CONTRACT:  VENDING MACHINES - FOOD

VENDOR:  ASTRO VENDING OF LAREDO, INC.
1601 COMMERCE DR.
LAREDO, TEXAS 78041

Phone:  723-1807
         723-8418 - fax

Contact:  Ray Abdallah

Date of Bid:  September 12, 2000

Expires:  October 2, 2005

Term of Contract:  The lease contract resulting from this IFB shall be for a three (3) year period beginning on the date the contract is signed with the successful bidder. The University reserves the option to extend the agreement in one (1) year increments for a total potential period of five (5) years including the original contract of three (3) year term.
CONTRACT FOR VENDING MACHINE SERVICES
THE TEXAS A&M UNIVERSITY SYSTEM

1.00 Agreement: This agreement is made and entered into this 11th day of October, 2000 by and between Astro Vending of Laredo, Inc. referred to herein as "Vendor," and Texas A&M Inter. University, a Part of The Texas A&M University System, referred to herein as "Agency." In consideration of the benefits to be received by both parties, Vendor and Agency agree to the following provisions and endorsements, if any.

2.00 Installation: Vendor shall install and maintain vending machines to be located in such buildings and at such locations as designated by Agency in writing. Such designation, including number and location of machines on Agency's property, may be amended from time to time as Agency deems it necessary.

2.01 No machine may be installed until its location has been approved by Agency in writing. All machines shall be adequate in size, new or reasonably recent models so as to compare favorably in appearance and performance with the best machines available.

2.02 Subject to the provisions of section 6.02, all machines shall remain the property of Vendor, and Vendor shall not be required to maintain a machine at any place other than a location in which it is economically feasible. In order for Vendor to demonstrate to Agency that a location is economically unfeasible, it must document in writing those facts which support such conclusion to the reasonable satisfaction of Agency prior to removal of such machine.

2.03 All machines shall be installed by Vendor in conformity with all federal, state, and local building, health, and other applicable laws and regulations. All electrical services shall be supplied by Agency free of cost to Vendor, and electricity and water, if required, shall be supplied by Agency at no charge to Vendor.

3.00 Maintenance: Vendor shall have the right to enter upon the premises of Agency at all reasonable times for the purpose of servicing and inspecting the machines and for removal upon termination of this agreement.

3.01 Vendor shall service the machines so as to keep them in good working order and adequately supplied with the products dispensed.

3.02 All machines shall be checked each day that Agency is open for business in order to ensure that the machines are operational and supplied with products.

3.03 Vendor shall keep the machines and the area immediately adjacent thereto in neat and sanitary condition at all times.

3.04 Agency may require replacement of machines which have a history of malfunction. Vendor agrees that it will accomplish replacement or repair of its machines within fifteen (15) working days after receipt of notification from Agency.

4.00 Products to be Dispensed: The types of products to be dispensed by Vendor's machines and the prices for such products are listed on Attachment A, which is attached hereto and incorporated herein for all purposes. Such Attachment A may be amended from time to time upon written agreement of both parties hereto. No price may be altered without prior written approval by Agency.
4.01 All products supplied from Vendor's machines shall conform to all federal, state, and local laws and regulations pertaining to the adulteration or handling of such products and shall in all respects be fit for human consumption.

5.00 Insurance and Hold Harmless: Agency, its officers and employees, shall not be liable or responsible for, and shall be saved and held harmless by Vendor from and against any and all claims and damages of every kind, for injury to or death of any person or persons, and for damage or loss of property, arising out of or attributed, directly or indirectly, to the operations or performance of Vendor under this agreement.

5.01 Vendor shall maintain throughout the life of this agreement Workers Compensation, comprehensive general liability insurance, and comprehensive automobile liability insurance. Vendor shall provide certificates indicating that such insurance is in force and effect, and such certificates shall state that Agency shall be notified in the event of cancellation of coverage. Insurance shall be carried in the following amounts:

<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Minimum Liability</th>
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<tbody>
<tr>
<td>Workers Compensation</td>
<td>State Statutory Limits</td>
</tr>
<tr>
<td>Comprehensive General</td>
<td></td>
</tr>
<tr>
<td>Bodily Injury Liability</td>
<td>$250,000 each person</td>
</tr>
<tr>
<td>Property Damage Liability</td>
<td>$500,000 each occurrence</td>
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<tr>
<td>Comprehensive Automobile</td>
<td></td>
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<tr>
<td>Bodily Injury Liability</td>
<td>$250,000 each person</td>
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<td></td>
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</tbody>
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6.00 Payments and Performance: All payments by Vendor to Agency shall be made to Office of VP for Fin. & Adm. not later than the 20th day of the following month, and shall be accompanied by an itemized report of gross sales by commodity. Agency may designate an additional office to receive such report as it deems necessary. No more than 20 days after each occurrence of the anniversary date of this agreement, Vendor shall supply Agency with an annual sales tax report certified by a certified public accountant, as required by Section 2252.062, Texas Government Code.

6.01 Vendor shall be responsible for securing a performance bond and a financial statement prepared by a certified public accountant, as required by Section 2252.064, Texas Government Code.

6.02 Agency shall retain a lien on all machines provided under this agreement, pending payment of any amounts due to it from Vendor. Agency recognizes and acknowledges that prior liens against such machines may exist.

6.03 Vendor shall be solely responsible for making proper sales tax returns and payment to the State Comptroller of Public Accounts for any tax due on gross receipts from the machines. No part of Agency's commissions on gross receipts shall be reduced by payment of sales taxes.

6.04 Agency reserves the right to conduct reasonable audits or Vendor's operations at any time during the life of this agreement, including gross sales and shall have free and immediate access to all records of Vendor which relate to this agreement and its performance upon request.
6.05 Vendor shall be responsible for operating an effective refund procedure to ensure that prompt reimbursement to individuals who have put money into Vendor's machines and received no product thereafter. In addition to the necessary operating instructions, the Vendor shall provide at each vending location information as to where malfunction reports, product quality comments, and refund requests are to be made. Vendor is responsible for providing all forms required for refund and maintenance operations.

7.00 Force Majeure: If, due to riots, war, public emergency or calamity, fire, earthquake, Acts of God, government restriction, labor disturbance, strike, or boycott, business operations of Agency are interrupted or cease, performance of this contract, with the exception of money already due and owing, shall be suspended and excused to the extent such force majeure shall interfere with operations thereunder, and the expiration date of this contract shall be extended for a period of time equal to the time that such default in performance is excused.

8.00 Damage or Destruction of Machines by Third Parties: Agency agrees that it will take such reasonable measures as may be required to protect Vendor's machines against loss by pilferage or damage, and will reasonably assist in every way possible to apprehend individuals who commit acts of destruction, theft, or fraud involving such machines located on property under the control of Agency. Vendor is responsible for damage or loss to its equipment located on such property.

9.00 Term of Agreement: The term of this agreement shall be from October 13, 2000 through October 13, 2003.*

9.01 Agency shall notify Vendor in writing of any failure on Vendor's part to fulfill the terms and conditions of this agreement. Such notice shall specifically indicate the failure on Vendor's part. Upon receipt of such notice, Vendor shall have thirty (30) days in which to rectify such failure. In the event that Vendor does not do so to the reasonable satisfaction of Agency, this agreement shall terminate.

10.00 Paragraph Headings: The paragraph headings used herein are descriptive only and shall have no legal force and effect.

11.00 Severability: If any of the provisions of this agreement shall, for any reason be held in violation of law, and any portion of the agreement is held to be unenforceable, then the invalidity of such specific provision shall not be held to invalidate any other provision which shall remain in full force and effect.

12.00 Entire Agreement: This agreement shall represent the entire agreement of the parties and may not be changed except by written amendment duly executed by the parties.

13.00 A copy of this agreement and a description of the locations of Vendor's equipment shall be filed with the Purchasing and General Services Commission as required by the Appropriations Act.

VENDOR:

Astro Vending of Laredo, Inc.

By: [Signature]

Title: VP

AGENCY:

Texas A&M Inter. University

By: [Signature]

Title: VP for Fin. & Adm.

*Texas A&M International University reserves the option to extend the agreement in one (1) year increments for a total potential period of five (5) years including the original contract of three (3) years term per the terms and conditions of the bid.