

Question #1: All Capital Proposal

Through marketplace, innovation and performance we will continue to evolve UCF Dining to a dining program commensurate with the University's academic standing and endeavors to establish preeminence amongst peer institutions. We are committed to enriching the UCF Dining experience, yielding exceptional customer satisfaction, and providing extraordinary growth and return for the University to advance its Strategic Vision.

In addition to annual in year return, our financial proposal provides four primary sources of revenue to support the University's growth and transformation initiatives:

- Capital investment for student union transformation and expansion
- Capital investment for residential dining improvements
- Annual in year funding

We respectfully request that you make this review and analysis of our proposal an interactive one. Again, Aramark welcomes the opportunity to discuss other options and alternatives that the University may prefer to further align with the University's mission. We look forward to further discussions regarding the entire proposal resulting in a mutually beneficial financial agreement that meets your broader objectives.

FINANCIAL MODEL HIGHLIGHTS

The University of Central Florida and Aramark share a common goal in leveraging our unique longstanding partnership to continue to positively shape the UCF community life experience for years to come. Our proposal options, both in terms of technical quality and financial parameters, combined with working in concert with the University, will result in continuing to build the best in dining services. Aramark's financial proposal includes financial offers in exchange for:

- A ten year extension
- A 2 - 3 year staggered transition of the Student Union to Aramark
- Options for future services in the downtown location

Assuming the implementation of all proposed Aramark concepts and reaching anticipated sales revenues as modeled, highlights of our proposal include:

- Total capital investment to fund our transformative dining vision of up to \$17,850,000; of which up to \$14,350,000 is dedicated to fund the Student Union renovations
- Projected revenue of more than \$381,000,000
- Total brand refresh in-year funding of up to \$4,000,000
- Projected commissions of more than \$39,000,000
- Projected return of utilities and R&M of more than \$15,000,000
- ***Projected total return to the University of Central Florida of more than \$82,000,000***

NOTE: Our proposed return to the University over a new 10 year term is \$81M or 21.3% of projected revenues, this is a 3.8% increase in the return as a % of revenue over the current contract and results in \$14.5M of additional return.

Aramark's comprehensive financial proposal elements are summarized in the following chart. Each component of our financial proposal is described and outlined in the following pages.

UCF Benefit Return	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Revenue	\$ 21,611,570	\$ 31,315,705	\$ 33,945,398	\$ 36,126,382	\$ 37,941,283	\$ 39,847,364	\$ 41,849,206	\$ 43,951,618	\$ 46,159,655	\$ 48,478,623	\$ 381,226,804
Utilities	\$ 500,000	\$ 950,000	\$ 983,250	\$ 1,017,664	\$ 1,053,282	\$ 1,090,147	\$ 1,128,302	\$ 1,167,793	\$ 1,208,665	\$ 1,250,969	\$ 10,350,071
*R&M	\$ 300,000	\$ 500,000	\$ 517,500	\$ 535,613	\$ 554,359	\$ 573,762	\$ 593,843	\$ 614,628	\$ 636,140	\$ 658,405	\$ 5,484,248
Brand Refresh	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 4,000,000
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization from Investment	\$ 866,660	\$ 2,285,579	\$ 2,285,579	\$ 2,285,579	\$ 2,285,579	\$ 2,285,579	\$ 2,285,579	\$ 2,285,579	\$ 2,285,579	\$ 2,208,579	\$ 21,359,874
POS - Micros											\$ 1,080,000
In Kind Catering	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 150,000
Commissions	\$ 2,483,740	\$ 3,243,968	\$ 3,512,557	\$ 3,736,556	\$ 3,924,242	\$ 4,121,356	\$ 4,328,371	\$ 4,545,785	\$ 4,774,120	\$ 5,013,924	\$ 39,684,618
Total Annual Return	\$ 4,165,401	\$ 6,994,547	\$ 7,813,886	\$ 8,090,412	\$ 8,332,462	\$ 8,585,843	\$ 8,851,095	\$ 9,128,784	\$ 9,419,504	\$ 9,646,876	\$ 82,108,811
Return as % of Revenue											21.5%

FINANCIAL STRUCTURE - *Building a Responsible Financial Model*

The first step in identifying potential financial benefits to the University is to build a responsible financial model that accurately projects revenue and expenses in the near term. On the following pages we discuss the major cost and revenue elements in our financial model and provide Aramark's estimated sales projections.

Food Costs:

Food cost projections were generated by using, historical run rates, proprietary brand averages, industry trends, and additional cost of sales in the out years. In estimating the costs associated with new menus and new services, brands, and product, we have used regional price guidelines and national standards.

Labor Costs:

Our projected labor costs were developed using actual labor schedules, historical run rates and applying wage and benefit escalators. Central to our compensation strategy, we will continue to be a leader in providing the leading hospitality wages and benefits in the marketplace. Compensation includes wages and salaries, vacation, holiday pay, and other paid time off for on-site management staff and employees. Included in benefits is an allocated charge for on-site employee fringe benefits and human resource services.

Direct Expenses:

Our calculation of direct expenses is guided, in large measure, by historical run rates. Our direct expenses include a wide range of cost categories, from the replacement of smallwares to office supplies and all common expenditures. In order to project accurately for future expenses, we studied comparable expenses by category, reviewed renovation and enhancement plans to identify exception expenses that might be incurred in the next several years, and applied inflation appropriate for our industry.

Sales Revenue:

Our projection of revenue from retail facilities, residential dining, athletics, events and catering operations began with documented performance in our existing venues and operations. Our management team also utilized the Aramark proprietary financial tool CORE (Creating Operating and Reporting Excellence). The retail module of CORE was designed to provide our organization with a multi-faceted, information-rich tool that will drive sales and profitability in our retail business; this tool allows

us to track and measure the financial performance of all of our retail stores across our business, which in turn enables our teams to make responsible decisions.

Assuming full transition of the Student Union to Aramark, following are projected sales. You'll note the significant increase in sales in the first three years of the new agreement. This is driven by the new business at the student union and new services in the Rec Center neighborhood. Additionally, we have projected for a significant increase in voluntary meal plans upon completion of the Student Union and refresh to the residential program. These projections are slightly conservative and assume no mandatory meal plan requirement and no added declining balance to meal plans.

UCF Program (in \$000's)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Total Revenue	\$ 21,612	\$ 31,316	\$ 33,945	\$ 36,126	\$ 37,941	\$ 39,847	\$ 41,849	\$ 43,952	\$ 46,160	\$ 48,479	\$381,227
Growth Rate	30.9%	44.9%	8.4%	6.4%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	

FINANCIAL OFFER

Capital Investment:

Aramark is pleased to offer a cumulative investment and funding of up to \$17,850,000 dedicated for program improvements and the Student Union. Amortization shall begin at the time of expenditure and shall be amortized from that point through the remainder of the term (up to 10 years). All investments will be fully amortized at the end of the ten years.

- Year 1: Up to \$7,350,000 to fund Phase 1 of the Student Union
- Year 1: Up to \$1,000,000 for fund the residential refresh at 63 South
- Year 2: Up to \$2,500,000 to fund Pollo Tropical and Café Buestello
- Year 2: UP to \$7,000,000 to fund Phase II of the Student Union

UCF Capex (in \$000's)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Phase 1 of the Student Union	\$ 7,350										\$ 7,350
63 South Renovation	\$ 1,000										\$ 1,000
Pollo Tropical and Café Buestello		\$ 2,500									\$ 2,500
Phase II of the Student Union		\$ 7,000									\$ 7,000
											\$ -
TOTAL	\$ 8,350	\$ 9,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,850

Commissions: Proposed Increase to both Retail and Residential

Our commission proposal offers an increase in commissions to the University and provides more than \$39,000,000 of projected commissions. Our current retail commissions to the University ranges from 4% to 10% based on concept and who funded the concept. Upon completion of the newly renovated Student Union (projected at FY19), Aramark shall transition all retail commissions to 10% with the exception of the Stadium which shall remain at 30% and the Arena which shall remain at 20%.

UCF Program (in \$000's)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Total Commissions	\$ 2,484	\$ 3,244	\$ 3,513	\$ 3,737	\$ 3,924	\$ 4,121	\$ 4,328	\$ 4,546	\$ 4,774	\$ 5,014	\$ 39,685

Annual Brand Refresh:

It is critical to keep the program innovative and fresh. As such, Aramark is offering an annual brand refresh fund for continuous improvement. We are offering \$500,000 beginning in year 2019; many

locations will be under renovation and paid for via investment prior to 2019. Total brand refresh funding offered is \$4,000,000. These funds shall be dedicated to dining improvement and mutually agreed upon.

UCF Program (in \$000's)	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Brand Refresh	\$ -	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 4,000

Additional Return:

Our proposal includes several other return components:

- \$10,350,000 Utilities expense payment
- \$5,484,000 R&M expense payment
- \$100,000 Annual products/services/events
- \$1,080,000 dedicated towards the implementation and maintenance of a new campus wide POS system, Micros Symphony
- Continuation of our annual meal plan scholarship funding

Question #2: No Rate Increase Impact

With over 600 universities and colleges within our portfolio, Aramark fully understands the debates, concerns and challenges posed at a state and national level regarding college debt. Each year we encounter challenges in which Aramark needs to work in partnership with our clients to maneuver through decreases in enrollment and/or funding. Given the university follows an all voluntary meal plan culture and the significant enrollment on campus; a decline in enrollment will have no impact on the proposed model for retail revenue or return to the University. However, the impact of no meal plan rate increase for years 2018 – 2026 has a \$38,078,000 impact to revenue and a projected decrease in projected commissions of \$3,962,000.

Following is a chart that represents the variance between assumed standard rate increases vs. a no increase for the years of 2018 through 2026.

It is difficult to recommend the program changes that would need to occur without knowing what year or years there would be in rate increases offered. However, in many cases, simply recalibrating the meal plans and/or evaluating traffic patterns to determine what concepts could reduce services by an hour or two without impacting satisfaction can right size the model which will kept the proposed return to the University intact. Aramark believes that we cannot cut costs to achieve prosperity. Therefore, we will dedicate a team of marketing, retail, catering and additional subject matter experts to evaluate the campus and our program to find new creative sources of revenue.

Assumed 1.5% in 2016 3.5% rate increase 2017 and beyond	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals
Projected Revenue	\$21,612	\$31,316	\$33,945	\$36,126	\$37,941	\$39,847	\$41,849	\$43,952	\$46,160	\$48,479	\$381,227
Projected Commissions	\$ 2,484	\$ 3,244	\$ 3,513	\$ 3,737	\$ 3,924	\$ 4,121	\$ 4,328	\$ 4,546	\$ 4,774	\$ 5,014	\$ 39,685
Assumed No Rate Increases 2018-2021											
Revenue	\$21,612	\$30,615	\$31,965	\$32,776	\$33,233	\$34,902	\$36,656	\$38,497	\$40,431	\$42,462	\$343,149
Projected Commissions	\$ 2,484	\$ 3,170	\$ 3,306	\$ 3,388	\$ 3,435	\$ 3,607	\$ 3,788	\$ 3,979	\$ 4,179	\$ 4,388	\$ 35,723
Variances											
Revenue	\$ -	\$ (700)	\$ (1,981)	\$ (3,350)	\$ (4,709)	\$ (4,945)	\$ (5,194)	\$ (5,454)	\$ (5,729)	\$ (6,016)	\$ (38,078)
Projected Commissions	\$ -	\$ (74)	\$ (207)	\$ (349)	\$ (490)	\$ (514)	\$ (540)	\$ (567)	\$ (596)	\$ (626)	\$ (3,962)

Question #3: Program Enhancements

Our focus is exceptional food, exceptional employees, and exceptional environments. Our approach to residential programs is great quality food, served hot and fresh with superior customer service. Using our historical knowledge, culinary expertise, and comprehensive analysis, we will provide a strong culinary program with a diverse, international menu; frequent, seasonal menu changes; and increased community and student engagement. Residential dining is more than just a meal—it's an experience. It is a social gathering place for all students, commuters, and residents.

Cooked to Order Action Stations:

Currently Aramark has cooked to order action stations as part of their programming. Starting this fall, Aramark will introduce an enhanced menu which will include specialty items not usually found on a traditional college campus. For example, for breakfast on Monday you may see our chef preparing eggs benedict and on Tuesday we have a carving station of roast beef. A minimum of once per month each residential facility will have a full blown theme meal of international cuisine and new culinary menu selections from around the world for students to try.

UCF First to Market - NEW Beacon Technology

Beacons are a piece of hardware small enough to attach to a wall or countertop. Beacons can use multiple connections to transmit messages or prompts directly to smartphones or tablets. Beacons can also be used to provide customers with product information, residential events, flash sales or deals, and to speed up the checkout process with a completely contactless payments system. Beacon technology will drive loyalty, customer service and analytics to both the residential and retail programming on campus.

Key Metrics

Aramark generally uses the following metrics (KPIs) to analyze the success of a program:

- DiningStyles Satisfaction Scores
- Voluntary Meal Plan Participation
- Revenue Growth
- Fall to Spring Meal Plan Retention Rate
- Health Inspections

Question #4: Why Aramark?

The decision in selecting the management company responsible for your dining services is a major one with campus-wide ramifications. A distinct benefit to the University of Central Florida in retaining Aramark as your dining partner is avoiding the disruption, uncertainty, and cost that a transition to a different provider may cause.

Some Important Points to Consider...

Transition to a different company requires the identification, interviewing, selection, and placement of an entirely new on-site management team at the University.

- Aramark's team of on-site professionals, led by Wendy Shively, are dedicated to the advancement of the dining program at the University of Central Florida, and are committed to applying their knowledge of the University and campus community to the enhancement of student life, now and in the years to come.

Transition to a different company requires full-time, formally allocated resources above and beyond the on-site management group that must plan new services, develop new materials, implement facility changes, and train new staff, all while learning the campus and forming relationships.

- As proven in the past, Aramark's team is backed by an organization of support that understands the mission and culture of UCF. Our organization is committed to providing the critical human resources, culinary, marketing, and technology support to the University of Central Florida Dining team, allowing them to meet and exceed the University's expectations.

Transition to a different company can cause significant anxiety for our dining staff. Current employees naturally become concerned about their future role at the University.

- Aramark enjoys a respectful and productive relationship with the many men and women who are your dining team. These are the people who greet and serve the UCF students every day in an effort to satisfy their need for nourishment and desire for a personal touch away from home. Aramark wants to continue to lead and support this dedicated staff that has been instrumental in developing an exceptional dining program.

Transition to a different company is costly. The reallocation of University resources, especially personnel, can be very expensive. A new provider results in expenses associated with the relocation of management staff, equipment, merchandising, marketing materials, and training, among others. Additionally, there is financial risk to the school if the transition impedes financial growth.

- **\$400,000 Start-up Costs:** Aramark has invested significantly in people, programs, and ideas throughout our partnership with the University. We have every intention of continuing this committed approach to quality improvement; however, the University will not experience any “start-up” costs when retaining Aramark as your dining services partner. Based on our experience of transitioning into new accounts, our clients estimate that University “start-up” costs to a new company is estimated at being over \$400,000 over the course of the year which includes; additional time, additional resources, replacement of equipment/smallwares and support systems to accommodate the new organization.
- **Impact of Delayed Student Union Project and 63 South Renovation: \$1,270,000 lost return**
Should the University choose to spend the next six months conducting an RFP process, the University would lose a year for planned renovations and new retail.
 - **63 South Delayed Renovations:** With the infusion of \$1,000,000 to 63 South recommended to enhance the offerings and ambiance of the location, Aramark is projecting an additional 400 meal plans sold upon completion of the renovation. Delaying this renovation by a year would negatively impact the return to the University by \$150,000.
 - **New Retail and Student Union Delayed Renovations:** Aramark is projecting year one revenue of the new student union concepts and additional retail on campus to be an additional \$2,700,000 in revenue and year 2 revenue of an additional \$11,200,000. With the proposed commission structure of 10%; the University would lose \$1,120,000 in commissions return by delaying the renovations for a year.

Aramark has unprecedented experience in your market and amongst your competitive peer set.

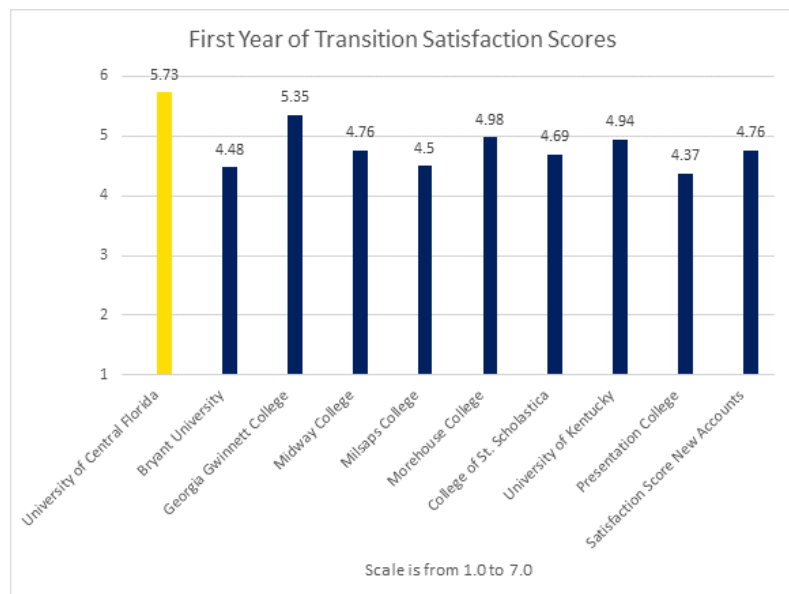
- Aramark has unparalleled Higher Education presence in the South Region and the state of Florida. With over 52 Higher Education partnerships in our Region, including 10 dining accounts in Florida with over \$140,000,000 in annual revenue alone, Aramark has unparalleled experience in this marketplace. We know how to do business in Florida and with you.

Increase return to the University over the current structure. **4% or greater than \$14,500,000**

- Aramark recognizes the value of the UCF contract is more today than it was ten years ago. This is largely driven by the University’s success in enrollment growth and increasing their brand name within the Higher Education institution. As such, our proposed return to the University over a new 10 year term is \$82M or 21.5% of projected revenues, this is a 4% increase in the return as a % of revenue over the current contract and results in greater than \$14.5M of additional return.

Risk of losing satisfaction and advocacy on campus with a transition means the risk of losing revenue and return to the University.

- The first year of transitioning to a new organization is a challenging year for the students and the campus community. While there may be valid reasons to transition, the first year impacts community



satisfaction which results in a risk of lost revenue by way of voluntary meal plans and overall spend in locations. Following is a chart of new accounts Aramark transitioned as partners in 2015 vs. UCF's 2015 satisfaction scores. The chart clearly articulates that year 1 of a transition to a new organization impacts the campus satisfaction.