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MINUTES OF THE MEETING
BOARD OF REGENTS
STEPHEN F. AUSTIN STATE UNIVERSITY
HELD IN DALLAS, TEXAS

May 20, 1985

The meeting was called to order by Mr. Fletcher Garner, Chairman of the Board of Regents, at 1:00 p.m. May 20, 1985.

REGENTS -

PRESENT:
Mr. Ted Bowen of Houston
Mr. Homer Bryce of Henderson
Mr. Fletcher Garner of Bridge City
Mr. Larry Jackson of Plano
Ms. Willia B. Wooten of Crockett
Mr. Phil Simpson of Dallas

ABSENT:
Mrs. George Cullum, Jr. of Dallas
Mr. Luke Honea of Wildwood
Mr. Glenn Justice of Dallas

STAFF -

PRESENT:
Dr. William R. Johnson, President of the University
Dr. Baker Pattillo, Vice President for University Affairs
Mr. Don L. Henry, Vice President for Administrative and Fiscal Affairs
Mr. David Martinson, Director of Purchasing
Mr. David Fry, Director of Personnel Services

OTHERS -

PRESENT:
Mr. Larry King with the Attorney General's Office in Austin
Several Members of SFASU Food Service Staff
85-78
Upon motion of Regent Bowen, seconded by Regent Bryce, with all members voting aye, it was ordered that the bid from Moore Brothers Construction Company of Lufkin, Texas, for field improvements at Lumberjack Stadium be rejected; that the Administration be authorized to re-bid the project, and upon approval of the low bid by the Executive Committee, the Chairman of the Board is authorized to sign the contract.

85-79
Upon motion of Regent Simpson, seconded by Regent Bowen, with all members voting aye, it was ordered that the bid of ARA Services to provide dining services at Stephen F. Austin State University be accepted and the President be authorized to sign the contract. (See page 3 for contract).

85-80
Upon motion of Regent Bryce, seconded by Regent Simpson, with all members voting aye, it was ordered that the meeting be adjourned at 2:40 p.m.
Dear Mr. Martinson:

This is to confirm the fact that STEPHEN F. AUSTIN STATE UNIVERSITY ("Client") has selected ARASERVE, INC. ("ARA") to operate the food service on Client's premises. The written contract covering the parties' agreement has not yet been finalized. In order to accommodate Client, ARA shall commence operations prior to the execution of the formal contract, subject to the following terms and conditions, which terms and conditions shall constitute an Interim Agreement between the parties:

A. Fiscal Arrangements:

1. Client Responsibilities: All facilities, equipment and services to be provided by Client shall be at Client's expense.

2. Board Plan Rates: ARA agrees to prepare and serve meals to Client for Client to resell to its students participating in the Board Plan at the following rates:

   a) $3.5158 per person per day will be charged for meals furnished to Client for resale to persons regularly entitled to seven (7) day food service per week Monday breakfast through Sunday lunch (7 X 20 plan).

   b) $3.0858 per person per day will be charged for meals furnished to Client for resale to persons regularly entitled to seven (7) day food service thirteen (13) lunch and dinner meals per week Monday lunch through Sunday lunch (7 X 13 plan).

   c) $4.0878 per person per day will be charged for meals furnished to Client for resale to persons regularly entitled to five (5) day food service per week Monday breakfast through Friday dinner (5 X 15 plan).

   d) $2.793 per person per day will be charged for meals furnished to Client for resale to persons regularly entitled to five (5) day food service per week, noon meal only, Monday through Friday (5 X 5 plan).
e) $5,171 per person per day will be charged for meals furnished to Client for resale to persons regularly entitled to five (5) day food service per week, Monday breakfast through Friday dinner during the summer only (5 X 15 plan).

At the beginning of each semester, Client shall furnish ARA with a list of all persons entitled to meals at Board Plan rates and shall advise ARA weekly in advance of any changes in the list. Billings to Client will be based on the number of persons listed each Monday morning before breakfast. No Allowance will be made for meals or days which contract patrons miss, and partial days will be considered full days for billing purposes.

3. Casual Meals: ARA shall provide casual meals to Client's faculty, staff and guests at the following rates:

<table>
<thead>
<tr>
<th>Meal</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Breakfast</td>
<td>$2.50</td>
</tr>
<tr>
<td>Lunch</td>
<td>3.05</td>
</tr>
<tr>
<td>Sack Lunch</td>
<td>2.25</td>
</tr>
<tr>
<td>Dinner</td>
<td>3.55</td>
</tr>
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All casual meal receipts shall belong to ARA. ARA shall return to Client a commission of an amount equal to Fourteen Percent (14%) of casual meal net receipts ("net receipts" are defined as gross receipts less state and local sales taxes).

4. Snack Bar: All receipts from the operation of the Snack Bar shall belong to ARA. ARA shall return to Client a commission of an amount equal to Fourteen Percent (14%) of Snack Bar net receipts ("net receipts" are defined as gross receipts less state and local sales taxes).

5. Special Functions: ARA shall provide food service for special functions authorized by Client at prices to be mutually agreed upon. All special function receipts shall belong to ARA. ARA shall return to Client a commission of an amount equal to Fourteen Percent (14%) of special function net receipts ("net receipts" are defined as gross receipts less state and local sales taxes.)

6. Accounting:

a) Accounting Periods Defined: In each quarter, there shall be two (2) accounting periods of four (4) weeks each and one (1) accounting period of five (5) weeks.
b) Accounting Period Billing: Within seven (7) days after the end of each accounting period, ARA will submit to Client an invoice for amounts due ARA as provided for in this section A. Fiscal Arrangements.

c) Commission Payment: At the end of each accounting period, ARA will submit to Client a statement of Casual Meal, Snack Bar and Special Function sales for such period, together with a check for commissions due Client pursuant to this section A. Fiscal Arrangements.

d) Payment Terms: All invoices submitted by ARA to Client shall be paid within ten (10) days of the invoice date.

B. Personnel:

ARA will offer employment to all current client food service employees at salaries equal to or greater than those currently received. However, ARA reserves the right to terminate any employee for cause. Additionally, ARA agrees that every effort will be made to accomplish any reduction in staff required for efficient operation through attrition rather than laying off otherwise qualified food service employees. ARA agrees to waive any waiting period for the commencement of benefits for the current client food service employees.

ARA will provide to current client food service employees those benefits set forth in Attachment "A" for the life of the contract with Stephen F. Austin State University.

ARA will post job vacancy listings provided by the Stephen F. Austin State University Personnel Office in the workplace.

C. Other:

Once a formal contract is executed, the fiscal arrangements of the contract will be retroactive to the date of commencement of operations, and this Interim Agreement shall be null and void except for the payment of monies due ARA pursuant to the terms of the Interim Agreement and employee benefits as listed in Section B and Attachment "A".
If the foregoing is in accordance with your understanding, please have an authorized representative of Client sign, date and return the enclosed copy of this letter.

Yours very truly,

ARASERVE, INC. ("ARA")

By
Clarence E. Koester, President
Campus Dining Services,
a Division of ARASERVE, Inc.

Agreed to:
STEPHEN F. AUSTIN
STATE UNIVERSITY
("Client")

By: Dr. William R. Johnson
President
ATTACHMENT A

ELIGIBILITY

A. Those regular full-time food service employees working twenty (20) hours or more per week who transfer from Stephen F. Austin State University employment to ARA employment will have a one-time opportunity to participate in this benefit package. The time period for eligibility under this one-time option will be from the commencement of ARA's operation through August 15, 1985. These benefits will continue through the term of the contract.

BENEFIT SCHEDULE

B. SOCIAL SECURITY: ARA will pay Social Security (FICA) on behalf of the eligible employees in the amount of 5.85% of the first $16,500.00 of salary.

C. HEALTH AND LIFE INSURANCE: ARA will contribute up to $85.00 per month toward the employee's health and life insurance plan to provide a level of coverage comparable to the current Stephen F. Austin State University plan.

D. RETIREMENT: ARA will offer to all eligible employees a retirement plan similar to that currently being offered through the Teachers Retirement System of Texas funded by 6% payroll deductions and 7.1% matching employer contributions. These retirement funds are to be deposited into an independently supervised retirement plan established on behalf of the Food Service workers.

LEAVE TIME

ARA will provide the following leave schedule to full-time eligible employees. (Note: leave time accumulated with Stephen F. Austin State University will not be transferrable to ARA).

E. SICK LEAVE: ARA will provide one (1) day (eight hours) per month with total accumulation not to exceed twelve (12) days.

F. HOLIDAY LEAVE: ARA will provide paid holidays at a rate equivalent to that being offered other regular full-time classified employees of Stephen F. Austin State University.

G. VACATION LEAVE: ARA will provide vacation benefits per the following schedule:

- 0 but less than 2 years of service = 7 vacation hours per month
- 2 but less than 5 years of service = 8 vacation hours per month
- 5 but less than 10 years of service = 9 vacation hours per month
- 10 but less than 15 years of service = 10 vacation hours per month
- 15 but less than 20 years of service = 12 vacation hours per month
- 20 and over years of service = 14 vacation hours per month

(Note: The years of service shall include all previous qualified State employment).
H. LONGEVITY PAY: ARA will provide a longevity pay bonus of $20 per month for each five (5) years (sixty months) of qualified service. This benefit will be frozen at current levels.

WAITING PERIODS

I. ARA will waive waiting periods on eligibility of benefits for this protected group of employees.

ACCOUNTING

J. ARA is to provide annual accounting of the cost of benefits provided to this protected group of employees on a per capita basis.