

AMENDMENT NO. 1
BOOKSTORE SERVICES AGREEMENT
BARNES & NOBLE COLLEGE BOOKSELLERS LLC
&
TEXAS A&M UNIVERSITY

This Amendment No.1 ("Amendment") amends and supplements the Bookstore Services Agreement ("Agreement") signed January 24, 2006 between Barnes & Noble College Booksellers LLC ("B&N") and Texas A&M University ("TAMU"). All terms used herein and not otherwise defined shall have the meaning as in the Agreement. In the event of any conflict in the terms of the Agreement and the terms of this Amendment, the terms of this Amendment shall in all aspects govern and control. Both parties agree the Agreement is hereby amended and supplemented as follows:

Whereas TAMU has entered into a renovation project of its Memorial Student Center (MSC Project) and B&N wishes to make a capital investment in the MSC Project in order to re-establish a college bookstore within the MSC Project,

The parties agree the Agreement is amended as follows:

Article 3 - Term, Amendments and Notices:

The effective term of this Amendment, and the effective date of all modifications to the Agreement as contemplated by this Amendment, begins on January 1, 2011 and extends the term of Agreement to December 31, 2025.

Article 4 - Operations:

Added to the existing five areas of operation under Article 4 in the Agreement is the following:

Item 6. The *Aggie Espresso* (or by any other operational name) coffee shop within the MSC Project

Article 16C – Used Book Resell / Article 19 – Sales Markup Basis:

The textbook provisions are further clarified as follows:

Article 16, Section C is hereby deleted. The used textbook provision is revised in Article 19 as shown below.

New textbooks will be sold at no greater than (i) the publisher's list price or (ii) a 30 % 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 25%.

Used textbooks will be sold at a minimum discount rate of *twenty-five percent (25%) less than the new selling price*. Discount rates greater than *twenty-five percent (25%) less than the new selling price* are allowable and encouraged.

Article 20 - Guaranteed Payment / Percentage of Sales:

A signing bonus provision is added as follows:

Within thirty (30) days of final execution of this Amendment, Barnes & Noble agrees to pay to Texas A&M a signing bonus in the amount of \$1,000,000. The signing bonus will be depreciated on a straight line basis over the term of the Amendment. Should TAMU terminate the Agreement by choice, or should B&N terminate the Agreement for cause, TAMU will reimburse B&N for the amount of signing bonus not depreciated. Should TAMU terminate the Agreement for cause, or should B&N terminate the Agreement by choice, no repayment of the signing bonus is due B&N.

The Section entitled "Annual Guarantee" is replaced as follows:

Barnes & Noble will make a guaranteed commission payment to Texas A&M equivalent to an annual amount of \$1,500,000 ("Minimum Guarantee"). Barnes & Noble will make the Minimum Guarantee payment in twelve monthly installments of \$125,000 and will issue a thirteenth check in the January immediately following the calendar year in the amount that the actual commissions due to TAMU, per the revised scale below and to include those commissions paid on textbook rentals, exceed the Minimum Guarantee, if any.

The Section entitled "Percentage of Gross Sales" is changed to reflect the following revised scale:

- 13% on Total Gross Sales up to \$11,000,000
- 14% on Total Gross Sales between \$11,000,001 and \$17,000,000
- 15% on Total Gross Sales above \$17,000,000

If Total Gross Sales fall below \$12,000,000 for any contract year (January to December), Texas A&M agrees to negotiate in good faith with Barnes & Noble an appropriate reduction to the Minimum Guarantee amount for that particular contract year. Total Gross Sales are inclusive of the Textbook Rentals sales category.

B&N will pay to TAMU eleven percent (11%) on all gross sales related to the Textbook Rentals sales category.

Barnes & Noble will pay a performance incentive payment of \$50,000 to Texas A&M when Total Gross Sales reach \$17,000,000 during any contract year (January to December). Such incentive payment will be made no later than January 30th immediately following the year in which such a sales threshold is accomplished. Additionally, B&N will pay a performance incentive payment of \$50,000 to TAMU when Total Gross Sales reach an additional million dollar threshold above \$17,000,000 during any contract year (January to December). Such incentive payment will be made no later than January 30th immediately following the year in which such a sales threshold is accomplished.

For the avoidance of doubt, if Total Gross Sales reach \$19,000,000, B&N will pay a performance incentive payment of \$150,000 to TAMU based upon the following calculation: \$50,000 (for reaching the \$17,000,000 threshold) plus \$100,000 (for reaching two subsequent \$1,000,000 thresholds above \$17,000,000; therein earning \$50,000 each).

Barnes & Noble will pay to Texas A&M a supplemental commission of thirty percent (30%) on all gross sales from athletic venues.

Barnes & Noble will make an annual athletics sponsorship contribution to Texas A&M. The sponsorship amount to be negotiated annually between B&N and TAMU (or TAMU's designee, Learfield Communications, Inc. ("LCP")). Barnes & Noble agrees to coordinate with LCI regarding the appropriate timing and submission of these annual athletics sponsorship payments. Should the TAMU/LCI partnership expire or be terminated for whatever reason, B&N will negotiate the amount as well as submit the annual athletics sponsorship payments directly to TAMU or as otherwise directed by TAMU.

In consideration of Barnes & Noble receiving an allocation of 6,000 additional square feet in the MSC Project for the operation of the MSC Bookstore, B&N agrees to reimburse Texas A&M University for all costs associated with (1) the interior fit and finish of the MSC Bookstore and (2) the interim relocation of the MSC Bookstore operation to/from G. Rollie White Coliseum.

As of 7/21/10, the total reimbursable costs associated with Items (1) and (2) as highlighted above are approx. \$4.8M.

TAMU is committed to re-establishing a high quality, state-of-the-art college bookstore within the MSC Project and Barnes & Noble is herein formalizing a capital investment in support of this mutual and shared desire. In order to achieve this commitment, the interior fit and finish will be built to meet or exceed the level of quality as indicated at the design presentation meeting made to the TAMU System Facilities Planning & Construction (FP&C) and TAMU Office of Business Development during the preliminary design phase (5/20/2009), design development (8/26/2009), and construction document phase (4/9/2010). B&N will remit payments to FP&C upon the completion of, and in proportion to, each specific stage of construction as identified in the MSC Project schedule.

Article 23 – Final Approval of Renovations:

Changed to read:

Barnes & Noble shall retain co-approval authority with the Chief Business Officer of Texas A&M University, or designee, regarding any future renovations of the MSC Bookstore-designated space within the MSC Project.

Article 28 – Alternate Dispute Resolution:

In Section 4, replace "Robert T. Bisor, Associate Vice President for Finance" with "Phillip A. Ray, Associate Vice President and University Contracts Officer".

Other / Miscellaneous:

Barnes & Noble will provide the current and complete list of textbook and supply adoptions to TAMU upon request.

The parties agree TAMU will begin, upon execution of this Amendment, the process for developing and integrating an automated textbook selection/optional purchasing module (aka *Registration Integration System*) into TAMU's online student registration system. The targeted completion date for this effort is October 15, 2010.

Barnes & Noble agrees to permit the Texas A&M Corps of Cadets the opportunity to conduct on-campus sales of Corps' merchandise and to permit Texas A&M recognized student organizations to conduct on-campus sales of their specific merchandise during non-game days.

Barnes & Noble agrees to adhere to the provisions of any TAMU authorized beverage agreement as such agreement is related to the competitive product mix allowed within the MSC Bookstore and other campus operations.

All other terms and conditions of the Agreement not modified by this Amendment remain unchanged.

Hereby ACCEPTED and AGREED:

Barnes & Noble College Booksellers LLC




Signature

KIMBERLY OTTE
Name: Kimberly Otte
Title: Vice President

23 September 2010
Date

Texas A&M University



Signature

R. BOWEN LOFTIN
Name: Dr. R. Bowen Loftin
Title: President

22 Sept 2010
Date