

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 99 - 30

Approving the contract with ARAMARK/GIACOMETTI, a Joint Venture, as the exclusive contractor to provide catering and concessions management services for all MERC facilities – Oregon Convention Center, Civic Stadium, Portland Center for the Performing Arts, and Portland Metropolitan Exposition Center - commencing July 1, 1999 and ending June 30, 2004.

The Metropolitan Exposition-Recreation Commission finds:

1. That Resolution No. 99-15 was passed by the Commission on April 7, 1999, approving the selection of ARAMARK/GIACOMETTI, Joint Venture, as the exclusive contractor to provide catering and concessions management services for Oregon Convention Center, Civic Stadium, Portland Center for the Performing Arts, and the Portland Metropolitan Exposition Center; and authorizing the MERC General Manager to negotiate an agreement to provide such services.
2. That Staff and Metro Counsel have negotiated an agreement to provide such services to all the MERC facilities.
3. That the Metropolitan Exposition-Recreation Commission has the authority to contract such services in the best interest of the facilities managed by the Commission.

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission approve the contract with ARAMARK/GIACOMETTI, Joint Venture, as the exclusive contractor to provide catering and concessions management services for the Oregon Convention Center, Civic Stadium, Portland Center for the Performing Arts Center and the Portland Metropolitan Exposition Center commencing July 1, 1999 and ending June 30, 2004, attached as Exhibit A.

Passed by the Commission on June 16, 1999



Chair

Approved as to Form:
Daniel B. Cooper, General Counsel

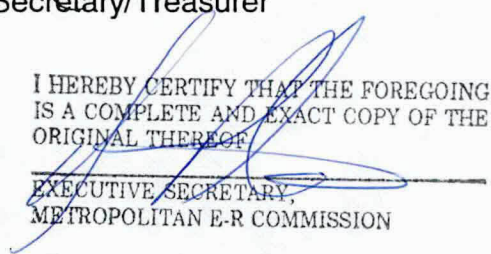


Secretary/Treasurer



By: Kathleen Pool, Sr. Assistant Counsel

I HEREBY CERTIFY THAT THE FOREGOING
IS A COMPLETE AND EXACT COPY OF THE
ORIGINAL THEREOF



EXECUTIVE SECRETARY,
METROPOLITAN E-R COMMISSION

Concessions and Catering Management Agreement

This agreement is made and entered into on this _____ day of _____, 1999, by and between the Metropolitan Exposition Recreation Commission ("Metro ERC", or "Commission") and ARAMARK/GIACOMETTI JOINT VENTURE ("Concessionaire"), a joint venture formed under the laws of the State of Oregon.

WITNESSETH:

Contract Documents

The contract documents listed below ("Contract Documents") together form the Agreement between the Metro ERC and Concessionaire. All determination of the precedence of, discrepancy in, or conflicts regarding the Contract Documents shall be made by the Metro ERC, but, in general, precedence will be in accordance with the following list with the highest precedence item at the top:

- a. This Concessions and Catering Management Agreement ("Agreement").
- b. Request for Proposal Documents for Concessions and Catering Management for Civic Stadium, Portland Metropolitan Exposition Center, Oregon Convention Center and Portland Center for the Performing Arts, prepared by the Metro ERC dated December 23, 1998.
- c. The Concessionaire's proposal dated March 11, 1999, which was accepted by the Metro ERC at its meeting on April 7, 1999.
- d. Any other Metro ERC policies or procedures incorporated by reference herein, or adopted by future action of the Commission. Additionally, some of the exhibits to this Agreement will change from time to time in accordance with the provisions herein. Except as otherwise expressly provided in this Agreement, this Agreement represents the full agreement of the parties.

In consideration of the mutual covenants of the parties hereto, and upon the express terms and conditions hereinafter set forth, it is agreed by and between them as follows:

1. Definitions

The following terms are defined as follows:

- A. "Expo" means the Portland Metropolitan Exposition Center located on Marine Drive bordered by I-5 and Portland International Raceway.
- B. "Stadium" means the Portland Civic Stadium located between 18th and 20th Streets, and Morrison and Salmon Streets, in Portland, Oregon.
- C. "Convention Center" means the Oregon Convention Center located on a 17 acre site bordered by the I-5 freeway on the West, Holladay Street on the north, Martin Luther King Jr. Blvd. on the east, and the Banfield Freeway (I-84) on the south, in Portland, Oregon.
- D. "PCPA" means the Portland Center for the Performing Arts at 1111 SW Broadway, with the Arlene Schnitzer Concert Hall at 1037 SW Broadway, the New Theatre Building at 1111 SW Broadway and the Civic Auditorium at 222 SW Clay, in Portland, Oregon.
- E. "Metro ERC Facilities" means, collectively, the Expo, the Stadium, the Convention Center and the PCPA .
- F. "Concessions" means the sale and all activities supporting, related to, or necessarily incidental to such sale (including catering) of food, beverages (alcoholic and non-alcoholic), candy, and similar products to patrons of events at the Expo, PCPA, Stadium and Convention Center, in an efficient and courteous manner and in a clean and appealing environment. "Concessions" does not mean the sale of food, beverages, candy, and similar products through the use of vending machines. The sale and delivery of food, beverages, candy, and similar products through vending machines is covered under a separate contractual agreement with the Metro ERC and a third party.
- G. "Concessions Products" means all food, beverages, candy, and similar products which the Metro ERC directs or allows the Concessionaire to sell to patrons of events at the Expo, Stadium, PCPA and Convention Center, excluding vending machine sales.
- H. "Concessionaire's Employees" means only employees of the Concessionaire who are engaged exclusively in the management and operation of the concessions or catering, including contracted services, and who have no other responsibility on behalf of the Concessionaire.
- I. "Accounting Year" means the period commencing July 1 of each year and ending June 30 of the following year, consisting of 12 accounting periods at

the Metro ERC Facilities. Concessionaire will provide an accounting period calendar for each year of the term of the Agreement.

- J. "Gross Revenues" means the total amount received, accruing from, or realized by the sale of Concessions Products for cash or credit pursuant to the terms of this Agreement. "Gross Revenues" does not include sales and use tax or any tax of a similar nature or any catering gratuities collected for and on behalf of concessions employees.
- K. "Net Gross Receipts" shall mean Gross Revenues after any applicable Metro Excise Tax has been deducted. Metro Excise Taxes shall not otherwise be claimed as an allowable expense.
- L. "Metro Excise Tax" means the Metro Excise Tax applicable to all food and beverage revenue at the Expo and Convention Center. The PCPA and Stadium do not, at this time, fall under the excise tax ruling. However, if the Metro Excise Tax becomes applicable to PCPA and/or Stadium food and beverage revenue, it shall be applied in calculating Net Gross Receipts.
- M. "Net Profits" means the amount calculated pursuant to Article 10 of this Agreement.
- N. "Metro ERC" shall mean the Metro Exposition-Recreation Commission, a subdivision of Metro, or its delegee.
- O. "General Manager" shall mean the individual staff member appointed by the Metro ERC and having responsibility for the management of all Metro ERC Facilities, or the General Manager's delegee.
- P. "Metro" means the metropolitan service district formed pursuant to ORS Chapter 268 and the 1992 Metro Charter.

2. Engagement

Subject to the terms of this Agreement and the direction of the Metro ERC's General Manager or such other Metro ERC personnel as he may designate, the Concessionaire shall manage and operate the Concessions at the Metro ERC Facilities. This engagement is further subject to the relevant terms and conditions or any existing and subsequent use agreements between the Metro ERC and users of the PCPA, Expo, Stadium, and Convention Center. The parties acknowledge that the number of facilities managed and operated by the Metro ERC is subject to change. In the event the Convention Center, the Stadium, Expo or the PCPA ceases to operated under Metro ERC's management, the Metro ERC shall reimburse Concessionaire for the depreciated value of capital invested in that facility only by the Concessionaire as provided in Article 13, and this Agreement shall cease to apply to that facility. New facilities

may be included under this Agreement by mutual written agreement of the parties.

3. Relationship of the Parties

- A. The Metro ERC and the Concessionaire have entered into this Agreement for the purpose of establishing an independent contractor relationship between the Metro ERC and the Concessionaire. It is further understood and agreed by and between the parties that nothing herein shall constitute or be construed to be an employment, partnership, joint venture, or joint employer relationship between the Metro ERC, its successors or assigns on the one part, and the Concessionaire, its successors or assigns on the other part. It is further agreed that the Concessionaire will provide its own workers' compensation insurance or self-insurance program as permitted under Oregon statutes. The Concessionaire shall, subject to the terms and provisions of this Agreement, have complete and independent control and discretion over the operation of the Concessions. It is expressly understood that neither Concessionaire nor the Metro ERC has the right to control, direct, or influence the labor relations policies or activities of the other, and that neither shall be considered to be the labor relations agent or representative of the other, and that, neither shall be responsible for the acts of the other's agents, employees or representatives which affect either party's respective employees.
- B. Concessionaire shall be solely liable for, and shall independently undertake to defend, any and all unfair labor practice charges, grievances, judicial actions, or other employee or union claims, as well as general liability and personal liability, based on conduct alleged to have been committed by its employees, agents, or supervisors at any time. However, the Metro ERC and the Concessionaire will cooperate in good faith in the investigation and defense of any unfair labor practice charge, grievance, judicial action or other employee or union claim which may be filed against any one of them, jointly or separately.

4. Term of the Agreement

- A. The term of this Agreement shall be for five years with the first year commencing July 1, 1999.

Year No.	Fiscal Year	Metro ERC Facilities
1	1999-00	All
2	2000-01	All
3	2001-02	All
4	2002-03	All
5	2003-04	All

- B. The Metro ERC shall have the right at the end of the initial five-year term of this Agreement to extend this Agreement for one additional five year term, based on the same conditions applicable to the initial term. The Metro ERC shall have the right to renegotiate the terms of any renewal agreement to accommodate changes in operations, circumstances or industry practice; provided that any changes resulting from such renegotiations are acceptable to both parties. Sixty (60) days written notice to the Concessionaire by the Metro ERC prior to the expiration date of the initial term of the Agreement shall be sufficient to exercise the renewal option. Metro ERC may condition any such notice upon renegotiation as provided herein.

5. Exclusive Concessions and Catering Rights

- A. Subject to the provisions of this Agreement, the Metro ERC shall grant to the Concessionaire the exclusive right to manage, operate and sell in the Metro ERC Facilities, all food, alcoholic and non-alcoholic beverages, candy, and other similar products as the General Manager of the Metro ERC may from time to time approve for sale. In any case where it is determined by the General Manager that items other than food and beverages should be sold through the Concessionaire, the Concessionaire shall conduct such sales.

The exclusive rights granted under the Contract shall not be construed so as to prevent or prohibit the Metro ERC or licensee or lessee of the Metro ERC from engaging in or contracting for, with the Metro ERC's approval, outside catering service privileges, e.g. for certain special dietary or religious events, as approved. However, the Concessionaire shall be considered the exclusive catering service, and Metro ERC will recommend the Concessionaire as first choice for all catered events, provided the Concessionaire demonstrates the required catering abilities. Use of the Metro ERC's Facilities shall not include the use of any Concessionaire's occupied areas or equipment other than the service corridors unless otherwise agreed by Concessionaire and Metro ERC.

- B. Metro ERC reserves the right to exclude the Stadium from the scope of this Agreement, which right shall be exercisable by written notice delivered to the Concessionaire at any time after December 1, 1999. Such notice shall be effective 60 days following receipt by the Concessionaire, at which time the terms and conditions of this Agreement shall cease to apply to the Stadium.
- C. The exclusive rights granted under this Agreement shall not be construed so as to prevent or prohibit Metro ERC to continue existing PCPA features and client programs as follows:
- 1) ASCH – Heathman Mezzanine Linkage: The passage door between the Concert Hall and Heathman Hotel shall be recognized as an existing feature; it shall be allowed to be open in conjunction with performances by the Oregon Symphony (the "OS") consistent with past practice. OS

patrons shall be allowed to pass into the Heathman Mezzanine for refreshments as negotiated and agreed by Metro ERC and OS.

- 2) **Winningstad Theatre Snack Program:** The major resident company of the Winningstad Theatre, Tygres Heart Shakespeare Company (the "THSCo"), has requested and negotiated with Metro ERC for a customer program for concessions services to its audiences. This program shall be recognized as an existing element of audience service which shall be continued so long as it is agreed by THSCo and Metro ERC.
- 3) **Newmark Theatre Program:** The major resident company of the Newmark Theatre, Portland Center Stage (the "PCS"), has requested test programs for increased concessions service to its audience on the third and fourth levels of the New Theatre Building. If so requested by PCPA, Concessionaire will participate in the design and evaluation of experimental programs and will agree to long-term implementation of those services which are agreed to by PCS and Metro ERC.
- 4) **Open Catering:** Metro ERC has adopted a non-exclusive catering program in Metro ERC Facilities which shall be continued for the term of this Agreement. As a consequence of its position as Concessionaire for Metro ERC Facilities, Concessionaire shall be recognized as an approved caterer and added to the listing of authorized providers distributed to users of the facilities. The financial terms for Concessionaire catering activity shall be the same as providing services at Metro ERC Facilities. Concessionaire shall cooperate with outside caterers as they perform services for clients of the facilities, as approved by Metro ERC.

Exclusive sales rights granted herein include but are not limited to the following areas of concessions and catering sales in all the Metro ERC Facilities:

- a. permanent concession stands
- b. portable concession stands
- c. permanent specialty concession stands
- d. concessions hawking in seating areas
- e. press box lounges
- f. banquet rooms, meeting room and exhibit halls
- g. lobby areas
- h. all outdoor areas including but not limited to: parking lots, plazas, docks, etc.
- i. existing permanent restaurants, lounges, unless otherwise agreed to by both parties.

- D. Additional areas of concession and catering sales in the Metro ERC's Facilities may be added at the discretion of the Metro ERC's General Manager.
- E. The exclusive sales right shall be extended to the sale of alcoholic beverages in the appropriate concessions and catering areas, provided however that the Concessionaire may be required to obtain and maintain all necessary licenses and permits in connection with the sale of such alcoholic beverages. Presently, the Metro ERC holds the liquor licenses in the name of the Metro ERC. The sale of alcoholic beverages shall be permitted in the approved concessions and catering areas only and at other locations as licensed or as are approved in advance by the Metro ERC's General Manager.
- F. All food and beverage products prepared on Metro ERC premises must remain and be sold exclusively on Metro ERC premises unless otherwise authorized in advance by the Metro ERC's General Manager. Notwithstanding the foregoing, the Concessionaire may transfer food and/or beverages prepared at one Metro ERC Facility to another facility otherwise managed by the Concessionaire under this Agreement or another contract with Metro ERC without prior consent of the Metro ERC.
- G. The exclusive sales right granted herein to the Concessionaire shall not include the following:
- 1) Parking rental concessions which are reserved exclusively by the Metro ERC.
 - 2) Advertising sales which are reserved exclusively by the Metro ERC.
 - 3) Facility user and tenant novelty souvenirs and program sales.
 - 4) Free distribution of food, beverage or merchandise samples by a trade or consumer show exhibitor which are the normal sales projects of the exhibitor or sale of food or beverage products by exhibitors for consumption off Metro ERC premises.
 - 5) Vending machine sales.
 - 6) Business center services (i.e., faxes, copies, parcel storage, coat check, etc.)

6. Duties of the Concessionaire

For the exclusive sales rights granted in Article 5 and the management fee consideration provided by in Article 9 hereof, the Concessionaire shall be responsible for providing skillful and commercially effective management and operation of the Concessions. The Concessionaire shall be responsible for performing satisfactorily all functions, duties, activities outlined in this Agreement and any incidental activities required to successfully accomplish said functions and duties. The Concessionaire must manage and operate the Concessions in a professional and efficient manner, which will be conducive to providing first-class,

high quality services and products to Metro ERC Facilities' patrons in a clean and appealing environment.

The Concessionaire shall be responsible for performing but shall not be limited to the following duties and functions.

- A. Employ a highly skilled professional on-site concessions and catering manager who possesses the necessary experience and expertise to provide the overall management capability for a first-class concessions and a high quality catering operation. This manager may be shared between the Metro ERC Facilities.
 - B. Subject to Metro ERC review and approval, develop and implement all necessary policies and procedures for the concession and catering operation. Such policies and procedures shall not be subject to Metro ERC review with respect to labor relations.
 - C. Employ and train all employees necessary for the successful operation of the concessions and catering operation. Training of the employees must encompass the concepts and policies of a first class concession and high quality catering operation, including appropriate first-aid techniques, and superior customer service skills, and alcohol management training.
 - D. Design and prepare specifications for the purchase of uniforms for concession and catering employees to be worn at all Metro ERC events. Uniform design must be approved by the Metro ERC General Manager or designee, prior to purchase. Concessionaire shall provide and maintain all uniforms in a neat and clean condition.
 - E. Provide for retail sale of food, beverages, candy, and similar products at all appropriate concession and catering areas outlined in Article 5 hereof.
 - F. Order, purchase, receive delivery of, and store all consumable supplies and products necessary for the operation of the concessions and catering operation.
 - G. Assist the Metro ERC as requested by the Metro ERC's General Manager, or his designee, with selection, purchase, receipt, inspection and storage of capital equipment, rolling stock, small wares and other equipment necessary for the ongoing operation of concessions and catering. Concessionaire shall consult with and cause its affiliates to consult with the Metro ERC in assisting with completion of food and beverage preparation facilities, concession stands, etc.
- 1) Not more than thirty (30) days following execution of this Agreement, Concessionaire shall deposit One Million Dollars (\$1,000,000) in a segregated account controlled by the Metro ERC to be used for food and

beverage capital acquisitions, proposed by Concessionaire and approved by Metro ERC pursuant to subparagraph (2) below. In the event the number or size of any of the Metro ERC Facilities increases during the term of this Agreement, the parties will negotiate the possibility of additional investments, and any additional terms and conditions relating thereto.

- 2) Concessionaire shall submit for approval of the Metro ERC General Manager recommended smallware purchases, renovations (including planning and design), or other support equipment necessary to equip the food and beverage operations at the Metro ERC Facilities. List shall total at least \$1,000,000. Upon approval of Metro ERC's General Manager, Concessionaire shall procure such signage, smallwares, renovations, furniture and equipment for all Metro ERC Facilities in accordance with facility needs, event schedules, etc.
- H. Prepare all Concessions Products for sale or distribution.
 - I. Advise and make recommendations to the Metro ERC concerning all operational phases of concessions and catering including but not limited to the kind, quality, brand and price of Concessions Products, use of portable specialty stands and the sale of products. The final decision regarding these matters shall rest with the Metro ERC.
 - J. Comply with all existing laws and regulations relating to the preparation and handling, sale and disposal of Concessions Products. Procure and maintain at all times the necessary permits and licenses required by any laws and regulations for operations of Concessions. Use of styrofoam products is prohibited.
 - K. Maintain at all times all related concessions and catering office, storage, kitchens, service, and retail sales areas in a clean and sanitary condition. Cleaning and waste removal from all concessions and catering areas including seating areas (excluding any spectator seating bowl areas) specific for food service needs to assigned facility compactors shall be the Concessionaire's responsibility. The Concessionaire shall also order once a month or as deemed necessary by the Metro ERC permanent pest control through professional contract services approved by the Metro ERC to ensure the highest standards of cleanliness and sanitary conditions in the concessions and catering areas. The Concessionaire is expected to participate fully in the Metro ERC's recycling plans at each designated facility.
 - L. Subject to prior approval by the Metro ERC's General Manager, arrange for all repairs and maintenance to the concessions and catering facilities and equipment.

- M. Subject to prior written approval by the Metro ERC, arrange for replacement or modification of the Metro ERC Facilities.
- N. Pay all sales, business and occupational taxes and other similar taxes required by law related to the operation of the Metro ERC Facilities.
- O. Pay all catering gratuities collected for and on behalf of the Concessionaire employees in a fair and equitable manner.
- P. Provide for the necessary levels of financial reporting and accountability to the Metro ERC as outlined in Article 11 hereof.
- Q. Prepare and submit an annual operating budget for each accounting year to the Metro ERC for approval as outlined in Article 11 hereof.
- R. Negotiate all collective bargaining agreements relative to the Concessionaire's employees and maintain effective day to day working relationships with appropriate union representatives.
- S. Provide all necessary food and beverage related setup for concessions and catering events in Metro ERC Facilities as determined by the Metro ERC's General Manager.
- T. Provide for and arrange annual programs for aggressive advertising, marketing, and promotion of concessions and catering products and services as well as the facilities covered.
- U. Comply with all recycling policies and procedures at all Metro ERC Facilities and any such regulations passed and adopted by Metro.
- V. Provide all necessary reports, scheduling information, sales and booking of facility space as directed by the specific Metro ERC Facility, using the facility management system in addition to corporate management systems.
- W. Comply, be well versed and participate in attaining specific goals and mission of each facility as well as of the Metro ERC mission.

7. Responsibilities of the Metro ERC

The Metro ERC shall be responsible for performing the following duties and functions:

- A. The Metro ERC at its sole expense, except such capital investment as called for in this Agreement, shall construct, furnish and equip the physical facilities of the Metro ERC Facilities, including office space, computer equipment,

storage areas, kitchens/pantries, which it deems necessary for the Concessionaire to operate within the Metro ERC Facilities.

- B. The Metro ERC shall furnish the Concessionaire estimated attendance for all events at all Metro ERC Facilities for which the Concessions are open, not less than ten (10) days in advance, to assist the Concessionaire in accomplishing its accounting responsibilities.
- C. The Metro ERC shall prohibit the selling and distributing of any Concessions Products or services in the Metro ERC Facilities and on its premises by anyone except the Concessionaire, subject to the exclusions provided for in Articles 5 and 8 of this Agreement.
- D. The Metro ERC shall cooperate with the Concessionaire in obtaining all necessary licenses and permits.
- E. The Metro ERC shall conduct business with the Concessionaire in an efficient and professional manner.

8. Powers Reserved to the Metro ERC

The Concessionaire shall, subject to the approval of the Metro ERC and all of the terms and provisions of this Agreement, have complete control and discretionary authority with respect to the operation of the Concessions, including the use of the premises, labor relations policies, including wage rates, the hiring, promotion and discharge of its employees, the establishment of the wages, hours and other terms and conditions of employment, and with respect to all other phases of operation, except as otherwise herein expressly limited or provided for in this Agreement. In the event of a dispute between the Concessionaire and the Metro ERC, the decision of the Metro ERC concerning the operation or management of the Concessions shall be final and binding on both parties. By way of illustration and not limitation, the reserved powers of the Metro ERC are as follows:

- A. The final determination of all policies and procedures relative to the operation and management of Concessions.
- B. Final determination on the kinds, brands, quality and retail prices of all Concessions Products and services. Unless otherwise approved in advance by the Metro ERC's General Manager, the product purchased by the Concessionaire shall meet the minimum requirements as laid out in Exhibit 1 to this Agreement.
- C. Final determination on the design, layout and location of all physical facilities and equipment for the Concessions operation and any future changes or modifications thereto.

- D. Final determination on the use, number and location of portable concessions stands, permanent specialty stands and other facilities used in the concessions and catering operation. Product availability and said retail sales areas shall be determined by the General Manager of the Metro ERC or his designee.
- E. Final determination and approval of the annual operating budget to be implemented each Accounting Year for the Concessions operation. Concessionaire may recommend to the Metro ERC amendments to the budget as it may deem necessary. Metro ERC reserves the right to amend or alter said annual budget at any time during the course of the year if deemed necessary and appropriate by the Metro ERC.
- F. Final determination on which specific Concessions Products will be sold at particular events in Metro ERC Facilities.
- G. Sole discretion to cancel, terminate or interrupt any Metro ERC event, and cause the patrons to be dismissed, or to stop the sale of any product by the Concessionaire during any event. The Metro ERC shall not be liable to the Concessionaire for any loss or cost occasioned by any such determination or action by the General Manager of the Metro ERC taken in good faith for the benefit or protection of the Metro ERC and the public generally or the Metro ERC Facilities.
- H. The power to have access to any concessions areas at any time.
- I. The power to approve or disapprove the Group Manager, Facility specific General Manager and Chef provided by the Concessionaire at any time during the term of this Agreement, and to require the Concessionaire to replace such personnel within thirty (30) days of receipt of written notice by the Metro ERC's General Manager regarding dissatisfaction with the Manager's performance.
- J. Concessionaire will employ only competent and orderly employees who will keep themselves neat and clean and accord courteous and competent treatment and service to all patrons. Whenever the Metro ERC notifies the Concessionaire or its manager that any employee is deemed by it to be incompetent, disorderly or unsatisfactory, the Concessionaire will investigate the matter thoroughly, and if good cause, as determined by the Concessionaire, exists the Concessionaire shall discharge such person, provided, however, that such discharge is not in violation of any outstanding collective bargaining agreements that may be entered into between the Concessionaire and a union or any Oregon or federal employment law or regulations.
- K. Equal Opportunity and First Opportunity Target Area program participation.

- L. The power to terminate this Agreement for acts of default by the Concessionaire in accordance with Article 13 hereof.
- M. The final determination of the prices of which Concessions Products will be sold by the Concessionaire.
- N. The determination of acceptable levels of performance in striving to achieve the most economical and efficient operation of the Concessions.
- O. The power to approve the salaries of on-site concessions manager and any other on-site management employees of the Concessionaire. The amounts of any salaries in excess of those approved by the Metro ERC shall not be counted in the distribution and calculation of net profits.

9. Distribution of Net Gross Revenues, Net Profits and Other Funds

- A. All revenue from Concessions will be deposited daily by the Concessionaire or the Metro ERC at the determination of the Metro ERC into a separate commercial account established and controlled by Metro ERC. The funds in such account shall be the sole and exclusive property of the Metro ERC upon deposit, subject only to obligations imposed thereon by this Agreement. As previously stated in this Agreement, reimbursement for both capital and operation expenses will be made to the Concessionaire upon presentation of proper documentation regarding expenses as described in Article 11, Financial Reporting and Accountability.
- B. As the sole consideration to the Concessionaire for management and operations of the Concessions, the Concessionaire shall receive the following:
 - 1) 3.9% Net Gross Receipts;
 - 2) 8% of Net Profits in any Accounting Year;
 - 3) 2% of Net Profits, if total Net Profits in any Accounting Year exceeds \$3,350,000 (the "Profit Threshold"); and
 - 4) Concessionaire is entitled to up to 2.5% of Net Profits in any Accounting Year dependent upon the Concessionaire's attainment of certain qualitative goals (the "Qualitative Incentive").

The qualitative goals applicable to the Qualitative Incentive will be mutually determined by Metro ERC and Concessionaire annually prior to each Accounting Year of the Agreement. The Concessionaire will submit proposed qualitative goals to the Metro ERC General Manager, or his designee, for review and comment no later than June 1 for the upcoming

Accounting Year (other than the first Accounting Year of the term hereof). For the first Accounting Year, the Concessionaire will submit proposed qualitative goals to the Metro ERC General Manager, or his designee, for review and comment no later than August 31, 1999. The qualitative goals will be developed for each Metro ERC Facility individually, or for the Metro ERC Facilities collectively, as Metro ERC and Concessionaire jointly determine, and will detail how the qualitative goals will be graded and at what levels the Concessionaire must perform to receive the Qualitative Incentive. Any dispute over the terms of the annual Qualitative Goals will be submitted to mediation by a mutually acceptable third party before the provisions of Article 20 are invoked. The parties will meet periodically during each Accounting Year to review and discuss interim assessments and updates of Concessionaire's progress toward the Qualitative Incentive. Following the end of each Accounting Year, the Concessionaire will submit to the Metro ERC an assessment of the Concessionaire's attainment of the qualitative goals for the just ended Accounting Year. The Qualitative Incentive, if any, earned by the Concessionaire in any Accounting Year shall be paid to the Concessionaire by the Metro ERC within thirty (30) days following the end of each Accounting Year during the term hereof.

- C. In the event the number of facilities comprising the Metro ERC Facilities increases or decreases (including, without limitation, by virtue of the exclusion of the Stadium from this Agreement pursuant to Article 2 hereof), or any single Metro ERC Facility permanently expands or is reduced in size, the Profit Threshold will be adjusted on an equitable basis to account for such increase or decrease, taking into account, among such other factors as are deemed appropriate by the parties, the event levels, event mix, attendance and comparative profitability of the affected Metro ERC Facility(ies).
- D. The Concessionaire shall not be entitled to any other remuneration from the Metro ERC for the performance of the Concessionaire's duties, obligations and activities pursuant to this Agreement. Further, in the event of termination of the Agreement before the end of the term prescribed in Article 4 of this Agreement, the Concessionaire shall have no claim against the Metro ERC for Net Profit which might have been distributed to it for periods after the date of the termination or for any other amount not otherwise payable to Concessionaire upon termination in accordance with the terms of this Agreement.

For each accounting period, any Net Profits or losses for that accounting period shall be distributed in accordance with the percentages outlined in subsection B. above to the Concessionaire. Losses occurring in an accounting period will be carried forward and recovered in future accounting periods, provided sufficient Gross Revenues are available therefor. Any loss that remains unrecovered upon the expiration of the term, will be recovered from available Net Profits from prior accounting periods. The accounting

period distributions shall be made after the accounting period operating statement specified in Article 11 of the Agreement is completed in accordance with the payment procedures outlined above in subsection A.

- E. Upon presentation by the Concessionaire to the Metro ERC of documentation establishing that Concessionaire has incurred an expense for which it is entitled to reimbursement by the Metro ERC pursuant to this Agreement, such documentation to be in a form consistent with the requirements of this Agreement, and which substantiates that Concessionaire has received the good, product item or service, as applicable, for which reimbursement is sought and the exact amount of the cost incurred by Concessionaire and taking into account any discounts or credits received by Concessionaire or any related affiliate or parent company, Metro ERC shall promptly reimburse Concessionaire for such expense. Payment of undisputed charges will be ready on Fridays providing the payment request or invoices and proper documentation were presented by Noon on the preceding Monday. Metro ERC shall notify Concessionaire within 72 hours of receipt of any payment request if the request will be denied or if additional documentation is necessary. In any event all undisputed amounts will be paid.

10. Calculation of Net Profits

"Net Profits" means the amount remaining after deduction from Net Gross Receipts of the amounts described in subsections A. and B. of this Article.

- A. Direct operating costs of Concessions. Direct operating costs include the following costs, including, without limitation, the costs incurred in performing the functions and activities to be performed by Concessionaire in accordance with Article 6 hereof (unless expressly excluded pursuant to Article 10.B, below):
- 1) cost of goods purchased.
 - 2) Direct labor (including any applicable taxes, worker's compensation costs, and fringe benefits for on-site employees devoting their full efforts to Metro ERC contract.)
 - 3) Direct expenses, expenses of the type listed in Exhibit 2, including but not limited to: supplies and applicable taxes, licenses and fees (see Exhibit 2).
 - 4) Accruals of required reserve (5%) (as described in B. below)
 - 5) Food and beverage services manager's salary, insurance, payroll taxes and fringe benefits.
 - 6) Group Manager salary, bonus, insurance, payroll taxes and fringe benefits approved by Metro ERC and allocated as follows:
Convention Center 50%, Expo 20%, Stadium 20% and PCPA 10%.
 - 7) One time start up costs up to: Stadium-\$20,000; Expo-\$35,000; OCC-\$50,000 and PCPA-\$15,000.

The following are not considered direct operating costs:

- 1) Corporate supervision and support services (accounting and payroll services, bonuses (other than Metro ERC-approved bonuses for the Concessionaire's on-site management staff), facilities planning and design, auditing, legal, insurance (other than insurance costs directly attributable to providing the insurance coverages required herein for the Concessionaire's operations at the Metro ERC Facilities) and bonds, purchasing, personnel, training, public relations, etc.)
 - 2) Corporate taxes
 - 3) Other general corporate administrative and overhead expenses.
 - 4) Attorneys fees incurred pursuant to Article 20.
- B. A five (5%) percent reserve of the allocable Net Gross Receipts for each facility shall be maintained by the Metro ERC. The 5% accrual fund is used for the following, and in general the percentages indicated: Equipment replacement and additions (2%); repair and maintenance of equipment (1%); marketing and promotion (1%) and utilities (1%). Use of this fund shall be at the sole discretion of the Metro ERC with recommendations by the Concessionaire. At the end of each Accounting Year any amounts not spent by Metro ERC shall be credited as Net Profits to be distributed pursuant to Article 9.

11. Financial Reporting and Accountability

- A. The Concessionaire shall maintain at all times accurate computerized accounting records on the operation of the Concessions. The form and substance of the accounting system shall be subject to the determination by the Metro ERC and shall include, but not be limited to, the following:
- 1) Separate financial records for each of the Metro ERC Facilities, except that consolidated operations of the Metro ERC's Facilities financial reports will be required monthly and be made available to the Commission. Metro ERC acknowledges that certain of Concessionaire's financial functions, such as payroll accounts, are maintained on a consolidated basis; provided that records are maintained of the transactions pertaining to each individual Metro ERC Facility.
 - 2) Complete financial system which conforms to generally accepted accounting principles and practices and includes annual line item budgeting for expenditure and revenue accounting, accounts segregating, and identifying assets, liabilities, and net worth.
 - 3) Documentation supporting all entries into the financial accounting system to include all expenditure invoices, payroll summaries and copies of payroll tax returns, revenue and bank deposit receipts, bank statements and all other such related documentation, copies of which are to be

submitted monthly if not previously provided to support request for payment.

- 4) Complete inventories of concession and catering equipment to be taken not less than annually and other capital assets and expendable and consumable supplies maintained continuously at the Metro ERC Facilities not less than annually.
 - 5) Complete event inventory control records before and after each Metro ERC event and actual cash count of each event's sales receipts.
 - 6) Any other specific accounting information related to the Concessions which is determined by the Metro ERC to be meaningful and necessary.
 - 7) Complete individual facility financial reports of all operations will be required monthly and made available to Metro ERC.
- B. All accounting records, documents, books, inventories and other such related information shall be made available for Metro ERC inspection at any time during the term of this Agreement. In addition, Concessionaire shall retain all accounting records for a period of three years after completion of the contract term. In addition to the right of inspection, the Metro ERC shall have the right at any time during the term of this Agreement and during the three year period following completion of the Agreement to conduct a full audit, including a certified audit by an independent accounting firm on the financial records and business activities of the Concessionaire relative to performance of this Agreement. Concessionaire agrees to interface with the Metro ERC in establishing and operating an integrated computer system. It is anticipated that the system will control all point-of-sale devices, as well as offer computer assistance to the concessionaire's management staff.
- C. The Concessionaire shall provide a financial operating statement within ten (10) business days after the end of each accounting period which details on an accrual basis, all gross revenues, direct operating costs and Net Profits resulting from the Concessions for the preceding accounting period. Such report shall provide the basis from which distribution of Net Profit is made in accordance with Article 9 hereof. Each week, the Concessionaire shall provide other financial reports on the Concessions as are determined necessary and appropriate by the Metro ERC, including daily event by event statements including all payroll, estimated product cost and estimated direct expenses.
- D. For each Accounting Year during the term of this Agreement, the Concessionaire shall develop and submit to the Metro ERC's General Manager, or his designee, for approval an annual line-item operating budget for the Concessions. The form and substance of the annual budget shall be determined by the Metro ERC and shall include day-to-day operating costs,

revenues, capital purchase, and capital repair, maintenance and replacement costs. The Concessionaire shall be responsible for operating within the established budgetary limits at all times, unless otherwise approved in writing by Metro ERC. The Metro ERC reserves the right to reasonably alter or change such annual budget at any time it is deemed necessary or appropriate. It shall be the responsibility of the Concessionaire to assure compliance by any of its subcontractors, suppliers, and other such agents with the record-keeping requirements of this Article. Failure of Concessionaire to comply with accounting procedures requested by the Metro ERC, failure of the Concessionaire to immediately correct any accounting deficiency discovered by the Metro ERC, or failure by the Concessionaire to safeguard, control and account for funds received or held by it pursuant to this Agreement shall be cause for immediate termination of this Agreement by the Metro ERC with notice but without recourse by the Concessionaire, except as otherwise expressly set forth herein.

12. Insurance and Indemnification

- A. It is understood and agreed that, to the fullest extent permitted by law, the Concessionaire shall indemnify and hold harmless Metro ERC and its agents and employees from and against all claims, damages, losses, and expenses, including but not limited to attorneys' fees and court costs, arising out of or resulting from any acts or omissions in performance of this Agreement by the Concessionaire, its employees and subcontractors. The Concessionaire will not bring any action against the Metro ERC due to the Metro ERC's execution of its right to cancel any event.
- B. Coverages to be provided by the foregoing insurance policy or policies shall include, but not be limited to, coverages commonly referred to by the insurance industry as:
- 1) premises/operations liability
 - 2) owners and contractors protective liability
 - 3) blanket contractual liability
 - 4) broad form property damage liability
 - 5) personal injury
 - 6) automobile liability, including coverage for owned, non-owned, hired or borrowed vehicles.
 - 7) Products/completed operations liability (including food and drink)
 - 8) Liquor legal liability
 - 9) Fire legal liability.

The foregoing insurance policy or policies shall:

- 1) Name Metro and the Metro ERC, and, if required by law or regulation, the Oregon Liquor Control Commission, as additional insureds

- 2) Apply as primary insurance on behalf of Metro and the Metro ERC, regardless of what insurance the Metro ERC may maintain.
- 3) Provide for not less than sixty (60) days advance written notice to the Metro ERC regarding termination or any material change to the policy
- 4) Include limits of protection as follows:

Not less than \$10,000,000 combined single limit bodily injury and property damage, including loss of use.

- C. Concessionaire, its subcontractors, and all employees working under this Agreement that are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Concessionaire shall provide MERC with certification of Workers' Compensation insurance including employer's liability.
- D. A true and certified copy of the insurance certificates, including all of the required coverages and endorsements shall be provided to the Metro ERC prior to commencement of work under this Agreement.
- E. The Concessionaire will provide a performance bond in the form attached as Exhibit 3 to the Metro ERC in an amount of not less than Seven Hundred Fifty Thousand Dollars (\$750,000) made out to the Metro Exposition Recreation Commission for operations to assure compliance of the Concessionaire with all provisions of this Agreement, including those related to the financial obligations of the Concessionaire. Said performance bond shall be conditioned upon faithful performance of Concessionaire's payment of moneys due or obligations owing to the Metro ERC and to all suppliers, materialmen and employees of Concessionaire or its subcontractors.
- F. In the event that concessions and/or catering facilities are destroyed by an act of God, fire, vandalism, etc., to the extent that continued operation thereof is not feasible, the Metro ERC will be under no obligation to replace them.
- G. The Metro ERC shall keep and maintain property insurance on all real and personal property owned by the Metro ERC and waives subrogation for all losses except those in excess of the Metro ERC's self insured deductible or any amounts not reimbursed by the Metro ERC's property insurance.
- H. The Concessionaire must provide property insurance for all real and personal property owned by the concessionaire, its agents, employees or contractors and waives all rights of subrogation.
- I. Concessionaire shall take all necessary precautions for the safety of employees and others in the vicinity of the services being performed and shall

comply with all applicable provisions of federal, state and local safety laws and building codes, including the acquisition of any required permits.

- J. The Concessionaire shall be required to strictly adhere to, coordinate with Metro ERC and document full compliance with the policies and procedures of the Oregon Occupational Health and Safety Code, OAR Chapter 437, Division 155, Hazard Communication.

Therefore, the Concessionaire and all subcontractors and suppliers within their control shall notify Metro MERC and all parties to the Agreement as to:

- Hazardous materials to which they may be exposed on site;
- Employees measures to lessen the possibility of exposure;
- Concessionaire measures to reduce the risk
- Procedures to follow if exposed.

The Concessionaire shall provide Metro ERC with all Material Safety data sheets (MSDS) prior to delivery or introduction of the material on site.

- K. Any other insurance deemed necessary by the Concessionaire to its operations shall be obtained at its own expense.
- L. The terms and requirements of this Article 12.B shall be reviewed annually and modified as requested in the sole judgment of the Metro ERC's General Manager.

13. Termination or Breach by Concessionaire

- A. Material Breach: Any actions by the Concessionaire or any failure by Concessionaire to perform any obligation hereunder which directly or indirectly impairs or interferes with the cleanliness, safety, profitability, operational capacity, or favorable public image or reputation of the Metro ERC Facilities shall be a material breach and shall entitle the Metro ERC to terminate this Agreement. In the event that Concessionaire shall default in the obligations or conditions set forth in this and other subsections of this agreement, and such default shall continue unremedied and no action taken to correct for three (3) days after written notice of said default to the Concessionaire (or such longer period as is reasonably necessary to effectuate a cure under the circumstances, provided, that Concessionaire commences such cure within such three (3) day period and then diligently completes same), thereupon, at Metro ERC's option, this Agreement may be terminated upon thirty (30) days' written notice. Nothing herein shall preclude the Metro ERC or its agents from taking any immediate necessary action to remedy dangerous or unsafe conditions, regardless of the impact upon the Concessionaire. The parties agree that the Metro ERC shall retain the right to determine

whether any action or failure of Concessionaire constitutes a material breach hereunder (except as to the factual determination whether such action or failure has occurred) and any such determination shall be conclusive and shall be binding upon the parties hereto.

- B. Loss of Essential Licenses-Extraordinary Breach. The parties agree that the loss by Concessionaire of any license or permit necessary to legal performance of its duties and obligations hereunder shall constitute an extraordinary breach of this Agreement and shall be grounds for immediate termination by Metro ERC. This provision shall apply specifically but not exclusively to the licenses or permits issued by the Oregon State Liquor Control Commission to allow sale of alcoholic beverages under the terms hereof, to the extent held by Concessionaire. This provision shall apply irrespective of the reason for loss or revocation of any necessary license or permit.
- C. Unsatisfactory Performance: The parties agree that the Metro ERC shall retain the right to demand performance which is in all ways satisfactory to it, and that the Metro ERC shall retain the exclusive right to determine whether performance is or is not satisfactory. In the event Concessionaire's performance hereunder is deemed unsatisfactory, and such performance remains unimproved for a period of thirty (30) days following notice thereof to the Concessionaire, the Metro ERC shall have the right to terminate this Agreement and all rights and obligations hereunder. Notice of termination under this subsection shall provide such time for termination, discontinuance of operations and vacation of facilities as deemed appropriate by the Metro ERC's General Manager.
- D. Termination Accounting:
- 1) In the event of termination under this Article, each party shall have full access to the other's financial records and accounts to facilitate a determination of the financial obligations of each to the other. If the parties cannot agree, such disagreement shall be submitted to arbitration in accordance with Article 20 hereof. The parties agree that in any event, and regardless of the inability of the parties to agree as to the financial obligations of each to the other, the Metro ERC shall be entitled to exclusive, free and unobstructed use and possession of the concessions and catering facilities, equipment and supplies immediately after the period for termination notice as provided for above has passed.
 - 2) Immediately upon notice of termination hereunder, all products, food or equipment for which Concessionaire is entitled to claim for reimbursement shall automatically become the property of the Metro ERC and shall automatically come into custody and possession of the Metro ERC, subject only to Concessionaire's right to be reimbursed therefor at its cost.

- 3) Upon termination, the Metro ERC shall reimburse Concessionaire for the depreciated value of capital invested by the Concessionaire. Simple straight line depreciation shall be used, with a five year life assumed for all furniture, equipment and smallwares and a five year life for physical building improvements over the life of the Agreement.
- 4) Upon termination, Concessionaire shall provide Metro ERC with termination accounting including, but not limited to, the following:
 - a. Accounts payable closed at thirty (30) days after termination;
 - b. Accounts receivable closed at forty-five (45) days after termination;
 - c. Accounts receivable uncollected at sixty (60) days after termination will be written off and the management fee for those accounts will be subtracted from the final payment to Concessionaire;
 - d. A copy of the most recent annual inventory (conducted in June of each year);
 - e. A final inventory on smallware conducted seven (7) days prior to termination;
 - f. A final inventory on consumables conducted one (1) day prior to termination;
 - g. All other accounting and contract close-out procedures shall be finalized no later than forty-five (45) days following termination.

14. Assignment

Both parties fully understand and agree that the highly skilled and professional management and operation of the concessions and catering in the Metro ERC Facilities are of paramount importance and that this agreement would not be entered into by the Metro ERC except for its confidence in, and assurances provided for, the character, management abilities, and financial stability of the concessionaire. The concessionaire, therefore, shall not sell, assign, sublet, transfer, or in any manner encumber the rights and privileges granted herein, nor allow such assignment, subletting, transfer, or any other encumbrance to occur by operation of law or otherwise. The parties agree, further, that any occurrence, whether within or beyond the control of Concessionaire, which renders Concessionaire incapable of performing all duties required hereunder shall constitute a material breach hereunder and shall give the Metro ERC the option of terminating this Agreement.

15. Metro ERC's Remedies If Concessionaire Becomes Insolvent

The parties agree that if Concessionaire is insolvent, is dissolved, files for Bankruptcy, is adjudged bankrupt, or makes a general assignment for the benefit of creditors, or if a receiver is appointed for the benefit of its creditors, or if a receiver is appointed on account of its insolvency, such could impair or frustrate

Concessionaire's performance of this Agreement. Accordingly, it is agreed that upon the occurrence of any such event, Metro ERC shall be entitled to request of Concessionaire or its successor in interest, adequate assurance of future performance in accordance with the terms and conditions hereof. Failure of Concessionaire and surety to comply with such request within ten (10) calendar days of service upon both Concessionaire and Surety of a written request from Metro ERC for such assurances shall entitle Metro ERC to terminate or suspend Concessionaire's performance of the Agreement. Metro ERC shall not be bound to the Agreement by an insolvent Concessionaire's trustee or receiver.

Nothing in this Article and no actions taken pursuant to this Article shall constitute a waiver or surrender of any rights, remedies, claims or causes of action Metro ERC may have against Concessionaire or its Surety under any other provision of this Agreement or any provision(s) of law.

16. Control of Ownership

- A. Any change in control or the transfer of a controlling interest in stock ownership of Concessionaire shall require the prior written consent of Metro ERC. Change of control shall mean the occurrence of any of the foregoing:
- 1) Any person, corporation, limited liability company, partnership, trust or association or any group within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934 as amended (The "Exchange Act") and the rules and regulation, promulgated thereunder, shall have acquired after the date hereof beneficial ownership (within the meaning of Rule 13(d)(3) of the Exchange Act), directly or indirectly, of common stock (or other securities convertible into such common stock) representing fifty percent (50%) of the combined voting power of all common stock of Concessionaire entitled to vote in the election of directors, other than having such power only by reason of the happening of a contingency (hereinafter called a "Controlling Person"); or
 - 2) A majority of the Board of Directors of Concessionaire shall cease for any reason to consist of
 - a. Individuals who on the date hereof were serving as directors of Concessionaire; and
 - b. Individuals who subsequently become members of the board if such individuals' nomination for election or election to the Board is recommended or approved by a majority of the board of Directors or stockholders of Concessionaire provided that use of the provisions of this clause (b) shall not be used to evade the intent of the Article, Change of Ownership.

- B. For the purposes of 16A (1) above, a person or group shall not be a Controlling Person if such person or group holds voting power in good faith and not for the purposes of circumventing this provision as an agent, bank broker, nominee, trustee or holder or revocable proxies given in response to a solicitation pursuant to the Exchange Act, for on more beneficial owners who do not individually, or if they are a group acting in concert, as a group, have the voting power specified in clause (1).
- C. Concessionaire shall deliver to Metro ERC a true and correct copy of the executed Joint Venture Agreement between ARAMARK Sports and Entertainment Services, Inc. and Giacometti Partners, Ltd. forming the Concessionaire (the "Joint Venture Agreement"). Concessionaire shall notify Metro ERC, in writing, of any changes in the respective ownership in, control over or responsibilities with regard to the Concessionaire on the part of ARAMARK Sports and Entertainment Services, Inc. and Giacometti Partners, Ltd. No such changes will be made without the prior written approval of the Metro ERC, unless expressly provided for in the initial Joint Venture Agreement.
- D. Concessionaire shall give Metro ERC a written request to approve the change in control prior to any change in control taking effect. If a change in controls occurs without prior written notice to Metro ERC, such change shall constitute a material breach of this Agreement and Metro ERC, in its sole discretion, may terminate this Agreement for such breach.
- In determining whether to approve or disapprove a request by the Concessionaire to sell the company, Metro ERC may take the following criteria into consideration:
- 1) Whether the proposed purchaser is of sufficient size to perform the obligations required in the Agreement.
 - 2) Whether the proposed purchaser has sufficient financial resources to fill the operational and financial guarantees specified in the Agreement.
 - 3) Whether the proposed purchaser has sufficient favorable experience providing services similar to those required in the Agreement.
 - 4) The nature of any other commitments which the proposed purchaser may have in related food service management either nationally or within the Metro service area.
- E. Metro ERC shall within thirty days (30) of receipt of a request to enter into the transaction either approve or disapprove the request, provided such approval shall not be unreasonably withheld. If Metro ERC requests information regarding the above criteria the thirty (30) day approve/disapprove time

period shall begin upon satisfactory response by the Concessionaire to Metro ERC.

17. Best Efforts

The Concessionaire and Metro ERC shall each use their best efforts to obtain the most efficient and high quality operation of the Concessions as is possible.

18. Impossibility

The Commission and the Concessionaire shall not hold each other liable for failure to perform as outlined herein where such performance is rendered impossible or financially impractical due to labor strikes, walkouts, acts of God, inability to obtain necessary materials, products, and services, civil commotion, fire, unavoidable casualty, or similar causes beyond the control of the Metro ERC or the Concessionaire. Each party agrees to notify the other promptly upon the occurrences of an event or condition which will, or which is likely to, give rise to a claim under this Article. The failure to give prompt notice as herein required shall act as a waiver of any claim under this Article.

19. Year 2000 Compliance

Concessionaire warrants that all software, hardware or equipment with imbedded microchips shall be designed to perform so that there shall be no abnormally and/or invalid and/or incorrect results from the software, hardware or equipment with imbedded microchips at the year 2000 pertaining only to the equipment or systems owned or provided by ARAMARK.

20. Arbitration

Any controversy or claim arising out of or relating in any way to this Agreement or the breach or alleged breach thereof, including but not limited to claims sounding in tort, shall be settled by binding arbitration in Portland, Oregon under ORS Chapter 36; provided, however, that the requirements, (including but not limited to notice requirements) limitations, and exclusions of the Oregon Tort Claims Act, ORS 30.260 *et seq.* shall apply in any arbitration of claims falling under the purview of that Act. The parties shall mutually agree on a single arbitrator, and, if they cannot agree, then an arbitrator shall be appointed by the Presiding Judge of the Circuit Court of the State of Oregon, County of Multnomah. The award may include the costs of arbitration, but shall not include attorney fees. The award may be entered in any Court, state or federal, having jurisdiction thereof. Any action to commence, conduct or enforce such arbitration proceedings, or for any other purpose, shall be brought in Portland, Oregon.

21. Miscellaneous Provisions

- A. Validity:** The Metro ERC and Concessionaire each represents and warrants to the other its respective authority and power to enter into this Agreement, acknowledges the validity and enforceability of this Agreement, and waives any future right of defense based on claim of illegality, invalidity or unenforceability of any nature. The Metro ERC and Concessionaire each hereby represents, warrants and covenants to the other that the undersigned officers have been duly authorized to execute this Agreement such that this Agreement has been validly entered into by the respective party, and that this Agreement constitutes a legal, valid and binding contract enforceable against the respective party in accordance with the terms hereof.
- B. Ambiguities:** The parties agree and warrant that they have had the benefit of consultation with legal counsel prior to entering into this Agreement, such that all language herein shall be construed equally against the parties, and such that Concessionaire waives any right, claim, argument or defense that any language of this Agreement should be construed strictly against the Metro ERC.
- C. Compliance with Applicable Laws:** The Concessionaire shall strictly comply with all county, state and federal laws and regulations applicable to the operation, including but not limited to all applicable OSHA and ADA requirements and shall procure all necessary licenses and permits, which shall be displayed in an appropriate location on the Metro ERC premises as designated by the Metro ERC.
- D. Waiver of Subrogation:** The Concessionaire, its agents, employees and insurer(s) hereby release the Metro ERC from any and all liability or responsibility, including anyone claiming through or under them, by way of subrogation or otherwise for any loss or damage which Concessionaire may sustain incidental to or in any way related to Concessionaire's operation under this Agreement. All agreements between Concessionaire and subcontractors shall contain similar release of the Metro ERC.
- E. Labor Disputes:** In the event Concessionaire cannot perform its obligations under this Agreement because of a labor dispute, such non-performance will not be considered a default, provided, however, that the Commission may take control of and perform the operation in whole or in part until the labor dispute is settled. During such period of operation by the Metro ERC, the Metro ERC shall be entitled to use all facilities, smallwares and equipment at the Metro ERC premises and any supplies and inventory of Concessionaire on hand. The Concessionaire shall receive no profits or fees in connection with such operation. In the event said labor dispute remains unresolved in excess of thirty (30) consecutive days, the Center may terminate this Agreement upon 30 days written notice.

F. Non-Waiver and Severability: No waiver of any provision of this Agreement shall be effective unless in writing and signed by the party against whom it is asserted. Any such waiver shall be applicable only to the specified instance to which it relates and shall not be deemed a continuing or future waiver. The provisions of this Agreement are declared by the parties to be severable.

G. Entire Agreement: This agreement constitutes the entire Agreement and understanding between the Metro ERC and the Concessionaire. No provision of this Agreement may be changed or eliminated unless mutually agreed to in writing by the Metro ERC and the Concessionaire.

ARAMARK/GIACOMETTI JOINT VENTURE, ARAMARK Sports and Entertainment Services, Inc., and Giacometti Partners Ltd. shall be jointly and severally liable for all performance due under this Agreement.

H. Notices: All notices relative to this Agreement shall be in writing and shall be mailed by certified mail or delivered in person to the Metro ERC or the Concessionaire. Said notices shall be addressed to the following:

Concessionaire

ARAMARK Sports and
Entertainment Services, Inc.
ARAMARK Tower
1101 Market Street
Philadelphia, PA 19107
Attn: President
Attn: General Counsel

Metro ERC

Metropolitan Exposition
Recreation Commission
777 NE Martin Luther King Jr.
Blvd.
Portland, Oregon 97232
Attn: MERC General Manager
Attn: MERC General Counsel
Attn: OCC Director

I. Miscellaneous: This Agreement is made in accordance with the laws of the State of Oregon, which shall be controlling in any dispute which arises under this agreement.

The situs of this Agreement is Portland, Multnomah County, Oregon.

The underlined titles of the various Articles of this Agreement are for reference only. No meaning shall be ascribed to them, and they shall not be used in construing this Agreement.

The parties agree that this Agreement has no value. The parties agree that the performance of Concessionaire has no value except insofar as Concessionaire's completed performance is entitled to compensation hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this document as of the day and year first above written.

CONCESSIONAIRE

ARAMARK/Giacometti

Joint Venture

By: ARAMARK Sports and
Entertainment Services, Inc., a
partner

Metro ERC

**Metropolitan Exposition
Recreation Commission**

By: _____
Name:
Title:

By: _____
Name:
Title:

KAP:kaj
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5/18/99

Exhibit 1

Minimum Purchase Specification Requirements

BEEF	Heifer or Steer GRADE YIELD CONDITION GROUND BEEF	USDA Top Choice 3 or under Fresh or Frozen Chuck, 20% fat content
PORK	GRADE YIELD CONDITION	U.S. No. 1 1 Fresh or Frozen
VEAL	Calf GRADE	USDA Choice
LAMB	Under one year old GRADE CONDITION	USDA Choice Fresh or Frozen
POULTRY	GRADE CONDITION	USDA Inspected Grade A Hens-Fresh or Frozen Fryers-Fresh or Frozen Duckling-Fresh or Frozen Turkey Breast – Fresh or Frozen
CANNED VEGETABLES	GRADE	US Grade A or Fancy
DRY GOODS	RICE BEANS	Fancy or US No. 1 Grade A
BAKED PRODUCTS	At Commission's Approval	

Exhibit 2

Concessions/Catering

Sample Operating Expense Classifications

Copy Machine Rental
Vehicle Rental
Vehicle Maintenance
Vehicle Repair
Equipment Rental\Bank Charges
Outside Security
Membership Dues
Freight\Linen/Uniforms
Supplies\Cleaning Supplies\Miscellaneous
Licenses & Permits
Employment Fees
Professional Services
Postage
Road Expense/Manager
Stationery & Printing
Books and Subscriptions
Telephone/Fax
Armored Car and Alarm
Catering Expense\Credit Card Expense
Travel/Entertainment
Business Conference Expenses
Computer Supplies

JOINT VENTURE AGREEMENT

This Joint Venture Agreement (this "Agreement") is entered into this 15th day of June, 1999, by and between ARAMARK SPORTS AND ENTERTAINMENT SERVICES, INC., a Delaware corporation ("ARAMARK"), and GIACOMETTI PARTNERS, LTD., an Oregon corporation ("GPL"), with reference to the following Recitals:

A. ARAMARK and GPL, as joint venturers, have been awarded the right to serve as the exclusive manager of food and beverage concession, catering and related services (the "Services") at the public event facilities known as the Oregon Convention Center, the Portland Metropolitan Exposition Center, Portland Civic Stadium, and the Portland Center for the Performing Arts, located in Portland, Oregon (collectively, the "MERC Facilities") all pursuant to a certain Concessions and Catering Management Agreement (the "Concession Agreement") entered into or to be entered into with the Metropolitan Exposition Recreation Commission (the "MERC").

B. One hundred percent (100%) of the outstanding capital stock of GPL is owned beneficially and of record by Bernie Foster, an individual (the "GPL Shareholder").

C. The parties desire to form a Joint Venture for the purpose of providing the Services at the MERC Facilities in accordance with the Concession Agreement.

D. The parties acknowledge the expertise and experience of ARAMARK in providing the Services and desire to provide that, to the extent set forth herein, the overall day-to-day operating decisions concerning the management of the Services at the MERC Facilities, except those specifically reserved to GPL, shall be made by ARAMARK. The parties also acknowledge the expertise and experience of GPL in advancing minority businesses and local public businesses and in political relations. The overall policy decisions generally affecting the Joint Venture shall be made by the Governing Council, as hereinafter provided for.

E. GPL and ARAMARK represent to each other that they possess the necessary qualifications to participate in the Joint Venture.

F. The parties desire to set forth in this Agreement their understandings, rights and responsibilities with respect to the Joint Venture and the performance of the Joint Venture pursuant to the Concession Agreement.

F. The parties are sometimes referred to herein collectively as the "Joint Venturers" and individually as a "Joint Venturer".

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants contained herein and intending to be legally bound, agree as follows:

1. FORMATION AND PURPOSE OF JOINT VENTURE

1.1 Name and Address. ARAMARK and GPL hereby form a joint venture to be known as the ARAMARK/Giacometti Joint Venture (the "Joint Venture"). All printed and promotional materials relating to the Services or the business of the Joint Venture, including, without limitation correspondence, letterhead, signs, advertisements and business cards, will bear the name of the Joint Venture, as opposed to the name of one or the other Joint Venturer only.

1.2 Purpose. The purpose of the Joint Venture shall be to provide the Services under the Concession Agreement.

1.3 Term.

(a) Commencement. The term of the Joint Venture shall commence, effective as of June 1, 1999 (the "Effective Date"), and shall thus become effective upon each of the parties' receipt of such certificates and other documentation evidencing compliance with this Agreement and that all necessary or desirable consents and certificates have been obtained, all to the satisfaction of such party.

(b) Termination. The Joint Venture shall continue until the expiration of the term of the Concession Agreement, any renewals thereof, or any earlier termination thereof, together with sufficient time thereafter to enable the Joint Venture to promptly wind up its affairs, unless earlier terminated pursuant to this Agreement.

(c) Extension. In the event the MERC offers or agrees to extend or renew the Concession Agreement for an additional term or to substantially modify the terms of the Concession Agreement and such extension or renewal or substantial modification is contingent upon further commitments, guarantees, payments, or additional investments being made by the Joint Venture (a "Material Modification"), ARAMARK is authorized on behalf of the Joint Venture to agree to such Material Modification only after consultation with GPL.

1.4 Costs and Expenses. Each party shall be responsible for the payment, without reimbursement from the other Joint Venturers or from the Joint Venture, of all costs and expenses incurred by it in the negotiation and formation of the Joint Venture.

2. OWNERSHIP OF JOINT VENTURE

2.1 Ownership of Joint Venture. The Joint Venturers' initial percentage ownership interest and voting rights in the Joint Venture shall be as follows:

ARAMARK	88%
GPL	12%

The income, gains, deductions, losses and credits of the Joint Venture shall be determined in conformity with generally accepted accounting principles consistently applied. The profits and losses (including without limitation gains and losses realized upon the sale, exchange or involuntary conversion of Joint Venture property) shall be allocated, shared and

made in proportion to those percentage interests.

2.2 Acquisition of Additional Interests by GPL. Within 30 days after the end of each of the first three fiscal years during the term of the Concession Agreement, GPL may purchase from ARAMARK, effective as of the end of each such fiscal year, an additional one percent (1%) interest in the Joint Venture (but not to exceed one percent (1%) per year), up to a potential aggregate total ownership interest in the Joint Venture of fifteen percent (15%), provided that the Joint Venture has fulfilled its requirements pursuant to the Concession Agreement with respect to utilization of MBE/WBE/ESB's and with regard to the participation of businesses in the area known as the First Opportunity Target Area. Such additional ownership interest so purchased shall be purchased at book value of such additional interest at the time of purchase. The purchase price shall be paid in immediately available funds.

2.3 Restrictions on Transfer of Interests. Neither party shall transfer its interest in the Joint Venture, unless such sale, assignment, pledge, encumbrance or other transfer is to the other party or is made with the prior written consent of the other party, which consent may not be unreasonably withheld; provided, however, that ARAMARK may assign its interest in the Joint Venture to an affiliate of ARAMARK, controlled by, controlling or under common control with ARAMARK. "Control" shall mean the direct or indirect ownership of fifty-one percent (51%) or more of the voting rights of an entity or association or the power to appoint or otherwise select fifty percent (50%) or more of the members of the board of directors of a corporation. Additionally, the GPL Shareholder may not transfer his interest in GPL, and GPL shall not issue any equity securities (or any options or other securities convertible in any circumstance into equity securities of GPL), unless as a result of such issuance (after giving effect to the exercise of any options or conversion of any convertible securities) fifty-one percent (51%) or more of the beneficial ownership of the outstanding capital stock in GPL continues to be held by the GPL Shareholder, unless such sale, assignment, pledge, encumbrance or other transfer is to the estate of the GPL Shareholder upon his death or is made with the prior written consent of ARAMARK, which consent may be withheld in ARAMARK's sole discretion. No transfer shall be effective unless (i) the transferee shall agree to be bound by this Agreement, and (ii) the transfer shall comply with all applicable laws. Any certificates representing the equity securities of GPL shall bear an endorsement reflecting the restrictions on transfer contained herein. The foregoing notwithstanding, any transfer of interests in the Joint Venture by a Joint Venturer (other than transfers between the Joint Venturers pursuant to the terms hereof) or a transfer of an ownership interest in a Joint Venturer shall be subject to the prior approval of the MERC as required pursuant to Article 16 of the Concession Agreement.

2.4 Put by GPL.

(a) During First Five Years. At any time during the first five years of this Joint Venture, by giving written notice to ARAMARK (which notice shall be irrevocable), GPL may require that ARAMARK purchase all of GPL's ownership interest. During the first three years of this Joint Venture, such purchase shall be at book value, less working capital and other loans and advances made on behalf of or to GPL and free and clear of any lien or encumbrance, which shall be satisfied by GPL at the date of such notice. During the fourth and fifth year of this Joint Venture, such purchase shall be at the Agreed Price, free and clear of any lien or encumbrance which shall be satisfied by GPL at the date of such notice. The "Agreed Price" at any date shall be a price mutually agreed by the parties taking into account the prior three years' results of operation of the Joint Venture (or such other prior period, if less than

three years), the Joint Venture's projections for the current and following three years, repayment to ARAMARK of all working capital and other loans and advances made on behalf of or to GPL, and the number of years remaining in the term of the Concession Agreement, and also including the impact of significant events (or reasonably foreseeable future events) affecting the Joint Venture during such periods. If the parties cannot mutually agree upon an Agreed Price, the Agreed Price shall be determined through the mediation and arbitration process set forth in Section 9.

(b) Upon GPL Shareholder's Death or Disability. At any time within 180 days after the death or complete disability of the GPL Shareholder, GPL, at its sole election, may require that ARAMARK purchase all its ownership interest at the Agreed Price, free and clear of any lien or encumbrance which shall be satisfied by GPL at the time of such notice.

(c) Upon Default by ARAMARK. Upon any Event of Default on the part of ARAMARK, by giving written notice to ARAMARK (which notice shall be irrevocable), GPL may require that ARAMARK purchase from GPL all of GPL's ownership interest at the Agreed Price, free and clear of any lien or encumbrance which shall be satisfied by GPL at the time of such notice.

2.5 Call by ARAMARK.

(a) Upon Default by GPL. Upon any Event of Default on the part of GPL, by giving written notice to GPL (which notice shall be irrevocable), ARAMARK may require that GPL sell to ARAMARK all of GPL's ownership interest, free and clear of any lien or encumbrance which shall be satisfied by GPL, at a purchase price equal to book value of GPL's ownership interest at the end of the immediately preceding fiscal month, less working capital and other loans and advances made on behalf of or to GPL and free and clear of any lien or encumbrance which shall be satisfied by GPL at the date of such notice.

(b) Upon GPL Shareholder's Death or Disability. At any time within 180 days after the death or complete disability of the GPL Shareholder, by giving written notice to GPL (which notice shall be irrevocable), ARAMARK may require that GPL sell all of its ownership interest at the Agreed Price, free and clear of any lien or encumbrance which shall be satisfied by GPL at the time of such notice.

3. GOVERNING COUNCIL.

3.1 Governing Council. The Governing Council of the Joint Venture shall consist of three (3) representatives of the parties, with ARAMARK appointing two (2) representatives and GPL appointing one (1) representative. Each representative shall be entitled to cast one vote, except that if only one (1) ARAMARK representative shall be present, he or she shall be entitled to cast two (2) votes. The decision of the Governing Council reached by a majority of the votes eligible to be cast shall bind the Joint Venture, except where decision-making authority has been specifically reserved to an individual Joint Venturer. Except for those decisions hereinafter specifically reserved to one of the parties, decisions affecting the Joint Venture shall be made by the Governing Council which shall: manage the business and affairs of the Joint Venture; determine the overall policies controlling the operations of the Joint Venture; and plan, monitor and review the Joint Venture's business. The Governing Council may delegate matters, except for the following matters which are reserved for decision by the Governing Council

(a) Financial Reserves. Review and approval of financial reserves established for the Joint Venture and of the Joint Venture's financial reporting methods, subject to the requirements of the Concession Agreement; and

(b) Public Relations Policies. Review and approval of public relations and community involvement policies of the Joint Venture. Approval of policies of the Joint Venture with regard to public relations and community involvement will require the unanimous vote of the Joint Venturers; and

(c) Business and Cap Ex Plan. Review and approval of the annual business and capital spending plan, including review and approval of decisions whether to lease equipment used in the performance of the Joint Venture's obligations or to purchase and capitalize such equipment; and

(d) Insurance Program. Review and approval of the insurance program to be established and maintained by ARAMARK on behalf of the Joint Venture.

3.2 Governing Council Meetings. All meetings of the Governing Council shall be at the Oregon Convention Center in Portland, Oregon, or at such other location as may be agreed upon by the parties. The meetings may be held in person in Portland, Oregon, or by telephone as the parties may agree. The parties anticipate that during each fiscal year of the Joint Venture, there shall be four regular meetings of the Governing Council, the tentative schedule and purpose for which shall be as follows:

- | | | |
|----|-------------|---|
| 1. | May 15 | Review of annual forecast, planning session for upcoming year, review of operational results from preceding year. |
| 2. | August 15 | Operations review. |
| 3. | November 15 | Operations review. |
| 4. | February 15 | Operations review. |

Any party may call up to two special meetings of the Governing Council during any twelve (12) month period. Ten (10) days' written notice of the time, place and purpose of the meeting shall be required for any special meeting, unless a shorter time is agreed to by both parties and shall be given by the party calling the meeting.

3.3 Other Meetings. Both Joint Venturers will be entitled to attend meetings and social events with clients, customers and business associates of the Joint Venture relating to the Concession Agreement or the business of the Joint Venture, and each Joint Venturer will use reasonable efforts to inform the other of any such meeting or event.

4. RIGHTS AND RESPONSIBILITIES OF ARAMARK.

4.1 Management of Joint Venture Business. Except as otherwise provided for herein, ARAMARK shall manage the day-to-day operations of the Joint Venture and shall provide all requisite general and administrative support in accordance with the decisions made by the Governing Council. ARAMARK's day-to-day management responsibilities shall not include the responsibilities delegated to GPL hereunder. ARAMARK shall reasonably

implement all suggestions GPL may have to further GPL's goal of minority advancement, including but not limited to use of minority suppliers and the hiring of minority employees for the concession and other business. ARAMARK's authority and responsibilities shall include without limitation:

(a) Financial and Other Administrative Services. ARAMARK shall be responsible for and shall provide all necessary reporting, accounting, cash management and other financial and related systems, insurance coverage, personnel and other support services as deemed necessary or desirable for conducting the operations of the Joint Venture. ARAMARK shall provide and manage such services in substantially the same manner as such services are provided and managed for comparable operations of ARAMARK. ARAMARK may provide such services on a combined basis with other operations and allocate charges therefor, as long as such charges are allocated to all such operations on the same basis. ARAMARK may commingle funds of the Joint Venture with other funds in its cash management system.

(b) Accounts Payable. ARAMARK shall pay on behalf of the Joint Venture all accounts payable and other liquidated obligations on a timely basis.

(c) Working Capital. ARAMARK shall make such working capital and other loans and advances to the Joint Venture as may be necessary for the operation of the Joint Venture. Such loans and advances to the Joint Venture shall not bear interest. In lieu of making its proportionate share of such loans and advances, GPL shall pay to ARAMARK interest on its allocable share of such loans and advances from distributions of Net Cash Flow, as provided in Section 6.

(d) Accounts Receivable. ARAMARK shall diligently collect the Joint Venture's accounts receivable in a commercially reasonable manner; however, ARAMARK shall not be responsible to the Joint Venture for uncollectible accounts receivable.

(e) Tax Reporting. ARAMARK shall file, on behalf of the Joint Venture, all Federal, state and local partnership tax returns.

(f) Insurance. ARAMARK shall maintain the types and levels of insurance reviewed and approved by the Governing Council.

(g) Liquor and Other Licenses. ARAMARK shall obtain all licenses, permits and approvals necessary for the Joint Venture to operate and shall cause the Joint Venture to comply with all requirements of law. Without limiting the generality of the foregoing, and irrespective of whether necessary liquor licenses or permits are applied for by ARAMARK, ARAMARK shall be responsible for making all operating decisions relating to the sale of alcoholic beverages pursuant to the liquor licenses or permits and for compliance with all applicable requirements of law. The parties shall cooperate with each other, the MERC and the license-issuing authorities in making application for and obtaining such liquor licenses or permits as may be required by the Concession Agreement. ARAMARK shall advise GPL of all matters affecting the service of alcoholic beverages and the alcoholic beverage licenses or permits held by the Joint Venture.

(h) Litigation. ARAMARK shall inform the GPL of all litigation to which the Joint Venture is a party, and ARAMARK shall prosecute and defend such litigation and any

enforcement proceedings or proceedings initiated against its licenses. ARAMARK, in consultation with GPL, shall have the right to select counsel to represent the Joint Venture in such litigation and proceedings.

(i) Employees. The Joint Venture shall have no employees. All of the persons utilized to perform services for the Joint Venture shall be employed by ARAMARK, or one of its affiliates. ARAMARK shall determine the wages, salaries, bonus entitlement and fringe benefits for and shall make all necessary tax withholdings from employees of ARAMARK or its affiliates assigned to the Joint Venturer's operations; however, such levels of wages, salaries, fringe benefits and bonus entitlement shall be consistent with those levels customarily paid by ARAMARK to its employees in comparable operations and positions.

(j) Managers. ARAMARK shall be responsible for the hiring and payment of the General Manager of the Joint Venture to oversee operation of the Services.

(k) Sublicensees. ARAMARK shall be responsible for monitoring and supervising the performance of the sublicensees and other third parties to which the Joint Venture may subcontract its performance, with the consent of the MERC.

(l) Equipment Selection. ARAMARK in consultation with GPL, shall determine the type of equipment and the lay-out of the equipment required to properly establish and maintain each food service area in the MERC Facilities.

(m) Equipment Acquisition. ARAMARK shall have the right to expend on behalf of the Joint Venture such additional amounts for fixtures, furnishings and leasehold improvements as shall be necessary for the Joint Venture's compliance with the Concession Agreement.

(n) Leases and Other Contracts. ARAMARK shall have the authority to enter into leases and other contracts and agreements on behalf of the Joint Venture as long as the terms are commercially reasonable and in the ordinary course of business of the Joint Venture or, if not in the ordinary course of business, are contemplated in the business plan approved by the Governing Council.

4.2 Financial Reporting. ARAMARK shall prepare and distribute to GPL monthly operating statements, annual budgets, forecasts and such other financially-related documents as ARAMARK prepares at comparable operations. The fiscal year of the Joint Venture shall coincide with ARAMARK's fiscal year which is the twelve (12) month period ending on the Friday nearest to September 30 of each calendar year. Each party shall have the right to audit the financial records of the Joint Venture, which records shall be retained for a period of seven (7) years following the termination and dissolution of the Joint Venture.

4.3 Charges for Operating Costs and Expenses Incurred by ARAMARK on Behalf of The Joint Venture. ARAMARK shall be entitled to charge the Joint Venture for all operating costs and expenses it incurs on behalf of the Joint Venture. Such costs and expenses shall include without limitation, product costs; personnel and payroll expenses (to the extent provided for in Section 4.1(i)); and direct expenses for such items as disposable supplies, paper goods, uniforms, insurance, bonds, license fees and taxes (other than income taxes attributable to the Joint Venturers' profits hereunder). ARAMARK may charge for such costs and expenses on

the same basis it charges other comparable operations of ARAMARK, as long as such charges are competitive with the cost of obtaining such products or services from an independent source in the open market.

ARAMARK may directly or through its wholly-owned subsidiaries or corporate affiliates furnish ancillary services beyond those covered by its allowance for general and administrative expenses referred to in Section 4.4 to the extent they are necessary or desirable for the efficient operation of the Joint Venture so long as its interest is disclosed and its charges to the Joint Venture for such ancillary services are competitive with the cost of obtaining such services from an independent source in the open market.

4.4 Payment to ARAMARK of an Allowance for General and Administrative Expenses. The Joint Venture shall pay to ARAMARK an amount equal to 1.0% of gross receipts obtained by the Joint Venture from its activities at the MERC Facilities during each fiscal year as an allowance for the general and administrative expenses incurred by ARAMARK in providing overhead and support services of the Joint Venture.

4.5 Indemnification by ARAMARK. ARAMARK shall indemnify, defend and hold harmless GPL against all claims of loss or damage, including attorneys' fees which GPL may suffer as a result of ARAMARK's failure to perform its obligations hereunder.

5. RIGHTS AND RESPONSIBILITIES OF GPL.

5.1 Affirmative Action Program. GPL shall be responsible for oversight and management of the Joint Venture's affirmative action program and compliance with the requirements of the Concession Agreement with regard to utilization of MBE/WBE/ESB's and with regard to the participation of businesses in the area known as the First Opportunity Target Area, including developing and maintaining relationships with qualified suppliers and subcontractors, and developing and coordinating recruiting activity through job fairs and other community outreach programs.

5.2 Payment of Costs for Services Provided. GPL shall be entitled to be reimbursed by the Joint Venture for direct costs of operation incurred in the performance of its responsibilities hereunder which have been specifically approved in advance. Such payments shall be made with distributions to GPL pursuant to Article 6 hereof.

5.3 Payment to GPL of an Allowance for General and Administrative Expenses. The Joint Venture shall pay to GPL an amount equal to 0.25% of gross receipts obtained by the Joint Venture from its activities at the MERC Facilities during each fiscal year as an allowance for the general and administrative expenses incurred by GPL in administering its responsibilities set forth in this Section 5.

5.4 Indemnification. GPL shall defend, indemnify and hold harmless ARAMARK against all claims of loss or damage, including attorneys' fees, which ARAMARK may suffer as a result of either any activities of GPL which are not authorized by the Governing Council or any failure by GPL to perform its responsibilities hereunder.

6. ADDITIONAL CONTRIBUTIONS OF CAPITAL AND DISTRIBUTION OF NET CASH FLOW.

6.1 Capital Requirements.

(a) The capital requirements of the Joint Venture shall be determined by the Governing Council and shall include such amounts as are necessary to meet all obligations under the Concession Agreement including all working capital and other capital requirements of the Joint Venture. All capital requirements of the Joint Venture shall be the responsibility of and shall be funded by the Joint Venturers in accordance with their percentage interests.

(b) The initial capital contribution of GPL shall be limited to One Hundred Twenty Thousand Dollars (\$120,000), and shall be funded by a loan in the principal amount not to exceed One Hundred Twenty Thousand Dollars (\$120,000) made by ARAMARK to GPL (the "Loan"). The Loan will bear simple interest, applied monthly, at the prime rate, and will be repaid by GPL (from distributions of Net Cash Flow as provided below) in installments of principal and accrued interest sufficient to allow the Loan to be repaid in full over the initial term of the Concession Agreement. The principal balance of the Loan shall be increased monthly to reflect GPL's proportionate share of capital purchases made under the Concession Agreement during such month. As used herein, the "prime rate" shall mean the prime commercial rate charged by Chase Manhattan Bank, N.A. to its most creditworthy customers, such rate to be adjusted at the end of each calendar quarter. In the absence of Chase Manhattan Bank charging such rate, the Interest Rate shall be the rate of "prime" published in The Wall Street Journal under a heading presently entitled "Money Rates". ARAMARK may require that GPL execute a Promissory Note evidencing GPL's obligations with respect to the Loan.

6.2 Distribution of Net Cash Flow. Joint Venture profits and losses shall be determined for each fiscal year in accordance with generally accepted accounting principles and procedures applied in a consistent manner. Distributions to the Joint Venturers prior to the final distribution shall be made only from the Net Cash Flow of the Joint Venture. Net Cash Flow shall be allocated and distributed quarterly (or more frequently upon the mutual agreement of the parties) to the parties. The final distribution for each year shall include such adjustments as shall be necessary to reflect actual Net Cash Flow for such year.

6.3 Priority of Distributions. Net Cash Flow, if any, for each quarter shall be distributed to each of the parties in proportion to their respective ownership interests within 45 days after the quarter end. Without any representation or warranty as to the amount, if any, or the adequacy of the Net Cash Flow, distributions allocable to GPL shall be payable in the following priority order:

(a) to GPL, in amount sufficient to pay each GPL's estimated federal and state income taxes in respect of its allocable portion of the profit and loss accounts of the Joint Venture (using statutory rates without regard for other deductions or credits), then

(b) to ARAMARK, in amount sufficient to pay interest accrued at the prime rate, computed monthly, on GPL's proportionate share (based on ownership interests) of any working capital and other advances and loans advanced by ARAMARK to the Joint Venture and to pay installments of principal and interest due and payable on the Loan, and then

(c) any remaining funds to GPL.

At the end of the first year of the term of the Concession Agreement, the parties will discuss the possibility of making distributions on a monthly or bi-monthly basis.

6.4 Net Cash Flow. "Net Cash Flow" for any fiscal year shall mean pre-tax income for such fiscal year as shown on the books of the Joint Venture and increased by the amount of depreciation expense for such fiscal year shown on the books of the Joint Venture.

6.5 Final Distribution. Upon the termination of the Joint Venture and after the payment of all obligations (including all outstanding advances and the outstanding balance of loans advanced by ARAMARK to the Joint Venture, including those loans made on behalf of or to GPL), expenses and charges and the establishment of a reserve in an amount the Governing Council deems necessary or appropriate for the payment of any contingent or unsettled claims, the Governing Council shall distribute to the Joint Venturers all available cash and other remaining assets of the Joint Venture in proportion to their ownership interests. If upon termination of the Joint Venture there remains any deficit of the Joint Venture (including any outstanding amounts payable to ARAMARK), then the Joint Venturers shall contribute the amount of such deficit to the Joint Venture in proportion of their ownership interests.

7. DEFAULT.

7.1 Default by ARAMARK. Each of the following events shall constitute a default (a "Default") by ARAMARK under this Agreement:

(a) Material Noncompliance. The failure of ARAMARK to materially comply with the terms and conditions of this Agreement.

(b) Withdrawal. Any withdrawal by ARAMARK from the Joint Venture other than in accordance with the terms of this Agreement.

(c) Bankruptcy. ARAMARK shall make an assignment for the benefit of creditors, file a petition in bankruptcy, be adjudicated insolvent or bankrupt, petition or apply to any tribunal for any receiver or trustee, commence any proceeding under any bankruptcy, reorganization, re-adjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or there shall be commenced against ARAMARK any such proceeding which shall remain undismissed for a period of 30 days, or ARAMARK by any act shall indicate its consent to, approval of or acquiescence in any such proceeding or the appointment of any receiver of or trustee for ARAMARK or any substantial part of its property, or shall suffer any such receivership or trusteeship to continue undischarged for a period of 30 days.

7.2 Default by GPL. Each of the following events shall constitute a default (a "Default") by GPL under this Agreement

(a) Material Noncompliance. The failure of GPL to materially comply with any of the other terms and conditions of this Agreement.

(b) Transfer of Interests. Any transfer (including without limitation the imposition of any lien) of any portion of GPL's ownership interest in the Joint Venture or any

creation or transfer (including without limitation the imposition of any lien) of any interest in GPL itself, other than in accordance with Section 2.2.

(c) Withdrawal. Any withdrawal by GPL from the Joint Venture other than in accordance with the terms of this Agreement.

(d) Bankruptcy. GPL shall make an assignment for the benefit of creditors, file a petition in bankruptcy, be adjudicated insolvent or bankrupt, petition or apply to any tribunal for any receiver or trustee, commence any proceeding under any bankruptcy, reorganization, re-adjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or there shall be commenced against GPL any such proceeding which shall remain undismissed for a period of 30 days, or GPL by any act shall indicate its consent to, approval of or acquiescence in any such proceeding or the appointment of any receiver of or trustee for GPL or any substantial part of its property, or shall suffer any such receivership or trusteeship to continue undischarged for a period of 30 days.

7.3 Event of Default. If one or more Defaults by a party shall have occurred and be continuing for 10 days after notice thereof has been given by the other party, it shall be an "Event of Default" under this Agreement. Upon an Event of Default, the nondefaulting party shall be entitled to monetary damages from the defaulting party. In addition, if GPL shall be the defaulting party, then ARAMARK shall be entitled to call the ownership interest of GPL pursuant to Section 2.5(a); and if ARAMARK shall be the defaulting party, then GPL shall be entitled to put its ownership interest to ARAMARK pursuant to Section 2.4(c) .

7.4 Continuation of MERC Contract. Upon any termination or dissolution of the Joint Venture, whether resulting from a Default by ARAMARK or otherwise, ARAMARK shall have the right to continue to operate the Joint Venture and shall not be obligated to wind up the affairs of the Joint Venture; and upon any winding up of the Joint Venture, whether resulting from a Default by ARAMARK or otherwise, ARAMARK shall have the right to succeed to all of the Joint Venture's right, title and interest in the Concession Agreement, and GPL shall be entitled only to cash compensation.

8. CONFIDENTIALITY AND COMPETITION.

8.1 Confidentiality. In the course of their Joint Venture relationship, each party, and said party's Shareholders will be obtaining certain non-public information about the other party that would not otherwise be available to them (the "Confidential Information"). The Confidential Information may include, but not be limited to, financial information, pro forma data, operating assumptions, staffing, methods of operation and historical data relating to other operations conducted by them. With respect to the Confidential Information, each party agrees:

(a) The Confidential Information received about the other party will not be used by it in any way (i) to the commercial detriment of the other party; (ii) to enable it to compete against the other party; or (iii) for any purpose other than to enable said party to carry out the purposes of the Joint Venture. The Confidential Information shall not be disclosed by either party or its shareholders, officers, directors, employees or agents without the prior written consent of the other party.

(b) Upon the expiration or termination of this Agreement or of a party's interest herein, the other party shall return all Confidential Information (together with any copies thereof) to the party it belongs to or that it originated from.

8.2 Competition. The parties anticipate that should either Joint Venturer desire a partner for the provision of similar services at a facility in the Portland, Oregon, Metropolitan area, it would consider offering such opportunity to the other Joint Venturer. The parties acknowledge and agree that the foregoing sentence states their current non-binding expectation, and that participation in this Joint Venture shall not preclude them from providing similar services at any other facility without the other party and without offering such opportunity to the other party.

9. MEDIATION; ARBITRATION.

9.1. Mediation. Any dispute or controversy arising under this agreement which is not resolved within 30 days after either party requests such negotiations shall be referred to a neutral mediator in Portland, Oregon who will be requested to conduct informal, nonbinding mediation of the dispute. Each party will work with the other to select an acceptable mediator and to work with the mediator to resolve the dispute. The mediation process shall continue until the case is resolved or until either the mediator makes a finding that there is no possibility of settlement through the mediation or one of the parties elects not to continue the mediation. This provision shall be deemed to be an arbitration clause for purposes of enforcement hereof.

9.2 Arbitration. Upon failure of the mediation process to resolve the dispute, the parties will resolve the dispute through arbitration held in Portland, Oregon before three arbitrators in accordance with the rules of the American Arbitration Association, except that in no event shall the arbitrators be authorized to award punitive damages. The award of the arbitrators shall be final and binding upon the parties and judgment upon the award may be entered in any court having jurisdiction thereof. The costs of the arbitration consisting of filing fees and the arbitrators' expenses, if any, shall be divided equally between the parties. Each party shall otherwise bear its own expenses. The parties agree to cooperate with each other in causing the arbitration to be held in an efficient and expeditious a manner as practicable and in this connection to furnish such documents at or prior to any hearing and make available such of their respective personnel at any hearing as the arbitrator may request.

10. MISCELLANEOUS PROVISIONS.

10.1 Cooperation. Subject to the terms and conditions herein provided, the parties hereto shall use their best efforts to take, or cause to be taken, such action, to execute and deliver, or cause to be executed and delivered, such additional documents and instruments and to do, or cause to be done, all things necessary, proper or advisable under the provisions of this Agreement and under applicable law to consummate and make effective the transactions contemplated by this Agreement.

10.2 Notices. Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally or sent by independent guaranteed overnight delivery service or by registered or certified mail, postage prepaid, return receipt requested, or by telegram or telefax, receipt acknowledged, as follows:

If to ARAMARK:

ARAMARK Sports and Entertainment
Services, Inc.
ARAMARK Tower
1101 Market Street
Philadelphia PA 19107
Attn.: Charles M. Gillespie, President
Fax: (215) 238-4099

With a required copy to:

ARAMARK Corporation
ARAMARK Tower
1101 Market Street
Philadelphia PA 19107
Attn.: David I. Buckman,
Assistant General Counsel
Fax: (215) 238-3282

If to GPL:

Giacometti Partners, Ltd.
P. O. Box 5488
Portland, Oregon 97228-5488
Attn.: Bernie Foster
Fax: (503) 293-2094

With a required GPL copy to:

Curtis D. Kinsley
Kinsley & Chaudoin, P.C.
Corporate Counsel for GPL
10300 SW Greenburg Rd., Suite 510
Portland, Oregon 97223
Fax: (503) 245-8727

or to such other address as the addressee may have specified in a notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so personally delivered, in the case of personal delivery, or on the date shown on the receipt or confirmation therefor in all other cases.

10.3 Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the transactions contemplated herein and all understandings and agreements, oral or written, heretofore made by the parties are merged in this Agreement, and neither this Agreement nor any provision thereof may be modified or terminated, except by an agreement in writing signed by the parties hereto.

10.4 Governing Law. This Agreement shall be governed by the laws of the State of Oregon, including the Uniform Partnership Act, as enacted.

10.5 Headings. The section headings in this Agreement are for convenience of reference only and shall not be deemed to constitute a part of the provisions hereof, nor affect the meaning or construction of any provision, condition or covenant hereof.

With a required GPL copy to:

Curtis D. Kinsley
Kinsley & Chaudoin, P.C.
Corporate Counsel for GPL
10300 SW Greenburg Rd., Suite 510
Portland, Oregon 97223
Fax: (503) 245-8727

or to such other address as the addressee may have specified in a notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so personally delivered, in the case of personal delivery, or on the date shown on the receipt or confirmation therefor in all other cases.

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10.5 Headings. The section headings in this Agreement are for convenience of reference only and shall not be deemed to constitute a part of the provisions hereof, nor affect the meaning or construction of any provision, condition or covenant hereof.

10.6 Joint Venture Profitability. The parties acknowledge that Joint Venture profits and losses cannot be projected with certainty as to any amount, and neither party shall be liable for any variance from any projection or for any guaranty of operating results.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ARAMARK SPORTS AND ENTERTAINMENT
SERVICES, INC. ("ARAMARK"),
a Delaware corporation

By: _____
Name:
Title:

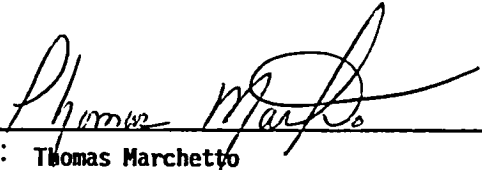
GIACOMETTI PARTNERS, LTD. ("GPL"),
an Oregon corporation

By: Bernie Foster 14 June 99
Bernie Foster
PRESIDENT

10.6 Joint Venture Profitability. The parties acknowledge that Joint Venture profits and losses cannot be projected with certainty as to any amount, and neither party shall be liable for any variance from any projection or for any guaranty of operating results.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ARAMARK SPORTS AND ENTERTAINMENT
SERVICES, INC. ("ARAMARK"),
a Delaware corporation

By: 
Name: Thomas Marchetto
Title: President - Convention Center Services

GIACOMETTI PARTNERS, LTD. ("GPL"),
an Oregon corporation

By: _____
Bernie Foster
Title:

MERC STAFF REPORT

Agenda Item/Issue: Approval of the contract with ARAMARK/GIACOMETTI, Joint Venture, as the exclusive contractor to provide catering and concessions management services for the Oregon Convention Center, Civic Stadium, The Portland Center for the Performing Arts, and Portland Metropolitan Exposition Center commencing July 1, 1999 and ending June 30, 2004.

Resolution No.: 99 – 30

Date: June 16, 1999

Presented by: Jeffrey A. Blosser,

Background and Analysis: At the April 7, 1999 MERC Commission meeting, the Commission adopted Resolution 99-15 which approved the recommendation ARAMARK/GIACOMETTI, Joint Venture, as the vendor to provide exclusive concessions and catering management services for the Oregon Convention Center, Civic Stadium, the Portland Center for the Performing Arts, and Portland Metropolitan Exposition Center. This resolution also instructed the MERC General Manager to negotiate an agreement with the selected vendor to provide such services according to their response to the Request for Proposals. Staff, Metro Counsel and ARAMARK representatives have negotiated an agreement to the satisfaction of all, which is now ready for MERC Commission approval.

The term of the contract is five (5) years, with a provision to extend the Agreement for an additional five (5) years at the discretion of the Commission. Also included is a capital investment of \$1,000,000. Compensation will be 3.9% of gross receipts after any applicable excise tax and 8% net profit as a management fee. An additional 2% of net profits can be earned if total net profits exceed \$3,350,000 in any accounting year. Also, ARAMARK/GIACOMETTI is entitled to an additional 2.5% of net profits in any accounting year dependent upon Concessionaire's ability to meet or exceed qualitative goals as outlined in the Agreement. Commencement of this Agreement is July 1, 1999 through June 30, 2004.

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission approve the contract with ARAMARK/GIACOMETTI, Joint Venture, as presented for concessions and catering management services at the Oregon Convention Center, Civic Stadium, Portland Center for the Performing Arts, and the Portland Metropolitan Exposition Center commencing July 1, 1999 and ending June 30, 2004.