

Bookstore Management Services Agreement

THIS AGREEMENT, made this 23rd day of January 2004, is by and between **THE UNIVERSITY OF SOUTH FLORIDA BOARD OF TRUSTEES**, a public body corporate ("USF") and **BARNES & NOBLE COLLEGE BOOKSTORES, INC.**, a New York corporation, having its principal place of business at 33 East 17th Street, New York, NY ("Barnes & Noble").

WITNESSETH THAT:

1. Engagement of Barnes & Noble:

USF hereby engages Barnes & Noble College Bookstores, Inc. ("Barnes & Noble") to operate and provide services for the bookstore of USF on its campus in Tampa, Florida (the "Bookstore") on the terms and subject to the conditions set forth herein, and Barnes & Noble hereby accepts such engagement.

All documents submitted as part of Barnes & Noble's offer, including: (i) Presentation made by Barnes & Noble to the University on May 29, 2003 (Exhibit A), (ii) Clarification Questions to RFP 3-25-J and Barnes & Noble Proposal (Exhibit B), (iii) Barnes & Noble's Proposal to RFP 3-25-J, and (iv) RFP 3-25-J (including Addendum No. 1 and Addendum No. 2), are incorporated herein by reference. In the event of inconsistency between such documents and the provisions of this Agreement, the provisions of this Agreement will govern with the priority of governance as outlined above. This Agreement and such documents embody the entire agreement of the parties, and there are no other representations, promises, agreements, conditions or understandings, either oral or written, between University and Barnes & Noble other than as set forth herein.

During the terms of this Agreement, Barnes & Noble will honor all contracts relating to the subject matter of this Agreement of the University (including, but not limited to, snack, beverage and food service agreements). The effective date of this Agreement is July 14, 2003 (the "Effective Date").

This Agreement is designed to comply with Internal Revenue Service, Revenue Procedure 97-13 and such terms, exhibits and amendments shall be interpreted consistent therewith. USF and Barnes & Noble herein agree to amend the Agreement in accordance with this provision.

2. Term, Amendment and Notices:

The initial term of this Agreement shall be for a period of five (5) years commencing July 14, 2003 and ending June 30, 2008 (the "Initial Term").

After the Initial Term, this agreement shall automatically renew for a second five-year period commencing July 1, 2008 and ending June 30, 2013 (the "Second Term"), unless either party notifies the other within 90 days of the expiration date of the Initial Term.

After the Second Term, this agreement shall automatically renew for a third five-year period commencing July 1, 2013 and ending June 30, 2018 (the "Third Term"), unless either party notifies the other within 90 days of the expiration date of the Second Term.

No change, modification or amendment of this Agreement shall be valid unless the same shall be in writing and signed by both parties hereto. Notices required to be provided under this Agreement shall be in writing (or hand delivery) and shall be deemed to have been duly given if mailed first class or FAXED or hand delivered to the designated individual or to the designated campus representative as follows:

To Barnes & Noble:
Barnes & Noble College Bookstores, Inc.
33 East 17th Street, New York, NY 10003
ATTN: William Maloney, Executive Vice-President
cc: Vice President Campus Relations at FAX: 703-993-3877

To USF:
University of South Florida
Purchasing and Financial Services
4202 E. Fowler Ave., ADM147
Tampa, Fl 33620-5360
ATTN: Associate Director;
cc: Director of Auxiliary Services at FAX: 813 974-5067

Notice shall be deemed given five (5) days after sent via U.S. Mail or upon receipt of facsimile or hand-delivery, which ever is earlier.

3. USF Shall Provide to Barnes & Noble at USF's Expense:

- a) Heat, light, utilities, and air-conditioning as is reasonably required for operation of the Bookstore.
- b) Office equipment (including computer equipment, cash registers and safes), furniture and fixtures, file cabinets, and office machines (including AS400) currently available for Bookstore use.
- c) All repairs and maintenance for the building and the physical structure in which the Bookstore is located.
- d) Trash removal and extermination services for the Bookstore.
- e) Any processing/handling/maintenance fees on behalf of the USF for debit or credit card or other financial services made available by USF to its students.
- f) Vehicles and golf carts currently available for Bookstore use.

4. Environmental Matters:

To the best of its knowledge, USF is not aware of any health or environmental condition which exists at the Effective Date or is likely to develop in the building or physical facility which houses the Bookstore. USF shall be responsible for remedying promptly any health or environmental problem at the Bookstore, other than those caused by Barnes & Noble, and

notifying Barnes & Noble accordingly. Barnes & Noble shall be responsible for promptly notifying USF of any such condition.

5. Barnes & Noble Shall Provide to USF at Barnes & Noble's Expense:

All operating expenses of the Bookstore other than those described in Section 3 above, including those related to:

- a) Employees, including payroll and payroll system costs, and employee benefits.
- b) Bill paying and accounting, including sales tax collection, reporting and payment for merchandise sold, except any property or municipal taxes on the bookstore.
- c) Office equipment, vehicles, and golf cart maintenance and repair.
- d) General custodial services.
- e) Loss prevention services.
- f) Telephone equipment, service, and long distance telephone services, through USF Telecommunications.
- g) All drivers of vehicles and carts shall have a valid and current Florida Drivers License and provide proof of a good driving record for the previous five (5) years in all jurisdictions.

6. Insurance:

Barnes & Noble shall procure at its own expense, and maintain during the existence of this Agreement, the following policies of insurance in connection with the operation of the Bookstore:

- a) Worker's Compensation and Employer's Liability Insurance and such other insurance as may be required under Florida or any applicable state statutes.
- b) Comprehensive General Liability Insurance subject to at least \$5,000,000 limits.
- c) Property Damage Liability Insurance in the amount of at least \$1,000,000.
- d) Motor Vehicle Liability Insurance with limits of at least \$500,000 per person, \$1,000,000 per occurrence, and \$50,000 property damage.

At the request of USF upon execution hereof, Barnes & Noble shall obtain and deliver to USF certificates evidencing such insurance from its insurers.

Barnes & Noble's insurance policies for the Bookstore shall name the University of South Florida and the Board of Trustees as an additional insured and loss payee, but only with respect to liability arising out of operations performed for such insured by or on behalf of the name insured, and shall contain covenants requiring thirty (30) days written notice to USF before cancellation of such coverage. These policies shall be primary and noncontributing with any insurance carried by USF.

7. Indemnification:

Barnes & Noble shall indemnify, save, and hold harmless USF from any and all liability and/or claims which may arise in connection with the operation of the Bookstore facilities specified herein and sales of products or performance of any service under this contract or injuries or

death caused by Barnes & Noble vehicles on the Bookstore premises, except for claims caused by USF or any of its employees, agents or representatives, for which USF shall save Barnes & Noble harmless.

8. Compliance with all Laws:

Barnes & Noble shall comply with all laws, ordinances, rules, orders, and regulations of federal, state and municipal governments, including any and all of their departments, divisions, bureaus, and subdivisions, and applicable USF rules, policies, and procedures pertinent to the operation of the Bookstore.

9. Management and Staff:

Barnes & Noble shall staff the Bookstore with experienced and qualified managerial and clerical personnel. During peak “rush” periods, Barnes & Noble shall utilize sufficient additional employees at the Bookstore to avoid unnecessary lines and to expedite making educational materials available to students.

- a) Bookstore personnel shall continue service only so long as their work and personal behavior are acceptable to USF and Barnes & Noble. Barnes & Noble will comply with written requests by USF to remove or reassign store personnel for good cause. Barnes & Noble will not discriminate against any employee or applicant because of race, sex, color, religion, national origin, age, disability, or veteran status. Such action shall be taken with reference, but not limited to recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff or termination, rates of pay or other forms of compensation and selection for training. All solicitation or advertisements for employees placed by or on behalf of Barnes & Noble will state that all qualified applicants will be afforded equal employment opportunities without discrimination.
- b) All Bookstore staff presently working for USF will be given first consideration for employment with Barnes & Noble at the Bookstore.
- c) Assignment of management personnel must be approved in writing by USF and no changes in management personnel will be made without prior consultation and the written consent of USF. Management personnel are defined as the general manager of the Bookstore, and associate or assistant manager, and department managers. USF may also be consulted and advised prior to changing management personnel at lower levels. USF reserves the right to review and reject any person who it deems for any reason unsatisfactory in training, experience or performance and to participate in the annual employee review and evaluation of the general manager of the Bookstore.
- d) Barnes & Noble will reimburse USF for wages and benefits paid to all full-time Bookstore employees who remain on the university payroll for the period of July 14, 2003 through September 15, 2003. During this period, said employees will operate under the rules and regulations of university employees. At the conclusion of this period, those hired will participate in the Barnes & Noble benefits package. Barnes & Noble guarantees an additional 60 days of employment to meet the proposed 120-day grace period. Termination must be for just cause during this time period. Reimbursement payments to USF must be completed by October 15, 2003.

- e) Should USF and Barnes & Noble mutually agree upon extending university employees beyond the initial 60 day period (July 14, 2003-September 15, 2003), Barnes & Noble agrees to reimburse USF for wages and benefits paid to such employees until the completion of university service or by November 10, 2003, whichever comes first. Reimbursement payments must be made on a monthly basis within 30 days of each subsequent month.

10. Staff Relations, Wages, and Benefits:

Barnes & Noble shall be responsible for the wages and benefits of all of its employees at the Bookstore. Barnes & Noble has the right to set its own wages and benefits. Barnes & Noble will employ students of USF at the Bookstore whenever reasonably possible.

11. Calendar of Operating Hours:

Barnes & Noble shall maintain a schedule of operating hours and weeks of business for the Bookstore in accordance with the official USF calendar and in mutual agreement with USF in meeting the needs of the students, faculty and staff. Bookstore hours will be extended during each registration period, during the first two weeks of the fall and spring semesters, and the first week of each summer session.

12. Book Orders and Deadlines:

Barnes & Noble shall fill orders for books and required supply items from term to term in accordance with textbook and supply adoptions by the faculty. The Bookstore manager shall be given notice by the faculty or authorized department designees of the textbook and supply adoptions for all courses offered as follows:

- a) On or before October 1 for the spring semester.
- b) On or before March 1 for the summer sessions.
- c) On or before April 1 for the fall semester.

Barnes & Noble shall be responsible, at its cost and expense, for contacting in a timely manner all faculty members for their textbook and supply adoptions. USF shall not be responsible for compiling, nor shall it maintain, a list of such adoptions.

13. Booklist:

In the course of providing the services contracted for in this Agreement, Barnes & Noble shall collect certain information from the faculty on its Course Book Information forms and create a computer database containing, among other things, course book information. These forms and the database are Barnes & Noble's proprietary information, created at substantial cost and expense to Barnes & Noble and used in connection with its business, the retail sale of textbooks.

Barnes & Noble agrees to accept public records requests for textbook information and provide copies of such information that is subject to Public Records rules, statutes, regulations, and

other applicable law. Barnes & Noble will charge the allowable fee, set by Florida State Law, for each adoption copy provided.

Subject to the “exclusive campus bookseller provision” set forth above, nothing set forth in this paragraph shall be construed to limit in any manner the right of any other off-campus vendor to use its own course book information form to obtain this information from the faculty.

14. Services To Be Provided by Barnes & Noble:

Barnes & Noble shall operate the Bookstore as an independent contractor and with its own credit and preferred vendors, with the facility and equipment agreed upon. Services of the Bookstore shall include, but not be limited to the following:

- a) The Bookstore shall be USF’s exclusive buyer and seller of all required, recommended or suggested course materials and tools, including books, course packs, computer software, and materials published or distributed electronically, or sold over the Internet. As used in this Agreement, “Internet” includes the World Wide Web and any proprietary on-line service (e.g., America On Line). Barnes & Noble will provide exclusive on-line services through our web site and have first right of refusal to fulfill any distance learning material needs during the term of this Agreement.
- b) The Bookstore shall be designated the exclusive agent to accept all debit card and financial aid transactions for Bookstore merchandise typically sold in college bookstores. Payments for financial aid sales will be guaranteed by USF and are payable within 40 days.
- c) The Bookstore shall also be USF’s exclusive “on-campus” and Internet seller of other items typically sold in college bookstores, such as books in addition to those described in (a) above, educational supplies, notebooks, stationery, desk and room accessories, gift items, class and alumni rings and jewelry, and clothing, including any and all such items bearing a USF emblem, logo, insignia or other identifying mark.
- d) USF shall not contract with any third party to provide any services of the type outlined in this Agreement on campus grounds or any area within a ten-block radius of the campus grounds.
- e) The Bookstore shall be the exclusive agent for the rental and/or sale of graduation caps and gowns.
- f) The Bookstore shall have exclusive rights to manage all service programs customarily handled by college bookstores such as magazine subscription, telecommunication and credit card application programs. All such programs must be approved by USF.
- g) The Bookstore shall also have a non-exclusive right to sell convenience store items such as food, health and beauty items, and other sundries with approval by USF.
- h) Barnes & Noble will provide exclusive custom publishing services for USF. Such services will include the development of course packs for faculty members, securing the appropriate copyright clearances, printing and binding of course packs and distribution and sale of the course packs in the Bookstore. Complimentary desk copies of course packs will be provided to faculty members.
- i) Barnes & Noble shall provide special book order services for students, faculty, and staff and make every effort to obtain the earliest possible delivery of such books.

- j) Barnes & Noble shall provide charge sales for supplies for USF departments and offices via Visa Purchase Card or university purchase orders. Payments for such charge sales shall be guaranteed by USF and payable within 40 days.
- k) Upon approval by USF, Barnes & Noble will allow full-time faculty and staff of USF a 10% discount on all merchandise available at the Bookstore except adopted textbooks, special orders, sale books, class and alumni rings, computer software, periodicals, discounted merchandise, computer hardware, stamps, health and beauty aids, food snacks, and beverages.
- l) If USF accepts advertising for any of its materials or publications that it distributes or makes available to its students, including without limitation any course offering list, or if USF permits tabling or other third-party promotional activities at any event sponsored by USF or located on the USF campus, USF agrees that:
 - (a) it shall give the Bookstore reasonable advance notice of the deadline for placing such advertising or participating in such tabling or other promotional activities
 - (b) the Bookstore shall have the right to place its desired advertising in such materials and to participate in such tabling or other promotional activities; and
 - (c) USF shall not permit tabling or other promotional activities at any of such events by any seller of college textbooks and/or course supplies other than the Bookstore.

15. Used Book Purchase and Resale:

Barnes and Noble shall buy books from USF faculty, staff and students at the following prices:

- a) When the Bookstore has been notified that the book will be used at USF the following semester: 50% of the selling price (provided the book is a good used copy) until the Bookstore has filled its quota.
- b) In the absence of such notification, or if the book will not be used for the following semester, or is to be replaced shortly by a revised edition according to an announcement of the publisher, at the wholesale price as listed in the MBS Buying Guide or other applicable buying guide.
- c) Used books in good condition will be sold by Barnes & Noble at 25% less than the new selling price.

16. Policy Posting:

Barnes & Noble shall post conspicuously and without equivocation Bookstore policies concerning refunds, buybacks, and exchanges.

17. Purchase of Inventory:

Barnes & Noble will purchase from USF all saleable USF Bookstore inventory existing at the Effective Date of this Agreement, in accordance with the following:

- a) New Textbooks
 - 1. All new textbooks (in quantities not exceeding normal course requirements) formally adopted for the following term and on hand at the time of inventory will be purchased by Barnes & Noble at USF's cost.

2. All excess textbooks not accepted for return will be purchased by Barnes & Noble at the current wholesale price.
 3. In determining overstock for adopted textbooks, new texts will take preference over used. For example, if the adoption for the following term calls for 40 texts and the Bookstore has 30 used texts on hand and 15 new texts on hand, then five of the used texts would be considered overstock.
- b) Used Textbooks
1. At the time of inventory, all used textbooks on hand that are formally adopted for the following term (in quantities not exceeding normal course requirements) will be purchased at USF's cost.
 2. All excess adopted used textbooks will be purchased by Barnes & Noble at the current wholesale price.
- c) Trade, Paperback, Technical, and Reference Books
1. All trade, paperback, technical and reference books in clean and saleable condition, less than 6 months old, will be purchased by Barnes & Noble at USF's cost.
 2. Books not in clean and saleable condition will be set aside and purchased by Barnes & Noble at a mutually agreeable price.
- d) School Supplies and General Merchandise
This category includes all items not previously mentioned, including art, office and general supplies, stationery and greeting cards, etc.
1. All of the above supplies and merchandise in clean and saleable condition, up to a 6-month supply, will be purchased by Barnes & Noble at USF's cost.
 2. Items not in clean and saleable condition will be set aside and purchased by Barnes & Noble at a mutually agreeable price.
- e) Payment for Inventory
Barnes & Noble will pay USF for all inventories within 30 days after the execution of this management Agreement.

18. Repurchase of Inventory:

USF, any successor or assign of USF shall repurchase Barnes & Noble's inventory at cost in the event of cancellation of this Agreement, in the same manner as set forth in Paragraph 17.

19. Sales Markup Basis:

Barnes & Noble represents that the sale markup basis at the Bookstore will be as follows:

- a) New textbooks will be sold at no greater than (i) the publisher's list price or (ii) a 25% gross margin on net priced books, inclusive of restocking fees, return penalties and freight surcharges. Net priced books are defined as books purchased from publishers that do not have a publisher's suggested list price or when the publisher's discount to the bookstore is less than 20%.
- b) Used textbooks will be sold at 25% less than the new selling price.
- c) Course packs and textbooks purchased from publishers with restrictive or non-returnable text policies will be priced at up to a 30% gross margin.
- d) School supplies will be priced at or below manufacturers' suggested retail prices.

Barnes & Noble shall, upon request, provide proof of conformity to pricing policies as specified herein. Any changes in pricing for these and any other products in the Bookstore are subject to approval by USF.

20. Management Fees:

- a) Each Contract Year, USF shall pay to Barnes & Noble fees for its management services pursuant to this Agreement consisting of (i) a Fixed Fee, and (ii) a Variable Fee, both as set forth in Schedule I hereto. In no event, however, shall the Variable Fee for any Contract Year exceed an amount equal to the Fixed Fee for such period.
- b) "Gross Sales" means all sales at the Bookstore less voids, refunds, sales tax, discounted departmental sales, discounted faculty/staff sales, pass-through income, other merchandise mutually designated as non-commissionable, and any uncollected sales.
- c) At the end of each business day, Barnes & Noble, as agent for USF, shall deposit in a bank account (the "Account") the aggregate amount of non-credit card Gross Sales collected for that day from operation of the Bookstore. Such Account shall be established, accessed, and maintained by Barnes & Noble on behalf of USF. On a regular basis, all funds on deposit in the Account shall be paid to Barnes & Noble on account of all Fixed Fees and Variable Fees. For purposes of this Agreement, the Fixed Fee shall accrue on a daily basis (i.e., the Fixed Fee for a given Contract Year divided by the number of days in such Contract Year shall accrue each day of such Contract Year) and the Variable Fee shall accrue daily based on the actual cumulative Gross Sales to date for the Contract Year and the formula described in Schedule 1. On or before the 30th day after the close of the last day of the months of June, September, December and March of each Contract year or, if this Agreement shall terminate, the last day of the month in which such termination occurs (each such last day a "Quarter End Date"), Barnes & Noble shall provide to USF a report of total Gross Sales, adjustments to Gross Sales, Account deposits and payments of management fees. On or before the 30th day after the close of each Quarter end date, the remaining amount of the Fixed Fee, if any, and the Variable Fee, if any, shall be paid to Barnes & Noble from the Account, and all amounts due USF shall be paid to USF.

In any contract period that is less than a complete year, the payments shall be based on the percentage of gross sales at the Bookstore.

During any period of major construction when the Bookstore is meaningfully disrupted by construction, Barnes & Noble will pay the school according to the percentage formula only.

21. Sales Representations:

USF has represented to Barnes & Noble in RFP 3-25-J sales figures for the Bookstore for the previous five years, net of all refunds, voids, and sales tax. These sales include sales in all locations for which Barnes & Noble will assume operations. Since the Barnes & Noble financial offer is based on this figure and maintaining the existing business and programs, Barnes & Noble would expect to renegotiate its financial offer if the reported sales are found to be in error or materially inaccurate or if they are negatively impacted by a change in USF's policy.

22. Payment Schedule:

Applicable payments as set forth above hereof shall be made monthly by Barnes & Noble to USF 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, and will include any adjustments required by the percentage of gross sales formula set forth above.

Each payment shall be accompanied by a detailed statement of its computation and Barnes & Noble shall furnish supporting documentation to USF upon request.

23. University Discretionary Fund:

Barnes & Noble will make a one-time payment of \$500,000, inclusive of applicable sales tax, to be used at the discretion of USF. Such payment is due within 60 days after the execution of this Agreement. In addition, Barnes & Noble will contribute \$750,000, inclusive of applicable sales tax, to USF provided that all four campuses (Tampa Campus Bookstore, Health Sciences Center Bookstore, St. Petersburg Campus Bookstore, and Sarasota/Manatee/New College Campus Bookstore) are managed by Barnes & Noble on July 1, 2008. If applicable, such payment will be made within 60 days of the five-year anniversary of this Agreement.

24. Scholarships and Donations:

Barnes & Noble will donate to USF \$10,000, inclusive of applicable sales tax, for annual textbook scholarships to be awarded at the discretion of USF. Barnes & Noble will also donate \$5,000, inclusive of applicable sales tax, annually to support faculty programs. Barnes & Noble will, by state statute, pay any applicable taxes due on the value scholarships or donations due to the University. The University will be responsible for remitting such payment, by Barnes & Noble for this tax to the Department of Revenue of the State of Florida. Remittance of applicable taxes shall be based upon the payment of scholarships or donations for each quarter reporting period and shall be due to the University by October 31, January 31, April 30, and July 31 of each year beginning on October 31, 2003.

25. Renovations:

Subject to approval in writing of all plans and specifications by USF, Barnes & Noble will spend up to \$785,000 ("Expenditure") to design, construct, equip, and install fixtures in the Bookstore. Barnes & Noble will depreciate this investment on a straight-line basis over a ten-year period. The following terms are proposed to comply with Internal Revenue Procedure 97-13.

- a) Barnes & Noble has agreed to make a capital investment in the facility and equipment in an amount up to \$785,000, inclusive of applicable sales tax. USF agrees to reimburse Barnes & Noble's investment as follows:
 1. Barnes & Noble's investment shall be reimbursed over a period of ten (10) years, payable in equal monthly installments commencing July 1, 2003.

2. Of the compensation paid to Barnes & Noble during the term of the Agreement, an amount equal to the reimbursement payments pursuant to the above shall be attributable to such compensation.
- b) Notwithstanding the foregoing, USF shall have the right, in its discretion, to prepay, in whole or part, any reimbursement amounts due hereunder, without penalty.
- c) The reimbursement obligation hereunder shall survive the termination of this Agreement by USF, and shall remain in full force and effect until reimbursement in full of Barnes & Noble's investment pursuant to (a) or (b) above.

On July 31 of each year (beginning on July 31, 2004) or at such other time upon request of the University, Barnes & Noble shall furnish the University with a statement of the amortized and undepreciated balance of the Expenditure. Barnes & Noble will, by state statute, pay any applicable taxes due on the Expenditure due to the University. The University will be responsible for remitting such payment, by Barnes & Noble for this tax to the Department of Revenue of the State of Florida. Remittance of applicable taxes shall be based upon the amortization schedule and funds spent and shall be due on July 31 of each year beginning on July 31, 2004.

Barnes & Noble shall be required to repair and restore any structural damage or destruction to the Bookstore premises, caused by their negligence, to the condition such premises were in prior to the damage or destruction.

26. Final Approval of Renovations:

In order to provide the best possible service for USF's students, faculty and other customers, final approval and necessary alterations of any bookstore plans, construction, and alterations will be mutually agreed upon by both parties hereto in order to ensure they meet with Barnes & Noble's minimum operational and retailing standards.

27. Use of Logo and Trademarks:

All marketing brochures, poster/flyers, advertisements, regardless of media used, using USF's name or registered trademarks, must have prior written approval by USF. Barnes & Noble agrees to follow all licensing procedures established by USF in using names, logos and trademarks on merchandise for resale in the Bookstore.

28. Access to Accounting Records and Cash Registers:

USF shall have full access at all times to the Bookstore accounting records, including all cash registers at the Bookstore being used by Barnes & Noble, with or without notice. Cash register control totals will be used to verify the cash sales reported. In addition, all registers shall have:

- a) Cumulative, non-resettable counters of either the total reset-clearings or the total cumulative activity.

- b) Receipt and detail tape provisions.
- c) Display window for customer viewing.

29. Benefit and Binding Effect:

This Agreement shall be binding upon and shall inure to the benefit of USF and Barnes & Noble and their successors and assigns.

30. Headings; Interpretation:

The headings used in this Agreement are for convenience only and do not constitute substantive matter to be considered in construing its terms. The use in this Agreement of the terms “include”, “includes”, “including”, and “such as” shall be deemed in all cases to be followed by the words “without limitation”.

31. Safeguard Customer Information:

Barnes & Noble agrees to safeguard all student and financial information (including addresses, phone numbers, bank and credit card account numbers, income and credit histories and social security numbers) in compliance with the Gramm Leach Bliley Act requirements. Use of such information is restricted to the specific bookstore activity (i.e., financial aid payment for books and supplies) and may not be used for any other purpose. Barnes & Noble shall provide regular reports of compliance, if requested, indicating how the data is safeguarded and documentation of proper disposal of data.

32. Severability:

The presence in the text of this Agreement of any clause, sentence, provision, paragraph or article held to be invalid, illegal or ineffective by a court of competent jurisdiction shall not impair, invalidate or nullify the remainder of this Agreement. The effect of any such holding shall be confined to the portion so held invalid.

33. Performance and Payment Bond:

In lieu of a security bond as requested in RFP 3-25-J, Barnes & Noble agrees to provide a payment of \$2,000, inclusive of applicable sales tax, for each year of this Agreement, and each subsequent renewal year, to be used at USF’s discretion for scholarships. USF will make every effort to assign such scholarships in recognition of Barnes & Noble. Barnes & Noble will, by state statute, pay any applicable taxes due on the value of scholarships due to the University. The University will be responsible for remitting such payment, by Barnes & Noble for this tax to the Department of Revenue of the State of Florida. Remittance of applicable taxes shall be based upon the payment of scholarships or donations for each quarter reporting period and shall be due to the University by October 31, January 31, April 30, and July 31 of each year beginning on October 31, 2003.

34. Termination:

If at any time during the term of this Agreement, either party considers terminating the Agreement, such party shall give the other party written notice that it is considering such action, which notice shall set forth with sufficient specificity such party's reasons for contemplating termination. During the following thirty (30) day period the parties shall discuss, in good faith, the party's reasons for considering termination in an effort to avoid the need for such action. Following the thirty (30) day discussion period, the party considering termination, if not fully satisfied, may elect to terminate the Agreement by giving the other party sixty (60) days' written notice of its intention to terminate; provided, however, Barnes & Noble may not terminate this Agreement at a time other than between academic sessions. Furthermore, neither party may give notice of its intention to terminate during the first one hundred twenty (120) days of operation under this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands as at the day and year written below.

University of South Florida

Barnes & Noble College Bookstores, Inc.

By: signed Carl P. Carlucci

By: signed William Maloney

Name: Carl P. Carlucci

Name: William Maloney

Title: Executive Vice President &
Chief Financial Officer

Title: Executive Vice President

Date: January 20, 2004

Date: January 23, 2004

Schedule 1

During each of the Contract Years of the Initial Term and Second Term of this Agreement, the Fixed Fee and the Variable Amount shall be as follows:

	Fixed Fee	Variable Amount
Contract Year 7/14/03 – 6/30/04	\$8,851,050	\$9,945,000
Contract Year 7/01/04 – 6/30/05	\$9,479,034	\$10,650,600
Contract Year 7/01/05 – 6/30/06	\$10,150,272	\$11,404,800
Contract Year 7/01/06 – 6/30/07	\$10,792,674	\$12,126,600
Contract Year 7/01/07 – 6/30/08	\$11,469,519	\$12,887,100
Contract Year 7/01/08 – 6/30/09	\$12,138,304	\$13,645,800
Contract Year 7/01/09 – 6/30/10	\$12,841,600	\$14,445,000
Contract Year 7/01/10 – 6/30/11	\$13,461,022	\$15,150,600
Contract Year 7/01/11 – 6/30/12	\$14,102,299	\$15,887,700
Contract Year 7/01/12 – 6/30/13	\$14,762,368	\$16,646,400

The Variable Fee in each contract year shall equal the sum of (i) 89% of the excess of Gross Sales for such Contract Year (but not to exceed \$13,000,000) over the Variable Amount for such Contract Year, (ii) 88% of all Gross Sales in excess of \$13,000,000 (but not to exceed \$15,000,000) for such Contract Year, and (iii) 87% of all Gross Sales over \$15,000,000 for such Contract Year.

The Fixed Fee and the Variable Amount for the Third Term shall be set before the expiration date of the Second Term and shall be prepared in a manner similar to that used for the Initial Term and Second Term of this Agreement.

AMENDMENT NO. 1

Bookstore Management Services Agreement-Tampa Campus

This Amendment is entered this 1 day of July 2010 by and between THE UNIVERSITY OF SOUTH FLORIDA BOARD OF TRUSTEES, a public body corporate, ("USF") and BARNES & NOBLE COLLEGE BOOKSTORES, INC., a New York corporation, having its principal place of business at 120 Mountain View Boulevard, Basking Ridge, NJ ("Barnes & Noble").

WITNESSETH

WHEREAS the parties have previously entered into a Bookstore Management Services Agreement dated July 14, 2003 ("Original Agreement"), and

WHEREAS, USF and Barnes & Noble agree to the following amendments to the Original Agreement, such amendments to be effective for the period from July 1, 2010 through June 30, 2013 (the "Second Term"), followed by a third five-year period commencing July 1, 2013 through June 30, 2018 (the "Third Term").

NOWHEREFORE, This Amendment amends and supplements the Original Agreement under the following terms and conditions:

1. Paragraph 14, "Services To Be Provided by Barnes & Noble", shall be amended to add Subparagraph m:
 - a. "m) Barnes & Noble College Booksellers shall institute a textbook rental program beginning with the fall semester 2010. Barnes & Noble shall work with USF to determine the number of textbooks to be made available for rental. At the end of the first year, all parties agree to review the results of the textbook program and the fee schedule (as well as changes in the business model or the industry, such as digital books, textbook rentals, sales directly from the publisher, or other factors) as defined below under Paragraph 3a of this amendment, and upon mutual agreement, renew the program annually.
2. Paragraph 20, "Management Fees," shall be deleted in its entirety, and in its place shall be inserted the following:
 - a. "a) During each 12-month period commencing on July 1 and ending the following June 30 (a "Contract Year") Barnes & Noble shall receive fees for its management services pursuant to this agreement consisting of a Fixed Fee and a Variable Fee. During each Contract Year of this Agreement, the Fixed Fee and the Variable Fee shall be as follows: the Fixed Fee shall be \$10,926,000. The Variable Fee in each Contract Year shall equal the sum of the following: (i) 89% of the excess, if any, of all Gross Sales for such Contract Year (but not to exceed \$13,000,000) over \$12,276,000, (ii) 88% of the excess, if any, of all Gross Sales for such Contract Year

(but not to exceed \$15,000,000) in excess of \$13,000,000, (iii) 87% of all Gross Sales for such Contract Year in excess of \$15,000,000, and (iv) 92% of all Gross Textbook Rentals. In no event, however, shall the Variable Fee for any Contract Year exceed an amount equal to the Fixed Fee for such Contract Year.”

- b. “b) Gross Sales shall be defined as all collected sales at the Bookstore less voids, refunds, sales tax, discounted departmental sales, campus debit card fees, discounted faculty/staff sales, pass-through income, and other merchandise mutually designed as non-commissionable, etc. Gross Sales shall not include Gross Textbook Rentals as defined below.

Gross Textbook Rentals shall be defined as all amounts collected for rentals of textbooks less voids, refunds, sales tax, and campus debit card fees.

If annual Gross Sales of the Bookstore shall materially decline (i.e., decrease 5% or more) as a result of declining enrollment, public legislation, other conflicting campus agreements, material changes in the business model or the industry, such as digital books, textbook rentals, sales directly from the publisher, or other reasons outside of the control of Barnes & Noble, University of South Florida-Tampa agrees to negotiate in good faith with Barnes & Noble appropriate modifications to the financial terms of this Agreement.”

- c. c) At the end of each business day, Barnes & Noble, as agent for USF, shall deposit in a bank account (the "Account") the aggregate amount of non-credit card Gross Sales collected for that day from operation of the Bookstore. Such Account shall be established, accessed, and maintained by Barnes & Noble on behalf of USF. On a regular basis, all funds on deposit in the Account shall be paid to Barnes & Noble on account of all Fixed Fees and Variable Fees. For purposes of this Agreement, the Fixed Fee shall accrue on a daily basis (i.e., the Fixed Fee for a given Contract Year divided by the number of days in such Contract Year shall accrue each day of such Contract Year) and the Variable Fee shall accrue daily based on the actual cumulative Gross Sales to date for the Contract Year and the formula described in Paragraph 3a above. On or before the 30th day after the close of the last day of the months of June, September, December and March of each Contract year or, if this Agreement shall terminate, the last day of the month in which such termination occurs (each such last day a "Quarter End Date"), Barnes & Noble shall provide to USF a report of total Gross Sales, adjustments to Gross Sales, Account deposits and payments of management fees. On or before the 30th day after the close of each Quarter end date, the remaining amount of the Fixed Fee, if any, and the Variable Fee, if any, shall be paid to Barnes & Noble from the Account, and all amounts due to USF shall be paid to USF.

3. All other provisions of the original agreement and any subsequent Amendments, if any, that are not in conflict with or changed by the Amendment above shall remain unchanged and in effect.

Agreed:

~~University of South Florida Board of Trustees~~

Barnes & Noble College Booksellers, LLC

By: 

By: 

Name: Nick J. Trivunovich

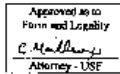
Name: Brian Stark

Title: Vice President, Business & Finance

Title: Vice President of Sales

Date: 6/30/10

Date: 7-1-10



AMENDMENT NO. 2

Bookstore Management Services Agreement

This Amendment is entered this 20th day of December 2010 by and between THE UNIVERSITY OF SOUTH FLORIDA BOARD OF TRUSTEES, a public body corporate, ("USF") and BARNES & NOBLE COLLEGE BOOKSTORES, INC., a New York corporation, having its principal place of business at 120 Mountain View Boulevard, Basking Ridge, NJ ("Barnes & Noble").

WITNESSETH

WHEREAS the parties have previously entered into a Bookstore Management Services Agreement dated July 14, 2003 ("Original Agreement"), and Amendment #1 to the Original Agreement on July 1, 2010, and

WHEREAS, USF and Barnes & Noble agree to the following amendment to the Original Agreement, such amendment to be effective for the period from July 1, 2010 through June 30, 2013 (the "Second Term"), followed by a third five-year period commencing July 1, 2013 through June 30, 2018 (the "Third Term").

NOWHEREFORE, This Amendment amends and supplements the Original Agreement under the following terms and conditions:

1. Paragraph 14, "Services to be Provided by Barnes & Noble", Subparagraph b, shall be deleted in its entirety, and in its place shall be inserted the following:

14. b) The Bookstore shall be designated the exclusive agent to accept all debit card and financial aid transactions for Bookstore merchandise typically sold in college bookstores. By December 30, 2010, USF will pay Barnes & Noble for outstanding financial aid and outstanding third party payments billed by USF for summer session 2009, fall session 2009, and spring session 2010 at a rate of 95% of the total amount due. Barnes & Noble agrees to relieve USF of any accounts receivable liability for financial aid and third party payments billed by the university prior to summer session 2009. For subsequent years of this agreement, USF will pay Barnes & Noble for outstanding financial aid and outstanding third party payments billed by USF for each subsequent summer and fall session by April 30 of each year and each subsequent spring session by September 30 of each year. Barnes & Noble agrees to accept each payment at a rate of 95% of the total amount due and relieve USF of any further accounts receivable liability for these periods.
2. All capitalized terms not defined herein shall have the same meaning set forth in the Original Agreement. All other provisions of the Original Agreement and Amendment #1, if any, that are not in conflict with or changed by the Amendment above shall remain unchanged and in effect.

3. Upon execution of this Amendment #2, Bookstore does hereby fully, finally and forever release and discharge USF of and from all claims, demands, actions, causes of action, suits, damages, losses and expenses related to non-payment by USF under Section 14 of the Original Agreement for the period of time from the date of the Original Agreement to the date of this Amendment #2.

Agreed:

University of South Florida Board of Trustees

Barnes & Noble College Booksellers, LLC

By: _____

By: _____

Name: Nick J. Trivunovich

Name: Brian Stark

Title: Vice President, Business & Finance

Title: Vice President of Sales

Date: _____

12/06/10

Date: _____

12-7-10

Approved as to
Form and Legality

C. Maloney
Attorney - USF

June 2, 2011

Jeffrey Mack
Assistant Vice President, Campus Business Services
University of South Florida Tampa
4202 East Fowler Avenue
Tampa, FL 33620

RE: Textbook Rentals

Dear Jeff,

On behalf of everyone at Barnes & Noble College Booksellers, I would like to thank you for your partnership and, in particular, for your support as we launched our textbook rental program this last fiscal year.

Based on the program's popularity and continued success, as we previously discussed, going forward all textbook rental revenue generated at USF Tampa will be included in your sales and will be paid at full commission. For the Tampa Store (B&N #22), the full commission, as defined in the original Bookstore Management Services Agreement, will be calculated using the Fixed Fee and the Variable Amount as indicated in Schedule 1. The Fixed fee and Variable Amount may be adjusted to achieve the full expected commission amount of 11% of gross sales up to \$13,000,000, 12% of gross sales from \$13,000,000 to \$15,000,000, and 13% of gross sales exceeding \$15,000,000. These rates shall remain in effect for the remainder of the term of the original Bookstore Management Services Agreement.

If you have any questions or concerns, please feel free to contact me directly at 407-823-1016 or via email at bstark@bncollege.com.

Please acknowledge your understanding of the terms of this letter by signing below and returning a copy to us.

Sincerely,



Brian Stark
Vice President of Stores
Barnes & Noble College Booksellers



Accepted for the University of South Florida Board of Trustees

Nick Trivunovich, Vice President, Business and Finance

6/9/11
Date

APPROVED AS TO
FORM AND LEGAL
C. M. ...
ATTORNEY - U.S.F.

Addendum NO. 1

Bookstore Management Services Agreement

This Addendum ("Addendum") is entered by and between The University of South Florida Board of Trustees, a public body corporate, ("USF") and Barnes & Noble College Booksellers, LLC, a New York corporation, having its principal place of business at 120 Mountain View Boulevard, Basking Ridge, NJ ("Barnes & Noble") for Bookstore Services.

WHEREAS, the parties have previously entered into a Bookstore Management Services Agreement dated July 14, 2003 ("Original Agreement"), and Amendment #1 to the Original Agreement on July 1, 2010, and Amendment #2 dated December 20, 2010, and

WHEREAS, USF desires to extend rights granted under the Original Agreement and grant exclusive rights to Barnes and Noble to sell officially licensed USF branded merchandise, including a variety of apparel, novelty and souvenir items ("Merchandise") at all home games of the USF athletics teams ("USF Home Games") at their normally designated home field/arena ("Home Venue),

WHEREAS, USF intends to extend rights to Barnes & Noble to sell collegiate merchandise at the Bulls Team Store which is located in a separate facility not financed with tax exempt obligations, and therefore, not under obligation to comply with Internal Revenue Service, Revenue Procedure 97-13.

WHEREAS, the parties intend that this Addendum run concurrently with the term of the Original Agreement subject to all rights of renewal and termination set forth therein. In addition to the rights set forth in the Original Agreement and subject to Section 2 below, beginning in 2014, USF may terminate this Addendum effective July 30 by providing sixty (60) days advance written notice to Barnes and Noble.

NOW, THEREFORE, the parties hereby agree to this Addendum as follows:

1. USF hereby grants Barnes & Noble exclusive right to be the official concessionaire and vendor for Merchandise at all USF Home Games at the Home Venues, which includes operating the Bulls Team Store at the USF Sun Dome, and acting as the official e-commerce concessionaire for merchandise on the Athletics website. USF Home Games shall include Football, Softball, Baseball, Volleyball, Men's and Women's Soccer and Men's and Women's Basketball. In addition to Home Venues located on USF's Tampa Campus, Home Venues shall also include Raymond James Stadium (for Football only). USF Home Games shall not include NCAA or conference championship events.
2. Barnes & Noble shall spend up to \$200,000 to renovate, fixture and equip the USF Bulls Team Store. Barnes & Noble shall amortize this investment on a straight-line basis for six (6) years. Should USF terminate or cancel before the end of that period, then USF shall reimburse Barnes & Noble for any amount of the investment not yet amortized.
3. The Bulls Team Store will be open for non-athletic events days from 10:00am-4:00pm Monday-Saturday. On athletic event days, the Bulls Team Store will be open at least 30 minutes prior to game-time and remain open until at least 30 minutes after the event is over. Any changes to these hours are subject to review by both parties with final written approval by USF.

4. Barnes & Noble representatives will be present for merchandise sales prior to (30 minutes), during, and after (30 minutes) any and all home athletic contest for baseball, softball, men's and women's soccer, and volleyball. Any exception or waiver must be subject to USF review and written approval.
5. USF shall ensure that Barnes and Noble, and its employees and agents, have access to all relevant areas of the Home Venues, including parking passes and vehicle movement passes to facilitate setup of Merchandise displays and/or kiosks. USF will cooperate with Barnes and Noble to provide mutually agreeable location space for the Merchandise displays. Barnes and Noble shall provide all equipment and staff necessary to conduct the sale of Merchandise, set up Merchandise Displays and remove all Merchandise and Merchandise Displays at the conclusion of an event, as applicable. USF will provide space and electric service at no additional charge to Barnes and Noble. Access to all Home Venues shall at all times be subject to the access and security policies of the Home Venue. Barnes and Noble cannot conduct any other activities at the Home Venues nor use Merchandise display areas for any purposes other than the selling of Merchandise.
6. For external events (non-athletic or non-university) in the Sun Dome, the Bulls Team Store will be closed. If the external event conflicts with the normal operating hours of the Bulls Team Store, the store will close at least 30 minutes prior to the start of the event. Any exceptions to opening for these external events may be reviewed by both parties with final written approval, if granted, by USF.
7. On a quarterly schedule, Barnes & Noble shall pay to USF a 22% commission on all Gross Athletic Sales. Gross Athletic Sales shall be defined as all collected sales at the USF Bulls Team Store, the athletic website, and all other USF athletic events, including Raymond James Stadium, less voids, refunds, sales tax, contractually discounted sales, such as those noted below under Paragraph #9 and #10, and other merchandise mutually designated as non-commissionable, etc.
8. Within thirty (30) days after the end of each quarterly accounting period, Barnes & Noble will pay to USF the commissions due pursuant to Paragraph #7 by electronic transfer of funds. In addition, Barnes and Noble will accompany such payment with a reasonably detailed accounting report to substantiate the commission payment including, but not limited to, sales figures by date and event.
9. Barnes & Noble shall commit up to \$5,000 annually for USF athletic marketing/promotional initiatives by mutual consideration of both parties. Barnes & Noble shall place a display, photograph, and/or promotional language/signage at the campus bookstore to create awareness of the Bulls Team Store.
10. Barnes & Noble shall extend a 20% discount to the USF athletic department on all emblematic merchandise purchases.
11. USF reserves the right to review and pre-approve, which shall not be unreasonably withheld, all merchandise displays, USF logo use, and fan presentation/promotional materials.
12. Both parties acknowledge that USF's right to occupy and use Raymond James Stadium is subject to an agreement between USF and the Tampa Sports Authority. In the event that the agreement with the Tampa Sports Authority is terminated, cancelled or otherwise prevents USF from meeting certain obligations hereunder or from Barnes and Noble from accessing Raymond James Stadium, then both parties shall use good faith efforts to cooperate and negotiate mutually revisions to this Addendum to account for such issues. Notwithstanding, if any obligations required of USF under the agreement with the Tampa Sports Authority conflict with obligations

of USF under this Addendum, then such a conflict shall not be considered a breach of this Addendum.

Agreed:

The University of South Florida

Barnes & Noble College Booksellers, LLC.

By: 

By: 

Title: VP FOR BUSINESS + FINANCE

Title: VP of Stores

Date: 8/30/12

Date: 8-10-12

Approved as to Form and
Legal Sufficiency


Attorney, USF

BARNES & NOBLE

b&ncollege

Bookstore Management Services Agreement Addendum

This letter of Agreement serves as an Addendum to the current Bookstore Management Services Agreement made and entered into on July 14, 2003 between The University of South Florida Board of Trustees ("USF") and Barnes & Noble College Booksellers, LLC ("Barnes & Noble"). The parties hereby agree as follows:

- The following language shall be added to **Section 14 c)** of the current Bookstore Management Services Agreement:

An exception to this exclusion shall be the ring revenue share agreement between Barnes & Noble, USF and the USF Alumni Association (USFAA), effective July 1, 2013 through June 30, 2016, and outlined as follows:

- *Barnes & Noble, USF and USF Alumni Association shall work with the chosen ring vendor to create a marketing campaign centered on promoting ring sales.*
- *Barnes & Noble, USF and USF Alumni Association shall agree to the below ring revenue analysis.*
- *Barnes & Noble will pay a one-time annual payment to the USF Alumni Association based on units sold over a 12 month period, regardless of point of sale, due by June 30 of each year of the agreement. These sales will be separated from the payment schedule to USF as outlined in the Management Agreement.*

Unit Sales from 1-300

Non-Precious	\$ 25.00 per unit sold
Gold	\$ 35.00 per unit sold

Unit Sales from 301-600

Non-Precious	\$ 25.00 per unit sold
Gold	\$ 50.00 per unit sold

Unit Sales over 600

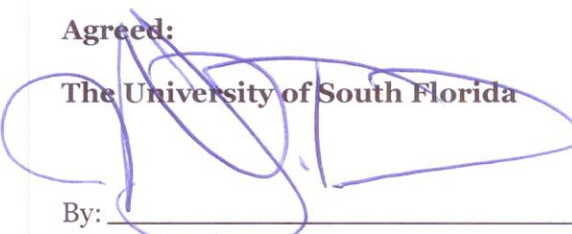
Non-Precious	\$ 25.00 per unit sold
Gold	\$ 60.00 per unit sold

- This Addendum shall continue for the three year term set forth above independent of the term of the Management Services Agreement. Notwithstanding however, this Addendum may be terminated by either party for any reason on July 1 each year by providing written notice to the other parties by June 1 of that year. Barnes and Noble shall remain responsible to pay for all amounts earned and accrued prior to termination.
- All other terms and conditions shall remain the same.

Agreed:

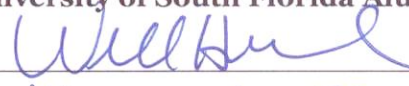
The University of South Florida

Barnes & Noble College Booksellers, LLC.

By: 
Name: NICK TRIVUNOVICH
Title: VP, BUSINESS & FINANCE
Date: 05/28/13

By: B Stark
Name: Brian Stark
Title: VP, STORES
Date: 5-17-13

The University of South Florida Alumni Association

By: 
Name: WILLIAM H. MCCAUSLAND
Title: EXECUTIVE DIRECTOR
Date: MAY 29, 2013

BARNES & NOBLE

COLLEGE

Bookstore Management Services Agreement Amendment No. 3

This letter of Agreement serves as an Amendment to the current Bookstore Management Services Agreement made and entered into on July 14, 2003 between The University of South Florida Board of Trustees ("USF") and Barnes & Noble College Booksellers, LLC ("Barnes & Noble"). The parties hereby agree as follows:

- The following language shall be added to **Section 14** of the current Bookstore Management Services Agreement:

With respect to recommended or suggested textbooks and other course materials published electronically or in digital formats ("E-Texts"), the following shall apply: E-Texts shall also include electronic textbooks and course material licensed or sold directly from publishers as well as electronic textbooks or course materials licensed or sold in a proprietary format or device by a third party vendor. If USF faculty selects an E-Text for a course, Barnes & Noble shall attempt to source and then may provide such E-Text to USF students through the Bookstore, the Barnes and Noble web site or Barnes and Noble's designated mobile application, the university's LMS or other mutually approved applications, as applicable. In addition, when Barnes and Noble becomes aware that an E-Text is being made available through a publisher as an alternative to a print version, Barnes and Noble shall place notices next to corresponding print materials in the Bookstore stating that alternative electronic/digital materials are available through the Barnes and Noble web site or Barnes and Noble's designated mobile application through the university's LMS or other mutually approved applications, as applicable. USF and USF faculty may also, without Barnes and Noble's involvement, use and direct students to any and all course materials that are made available through the USF library. USF and USF faculty may also, without Barnes and Noble's involvement, use and direct students to use free E-texts or other freely available electronic course materials regardless of the source including all course materials or content that were developed internally at USF. In the event USF desires Barnes & Noble to distribute these materials, and Barnes & Noble has the capability and desire to do so, USF will allow Barnes & Noble to assume a distribution role. In addition, USF may in its discretion participate in research studies, pilots, production initiatives and the like that involve the adoption and use of electronic course materials or other textbook affordability initiatives. Barnes and Noble acknowledges that USF has statutory and regulatory requirements imposed by law with respect to textbook affordability and notwithstanding any exclusivity to the contrary, USF will be allowed to take appropriate actions in its discretion consistent with its legal obligations.

- The following language shall be added to **Section 25** of the current Bookstore Management Services Agreement:


*Subject to approval in writing of all plans and specifications by USF, Barnes & Noble will spend up to **\$2,000,000** ("Expenditure") to design, construct, equip, and install fixtures in the Bookstore. Barnes & Noble will depreciate this investment on a straight-line basis over an eight-year period. The following terms are proposed to comply with Internal Revenue Procedure 97-13:*

- a) Barnes & Noble has agreed to make a capital investment in the facility and equipment in an amount up to \$2,000,000. USF agrees to reimburse Barnes & Noble's investment as follows:
1. Barnes & Noble's investment shall be reimbursed over a period of eight (8) years, payable in equal monthly installments commencing July 1, 2014.
 2. Of the compensation paid to Barnes & Noble during the term of the Agreement, an amount equal to the reimbursement payments pursuant to the above shall be attributable to such compensation.
- b) Notwithstanding the foregoing, USF shall have the right, in its discretion, to prepay, in whole or part, any reimbursement amounts due hereunder, without penalty.
- c) The reimbursement obligation hereunder shall survive the termination of this Agreement by USF, and shall remain in full force and effect until reimbursement in full of Barnes & Noble's investment pursuant to (a) or (b) above.


On July 31 of each year (beginning on July 31, 2014) or at such other time upon request of the University, Barnes & Noble shall furnish the University with a statement of the amortized and undepreciated balance of the Expenditure. Barnes & Noble shall be required to repair and restore any structural damage or destruction to the Bookstore premises, caused by their negligence, to the condition such premises were in prior to the damage or destruction.

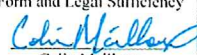
Agreed:

The University of South Florida

By: 
 Name: Nick J. Trivunovich
 Title: VP, Business + Finance
 Date: 01/13/14

Barnes & Noble College Booksellers, LLC.

By: 
 Name: Brian Shuck
 Title: VP, Store
 Date: 1-14-14

Approved as to
 Form and Legal Sufficiency

 Colin Mailloux
 Attorney - USF

BARNES & NOBLE

COLLEGE

Bookstore Management Services Agreement Addendum #3

The current Agreement for Bookstore Management Services dated July 14, 2003 between The University of South Florida Board of Trustees ("USF") and Barnes & Noble College Booksellers, LLC ("Barnes & Noble") is hereby amended under the following terms and conditions commencing July 1, 2016 through June 30, 2018:

- The following language shall be added to Section 14 c) of the current Bookstore Management Services Agreement:

An exception to this exclusion shall be the ring revenue share agreement between Barnes & Noble, USF and USF Alumni Association (USFAA) outlined as follows:

- *Barnes & Noble, USF and USFAA shall work with the chosen ring vendor to create a marketing campaign centered on promoting ring sales.*
- *Barnes & Noble, USF and USFAA shall agree to the below ring revenue analysis.*
- *Barnes & Noble shall pay a one-time annual payment to USFAA based on units sold over a 12-month period, regardless of point of sale, due by June 30 of each year of the Agreement. These sales shall be separated from the payment schedule to USF as outlined in the Management Agreement.*

Unit Sales from 1-300

<i>Non-Precious</i>	<i>\$25.00 per unit sold</i>
<i>Gold</i>	<i>\$35.00 per unit sold</i>

Unit Sales from 301-600

<i>Non-Precious</i>	<i>\$25.00 per unit sold</i>
<i>Gold</i>	<i>\$50.00 per unit sold</i>

Unit Sales over 600

<i>Non-Precious</i>	<i>\$25.00 per unit sold</i>
<i>Gold</i>	<i>\$60.00 per unit sold</i>

- All other terms and conditions in the July 14, 2003 Agreement and subsequent addenda shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have set their hands as at the day and year written below.

Barnes & Noble College Booksellers, LLC

By: B Stark

Name: Brian Stark

Title: VP, Stores

Date: 1-5-17

The University of South Florida

By: [Signature]

Name: Nick J. Trivunovich

Title: CFO / VP, Business + Finance

Date: 1/4/17

The University of South Florida Alumni Association

By: [Signature]

Name: William H. McCausland

Title: EXECUTIVE DIRECTOR

Date: November 3, 2016

Approved as to Form
Legal Sufficiency

[Signature]
Attorney, USF