

AMENDMENT TO BOOKSTORE OPERATING AGREEMENT

This First Amendment ("Amendment") is made as of June 1, 2018 between the BOARD OF TRUSTEES OF NAPA VALLEY COMMUNITY COLLEGE DISTRICT, a body corporate of the State of California, for Napa Valley Community College hereinafter referred to as "DISTRICT", and Barnes & Noble College Bookseller's LLC, hereinafter referred to as "CONTRACTOR".

WHEREAS, DISTRICT AND CONTRACTOR are parties to the Bookstore Operating Agreement ("Agreement"), dated August 27, 2013, which is set to expire on May 31, 2018; and

WHEREAS, the parties desire to renew the Agreement for an additional five (5) year term and amend the Agreement in certain respects more specifically set forth herein.

NOW, THEREFORE, intending to be legally bound, DISTRICT and CONTRACTOR agree, effective June 1, 2018:

1. Section 1 of the Agreement is amended by deleting the first sentence and inserting in its place the following:

"This Agreement shall govern the relationship between the DISTRICT and CONTRACTOR with regard to the operation of the Bookstore for the period June 1, 2018 through May 31, 2023."

2. Section 4 of the Agreement is amended by retitling the section as "Facility," adding the following language to the beginning of the section, and adding Exhibit A to the Agreement:

- a) CONTRACTOR shall have the right to use the Bookstore facilities as indicated in Exhibit A, attached hereto and incorporated by this reference ("Facility"). CONTRACTOR understands and agrees that the DISTRICT may relocate the Bookstore to a different facility at any time during this Agreement if the DISTRICT determines, in its sole discretion, that the current Facility needs repairs and/or renovation.

3. Subsection b) and i) under Section 5 of the Agreement is hereby amended by deleting them in their entirety and replacing them with the following:

b) DISTRICT shall not contract with any third party to provide any services of the type outlined in this Agreement whether on or off campus, through e-commerce sites, hyperlinks to alternate sources, or otherwise endorsed or supported by DISTRICT. DISTRICT acknowledges and agrees any attempt to circumvent CONTRACTOR by entering into any oral or written agreement or arrangement with a third party for such services and sources, or any materially reduced enrollment or elimination or modification by DISTRICT of significant programs or departments, could materially and detrimentally impact the revenue stream of this Agreement. In such event, the parties agree to discuss the renegotiation of the financial terms of the Agreement.

i) DISTRICT will provide a placement of an electronic link to the Bookstore's website on DISTRICT'S home page, registration system and within the DISTRICT'S learning management system ("LMS").

4. The following shall be added to the end of Section 5:

l) The Bookstore shall be DISTRICT's exclusive retail buyer and seller of all required, recommended or suggested course materials and supplies, including books delivered in all formats digital, rental, new or used, course packs, interactive or other courseware, computer software containing learning content, textbook rentals, open educational resources ("OER") available for purchase, and materials published or distributed electronically, through the LMS, sold over the Internet, or through hosted e-commerce links. CONTRACTOR will provide exclusive on-line

services through the Bookstore website including fulfillment of any distance learning material needs during the term of this Agreement.

m) In order to expand affordability to students, CONTRACTOR will work with DISTRICT if it opts to provide a "First Day" (inclusive access) program to its students. In such event, DISTRICT and CONTRACTOR shall work together to negotiate publishers' pricing of textbooks and course materials. CONTRACTOR will be responsible for the procurement of desired textbooks and course materials and will manage the First Day program on behalf of DISTRICT. Additionally, the parties acknowledge and agree (i) CONTRACTOR shall be the exclusive retail (e-commerce) entity permitted to either place a link on the LMS or accept sales directly from DISTRICT students and/or as part of a course fee through the LMS and (ii) DISTRICT shall prohibit all third parties, including but not limited to publishers and sellers of textbooks and course materials, from placing direct links within the LMS or soliciting sales directly from DISTRICT students and faculty through the LMS. Finally, in the event any such third parties place a link on the LMS permitting direct sales of textbooks or course materials to DISTRICT students, DISTRICT shall remove and disable such links and retail functionality.

5. Section 9 of the Agreement is amended by deleting such section in its entirety and replacing it with the following:

"On an annualized basis, CONTRACTOR will pay DISTRICT the following applicable percentage of gross sales at the Bookstore:

9.5% of gross sales up to \$1,200,000
12.0% of all gross sales over \$1,200,000

"Gross Sales" is defined as all collected in-store and online/website sales and CONTRACTOR-owned textbook rentals at the Bookstore, including the amounts earned from (i) processing transactions for publishers related to the consignment of their rental property and (ii) CONTRACTOR's marketing programs and relationships with its brand partners, less voids, refunds, sales tax, handling fees associated with non-return of rental textbooks, campus debit card fees, contractually discounted sales (such as discounted department and faculty/staff sales), pass-through income, merchandise sales at less than a 20% initial gross margin, Gross Sales of First Day and eTextbooks, and other merchandise mutually designated as non-commissionable.

"Gross Sales of First Day and eTextbooks" is defined as all collected in-store, online/website sales, and sales of (i) eTextbooks and (ii) course materials within the LMS through the First Day model less voids, refunds, sales tax, and handling fees associated with non-return of rental textbooks.

If annual Gross Sales shall materially decrease as a result of legislation, conflicting or other campus agreements, material changes in DISTRICT's policy or the business model of the industry (such as digital books or direct publisher sales), removal by DISTRICT of significant programs or departments, declining enrollment at DISTRICT (defined as decreased full- and part-time student enrollment of five percent (5%) or more over the prior year), or other reasons outside the reasonable control of CONTRACTOR, DISTRICT agrees to negotiate in good faith with CONTRACTOR on an appropriate reduction or other change to the Percentage of Sales.

The applicable percentage of Gross Sales shall be made monthly by CONTRACTOR to DISTRICT and shall be paid within thirty (30) days after the close of the month in which they were earned. The final payment for any year shall be made within thirty (30) days after the end of the applicable contract year. Included with the payment should be a full report of the Bookstore's monthly sales and gross revenue for the preceding period. CONTRACTOR will maintain records on the premises of the Bookstore so that DISTRICT may determine the accuracy of the reports and provide other reporting - ad hoc at the request of the DISTRICT representatives.

6. Section 20 of the Agreement is amended by adding the following :

CONTRACTOR will work with the DISTRICT to implement CONTRACTOR's Campus Connect Technologies, including but not limited to registrations, student financial aid, LMS and FacultyEnlight integrations, and enrollment feeds.

7. The following shall be added to the Agreement as Section 64) Repurchase of Inventory:

64) Repurchase of Inventory

DISTRICT shall repurchase, or require a successor contractor to purchase, CONTRACTOR's inventory at cost in the event of cancellation of this Agreement, in the same manner as purchased by CONTRACTOR.

In the event of cancellation of this Agreement, DISTRICT shall purchase, or require a successor contractor to purchase, CONTRACTOR's rental inventory outstanding at the time of the transition, at the buyback value (50% of the retail price).

In the event of termination of this Agreement for any reason, DISTRICT shall provide (1) a secure space in or near the Bookstore during the last two weeks of the then-current term or semester to allow CONTRACTOR to collect from students outstanding textbooks on consignment owned by the publishers and (2) reasonable support related to such returns, including but not limited to communications to students.

Should DISTRICT change logo or contracted athletic apparel provider/licensee, DISTRICT will either give CONTRACTOR six months written notice or will allow CONTRACTOR to automatically deduct from commissions due the cost of unsold emblematic merchandise.

Except as specifically amended hereby, the Agreement shall continue in full force and effect in all respects.

IN WITNESS WHEREOF, DISTRICT AND CONTRACTOR have caused this amendment to be executed by their authorized officers as of the date first written above.

NAPA VALLEY COMMUNITY COLLEGE

**BARNES & NOBLE COLLEGE
BOOKSELLER'S LLC**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____