

6/19/14  
Date

**NOT APPLICABLE**

**DISCLOSURE OF LOBBYING ACTIVITIES**

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352  
(See reverse for public burden disclosure)

<b>1. Type of Federal Action:</b> _____ a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	<b>2. Status of Federal Action:</b> _____ a. bid/offer/application b. initial award c. post-award	<b>3. Report Type:</b> _____ a. initial filing b. material change  For Material Change Only: Year _____ Quarter _____ Date of Last Report _____
<b>4. Name and Address of Reporting Entity:</b> _____ Prime _____ Subawardee _____ Tier, if known:  Congressional District, if known: _____	<b>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</b>  Congressional District, if known: _____	
<b>6. Federal Department/Agency:</b> _____	<b>7. Federal Program Name/Description:</b>  CFDA Number, if applicable: _____	
<b>8. Federal Action Number, if known:</b> _____	<b>9. Award Amount, if known:</b> \$ _____	
<b>10a. Name and Address of Lobbying Entity:</b> (if individual, last name, first name, middle)  <p align="right">(Attach Continuation Sheet(s))</p>	<b>10b. Individuals Performing Services</b> (including address if different from No. 10,a.) (last name, first name, middle)  SF-LLL-A, if necessary	
<b>11. Amount of Payment</b> (check all that apply): \$ _____ ____ Actual ____ Planned	<b>12. Form of Payment</b> (check all that apply): ____ a. cash ____ b. in-kind; specify:  Nature _____ Actual _____	
<b>13. Type of payment</b> (check all that apply): ____ a. retainer ____ b. one-time fee ____ c. commission ____ d. contingent fee ____ e. deferred ____ f. other; specify: _____	<b>14. Brief Description of Services Performed or to be Performed and Date(s) of Service,</b> including officer(s), employee(s), or member(s) contracted for Payment indicated in Item 11:  <p align="right">(Attach Continuation Sheet(s) SF-LLL-A, if necessary)</p>	
<b>15. Are Continuation Sheet(s) SF-LLL-A Attached:</b>	Yes _____ (Number _____)      No <input checked="" type="checkbox"/>	
<b>16. Information requested through this form is authorized by Title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</b>	<b>Signature:</b>  <b>Print Name:</b> Rhonna Cass <b>Title:</b> President - Schools <b>Telephone:</b> 914-935-5300 <b>Date:</b> 6/19/14	
<b>Federal Use Only:</b>	<b>Authorized for Local Reproduction Standard Form - LLL</b>	

**CERTIFICATE OF INDEPENDENT PRICE DETERMINATION**

Both the school food authority (FSA) and Food Service Management Company (offeror) shall execute this Certificate of Independent Price Determination.

Compass Group USA, Inc., by and  
through its Chartwells Division  
Name of Food Service Management Company

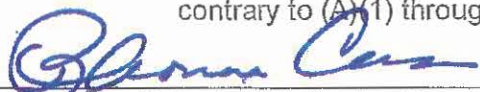
Mountain Home School District #193  
Name of Food School Authority

A. By submission of this offer, the offeror certifies and in the case of a joint offer, each party thereto certifies as to its own organization, that in connection with this procurement:

- 1) The prices in this offer have been arrived at independently, without consultation, communication, agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with any competitor;
- 2) Unless otherwise required by law, the prices which have been quoted in this offer have not been knowingly disclosed by the offeror and will not knowingly be disclosed by the offeror prior to opening in the case of an advertised procurement, or prior to award in the case of negotiated procurement, directly or indirectly to any other offeror or to any competitor;
- 3) No attempt has been made or will be made by the offeror to induce any person or firm to submit or not to submit, an offer for the purpose of restricting competition.

B. Each person signing this offer certifies that:

- 1) He or she is the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein and that he or she has not participated, and will not participate, in any action contrary to (A)(1) through (A)(3) above; or
- 2) He or she is not the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein, but that he or she has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated and will not participate, in any action contrary to (A)(1) through (A)(3) above, and as their agent does hereby so certify; and he or she has not participated, and will not participate, in any action contrary to (A)(1) through (A)(3) above.



Signature of Vendor's Authorized Representative

6/19/14

Rhonna Cass, President - Schools

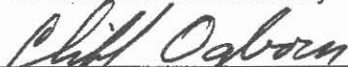
Date

Title

In accepting this offer, the sponsor certifies that the sponsor's officers, employees or agents have not taken any action that may have jeopardized the independence of the offer referred to above.

CLIFF OGBORN

Name of School Food Authority



Signature of Authorized Representative

Dir Fiscal Operations

Title

Date

6/20/2014