

**FIRST AMENDMENT TO BOOKSTORE OPERATING AGREEMENT BETWEEN  
IMPERIAL VALLEY COLLEGE  
AND FOLLETT HIGHER EDUCATION GROUP, INC.**

This First Amendment ("Amendment") is made as of October 1, 2008 between Imperial Valley College ("College") and Follett Higher Education Group, Inc. ("Follett").

WHEREAS: The College and Follett entered into a certain Bookstore Operating Agreement dated June 1, 2002, and now desire to amend the Agreement.

**NOW, THEREFORE:** The Agreement is hereby amended as follows:

1. Section 2 of the Agreement is hereby deleted in its entirety and the following new section 2 is inserted in its place:

*"2. **Term.** This Agreement takes effect October 1, 2008 and continues, unless sooner terminated in accordance with Section 3, until September 30, 2013. Thereafter, unless either party notifies the other in writing at least 150 days before expiration of the initial term, or then-current renewal term, of its intention not to renew, this Agreement shall automatically renew for successive one-year renewal terms under the terms and conditions set forth in this Agreement."*

2. Section 6.17 of the Agreement is hereby deleted in its entirety and the following new section 6.17 is inserted in its place:

*"6.17. Follett agrees to provide \$12,000 in textbook scholarships annually during the term of this Agreement. Scholarships shall be made available to College at the beginning of each College academic year."*

3. Section 9.2 of the Agreement is hereby deleted in its entirety and the following section 9.2 is inserted in its place:

*"9.2 In operating the Store, Follett will charge industry standard, competitive and fair prices, as follows:*

- a) *On new textbooks and trade books, not more than the publishers' list price, or a 25% gross margin (cost divided by .75, inclusive of restocking fees and return penalties) on net price books and list price books sold to Follett at less than a 25% discount off list (inclusive of restocking fees and return penalties), plus a freight pass-through.*
- b) *On e-books, e-coursepacks, coursepacks, text "packages," "kits," "sets," and "bundles," and non-returnable and return-restricted texts, not more than a 30% gross margin (cost divided by .70, inclusive of restocking fees and return penalties), plus a freight pass-through.*
- c) *On used books, including cloth, paperback and others, not more than 75% of the new textbook selling prices.*
- d) *On general merchandise, not more than the normal gross profit margin for similar merchandise in the college bookstore industry."*


4. The second paragraph of Section 10.1 defining Gross Revenue shall be deleted in its entirety and the following new second paragraph shall be inserted in its place:

*“As used in this Section 10, Gross Revenue means all sales made by the Store or the Store’s world wide web page, catalog or mail order function (if any), less refunds, returns, taxes, computer hardware and software sales, commissions earned from rings and graduation regalia, sales based on Follett-funded scholarships, and sales to departmental faculty, staff and other sales at a discount pursuant to Section 6.16, all as reasonably calculated by Follett.”*

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

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective authorized representatives as of the date first written above.

**FOLLETT HIGHER EDUCATION  
GROUP, INC**

By: 

Name: Thomas A. Christopher

Title: President

Date: 10/27/08

**IMPERIAL VALLEY COLLEGE**

By: 

Name: John Lau

Title: **Vice President for Business Services**

Date: 11/21/08