

**INDIANA STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE COMMITTEE AGENDA  
May 12, 2017  
10:00 a.m. – 11:00 a.m.**

**Recommendation Items:**

- 1. Resolution for Housing & Dining Revenue System Bonds, Series 2017 (Rhoads Hall)**
- 2. Amendment to ISU Dining Services Agreement**
- 3. Year-End Closing Authorization**

**Informational Items:**

- 1. Review 2017-18 Budget Planning**
  - 2. Review 2017-19 Non-Binding Tuition Targets**
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**Schedule of Regular Review Items:**

**July/August – Review Investment Performance of Operating Funds  
Review Capital Project Plan  
Review State Budget Request (only in even years)**

**October – Review Voluntary Employee Benefit Association (VEBA) Trust Fund  
Annual Financial Audit Update**

**December – Review Audited Financial Statements  
Review Proposed Housing and Dining Rates**

**February – Review Federal A-133 Audit  
Discussion of Preliminary Budget Planning Assumptions  
Review Debt Plan**

**May/June – Review Proposed Tuition and Fees (only in odd years)  
Review Final Proposed Operating Budgets**

**RECOMMENDATION ITEMS:**

**1. BOND RESOLUTION FOR HOUSING AND DINING SYSTEM REVENUE BONDS, SERIES 2017**

The Board of Trustees previously approved the renovation of Rhoads Residence Hall as Phase IV of a comprehensive renovation of the Sycamore Towers complex. Funding for the project is from residence hall capital reserves of \$4,100,000 and bond proceeds not to exceed \$16,400,000 (inclusive of bond premium or net of discount) plus additional amounts for cost of issuance. Renovations will begin in May at the conclusion of the Spring 2017 semester to be complete for occupancy in August of 2018. All state approvals have been secured with the final plan of financing subject to approval of the Indiana Finance Authority and State Budget Director.

**Recommendation:** Authorization of the Treasurer of the Board of Trustees to secure approval of final plan of financing to renovate Rhoads Residence Hall and the sale of Indiana State University Housing and Dining System Revenue Bonds, Series 2017 as governed by the resolution below.

RESOLUTIONS OF THE BOARD OF TRUSTEES FOR THE  
INDIANA STATE UNIVERSITY BOARD OF TRUSTEES  
APPROVING AND AUTHORIZING THE SALE OF THE  
INDIANA STATE UNIVERSITY HOUSING AND DINING SYSTEM  
REVENUE BONDS, SERIES 2017

WHEREAS, the Board of Trustees (the "Board") of the Indiana State University Board of Trustees (the "University") has full power and authority under and by virtue of the laws of the State of Indiana, including, more particularly, the provisions of Indiana Code 21-35-1 et seq., to issue bonds to finance or refinance housing and dining facilities on its campus in Terre Haute, Indiana, such bonds to be secured by the net income derived from such facilities; and

WHEREAS, the Board has determined that a necessity exists to consider financing all or a portion of the costs of the acquisition, construction, expansion, renovation and equipping of certain housing and dining facilities on the University's campus in Terre Haute, Indiana, as described in Exhibit A attached hereto (the "Project"); and

WHEREAS, the University has heretofore executed and delivered to First Financial Bank, N.A. (the "Trustee") a certain Indenture of Trust dated as of November 1, 2009, as heretofore supplemented and amended (the "Indenture"), for the purpose of securing its Indiana State University Housing and Dining System Revenue Bonds (hereinafter sometimes referred to as the "Bonds"), to be issued from time to time thereunder; and

WHEREAS, the Treasurer of the University (the "Treasurer") has investigated, developed and evaluated a Plan of Financing (the "Plan of Financing") for the financing of all or a portion of the costs of the Project; and

WHEREAS, the Board now desires to authorize the Treasurer to effectuate such Plan of Financing for the financing of all or a portion of the costs of the Project; and

WHEREAS, Article III of the Indenture authorizes the issuance of additional series of Bonds by the University and the authentication and delivery of such additional series of Bonds by the Trustee under the conditions set forth in Article III, which conditions have been complied with (subject to any approvals as may be required from the State Budget Committee and the State Budget Director of the State of Indiana) so as to authorize the issuance, authentication and delivery of an additional series of Bonds by the Trustee under the conditions set forth in Article III, to provide the funds required to finance all or a portion of the costs of the Project, as well as certain related costs incidental to the financing; and

WHEREAS, the Board now desires to authorize the execution and delivery of the Indiana State University Housing and Dining System Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), and a Seventh Supplemental and Amendatory Indenture (the "Seventh Supplemental Indenture"), a Construction and Rebate Agreement (the "Rebate Agreement"), a Preliminary Official Statement (the "Official Statement"), a final Official Statement, a Bond Purchase Agreement (the "Bond Purchase Agreement"), a Seventh Supplement to Amended and Restated Continuing Disclosure Undertaking Agreement (the "Seventh Supplement to Undertaking Agreement"), forms of the Series 2017 Bonds, and any further documents required to complete the execution and delivery of the Series 2017 Bonds (subject to any approvals as may be required from the State Budget Committee and the State Budget Director of the State of Indiana); and

WHEREAS, there has now been made available to the Board a form of Seventh Supplemental Indenture, a form of Rebate Agreement, a form of Official Statement, a form of Bond Purchase Agreement and a form of Seventh Supplement to Undertaking Agreement in connection with the issuance of the Series 2017 Bonds in an aggregate principal amount not to exceed \$16,400,000, plus additional amounts needed for underwriter's discount as described below and any original issue discount or bond premium, as permitted by law, capitalized interest (if any), costs of issuance, any amounts necessary to provide for any debt service reserve fund, and costs of any premiums for bond or debt service reserve fund insurance; and

WHEREAS, the Board now desires to authorize and direct the President of the University (the "President") and the Treasurer to do any and all acts and things, to seek any necessary approvals from the State Budget Committee and the State Budget Director of the State of Indiana, and to make and approve all changes in form or substance to the Seventh Supplemental Indenture, the Bond Purchase Agreement, the Rebate Agreement, the Seventh Supplement to Undertaking Agreement or the Official Statement, necessary to secure approval of the transaction contemplated herein by any rating agency, bond insurer, reserve fund surety bond provider, or the State of Indiana; and

WHEREAS, the University intends to acquire, construct, equip, renovate and/or rehabilitate the various components of the Project, and reasonably expects to reimburse certain costs of the Project with proceeds of debt to be incurred by the University; and

WHEREAS, the University expects to issue debt not exceeding \$16,400,000 in aggregate principal amount for purposes of financing, refinancing or reimbursing all or a portion of the costs of the Project, plus additional amounts needed for costs of issuance, any debt service reserve fund, costs of any premiums for bond or debt service reserve fund insurance, underwriter's discount and original issue discount/bond premium as provided by law, capitalized interest (if any), and other incidental costs as required by the issue;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. The Plan of Finance investigated, developed and evaluated by the Treasurer is hereby approved and the Treasurer is hereby authorized to effectuate such Plan of Financing with respect to financing all or a portion of the costs of the Project.

Section 2. The issuance of the Series 2017 Bonds by the University on the terms and conditions set forth in the Seventh Supplemental Indenture is hereby authorized in the total principal amount not to exceed \$16,400,000, plus additional amounts needed for underwriter's discount as described below and original issue discount or bond premium, as permitted by law, capitalized interest (if any), costs of issuance, any amounts necessary to provide for any debt service reserve fund, and costs of any premiums for bond or debt service reserve fund insurance. The Series 2017 Bonds shall be designated the "Indiana State University Board of Trustees, Indiana State University Housing and Dining System Revenue Bonds, Series 2017". The true interest cost of Series 2017 Bonds shall not exceed 4.75%, with a maximum underwriter's discount of 1.00%, and with such serial or term maturities and redemption features as the executing officers shall approve. The final maturity of the Series 2017 Bonds shall not extend beyond April 1, 2038. The Series 2017 Bonds shall be sold pursuant to the Bond Purchase Agreement at negotiated sale to an underwriter as selected and appointed pursuant to Section 12 below.

Section 3. The President and the Treasurer are hereby authorized and directed to do any and all acts and things, to seek any necessary approvals from the State Budget Committee and the State Budget Director of the State of Indiana, and to make and approve all changes in form or substance to the Seventh Supplemental Indenture, the Bond Purchase Agreement, the Rebate Agreement, the Seventh Supplement to Undertaking Agreement or the Official Statement necessary to secure approval of the transaction contemplated herein by any rating agency, bond insurer, reserve fund surety bond provider, or the State of Indiana.

Section 4. The Seventh Supplemental Indenture is hereby approved in substantially the form submitted to the Board and is made a part of this Resolution as if fully set forth herein. The Chair and the Vice Chair of the Board (the "Chair" and the Vice Chair", respectively), or either of them, are hereby authorized to execute and deliver, and the Secretary and the Assistant Secretary of the Board (the "Secretary" and the "Assistant Secretary", respectively), or either of them, are hereby authorized to attest the signature of and to imprint the corporate seal of the University on the Seventh Supplemental Indenture in substantially the form presented to the Board, with those changes in form or substance that the President and Treasurer, and the officers executing the Seventh Supplemental Indenture, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Official Statement is approved in substantially the form submitted to the Board and is made a part of this Resolution as if fully set forth herein. The Treasurer is hereby authorized and

directed to make those changes in form or substance as are necessary or appropriate, to authorize the distribution of the Official Statement, to deem an Official Statement to be final or nearly final for purposes of applicable Securities and Exchange Commission rules, to execute and deliver the form of any final Official Statement with those changes in form or substance that the Treasurer shall approve, and to cause printed copies of the preliminary and final Official Statements to be provided to those prospective purchasers, investors and other persons as he may deem advisable in order to market the Series 2017 Bonds, and any such prior actions are hereby ratified and confirmed.

Section 6. The Bond Purchase Agreement is hereby approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The Chair, Vice Chair and Treasurer, or any of them, are hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the form submitted to the Board, with those changes in form or substance that the President and Treasurer, and the officers executing the Bond Purchase Agreement, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Rebate Agreement is hereby approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The Chair, Vice Chair and Treasurer, or any of them, are hereby authorized to execute and deliver, and the Secretary or Assistant Secretary, or either of them, are hereby authorized to attest the signature of and to imprint the corporate seal of the University on, the Rebate Agreement in substantially the form submitted to the Board, with those changes in form or substance that the President and Treasurer, and the officers executing the Rebate Agreement, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The Seventh Supplement to Undertaking Agreement is hereby approved in substantially the form submitted to the Board and is made a part of this Resolution as if set forth fully herein. The Chair, Vice Chair, and Treasurer, or any of them, are hereby authorized to execute and deliver the Seventh Supplement to Undertaking Agreement in substantially the form submitted to the Board, with those changes in form or substance that the President and Treasurer, and the officers executing the Seventh Supplement to Undertaking Agreement, shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The Treasurer is hereby authorized to prepare the bond forms required for use in the issuance of the Series 2017 Bonds, on the terms and conditions set forth in the Seventh Supplemental Indenture, and to cause the same to be executed manually or by facsimile by the proper officers of the University as provided in the Seventh Supplemental Indenture and the Indenture. Upon execution of the Series 2017 Bonds, the Treasurer shall deliver the Series 2017 Bonds to the Trustee for authentication, and upon their authentication, the Treasurer is authorized and directed to deliver the Series 2017 Bonds to the purchasers thereof on payment of the purchase price, which price shall reflect the underwriter's discount permitted by this Resolution and original issue discount or bond premium, if any, as permitted by law.

Section 10. The Chair, Vice Chair, President, Treasurer, Secretary and Assistant Secretary, or any of them acting singly or jointly, are hereby authorized and directed to do any and all further acts and things necessary underlying the execution and delivery of such additional or supporting agreements, documents or certificates as may be requested or necessary in order to complete the transactions contemplated by the Bond Purchase Agreement, the Seventh Supplemental Indenture, the Rebate

Agreement, the Seventh Supplement to Undertaking Agreement and the Official Statement hereby authorized.

Section 11. The Board hereby authorizes the Treasurer to make the necessary calculation with respect to the coverage factor of Net Income to Average Annual Debt Service Requirements, after the pricing of the Series 2017 Bonds, to be shown in the Official Statement for the Series 2017 Bonds.

Section 12. The Board hereby ratifies the selection of, and appoints, Citigroup Global Markets Inc. as underwriter for the Series 2017 Bonds, and further authorizes the President and the Treasurer in their discretion to select one or more other underwriters for the Series 2017 Bonds (or none at all). The Board hereby ratifies the selection of, and appoints, (i) Ice Miller LLP as bond counsel for the Series 2017 Bonds, and (ii) Blue Rose Capital Advisors as financial advisor for the Series 2017 Bonds.

Section 13. The use of bond insurance is hereby approved in connection with the Series 2017 Bonds, if deemed beneficial to the University in the best judgment of the President and the Treasurer. The President and Treasurer are hereby authorized to select a bond insurer, if deemed beneficial at their discretion and using their best judgment, and to accept any commitments and execute any agreements which may be necessary or advisable in connection with any such bond insurance for the Series 2017 Bonds.

Section 14. The Board hereby declares its official intent to acquire, construct, equip and/or rehabilitate the Project described in Exhibit A; to reimburse certain costs of acquiring, constructing, equipping and/or rehabilitating the Project with proceeds of debt to be incurred by the University; and to issue debt not exceeding \$16,400,000 in aggregate principal amount for purposes of financing, refinancing or reimbursing all or a portion of the costs of the Project, plus additional amounts needed for costs of issuance, any debt service reserve fund, costs of any premiums for bond or debt service reserve fund insurance, underwriter's discount and original issue discount/bond premium as provided by law, capitalized interest (if any), and other incidental costs as required by the issue.

Dated: May 12, 2017

## EXHIBIT A

### The Project

The Project consists of the renovation of Rhoads Hall, as the fourth phase of a comprehensive renovation of Sycamore Towers. The Rhoads Hall renovation project will be comprised of the renovation of approximately 99,953 square feet of residence hall space in Rhoads Hall, and will include the installation of new lighting, doors and hardware throughout, as well as new mechanical systems – including the installation of new HV/AC and fire suppression systems. The renovated facility will provide a total of approximately 360 beds. The Rhoads Hall renovation project is a part of a systematic upgrading of residence hall facilities to provide living and learning spaces that are attractive to prospective and returning students.

The overall cost of the Rhoads Hall renovation project is estimated at approximately \$20,500,000, of which approximately \$4,100,000 will be funded from Housing and Dining System reserves and approximately \$16,400,000 will be funded from proceeds of the Series 2017 Bonds. The Rhoads Hall renovation project is expected to be completed for Fall 2018 occupancy.

## 2. AMENDMENT TO ISU DINING SERVICES AGREEMENT

Sodexo has provided food service to the ISU campus since 1989. Since that time the quality of food service to all campus constituents has been enhanced and services greatly expanded. The University has negotiated an amendment to the existing services agreement with Sodexo to extend this vendor relationship through June 30, 2031, including a funding mechanism sufficient to complete desired facilities/equipment renovations and enhancements to the Sycamore Towers dining facility. The proposed amendment is shown below.

**Recommendation:** Approval of the proposed Sodexo services agreement amendment.

### AMENDMENT

INDIANA STATE UNIVERSITY BOARD OF TRUSTEES

AND

SODEXO SERVICES OF INDIANA LIMITED PARTNERSHIP

THIS AMENDMENT, dated May 12, 2017, is between INDIANA STATE UNIVERSITY BOARD OF TRUSTEES ("ISU") and SODEXO SERVICES OF INDIANA LIMITED PARTNERSHIP ("Sodexo").

### WITNESSETH:

WHEREAS, ISU and Sodexo entered into a certain Management Agreement, dated February 22, 2011, as amended ("Agreement"), whereby Sodexo manages and operates ISU's Food Service operation in Terre Haute, Indiana;

WHEREAS, the parties now desire to further amend the aforesaid Agreement;

NOW, THEREFORE, in consideration of the promises herein contained and for other good and valuable consideration, the parties hereto agree as follows:

1. The parties have mutually agreed to extend the term of the Agreement for ten (10) years, commencing July 1, 2021 and continuing through June 30, 2031, and shall continue thereafter, until terminated by either party as provided in the Agreement.

2. Effective retroactive to July 1, 2010, Section 4.3 is deleted in its entirety and the following substituted therefor:

"4.3 ISU Student Employees. All student employees working less than twenty (20) hours per week shall be employees of ISU. Sodexo shall pay ISU one hundred percent (100%) of the amount of direct hourly wages paid by ISU to student employees working in Food Service operations. Sodexo will not participate in any federal work study program."

3. Section 6.2 is deleted in its entirety and the following substituted therefor:

"6.2 Resident Meal Plans. Meals for ISU's resident dining patrons shall be provided in accordance with the meal credit system. This system provides that students purchase food credits to be spent on a declining balance basis for admission to each meal. The meal plans identified below have been selected for the 2016-2017 academic year. Future meal plans may be mutually agreed upon in writing by the parties.

Meal Plan A - Flex 10/102

1360 credits and \$102.00 Commons Cash per semester

Meal Plan B - Flex 10/204

1360 credits and \$204.00 Commons Cash per semester

Meal Plan C - Flex 10/306

1360 credits and \$306.00 Commons Cash per semester

Meal Plan D - Best Flex 12/102

1734 credits and \$102.00 Commons Cash per semester

Meal Plan E - Best Flex 12/204

1734 credits and \$204.00 Commons Cash per semester

Meal Plan F - Best Flex 12/306

1734 credits and \$306.00 Commons Cash per semester

Meal Plan G - High Flex 14/102

1972 credits and \$102.00 Commons Cash per semester

Meal Plan H - High Flex 14/204

1972 credits and \$204.00 Commons Cash per semester

Meal Plan I - High Flex 14/306

1972 credits and \$306.00 Commons Cash per semester

Meal Plan J - Non Flex

10 meals per week - Resident Dining Room meals only/unused meals forfeited at end of week

Meal Plan K - Hall Staff

1768 credits and \$102.00 Commons Cash per semester

Meal Plan L - Athletes

1360 credits and \$102.00 Commons Cash per semester

UA/500 – Off Campus Commuters

5 meals per week and \$102.00 Commons Cash per semester

Any remaining balances of credits and/or Commons Cash dollars at the end of the Fall semester may be transferred to the Spring semester, provided the meal plan participant purchases a meal plan for the Spring semester. Any remaining balances of credits and/or Commons Cash at the end of the Spring semester shall be handled as follows:

- If the plan holder moves out of ISU's resident housing, the plan holder will forfeit all remaining balances on his/her meal plan card, unless a qualifying commuter meal plan is purchased for the upcoming Fall semester, and such forfeiture shall be for Sodexo's account.
- If the plan holder remains in ISU resident housing for the upcoming Fall semester or has purchased a qualifying commuter meal plan, the plan holder's remaining Commons Cash will be transferred dollar for dollar onto his/her meal plan for the

upcoming Fall semester. Any remaining credits will be transferred into Commons Cash at the rate of \$0.20 per credit.

This Agreement between Sodexo and ISU provides that ISU grants Sodexo the exclusive right to provide ISU with meals related to meal plans, debit card points, flex points for ISU to resell to its students, faculty and staff at a specified rate per meal or daily rate."

4. The parties acknowledge and agree that the resident dining rates in effect for the 2015-2016 resident dining calendar was as follows:

Meal Plan A	Flex 10/102	34 weeks @ \$84.40
Meal Plan B	Flex 10/204	34 weeks @ \$90.40
Meal Plan C	Flex 10/306	34 weeks @ \$96.40
Meal Plan D	Best Flex 12/102	34 weeks @ \$88.80
Meal Plan E	Best Flex 12/204	34 weeks @ \$94.80
Meal Plan F	Best Flex 12/306	34 weeks @ \$100.80
Meal Plan G	High Flex 14/102	34 weeks @ \$91.60
Meal Plan H	High Flex 14/204	34 weeks @ \$97.60
Meal Plan I	High Flex 14/306	34 weeks @ \$103.60
Meal Plan J	Non Flex	34 weeks @ \$73.10
Meal Plan K	Hall Staff	34 weeks @ \$84.85
Meal Plan L	Athletes	34 weeks @ \$80.34
UA/500	Off Campus Commuters	34 weeks @ \$30.90

5. Section 6.3 is deleted in its entirety and the following substituted therefor:

"6.3 Resident Dining Rates.

A. The following resident dining rates are in effect commencing with the 2016-2017 resident dining calendar. Such rates shall be subject to an annual adjustment to reflect, at a minimum, increases in the U.S. Department of Labor Consumer Price Index for Finished Consumer Foods ("CPI"):

Meal Plan A	Flex 10/102	34 weeks @ \$ 87.80
Meal Plan B	Flex 10/204	34 weeks @ \$ 93.80
Meal Plan C	Flex 10/306	34 weeks @ \$ 99.80
Meal Plan D	Best Flex 12/102	34 weeks @ \$ 92.20
Meal Plan E	Best Flex 12/204	34 weeks @ \$ 98.20
Meal Plan F	Best Flex 12/306	34 weeks @ \$104.20
Meal Plan G	High Flex 14/102	34 weeks @ \$ 95.00
Meal Plan H	High Flex 14/204	34 weeks @ \$101.00
Meal Plan I	High Flex 14/306	34 weeks @ \$107.00
Meal Plan J	Non Flex	34 weeks @ \$ 76.50
Meal Plan K	Hall Staff	34 weeks @ \$ 88.25
Meal Plan L	Athletes	34 weeks @ \$ 83.74
UA/500	Off Campus Commuters	34 weeks @ \$ 34.30

B. The following resident dining rates are in effect commencing with the 2017-2018 resident dining calendar. Such rates shall be subject to an annual adjustment to reflect, at a minimum, increases in the U.S. Department of Labor Consumer Price Index for Finished Consumer Foods ("CPI"):

Meal Plan A	Flex 10/102	34 weeks @ \$ 89.10
Meal Plan B	Flex 10/204	34 weeks @ \$ 95.10
Meal Plan C	Flex 10/306	34 weeks @ \$ 101.10
Meal Plan D	Best Flex 12/102	34 weeks @ \$ 93.50
Meal Plan E	Best Flex 12/204	34 weeks @ \$ 99.50
Meal Plan F	Best Flex 12/306	34 weeks @ \$105.50
Meal Plan G	High Flex 14/102	34 weeks @ \$ 96.30
Meal Plan H	High Flex 14/204	34 weeks @ \$102.30
Meal Plan I	High Flex 14/306	34 weeks @ \$108.30
Meal Plan J	Non Flex	34 weeks @ \$ 77.80
Meal Plan K	Hall Staff	34 weeks @ \$ 89.55
Meal Plan L	Athletes	34 weeks @ \$ 85.04
UA/500	Off Campus Commuters	34 weeks @ \$ 35.60

C. Rates for the above Meal Plans in 6.3.A and 6.3.B are for each resident dining patron for each week during the thirty four (34) week calendar. Rates for the above meal plans in 6.3.A and 6.3.B are based on a required minimum thirty four (34) week calendar for each academic year, and a required average minimum number of meal plan participants for each academic year as follows:

July 1, 2016 through June 30, 2017	3,750 participants
July 1, 2017 through June 30, 2018	3,750 participants
July 1, 2018 and annually thereafter	3,900 participants

ISU shall be invoiced for the actual number of meal plan participants or the required minimum number of meal plan participants, whichever is greater, based on the required minimum thirty four (34) week calendar. If the required number of meal plan participants is greater, the shortfall shall be invoiced to ISU at sixty percent (60%) of the rate above for Meal Plan A.

Commencing July 1, 2017 and annually thereafter, the meal plan rates and other meal plan rates shall be increased by the percentage increase in the U.S. Department of Labor Consumer Price Index for Finished Consumer Foods ("CPI"), averaged for the prior twelve (12) month period."

6. Section 6.4 is deleted in its entirety and the following substituted therefor:

"6.4 Guest Faculty, Staff and Commuter Meals in Resident Dining Facilities. For guests, faculty, staff and commuter diners, prices for meals served in resident dining facilities shall be as follows:

Breakfast:	\$6.31
Lunch:	\$7.80
Dinner	\$9.77
Saturday Brunch:	\$7.80
Sunday Brunch:	\$7.80
Plus applicable taxes, if any.”	

7. Section 7.8 is deleted in its entirety and the following substituted therefor:

“7.8 Retail Sales. Sodexo shall retain all cash receipts realized from the retail program and shall pay all operating expenses associated with the retail program. Any profit or loss shall be for Sodexo’s account.”

8. Section 8.2 is deleted in its entirety and the following substituted therefor:

“8.2 Annual Renovation and Enhancement Fund. Commencing July 1, 2010, Sodexo shall establish and maintain an Annual Renovation and Enhancement Fund to be used towards the purchase of renovations and enhancements to the Food Service operation. Sodexo shall accrue the funds on a weekly basis up to a maximum annual amount in accordance with the following schedule:

<u>Contract Year</u>	<u>Maximum Annual Amount</u>
July 1, 2010 through June 30, 2011	\$225,000.00
July 1, 2011 through June 30, 2012	\$125,000.00
July 1, 2012 through June 30, 2013	\$ 50,000.00
July 1, 2013 through June 30, 2014	\$ 75,000.00
July 1, 2014 through June 30, 2015	\$ 50,000.00
July 1, 2015 through June 30, 2016	\$100,000.00
July 1, 2016 through June 30, 2017	\$100,000.00
July 1, 2017 through June 30, 2018	\$100,000.00
July 1, 2018 through June 30, 2021	1.0% of Net Sales*
July 1, 2021 through June 30, 2026	1.5% of Net Sales
July 1, 2026 through June 30, 2031	2.0% of Net Sales

\*Commencing July 1, 2018, if the fourth Resident Tower is not fully reopened, adding three hundred fifty (350) beds, then the maximum annual amount shall remain at One Hundred Thousand Dollars (\$100,000.00), until such time the fourth Resident Tower is fully reopened. Once fully reopened, the maximum annual amount for the remainder of that specific contract year shall change to reflect an accrual based on a percent of sales, in accordance with the above schedule.

The funds shall be held by Sodexo until such time as renovations and enhancements are to be made, as mutually agreed upon by the parties. Renovations and Enhancement Funds will carry over from year to year if not used in the current academic year. Upon termination or expiration of this Agreement, any unused funds in the account shall be paid to ISU and Sodexo shall have no further obligations as it relates to this Section 8.2 as of the effective date of termination.”

9. Section 8.3 is deleted in its entirety and the following substituted therefor:

“8.3 Repair and Replacement Accrual Account. Commencing July 1, 2016, and each subsequent July 1<sup>st</sup>, provided the Agreement remains in effect, Sodexo shall accrue funds annually, in an amount equal to one percent (1%) of Net Sales. The accrued funds shall be used towards the repair and/or replacement of Food Service equipment, as mutually agreed upon by the parties.

The funds shall be held by Sodexo until such time as repairs and replacements are to be made, as mutually agreed upon by the parties. Repair and replacement funds will carry over from year to year if not used in the current academic year. Upon termination or expiration of this Agreement, any unused funds in the account shall be paid to ISU and Sodexo shall have no further obligations as it relates to this Section 8.3 as of the effective date of termination.”

10. Section 8.4 is deleted in its entirety and the following substituted therefor:

“8.4 Investments.

A. Previous Investment 1. On or about July 1, 2010, Sodexo provided for the purchase of equipment and facility enhancements to the Food Service operations in an amount not to exceed Five Hundred Thousand Dollars (\$500,000.00) (“Previous Investment 1”). As of June 30, 2016, the total unamortized amount for Prior Investment 1 is One Hundred Ninety Four Thousand Three Hundred Seventy Three and 49/100 Dollars (\$194,373.49). Sodexo shall re-amortize the unamortized portion of Prior Investment 1 on a straight-line basis over fifteen (15) years, commencing July 1, 2016. Such amortization shall be charged as an operating expense of the Food Service operation. ISU shall own the Previous Investment 1.

B. Previous Investment 2. Sodexo provided for the purchase of equipment and facility enhancements to the Food Service operations in an amount not to exceed Two Million Nine Hundred Thousand Dollars (\$2,900,000.00) (“Previous Investment 2”). As of June 30, 2016, the total unamortized amount of Prior Investment 2 is One Million Five Hundred Fifty Three Thousand Four and 71/100 Dollars (\$1,553,004.71). Sodexo shall re-amortize the unamortized portion of Prior Investment 2 on a straight-line basis over fifteen (15) years, commencing July 1, 2016. Such amortization shall be charged as an operating expense of the Food Service operation. ISU shall own the Previous Investment 2.

C. Investment 3. On or about July 1, 2017 Sodexo shall pay to Client an amount equal to Five Million Dollars (\$5,000,000.00) (“Investment 3”) for the renovation of the Sycamore Dining Hall. Sodexo shall amortize Investment 3 on a straight-line basis over fifteen (15) years, commencing with the date payment is made. Such amortization shall be charged as an operating expense of the Food Service. Client shall own Investment 3, excluding proprietary equipment and signage utilized in the Branded Concepts operation.

If prior to the complete amortization of any of the above Investments any of the following events occur:

- (i) this Agreement expires or is terminated in whole or in part;
- (ii) this Agreement is amended and such modification has an adverse economic impact on Sodexo; or
- (iii) Sodexo's procurement programs are no longer utilized for the purchase of goods in connection with the Services provided under this Agreement;

then Client shall reimburse Sodexo, on the expiration date, or within five (5) days after receipt by either Party of any notice of termination under this Agreement or within ten (10) days after the occurrence of (ii) or (iii) above, the unamortized portion. Client agrees to de-identify and, if applicable, remove any proprietary elements of the Investment as directed by Sodexo. Client shall, within five (5) days after Sodexo's request, execute a U.C.C. financing statement and Sodexo may put the same of record to secure its lien on the unamortized portion of any of the above Investments."

11. Effective retroactive to July 1, 2014, the following is added to Article VIII, Financial Arrangements, as Section 8.8:

"8.8 Sycamore Banquet Center. Sodexo shall extend the Food Service operation to include the management and operation of the Sycamore Banquet Center located in the Hulman Memorial Student Union. In consideration for providing such service, the following terms and conditions shall apply:

A. For purposes of this Section 8.8, the following definitions shall apply:

- 1. Deficit. The excess of the total of Operating Expenses and Management Fee over Sycamore Banquet Center Net Sales.
- 2. Gross Hourly Wages. The total wages earned by a Sodexo hourly employee (including overtime) without deducting taxes or any other items.
- 3. Operating Expenses. As defined in Section 8.8, Subsection B.
- 4. Surplus. The excess of Sycamore Banquet Center Net Sales over the total of Operating Expenses and Management Fee.

B. Management of Sycamore Banquet Center. Commencing on July 1, 2014, the following financial arrangements shall be in effect:

- 1. Sodexo shall pay Operating Expenses in connection with the Sycamore Banquet Center. Any Surplus or Deficit shall be for Client's account.
- 2. Operating Expenses shall be defined as all costs, Charges and expenses incurred in connection with the Sycamore Banquet Center including, but not limited to, the following:

- a. The invoiced amounts to Sodexo for goods and services, including food, beverages, merchandise, cleaning products, equipment, supplies, and other contracted services, plus a Charge for procurement services equal to six tenths percent (.6%) of

such invoiced amounts;

b. Sodexo's labor, including salaries (and bonuses, if any), wages, taxes, health benefits, relocation expenses, payroll processing, retirement plans, and the cost of administering such plans and services; (non-management health benefits to be Charged at twenty eight percent (28%) of Gross Hourly Wages);

c. Other costs, Charges and expenses, including, but not limited to, depreciation of equipment, Charges for workers' compensation and general liability insurance based on the average manual rates for such insurance in the geographic area of the Premises, other insurance related to the Services provided herein, cost of licenses, permits and certifications, information systems, software and software maintenance, armored car services, fees and expenses associated with accepting and processing credit and debit card sales, bank service fees (net of any interest) for depositing receipts from the Sycamore Banquet Center, third party recruitment and placement fees, marketing and promotional or proprietary materials, uniforms and linen, flowers, decorations, decor, signage, overnight delivery, if necessary, Smallwares, minor equipment, repair and maintenance of Sodexo-supplied equipment, sales, use and other taxes related to the Sycamore Banquet Center (other than taxes collected and remitted by Sodexo to a taxing authority), training expenses (including travel) for employees assigned to the Sycamore Banquet Center, criminal background investigations and drug screenings for Sodexo's employees assigned to the Sycamore Banquet Center at the Premises, expenses associated with the installation and implementation of Branded Concepts operated by Sodexo, a Charge for marketing support and culinary services equal to three tenths percent (.3%) of Net Sales, commissions paid, electronic meal program identification system supplies, and other items and contracted services purchased on behalf of the Sycamore Banquet Center.

3. In consideration for Sodexo's provision of the Sycamore Banquet Center services, Sodexo shall receive a "Management Fee" equal to ten percent (10%) of Operating Expenses describe in Subsections B.2.a, b and d; per Accounting Period (prorated for any partial Accounting Period).

4. Many of Sodexo's manufacturers, suppliers and distributors provide rebates, allowances, and other payments to Sodexo based on Sodexo's purchasing commitments, aggregate growth incentives and other factors. Prompt payment discounts and all rebates, allowances and other payments obtained from manufacturers, suppliers and distributors, shall be retained by Sodexo.

C. Facility Obligations. ISU shall be responsible to provide the Sycamore Banquet Center and equipment for the services, including but not limited to, fire extinguishing equipment. Client shall be responsible to provide at the Sycamore Center security service, telephone service (including installation and local telephone billings, broadband internet access, pest extermination and control, window cleaning (including power washing as necessary), new equipment, replacement of inoperable or worn equipment, refuse removal, painting and decorating. Client shall also be responsible for payment of real and property taxes on the Sycamore Banquet Center. Notwithstanding the foregoing, Sodexo shall pay electricity, gas, water and other utilities for the Sycamore Banquet Center. Furthermore, Sodexo shall provide and be responsible for event set up and cleaning the Sycamore Banquet Center, audio/visual set

up, and repair and maintenance of audio/visual equipment.

D. Sycamore Banquet Center Equipment. Sodexo and Client have inventoried ISU's Banquet Center equipment. Upon termination of this Agreement, Sodexo shall surrender such inventory of equipment to ISU.

E. Inventory of Supplies. Sodexo shall purchase the inventory of supplies, the Charges for which shall be Charged as Operating Expenses as provided in Section 8.8.B.2. Such inventory shall be owned by ISU.

F. Billing. No later than fifteen (15) days after the end of each Accounting Period, Sodexo shall submit to Client an invoice for Operating Expenses and Management Fee. Payment shall be due in accordance with Section 8.1."

12. The following paragraph is added to the end of Section 10.2, Compliance with Law:

"Sodexo shall process credit/debit card transactions on Client's premises using Sodexo provided technology systems and broadband internet connectivity. This connectivity is to be provisioned by Sodexo and this connectivity will exist independent of the Client's existing network infrastructure. Client will grant Sodexo and its contractors access to all necessary points of demarcation for the provisioning of broadband internet connectivity and provide Sodexo with physical cabling structure necessary to extend broadband internet connectivity to the credit/debit cardholder data environment and associated hardware. Should Client be unable or unwilling to provide such cabling, Sodexo will install necessary cabling components using a Sodexo contracted vendor and will grant Sodexo and its contractor access to all necessary demarcation points and data closets in order to complete installation. Sodexo will provide network security and management, and all associated hardware, for the credit/debit cardholder environment at Client's premises through Sodexo's third-party provider. Sodexo will adhere to and maintain its network and data security practices at Client's premises in compliance with PCI DSS (Payment Card Industry Data Security Standard (<http://www.pcisecuritystandards.org>))."

13. The following is added to Article X, General Terms and Conditions, as Section 10.14:

"10.14 Electronic Signatures. The parties agree that this Agreement, and subsequent Amendments, may be executed using electronic contracting technology using symbols or other data in digital form and agree that such electronic signature is the legal equivalent of a manual signature binding the parties to the terms and conditions stated herein."

14. Exhibit C is deleted in its entirety and the following substituted therefor:

"Exhibit C Intentionally Omitted"

15. Unless otherwise stated herein, this Amendment is effective July 1, 2016, and thereafter, unless amended. All other terms and conditions contained in the Agreement shall remain unchanged and in full force and effect, except by necessary implication.

IN WITNESS WHEREOF, the duly authorized officers of the parties have executed this

Amendment, as of the date indicated in the first paragraph of this Amendment.

INDIANA STATE UNIVERSITY BOARD OF TRUSTEES

By:  
Name (printed): Diann McKee  
Title: Senior Vice President of Finance

SODEXO SERVICES OF INDIANA LIMITED PARTNERSHIP  
By: SODEXO MANAGEMENT, INC., its General Partner

By:  
Amy R. Buratti  
Regional Vice President

### **3. YEAR-END CLOSING AUTHORIZATION**

The State Board of Accounts has advised that the Treasurer of Indiana State University obtain approval from the Board of Trustees to make various year-end closing entries. These entries normally consist of transfers, adjustments, and consolidations necessary to ensure the elimination of minor budgetary overdrafts, and the write-off of bad debt. The closing of the financial records is guided by GASB accounting and reporting standards and best business practices.

**Recommendation:** Authorization of the Treasurer or designee to make all necessary year-end closing entries and distributions.

#### **INFORMATIONAL ITEMS:**

- 1. 2017-18 Budget Plan**
- 2. 2017-19 Non-Binding Tuition Targets**