

**BOOKSTORE OPERATING AGREEMENT BETWEEN
THE COLLEGE OF THE FLORIDA KEYS
AND FOLLETT HIGHER EDUCATION GROUP, INC.**

This Bookstore Operating Agreement (“Agreement”) is made as of March 1, 2021 between The College of the Florida Keys (“College”) and Follett Higher Education Group, Inc., an Illinois corporation (“Follett”).

Intending to be legally bound, College and Follett agree:

1. **Store.** Subject to all the terms and conditions in this Agreement, Follett shall operate a campus store (“Store”) for College. The Store shall consist of a brick-and-mortar location at the Key West campus and virtual bookstore for all other College locations.
2. **Term.** This Agreement takes effect April 1, 2021 and continues, unless sooner terminated in accordance with Section 3, until March 31, 2026. For the purpose of financial calculations and reporting, the “contract year” is defined as April to March. Thereafter, unless either party notifies the other in writing at least 120 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.
3. **Early Termination.**
 - 3.1 Either party may terminate this Agreement with or without cause by giving the other party at least 120 days prior written notice of termination.
 - 3.2 Either party may terminate this Agreement upon 90 days prior written notice for material nonperformance by the other party, documented by providing the offending party written notice, in case of nonperformance by Follett, in accordance with Section 7.4.
 - 3.3 College may terminate this Agreement immediately if Follett initiates any bankruptcy proceeding, or if any such proceeding initiated against Follett remains undismissed for 60 days.
4. **Rights Upon Termination, Expiration or Non-Renewal.**
 - 4.1 Termination, expiration or non-renewal of this Agreement shall not affect any right of either party accrued prior to such termination, expiration or non-renewal.
 - 4.2 On any termination, expiration or non-renewal of this Agreement, College shall pay Follett the unamortized book value of all Store Remodeling (none anticipated, but if applicable, as defined in Section 5) paid by Follett as follows:
 - The Store Remodeling book value shall be calculated on the straight-line method, from the in-service date[s], over the greater of 8 years or until expiration of this Agreement.
 - The Payment(s) book value shall be calculated on the straight-line method, from the date the payment is made by Follett, over the greater of 8 years or until expiration of this Agreement.
 - 4.3 On any termination, expiration or non-renewal of this Agreement, or upon closing of a Store location, and after Follett has taken all commercially reasonable efforts to sell-down and minimize inventory, College shall purchase the Store inventory then on hand under the following terms:
 - a) New Textbooks
 1. New textbooks adopted for the next academic term in quantities not exceeding course requirements will be purchased at standard industry discounts or cost.
 2. New textbooks not adopted for the next academic term, or adopted but in excess of course requirements, will be purchased at the current wholesale price.
 - b) Used Textbooks

1. Used textbooks adopted for the next academic term in quantities not exceeding course requirements will be purchased at 50% of the current retail selling price.
 2. Used textbooks not adopted for the next academic term, or adopted but in excess of course requirements, will be purchased at current wholesale price.
- c) Trade, Reference and Technical Books ("Trade Books")
1. Trade Books that have been purchased during the past academic year and are returnable to the publisher will be purchased at standard industry discounts or cost.
 2. Trade Books not meeting these requirements will be purchased at a price agreeable to College and Follett.
- d) General Merchandise
1. General merchandise traditionally sold in college bookstores, purchased in the past academic year, in salable condition, and not in excessive quantities, will be purchased at standard industry discounts or cost.
 2. General merchandise not meeting these requirements will be purchased at a price agreeable to College and Follett.

5. Store Improvements.

- 5.1 No Store Improvements are anticipated or proposed, but for definition purposes any expenditure may include furniture, trade fixtures, and equipment, including point-of-sale equipment, that is readily removable ("Capital Equipment") and Follett and third-party design and project management services, third-party architectural and engineering services, cabling and infrastructure, floor and wall coverings, decorating, lighting, and fixtures that are not readily removable ("Store Remodeling"). Capital Equipment and Store Remodeling each include all replacements, additions and extensions paid for by Follett, whenever installed. The Capital Equipment and Store Remodeling together comprise the "Store Improvements."
- 5.2 Follett shall prepare complete plans and specifications for the Store Improvements for review and approval by College, and shall work closely with College to develop mutually acceptable plans ("Plans"). College shall have the final approval over all the Plans.
- 5.3 When College has given final approval to the Plans, Follett shall submit an installation and/or construction schedule to College for approval. College shall review and comment on the Plans and schedule in a reasonable time frame to allow the project completion date to be met.
- 5.4 The Store Improvements shall meet or exceed the requirements of the Americans with Disabilities Act ("ADA") and all other applicable codes, laws and regulations, and shall be in accordance with Follett's Design Intent documents.
- 5.5 All Capital Equipment purchased by Follett not attached as a fixture to real estate will remain the property of Follett. Follett shall repair and restore the area where any such Capital Equipment is removed.

6. General Rights and Responsibilities of Follett.

- 6.1 Follett shall operate the Store in accordance with the highest standards and commercial practices in the college bookstore industry.
- 6.2 Follett shall operate the Store 12 months per year. The name of the Store shall not change. The Store's normal hours of operation and holiday closing schedule, shall be as approved in writing by College after consultation with Follett; hours of operation during registration periods, the first two weeks of classes, and all special campus events, shall be extended to coincide with demand.
- 6.3 Follett shall have the exclusive right at the College .edu website and physical Store location on campus, to buy, sell, rent and distribute (including the right to select vendors) merchandise and services traditionally offered in college and university bookstores, including but not limited to, all required course materials (print and digital), class and alumni rings and jewelry, clothing (whether or not emblematic), school supplies, desk and dorm accessories, gifts, souvenirs, graduation regalia (sale and rental) and announcements, course-adopted software and paper and electronic custom anthologies, and textbook buybacks. Follett shall also have right of first refusal to fulfill any distance learning instructional and ancillary materials required by College during the term of this Agreement. This Section 6.3 does not prohibit occasional sales by student groups or student government organizations that do not materially impact Store sales. This Section 6.3 also allows College to operate a clothing, gift, and supply store when Follett does not have a campus Store presence, including other online retailers of physical stores.
- 6.4 College grants Follett the right, subject to College's published standards and College's written approval, to use the College's seal, logotype, and associated trademarks and service marks on the Store's Internet site, signage and collateral materials, and stationery, soft goods, notebooks, pens, pencils, decals and other goods traditionally sold in college and university bookstores. College will not grant such right to any other online or brick-and-mortar retailer on campus during the term of this Agreement. If College changes its name, seal, or logotype with less than one year written notice to Follett prior to notice to the public, Follett may deduct from any commissions otherwise payable to College Follett's actual documented cost of all unsold emblematic merchandise on hand at the time of such change. Notwithstanding, the College's new mascot graphic bearing its own logo shall not require such notice.
- 6.5 In order to secure property in the Store, Follett shall cooperate with College in providing Store security, theft prevention, and emergency procedures in case of fire or casualty. In cooperation with College Security, Follett shall create and maintain a Store security plan acceptable to College for textbook buyback, rush and other special events.
- 6.6 Follett shall not cause College's students, faculty, or staff suspected of theft or disturbance to be arrested by public authorities (except in emergencies) or prosecuted without prior consultation with College.
- 6.7 In its operation of the Store, Follett shall pay its bona fide financial obligations to College and to third parties within thirty (30) days of invoice or when account is due.
- 6.8 Follett shall collect and pay any sales tax or similar tax on its retail sales, and applicable income taxes on its revenues. Follett shall not be responsible for property taxes on the Store facility or any other taxes not currently assessed.
- 6.9 Follett shall obtain and maintain at its sole expense, and in its name, all necessary licenses and permits required to perform the services described herein.
- 6.10 Follett shall abide, and require its employees to abide, by applicable College regulations and policies. College shall provide Follett with copies of applicable policies, and timely inform Follett of any changes.

- 6.11 Follett shall abide by all federal, state and local laws applicable to its operation.
- 6.12 In performing this Agreement, Follett shall not discriminate on the basis of race, color, national origin, ethnicity, age, sex, marital status, military status, genetic information, sexual orientation, religion, pregnancy, or disability in its programs, activities, or employment practices.
- 6.13 Follett shall be responsible for any loss or damage to property owned by College that is in Follett's possession or control or is caused by Follett or its employees or agents in the course and scope of their employment.
- 6.14 Follett will make its corporate representatives reasonably available to College to discuss and resolve any operational issues.
- 6.15 Follett shall be responsible for daily cleaning of the Store interior, including provision of basic janitorial equipment and supplies, sweeping, dusting, and removal of light trash to College-provided receptacles. Follett also be responsible for transporting all mail, packages, delivery for Follett to the Store from wherever such deliveries are made on College's campus.
- 6.16 Follett will offer College faculty and staff a 10% discount on all purchases over \$1.00, excluding textbooks, sale merchandise, computer hardware, and academically discounted software. Follett will offer all College departments a 20% discount on purchases of supplies over \$1.00, excluding textbooks, sale merchandise, computer hardware, and academically discounted software.
- 6.17 Follett shall be restricted from using any non-directory information (anything other than the student's name) for any use or purpose other than what is specifically permitted under this Agreement.

7. General Rights and Responsibilities of College.

- 7.1 College will provide and maintain an appropriate, safe and habitable location, in accordance with all applicable laws and regulations. Except for the Store Improvements provided by Follett, College will make available to Follett all College-owned furniture, fixtures, equipment, shelving, lighting, flooring, plumbing, power and HVAC as College shall deem necessary. College shall also keep the building in which the Store is located in compliance with all fire, building and electrical codes and regulations, including regulations governing fire alarms, smoke detectors, fire extinguishers, fire suppression and sprinkler systems, water pressure, plumbing and electrical service. College shall be responsible for any loss or costs resulting from failure of the building to meet applicable building codes and regulations. College is responsible promptly for remedying any hazardous materials issues that arise during the Term, except where the hazardous materials were brought onto the premises by Follett, its employees or contractors. If the College relocates all or any part of the Store operations, College will provide Follett with at least 90 days advance notice of the relocation and will reimburse Follett, within 30 days after Follett's invoice, for Follett's cost of the relocation.
- 7.2 College will name a representative authorized to advise Follett of College's approvals, consents and instructions under this Agreement.
- 7.3 College may prohibit sale at the Store of any item it finds offensive or inappropriate.
- 7.4 If at any time College is dissatisfied with Follett's performance under this Agreement, College shall document the unsatisfactory performance and submit the documentation to Follett for immediate review and corrective action. College may require a review meeting to prepare the corrective action.
- 7.5 College shall provide the following services and support to the Store at no cost to Follett:

- a) Internal and external building maintenance, including, but not limited to: plumbing, electric, light bulbs, HVAC and other mechanical systems, fire protection, roof membrane and structure, floors, walls, ceilings, windows and doors in accordance with College's building standards;
 - b) Building standard utilities;
 - c) Pest control services on the regular College schedule;
 - d) Local telephone/data service including all equipment and lines (telephone toll charges to be charged to Follett at the same rate charged to College's departments);
 - e) Reasonable access, after approval and coordination with College, to College's telecommunications and network systems as required to install, at Follett's sole expense, T1 lines and associated connectivity for Follett's point-of-sale systems;
 - f) Security of persons and property in the same manner provided for other College premises;
 - g) Lost and found service as regularly provided by College;
 - h) Parking for Follett's employees in common with other authorized parkers in a location approved and provided by College (Follett's employees must abide by all applicable parking regulations); and
 - i) Participation in any debit or credit card, voucher program, or other payment or financial aid service now or hereafter made available by College to its students or to local merchants.
- 7.6 Within 180 days of the execution of this Agreement, College will work with Follett to implement the Follett Discover program. College shall bear no cost for such program or its implementation. College will provide a prominent hyperlink from the College's Learning Management System (LMS) to the Follett Discover tool.
- 7.7 College will require its faculty and staff to provide Follett with timely and accurate textbook adoption information.
- 7.8 Follett will integrate the College's financial aid transactions with the Store's operating systems for both in-store and/or online transactions. As part of that integration, within the first academic term of the execution of this integration, College will provide Follett the following information: student name, unique identification number for each student (student ID commonly used), a credit limit provided by the College for each student, date range for approved charges, any product restrictions required and student email address.
- 7.9 Follett will extend credit to College for financial aid and departmental charge accounts in accordance with the terms set forth in Follett's standard credit application. College will furnish to Follett all required information and will pay all accounts within 30 days of invoice. College will send all A/R payments directly to the bank via ACH, Wire Transfer or Lock Box. Follett shall not be entitled to any late fees or charges.
- 7.10 To help the College maximize their brand exposure and increase revenue, College may provide to the Store at no cost, the following:
- a) A hyperlink in a minimum of two places located on the home page of the College's .edu website to the Store's eFollett website, and on the appropriate subpage(s) of the College's .edu website, a Store information page that includes information on Store hours, location, and other information as appropriate. The subpage shall also include a hyperlink to the Store's eFollett website.
 - b) The inclusion of key search terms within the College's .edu site that presents eFollett hyperlinks when key words are typed into the .edu site search field. Key terms include bookstore, book store, campus store, textbooks, course materials, books, clothing.
 - c) The opportunity, at sole election of College, to include material promoting the Store into all future and current student mailings (physical and digital), new student orientation packets, and new/welcome alumni membership mailings (physical and digital).
 - d) The opportunity, at the sole election of College, to advertise in faculty, athletic, and student e-newsletters with a hyperlink to the Store's eFollett website.

- e) The opportunity, at the sole election of College, to advertise in any College-produced print publication (weekly, quarterly or yearly).
- f) The opportunity, at the sole election of College, to present Store information and promotional information at student and parent orientations.
- g) The opportunity, at the sole election of College, to present at faculty/staff orientation to review current Follett programs and services.
- h) The opportunity, at the sole election of College, to present campus Store events and promotions on any existing or future closed circuit campus message broadcast applications.
- i) The opportunity, at the sole election of College, to set up a temporary retail location for athletic, alumni, and other events that are held on the College campus.
- j) The opportunity, at the sole election of College, for in-store product and service placements to drive brand awareness for vendors that serve the campus operation.
- k) Configure and install Follett Discover Shop in the SIS ("Student Information System") and Follett Discover View within the course catalog or .edu website to facilitate purchase access to course materials.
- l) Promote the text book adoption process and deadlines on all related campuses via campus-based email system up to two (2) messages per adoption season whereby Follett will supply content such as graphics, copy, links, and subject lines for the College to send to faculty and administrators.

8. Bookstore Personnel.

- 8.1 Follett will furnish sufficient adequately trained personnel to provide efficient and courteous service to customers, including sufficient substitute personnel in case of employee absence. In addition, Follett will provide ongoing training in customer service and will formally recognize and reward employees who provide superior customer service.
- 8.2 Follett may conduct a pre-employment background check, as well as screening required by the College and/or state in which the Store is located. In the event adverse information is received as a result of the screening, Follett will manage the information received and the offer of employment in accordance with the Follett Background Check Policy. Follett reserves the right to rescind the offer of employment made prior to the screening.
- 8.3 College may participate in interviewing and evaluation of Follett's Store Manager should the need arise to fill the position. Follett's selection of the Store Manager is subject to College's approval.
- 8.4 In the performance of the work hereunder, Follett, and all bookstore personnel, shall be independent contractors and not an employee of College. Follett is not an agent of, or authorized to transact business, enter into agreements, or otherwise make commitments on behalf of College unless expressly authorized in writing by College. College will not pay or withhold federal, state, or local income tax or other payroll tax of any kind on behalf of Follett or its employees. Follett is not eligible for, not entitled to, and shall not participate in any of College's employee, health, or other benefit plans. Follett is responsible for the payment of all required payroll taxes, whether federal, state, or local in nature, including, but not limited to income taxes, Social Security taxes, Federal Unemployment Compensation taxes, and any other fees, charges, licenses, or payments required by law. Follett indemnifies College and holds it harmless against any fines, damages, assessments, or attorney fees in the event a court or administrative agency shall find that Follett or anyone engaged through Follett is an employee of College. Nothing in this Agreement constitutes College a partner of Follett or a joint venturer or member of a common enterprise with Follett.

9. Bookstore Sales.

- 9.1 In operating the Store, Follett will charge industry standard, competitive and fair prices, which, at present, are 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) on net price books and list price books sold to Follett at less than a 25% discount off list, plus freight and handling costs and rounded up to the next quarter.
- b) On 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), plus freight and handling costs and rounded up to the next quarter.
- c) On ebooks and other digital content, when Follett determines the end-user price, Follett will follow the same pricing rules applicable to coursepacks, and when the publisher determines the end-user price and Follett acts as agent, Follett will use the publisher price.
- d) On used books, including cloth, paperback and others, not more than 75% of the new textbook selling prices rounded up to the next quarter.
- e) On rental books, Follett will be setting rental fees for each title, and any given title's fee may vary as a percentage of the retail selling price.
- f) On general merchandise, not more than the normal gross profit margin for similar merchandise in the college bookstore industry.

9.2 Follett will offer its Price Match Program ("PMP") to College. The PMP includes textbooks (new, used and rental) that are currently in-stock at the Store as well as at competing retailers, but excludes digital books. The following terms and conditions apply:

- a) The student brings their original receipt and/or the advertisement for the better price to the Store within seven days of their original purchase.
- b) The book must be in stock at the Store and with the retailer advertising the lower price. Retailers include: a local bookstore, Amazon (excluding its Marketplace) or Barnes & Noble. This program excludes peer-to-peer marketplaces and online aggregator sites.
- c) The lower priced item must match the exact book and edition purchased or rented, including accompanying CDs, online access codes, student manuals, etc.
- d) Once verified, the Store associate calculates the difference and issues a Store gift card to the student.
- e) The PMP and its terms and conditions are subject to change over the term of this Agreement at Follett's discretion.

9.3 Follett will expeditiously process text requests placed after the adoption deadline.

9.4 Follett shall purchase used textbooks year-round. Follett shall purchase textbooks adopted for the next academic term in quantities sufficient to meet course requirements at not less than 50% of the student's purchase price rounded to the nearest quarter. Follett shall purchase used books not adopted for the next academic term or in excess of course requirements at wholesale prices prevailing in College's locality rounded to the nearest quarter.

9.5 Follett will accept returns in accordance with the following policies:

- a) Non-textbook items in resalable condition may be refunded or exchanged at any time with original receipt.
- b) Textbooks in resalable condition may be refunded with receipt within seven (7) calendar days from the start of classes or within two (2) days of purchase thereafter, including during summer term.
- c) Textbooks purchased during the last week of classes or during exams may be sold back under the book buyback policy.
- d) Computer software may be returned if it is unopened and shrink-wrapped.
- e) In addition, upon proof of drop/add, Follett will accept textbook returns from students who have dropped a course up to thirty (30) days from the start of classes or until the end of the official drop/add period, whichever comes first.

9.6 In operating the Store, Follett shall accept as a minimum, MasterCard, Visa, Discover and American Express charge cards. Follett will pay all merchant charges associated with acceptance of these credit cards.

10. Commission.

10.1 Follett shall pay commission to the College in an annual amount equal to the sum of:

0.0% of all Commissionable Sales up to **\$175,000**; plus
2.0% of any part of Commissionable Sales over **\$175,000**, but less than **\$350,000**; plus
6.0% of any part of Commissionable Sales over **\$350,000**.

Commissionable Sales is defined as all recognized revenue (in compliance with generally accepted accounting principles) generated through the Store or the Store website, less voids, refunds, sales tax, campus debit card fees, discounted sales to authorized College faculty, staff, departments and others as may be mutually agreed to under this Agreement, Follett-funded scholarships, handling fees associated with non-return of rental textbooks, pass-through income and merchandise sales at less than an inherent 20% margin (i.e., computer hardware and software).

10.2 Intentionally deleted.

10.3 If annual gross sales of the Store shall materially decline more than five percent (5%) from the prior year's sales as a result of declining enrollment, public legislation, other conflicting campus contracts, material changes in school policies or the business model of the industry, such as digital books, sales directly from the publisher, or other reasons outside of Follett's control, the College and Follett agree to negotiate in good faith an appropriate adjustment in the payments set forth above.

10.4 Follett will keep complete and accurate records of all Store transactions in accordance with industry accounting practices and will provide a statement of Store gross revenue to College monthly for the preceding period. Follett will preserve records of store operations for 3 years from the transaction date, and will make them available for review, audit and verification by College at the Store upon request on reasonable advance notice during ordinary business hours other than during Store "rush" periods.

10.5 Follett shall pay the commission calculated in accordance with Section 10.1 quarterly, twenty days after the end of the quarter. Any other payment required to be made by Follett to College under this Agreement shall be made within thirty days of receipt of invoice.

Follett will process commission payments by sending ACH transfers (Direct Deposit) in lieu of paper checks.

On the day the ACH payment is made, the College's designated recipient will receive an email informing the College thereof. A csv file (that can be opened in Excel) will be attached to the email that will contain the remit information with the document numbers that were paid (similar to the check remittance advice). Please note that this is not a wire transfer. The process takes approximately 7-10 business days to process once the necessary form is completed by the College and submitted to Follett's Accounts Payable department.

11. Bookstore Rentals.

11.1 Follett will provide a proprietary course material rental program ("Rental Program") via individual rental agreements with students ("Student Rental Agreements"). Rental pricing will be determined by Follett. Two types of textbooks will be eligible for adoption in the rental program:

The "National Title List" Textbook. Follett will offer a National Textbook Rental Title List of the textbooks available for rental, which will be updated periodically by Follett (the "National Title List").

The "Local Program" Textbook. College may select books not on the National Title List to be part of the Rental Program provided College agrees to continue to adopt the specific book(s) for at least four consecutive semesters. In the event College fails to consistently comply with meeting the four consecutive similar-sized semesters commitment in the aggregate, Follett at its sole discretion may eliminate the Local Program.

- 11.2 College will support the Rental Program as follows: Successor in Interest - On any termination, expiration or non-renewal of this Agreement, Student Rental Agreements will be assigned to College or successor store operator. Where rented textbooks have not been returned, where no charge has been made to the credit or debit card held as security therein, or where some other loss occurs under a Student Rental Agreement, College will look solely to the student.

12. Follett On Demand

- 12.1 Follett has or will enter into a license agreement (the "License Agreement") with the currently appointed license provider of College. During the term of this Agreement, Follett will maintain its status as a properly appointed licensee of College and Follett will comply with the requirements of the License Agreement. If College is self-licensed, Follett will comply with all requirements of College and receive approval of all graphics through College.
- 12.2 License Fees (as defined below) on products sold by Follett bearing College Indicia will be paid to the College appointed licensing company within fifteen (15) days following the end of the month that License Fees are earned. License Fees for each product sold shall be paid at the established percentage for College of the wholesale price at which a product is sold. Wholesale pricing is defined as 50% of the retail pricing. With respect to online sales, License Fees shall be deemed earned by College as of the transaction billing date. License Fees will not be paid for products sold directly to College.

13. Insurance.

- 13.1 During the term of this Agreement, Follett shall keep in force, at its own expense, at least the following insurance, all in accordance with this Section:
- a) Commercial General Liability having a combined single limit of not less than \$1,000,000 per occurrence covering premises and operations, contractual liability and products/completed operations;
 - b) Business Automobile Liability having a combined single limit of not less than \$1,000,000 per occurrence covering claims arising out of ownership, maintenance, or use of owned or non-owned automobiles;
 - c) Worker's Compensation insurance having limits not less than those required by applicable statute;
 - d) Employer's Liability in the amount of at least \$1,000,000.
 - e) Excess or Umbrella Liability in the amount of at least \$2,000,000.
- 13.2 College, its affiliates, officers, directors, trustees, volunteers, and employees shall be named as additional insureds under the Commercial General Liability policy upon the execution of this Agreement.
- 13.3 Follett shall furnish industry standard Certificate[s] of Liability Insurance to College showing the coverage required by this Section within 30 days after execution of this Agreement or before Follett takes possession of the Store, whichever is earlier. The Certificate[s] shall provide that,

should any of the above policies be cancelled before the expiration date thereof, notice will be delivered in accordance with policy provisions.

- 13.4 College will provide Follett confirmation of any flood plain zoning changes affecting the Store within 30 days of receiving such written request from Follett.
- 13.5 If College causes any work to be performed by a third party on the building housing the Store, then College will provide Follett an industry standard Certificate of Liability Insurance from the third party's insurance company(ies) for Commercial General Liability and Business Automobile Liability, with combined single limits of at least \$1,000,000 per occurrence on each. Follett shall be an additional insured under the third party's Commercial General Liability policy.

14. Indemnification.

- 14.1 Follett shall defend, indemnify and hold harmless College, its Board of Trustees, affiliates, officers and employees from any and all claims, suits, actions, damages, judgments, and costs (including reasonable attorney fees), arising out of any: (i) damage, destruction or loss of any property (including but not limited to College's property); or (ii) injury to or death of any person (including but not limited to any employee of College); which results from or arises out of negligent or willful acts or omissions of Follett, its officers, agents and employees, in the performance of this Agreement.
- 14.2 To the extent permitted by applicable law, College shall defend, indemnify and hold harmless Follett, its affiliates, directors, officers and employees from any and all claims, suits, actions, damages, judgments, and costs (including reasonable attorney fees) arising out of any: (i) damage, destruction or loss of any property (including but not limited to Follett's property); or (ii) injury to or death of any person (including but not limited to any employee of Follett); which results from or arises out of negligent or willful acts or omissions of College, its officers, agents or employees, in the performance of this Agreement.

15. Independent Contractor Status. The relationship of the parties is that of independent contractors, and no tenancy, partnership, joint venture, agency, fiduciary or other relationship is created. Neither party may order any goods nor services, incur any indebtedness, or enter into any obligation or commitment on the other party's behalf.

16. Nonassignability. Neither party may assign or sublet this Agreement in whole or in part without the prior written consent of the other party, except that either party may assign this Agreement in its entirety to an affiliate that controls, is controlled by or is under common control with such party. This Agreement is made for the exclusive benefit of the parties, and no benefit to any third party is intended.

17. Notice. Notices required or permitted by this Agreement shall be deemed given when received if sent by recognized overnight courier or first class mail, postage prepaid, to the following address, or such other address as the party may specify by notice:

To College (please complete):

To Follett:
Clay Wahl
Chief Operating Officer
Follett Higher Education Group
3 Westbrook Corporate Center, Suite 200
Westchester, Illinois 60154

With a copy to:
Follett Corporation
3 Westbrook Corporate Center, Suite 200
Westchester, Illinois 60154
Attn: General Counsel

18. **Severability.** If any provision of this Agreement is finally adjudicated illegal, invalid, in excess of the authority of either party hereto, or otherwise unenforceable, then such provision shall be severed, and the remainder of this Agreement shall remain in force as if such adjudicated provision were never included in this Agreement.
19. **Integrated Agreement.** This Agreement: (i) is the sole expression of the understanding of the parties with respect to operation of the Store, (ii) supersedes all prior statements and agreements with respect thereto, and (iii) may not be modified, amended or waived except in writing signed by an authorized representative of the party against whom such modification, amendment or waiver is sought to be enforced.
20. **Confidential Information.** As part of the Follett Discover program and under the terms of this Agreement, Follett will have access to confidential information held by College, including specific “non-public” information and non-directory information, the safeguarding of which is governed in part by the provisions of the Family Education Rights and Privacy Act (FERPA) and other federal and state laws. This information includes biographic and financial information obtained from a student or parent in the process of providing educational services. Biographical and financial information includes, but is not limited to: name, shipping and email addresses, phone numbers and student IDs, and if applicable, financial aid information. College represents that it has the right to provide Follett with access to such information for the purposes hereof.
- Follett agrees to maintain the confidentiality of such information as mandated by applicable state and federal laws using the measures Follett uses to protect its own information of like character, but in each case with at least a reasonable standard of care, and to only access such information for the explicit business purposes of the Follett Discover program and the terms of this Agreement, including providing the services contemplated thereunder. Follett will return or destroy all confidential information it receives from College upon completion of the Follett Discover program and the expiration or earlier termination of this Agreement. Notwithstanding the foregoing, this confidentiality provision shall survive the expiration or earlier termination of this Agreement.
- Follett further acknowledges that any uncured material breach of the confidentiality obligations set forth above will be considered a material breach of both this Agreement and the Follett Discover program, at which time College may immediately terminate the Follett Discover program, this Agreement, and any other contract between the parties or their respective affiliates.
21. **Headings.** All sections and headings are used for convenience only and do not affect the construction or interpretation of this Agreement.
22. **Governing Law and Venue.** This Agreement shall be construed in accordance with the laws of the State of Florida. The sole and exclusive venue for any suit, action or proceeding of any kind arising out of, relating to, to interpret or for breach of this Agreement, shall only be in the courts of Monroe County, Florida.
23. **Waiver.** The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
24. **Authority.** Each party warrants that it has the authority to enter into this Agreement and that entering into this Agreement is not restricted or prohibited by any existing agreement to which it is a party.

Signature page to follow

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.**

THE COLLEGE OF THE FLORIDA KEYS

By: _____

By: _____

Name: Clay Wahl

Name: Dr. Jonathan Gueverra

Title: Chief Operating Officer

Title: President/CEO

Date: _____

Date: _____