AGREEMENT BETWEEN ST. CLOUD STATE UNIVERSITY AND
FOLLETT HIGHER EDUCATION GROUP

This Agreement is made and entered into as of May 11, 2001, by and between St. Cloud State University (University), a government-affiliated educational institution, and Follett Higher Education Group (Contractor), a Corporation duly incorporated under the laws of the State of Illinois, and having its principal offices at 1818 Swift Drive, Oak Brook, Illinois 60523-1576 who agree to be bound by the terms and conditions of this document.

ARTICLE I
PURPOSE OF THIS AGREEMENT

1.1 Purpose of Agreement: This Agreement sets forth the terms and conditions upon which the University retains Contractor to manage and operate the St. Cloud State University bookstore for the University's students, faculty, staff, employees and invited guests.

1.2 The Contractor shall have the exclusive right, including vendor selection [whether on campus, by catalog or through electronic commerce] to operate University bookstore on the campus of St. Cloud State University and shall provide a full range of services reasonably expected from quality academic bookstores. Such services shall include, but not limited to, providing for the timely supply and sufficient quantities of all required and recommended textbooks; providing a selection of current trade, academic and technical literature in support of required material; providing for timely response to users requiring special order literature and other such material; providing a comprehensive selection of general school and stationery supplies; offering a significant selection of imprinted wearing apparel, memorabilia, University insignia and other related items; and providing convenience, beverage, and snack items. The Contractor shall have the exclusive bookstore rights on the campus with the following exceptions:

1. The SCSU Student Book Exchange;

2. Special sales by recognized student organizations, student government, alumni and/or intercollegiate athletics when authorized by Administrative Affairs after consultation with the Contractor, provided such sales do not materially impact bookstore sales;

3. Sales of craft items or other similar handmade items;

4. The Campus Mart convenience store in Atwood Center; and

5. The University reserves the right to sell approved merchandise during sporting events and other activities in Halenbeck Hall and the National Hockey Center.
1.3 Independent Contractor: Contractor shall be an independent contractor and shall retain control over its employees and agents. Nothing in the Agreement shall be deemed to create a legally defined partnership, agency, joint venture or landlord-tenant relationship.

ARTICLE II
PREMISES, EXCLUSIVE RIGHTS AND EXCEPTIONS

2.1 The University shall make available to the Contractor space for the bookstore on the St. Cloud State University campus. As a general rule, the premises shall include, but not be limited to certain furniture, fixtures and equipment therein, to be used and operated by the Contractor solely to stock, store, display, and sell books, stationery, clothing, supplies, and other items typically sold by college and university bookstores, or defined in this contract, and shall provide access to adequate dock facilities for shipping and receiving books and other merchandise. The spaces presently occupied by the University bookstore shall be made available to the Contractor initially for its use to fulfill the terms of this Agreement. Any changes or alterations in this allocated space will be by mutual written consent of both parties. The assignment of space during the contract is outlined below. On commencement of the term of the Contract as described below, the premises shall be in good condition. The Contractor’s taking possession of the premises on commencement of the term shall constitute the Contractor’s acknowledgment that the premises are in good condition. On commencement of the term, the University and the Contractor shall inventory all personal property, equipment, and fixtures in the premises and a copy of the inventory shall be attached as Attachment A. Such personal property, equipment, and fixtures shall include, but not be limited to, office furniture, merchandise shelving, file cabinets, safes, and office machines currently owned by the University and available for use in the bookstore. Maintenance of all personal property, equipment, and fixtures identified in Attachment A is the Contractor’s responsibility. Except as hereinafter provided, the University at its cost shall maintain, in good condition, the following:

1. The structural parts of the buildings and other improvements in which the premises are located, which structural parts include the foundations, bearing and exterior walls, subflooring, and roof;

2. The unexposed electrical, plumbing, and sewage systems, including, without limitation, those portions of the systems lying outside the premises;

3. Window and door frames, gutters, and downspouts on the buildings and other improvements in which the premises are located; and

4. Heating, ventilating, and air conditioning system servicing the premises.

The University shall provide all reasonable utility services including domestic hot and cold water, heat, air conditioning, electricity and trash removal. The University will provide intra-campus mail service. The University will provide access to the University WEB infrastructure and reserves the right to impose reasonable charges for WEB...
services. The University will not be liable for any loss that may result from the interruption or failure of any such utilities or services.

2.2 Contractor shall not use University facilities and/or equipment or Contractor services or staff in support of activities outside the University, unless specifically authorized in writing by the University.

2.3 Contractor will have exclusive rights to operate the bookstore services only in those areas designated by the University. Upon mutual agreement with the University, Contractor may relinquish exclusive rights to certain designated areas for limited periods of time. The Contractor will not have rights to sell items for which the University has contracted with other firms a list of said items to be provided by the University.

ARTICLE III
CONTRACTOR RESPONSIBILITIES

3.1 Textbook Provisions: The Contractor will provide required and recommended textbooks in a timely manner, in sufficient quantities and at a competitive price. This service will be achieved through communicating with faculty members on requisition, edition updates, and text availability, repurchasing textbooks from students, and acquiring used textbooks from national wholesale companies and new books directly from publishers to assure sufficient quantities for the customers.

3.2 Requisition Process: The Contractor will manage a process for text requisition which is simple and straightforward. Instructions with a definition of required text will be clear. The dates for requesting return requisitions will be clear and have a lead time sufficient to research the best possible sources to attain each title and insure a timely arrival while maintaining the greatest flexibility for the faculty.

Textbook Requisitions Provisions: The Contractor will make available textbook requisition information including, but not limited to, forms, faxes and electronic and telephonic submissions within one working day to those privately operated bookstores and/or the student book exchange as designated by the Associate Vice President for Administrative Affairs or his/her designee. Textbook requisition information includes all requisition information for all books and course related materials. If textbook requisition information is provided to any designated privately operated bookstore or student book exchange in a format that includes additional information than provided in this paragraph, including a book list, that additional information will be provided to the other designated privately operated bookstore or student exchange within one working day. The information requested of the instructor on the textbook requisition form shall include instructor, editor, publisher ISBN, author, complete title, course, department, class section and estimated enrollment. Contractor and University must mutually agree upon any changes to the requirements regarding textbook requisition information.
3.4 Special Orders: The Contractor will process orders in a timely manner depending on source and availability. A service to assist in selection of literature will be available at no charge to any customer for data searches.

3.5 Pricing: The Contractor will not exceed the following pricing policies:

1. Required and non-required texts shall be priced at no greater than a 25 percent gross margin (cost divided by .75) or list price. [A freight pass-through may be included in the selling price of textbooks as a method of cost containment.];

2. Used texts shall be priced at no greater than 75 percent of new text price, as defined in #1 above; and

3. On general merchandise, not more than the normal gross profit margin for similar merchandise in the college bookstore industry.

3.6 Text Buy Back: The Contractor will repurchase during a clearly announced buy back period used text as follows:

1. To meet estimated semester/session demand at a rate not less than 50 percent of the retail price on all current editions; and

2. Any textbook not requisitioned for this campus or beyond the estimated semester/session demand will be repurchased at the national wholesale price, as printed in national wholesale pricing guides. As an additional convenience and service for students, this buy back is provided regardless of where textbooks were purchased, whether they were used at SCSU or not, or whether they were originally purchased new or used.

To assist students in maximizing the cash value of their textbooks, the Contractor will present students information pertaining to the texts they want to sell. The Contractor retains the right to refuse payment for books reported and proven to be stolen.

3.7 Returns and Exchanges: The Contractor will accept returns in accordance with the following policies:

1. Non-textbook items in resalable condition may be refunded or exchanged at any time with original receipt.

2. 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 the summer term.

3. Textbooks purchased during the last week of classes or during exams may be sold back under the book buyback policy.
4. Computer software may be returned if it is unopened and shrink-wrapped.

5. In addition, upon proof of drop-add, Contractor 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.

6. Managers may lengthen refund time periods or allow exceptions to any of the above if circumstances warrant.

3.8 Contractor's Employees: The Contractor shall be solely responsible for the management of the bookstore operation. Contractor shall comply with all applicable federal and state regulations related to employment, compensation, and payment of personnel. All employees of the bookstore, including student employees, shall be employed by the Contractor. All bookstore personnel shall be subject to dismissal or transfer at the request of the University for conduct which the University deems inconsistent with the interests of the University and its students, provided such request does not violate applicable state and federal law.

3.9 Staffing: The Contractor will employ an adequate number of experienced courteous and otherwise capable staff to meet hours of service including peak demand. The Contractor shall provide training adequate to meet the changing needs of the industry and the University. The Contractor shall assure that all employees respect the dignity of all members of the University community.

3.10 Hours of Service: The Contractor shall provide a schedule of hours of service sufficient to meet the regular, academic needs of students, faculty and staff, and to meet demand which may exist outside of "regular" hours of service. Peak demand hours shall be adequate to meet demand at semester/session beginning and commencement. Such hours will be mutually agreed to by Contractor and Associate Vice President for Administrative Affairs.

3.11 On-line Services: Contractor will provide an on-line capability of the highest quality with customer services available on-line and in the University bookstore.

3.12 Notice and Postings: All consumer policies of the Contractor shall be posted in a conspicuous manner and shall be published in a fashion sufficient that members of the University community shall be reasonably expected to be aware of such policies.

3.13 Copyright Services: The Contractor shall provide a service, for fee, for obtaining copyright permission where possible, or shall provide access to such service through a third party. The Contractor will provide custom publishing services, within reason, for faculty, staff and students.

3.14 Credit Cards: In operating the Store, the Contractor shall accept as a minimum, MasterCard, Visa, Discover, and American Express charge cards. The Contractor will pay all merchant charges associated with acceptance of these credit cards.
3.15 Postal Services: The Contractor will operate a U.S. Postal sub-station within the facilities of the University bookstore and meet any licensure requirements necessary for such operation.

3.16 Course Catalogues: The University may require the Contractor to make available for sale University course catalogs and/or class schedules. The terms of such sale including price and process will be subject to good faith negotiation between the University and the Contractor.

3.17 Logo Licensing: The Contractor will comply with any logo licensing agreement as entered into by St. Cloud State University.

3.18 Telephone and Cleaning Services: The Contractor shall be responsible for and pay for all telephone service, including but not limited to, installation, monthly telephone equipment charges assessed by the phone service provider, local and long distance charges or similar services. The Contractor shall be responsible for daily, routine cleaning of the bookstore premises.

3.19 Financial Reports: Contractor shall provide the Vice President for Administrative Affairs with an unaudited copy of the bookstore's annual income statement no later than 3 months after the bookstore's fiscal year end. Said financial statement shall be sufficiently detailed as to provide an overview of sources of sales revenue and operating expenses.

ARTICLE IV
FINANCIAL TERMS AND CONSIDERATIONS

4.1 Contractor shall pay commission to the University in an annual amount equal to sum of:

- 8.50% of all Gross Revenue less than $5,000,000; plus
- 10.00% of any Gross Revenue over $5,000,000, but less than $7,500,000; plus
- 11.25% of any Gross Revenue over $7,500,000

As used in this Section 4, 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 sales, and sales to departments, faculty, staff and other sales at a discount.

In addition, Contractor will provide a guaranteed annual income* to the University as follows:

- $325,000 annually for years one and two
- $350,000 annually for years three, four and five
- $375,000 annually for years six and seven
- $400,000 annually for years eight, nine and ten
The University shall receive either the guaranteed annual income or the commission, whichever is greater in any contract year.

*The gross revenue % payment formula shall supersede the guarantee rates in impact that comparable enrollment drops by over 5% from the prior academic year or technological/competitive changes dramatically impact store sales or (first year sales do not meet 90% market share as measured by Follett benchmark data).

4.2 Financial Records and Documentation: Contractor will provide records with monthly payments adequate to reconcile the payment to gross sales. Contractor will maintain financial records, including cash register receipts and reports on the bookstore premises to be made available, upon reasonable notice, to the University for audit. Records will be retained unless released in writing by the University.

4.3 Capital Investment: Contractor shall pay up to a total of $420,000 to furnish, fixture and equip the Store in accordance with this Section 4, as follows:

- Up to $335,000 to cover fixtures, furniture and minor demolition and reconstruction.
- Up to $85,000 to equip the store including computers, POS system and related equipment over the life of the contract.

The capital investment shall be amortized utilizing a straight-line method from the in-service date(s) over the greater of 10 years or until expiration of this Agreement. Should the Contract terminate before the end of the amortization period, the University or a subsequent Contractor shall reimburse Contractor for the unamortized portion of the capital investment. The University shall have the right to approve the capital investment plans and to receive an itemized report documenting the capital investment. The University will make available to the Contractor premises other than the current bookstore which shall be maintained as defined in this contract.

All capital equipment purchased by the Contractor and not attached as a fixture to real estate will remain the property of the Contractor.

4.4 Follett Higher Education Group Scholarship: Contractor shall contribute $5,000 as textbook scholarships during each year of the Contract for St. Cloud State University to award to scholarship recipients chosen at the sole discretion of the University.

4.5 Payment Schedule: Payment of commissions shall be made by Contractor on or before the thirtieth day of the quarter (9/30, 12/31, 3/31, 6/30) following sale. However, 1st payment will cover sales for the period 5/16 to 6/30/2001. Interest will be assessed on commissions which remain unpaid by the specified due date at the highest rate allowed annual interest by Minnesota State Law.

4.6 The Contractor will purchase and operate equipment compatible with the SCSU campus card system, to allow students to purchase texts with the campus card. Use of the campus card for purchase of bookstore merchandise and services shall be exclusive to Contractor. Contractor will bear the initial purchase cost, continuing maintenance agreement costs,
and a line charge of .75% per transaction for administrative costs. At least two registers must have the "swipe" capability to access student campus card accounts.

ARTICLE V
RIGHT OF INSPECTION

The University retains the right to inspect, evaluate, and request mutually agreeable changes in the operation and condition of the bookstore and facilities at any time with respect to quality, quantity, hours of service, prices, safety, sanitation, and maintenance of the facilities and equipment to bring them to levels satisfactory to the University. Inspections and evaluations shall be conducted so as not to interfere with the normal operation of the bookstore function.

ARTICLE VI
AUDIT

Pursuant to Minnesota Statutes 16 B.06 Subd. 4, the books, records, documents and accounting procedures and practices relevant to the operation of the bookstore shall be subject to examination by the University, the legislative auditor and/or the state auditor. The University shall have the right to audit, at its own expense, the financial records which in any way relate to the operation of the bookstore.

ARTICLE VII
STATE AND FEDERAL I.D. NUMBER

Contractor is required by Minnesota Statues 270.66 to provide its Minnesota Tax Identification Number and Federal Employer I.D. No. if Contractor conducts business with the State of Minnesota. This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require Contractor to file state tax returns and pay delinquent state tax liabilities. These numbers will be available to federal and state tax authorities and state personnel involved in the payment of state obligations. Proof of these identification numbers will be provided by the Contractor to the University.

ARTICLE VIII
OPERATIONAL PERFORMANCE BOND & INSURANCE

8.1 Performance Bond: Prior to contract, Contractor shall be required to furnish a performance bond in the amount of $400,000 for the operation of the bookstore. The performance bond shall be for the initial Contract period and shall be extended by Contractor for any subsequent renewal periods of the Contract. The performance bond shall provide that the University and Contractor be notified, in writing, by the issuer a minimum of sixty (60) days prior to expiration or non-renewal. In the event of expiration or non-renewal of the bond, Contractor shall provide the University written evidence of the new source of surety within twenty-one (21) calendar days after the University's
receipt of the expiration or non-renewal notice. Failure to maintain the required performance bond in force may be cause for contract termination.

8.2 Insurance: Contractor shall bear the full and complete responsibility for all risk of damage or loss of equipment, products or money resulting from any cause whatsoever and shall not penalize the University for any losses incurred related to this contract. Any insurance policy or policies shall cover the entire bookstore operation including all areas that may in the future be placed under the control or use of Contractor.

Contractor shall maintain, during the life of this contract, the following minimum insurance requirements:

**Commercial General Liability**

**A. Minimum Limits of Liability**
- $1,000,000 - Combined Single Limit Per Occurrence
- $3,000,000 - Aggregate Single Limit Per Occurrence

**B. Coverage:** Bodily injury, property damage, personal injury, blanket contractual, MnSCU and the State of Minnesota named as additional insured.

**Commercial Automobile Liability** (including owned and non-owned)

**A. Minimum Limits of Liability:**
- $1,000,000 - Per occurrence combined single limit Bodily injury and property damage
- $3,000,000 - Aggregate Single Limit Per Occurrence

**B. Coverage:** Owned automobile, if any, non-owned automobile; hired automobile, State of Minnesota named as additional insured.

8.3 Comprehensive General Liability includes, but is not limited to, consumption or use of products, existence of equipment or machines on location and contractual obligations to customers.

8.4 These policies shall contain a covenant requiring thirty (30) days written notice to the University before cancellation, reduction or other modifications of coverage. These policies shall be primary and non-contributing with any insurance carried by the University and shall contain a severability of interests clause in respect to gross liability, protecting each named insured as though a separate policy had been issued to each.

8.5 Worker’s Compensation: Pursuant to Minn. Stat. 176.12 Contractor must provide acceptable evidence of compliance with the worker's compensation insurance requirement of Minn. Stat. 176.181, subd. 2. In the event that Contractor fails to maintain and keep in force the insurance and Worker's Compensation coverage as herein provided, the University shall have the right to terminate the Contract without notice.
Contractor shall advise each insuring agency to automatically renew all policies and coverage in force at the start of and resulting from this contract until specified coverage requirements are revised.

8.6 Insurance Certificates: Insurance certificates furnished by companies licensed to do business in the State of Minnesota indicating the required minimum coverage shall be furnished to the University prior to contract award. The University and Contractor shall each be listed as the named insured so that each is independently protected to the face amount of the policy.

The Comprehensive General Liability insurance certificate shall contain one of the following:

1. Broad form endorsement; or

2. Umbrella/Excess liability coverage.

On notification of award and prior to issuance of the Contract, Contractor shall provide the University Certification of Insurance with the required kinds of insurance and minimum liabilities specified, issued by an insurance company licensed to do business in the State of Minnesota and signed by an authorized agent. In the event of cancellation, material change or intent not to renew any of the insurance requirements specified, thirty (30) days written notice shall be given the University by the party initiating any revision.

ARTICLE IX
CONSTRUCTION PERFORMANCE BOND AND INSURANCE

9.1 Performance Bond: Prior to contract, the Contractor shall provide a labor and material performance bond in the amount of the capital investments as stated in Article 4.3, along with all insurance required herein.

9.2 Insurance: All policies and certificates shall provide that the policies shall remain in force and effect except on ten days' written notice to the University before cancellation, expiration or change in any way which would affect the coverage afforded the named insured in respect to this project. Certificates shall be those of the Construction Industry Cooperative Committee, CICC 701 and CICC 702. Public Bodily Injury Liability and Public Property Damage Insurance shall provide that the insurance company waives the right to assert the immunity of the State as a defense to any claims made under said insurance, and such endorsements shall be submitted.

Contractor shall procure and maintain the required insurance policies/certificates, for and in behalf of Contractor and protecting Contractor from claims for damages for bodily injuries, including sickness, disease, or death and for care and loss of services, as well as from claims for property damage, including loss of use, which may arise from construction operations under the contract, whether such construction operations be by
Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, for the life of the construction project, or for as long as required herein.

9.3 Premium Payment and Deductibles: Contractor shall be responsible for payment of all premiums and deductibles pertaining to the insurance required by this specification.

9.4 Withholding of Final Payment: According to Minn. Stat. 290.97, no final settlement of a State contract requiring the employment of employees for wages should be made until Contractor has received a certificate from the Department of Revenue showing that Contractor has complied with Minn. Stat. 290.92.

ARTICLE X
GENERAL TERMS

10.1 This contract shall be governed and interpreted by the laws of the State of Minnesota.

10.2 Laws To Be Observed: Contractor shall observe, perform and comply with or require compliance with all governmental laws, ordinances, rules and regulations of the United States, the State of Minnesota, and the University, which in any manner may materially affect the operation and maintenance of the bookstore facilities. Contractor shall also comply with all state and local building, fire, health, zoning codes and/or regulations that affect operation of the premises. Any reference to such laws, ordinances, rules, regulations, and codes shall include any amendments thereto.

10.3 Data Practices: In accordance with the requirements of Minn. Laws 1999, Chapter 250, Article 1, Section 42 (amending Minnesota Statutes section 13.05 by adding a new subdivision 11), Contractor agrees that all data created, collected, received, stored, used, or disseminated by Contractor in performing its duties under this Agreement is subject to the requirements of Minnesota Statutes Chapter 13 "Data Practices" and that Contractor must comply with said requirements as if it were a government entity. Contractor further understands and agrees that the remedies in Minn. Stat. Section 13.08 apply to Contractor as to this Agreement. Contractor agrees to provide to the University any data relative to this Agreement. Contractor agrees to provide to the University any data relative to this Agreement not already in the hands of the University that is determined by appropriate authority to be required to be disclosed under the provisions of Minn. Stat. Chapter 13. The University and Contractor understand that this provision applies broadly to government data as defined in statute, but does not intend that this practice apply to "trade secret information" defined by Minnesota Statutes Section 13.37, subdivision 2 as nonpublic or private data. Trade secret information is defined by Minnesota Statutes Section 13.37, subdivision 1(b) as follows:

"Trade secret information" means government data (as this term is defined in Minnesota Statutes Section 13.02, subd. 7), including a formula, pattern, compilation, program, device, method, technique or process: (1) that was supplied by the affected individual or organization, (2) that is the subject of efforts by the individual or organization that are reasonable under the circumstances to maintain
its secrecy, and (3) that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

10.4 Term: The Contract term shall be for a period of FIVE (5) years from May 15, 2001 BUT ENDING ON June 30, 2006. The Contract shall from that date, and with an option by the University, and by mutual agreement of the University and Contractor, renew for five (5) more years or a lesser period mutually agreed upon between the parties. A year will be considered a period of twelve (12) consecutive calendar months except for the first year period which will be between May 15, 2001 and June 30, 2002.

10.5 Contract Assignment: Contractor shall be deemed to be an independent Contractor and will not, during the terms of the Contract, or any renewal or extensions thereof, sell, assign, transfer, subcontract, sublet, or sublease all or any part thereof without the prior written consent of the University; and should Contractor become insolvent, or if proceedings in bankruptcy shall be instituted by or against Contractor, the remaining or unexpired portion of the Contract shall, at the election of the University, be terminated.

10.6 Amendments: The Contract shall not be varied except by an instrument in writing executed subsequent to the execution of the Contract by both parties.

10.7 Excuse Of Performance: Performance under the Contract by Contractor will be excused only by reason of the following causes:

1. When such performance is prevented by destruction or damage to the premises not caused by Contractor's negligence;

2. When such performance is prevented by an act of the University, of the State of Minnesota, or of the United States of America;

3. When such performance is prevented by any job action conducted by an employee organization that prevents patrons from utilizing Contractor's services; and/or

4. When such performance is prevented by exercise of the power of eminent domain.

With the exception of monies already due and owing, performance of this Contract shall be suspended and excused to the extent commensurate with such interfering occurrence. Contractor assumes all risk of loss due to temporary suspension of operation regardless of cause.

10.8 Liens: Contractor shall not commit or suffer any act of neglect whereby the University premises shall become subject to any attachment, lien, charge or encumbrance whatsoever, except as hereinafter provided, and shall indemnify and hold harmless the
University and Board from and against all attachments, liens, charges and encumbrances and all expenses relating therefrom.

10.9 At the expiration of this contract or termination by either party the University may purchase or cause to be purchased the inventory at that time under mutually agreeable terms, with consideration for age, salability and quantities.

10.10 Inventory Buy-out: Follett Higher Education Group shall purchase the current inventory in accordance with the United States Bankruptcy Court, Eastern District of Kentucky, Lexington Division order (Follett Corporation Entities as Successful Bidder Order).

10.11 Integration: This agreement (i) is the sole expression of the understanding of the parties with respect to the construction and operation of the bookstore, (ii) supersedes all prior statements and agreements with respect thereto and (iii) may not be modified, amended or waived except in a writing signed by representatives of both parties.

10.12 Severability: If any provision of this agreement is held to be illegal, invalid, or otherwise unenforceable by a court of competent jurisdiction, then such provision shall be severed and the remainder of this contract shall remain in full force and effect.

ARTICLE XI
USE OF BOARD/UNIVERSITY NAME

In no instance shall the University's name be used by Contractor in connection with any advertising or promotions that are not directly related to the University without their specific written consent. The University's name and logo shall be prominently displayed on all University bookstore promotional materials. Contractor's name is not to appear on any signs, forms, disposable service ware or other items that are accessible to students, staff, faculty or other customers.

ARTICLE XII
NON-DISCRIMINATION

12.1 In connection with the performance of work under this Contract, Contractor agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation, or age. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor further agrees to take affirmative action to insure equal employment opportunities. Contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the State of Minnesota Department of Human Rights setting forth the provisions of the non-discrimination clause. Contractor agrees to abide by all provisions of Minn. Stat. 363.
12.2 Affirmative Action: Contractor will provide evidence of a Certificate of Compliance from the State of Minnesota, Department of Human Rights.

ARTICLE XIII
PATENTS AND COPYRIGHTS

Contractor shall assume all costs arising from the use of copyrights, patented materials, licenses, equipment devices or processes used in the operation of, or incorporated, in the bookstore facilities, and shall indemnify and hold harmless the University from all suits of law or actions of every nature for or on account of the use of any patented or copyrighted materials, equipment, devices or processes.

ARTICLE XIV
INDEMNIFICATION

Contractor shall defend, hold harmless and indemnify the University, its Board of Trustees, Affiliates, Officers and Employees against any and all claims, suits, actions, damages, judgments and costs (including reasonable attorneys fees) of whatsoever kind and nature for injury to or death of any person or persons and for loss or damage to any property (State or otherwise) occurring in connection with, arising out of or related to performance of work under this contract, including but not limited to, the construction, occupancy, use and operation of the bookstore or acts of omissions by Contractor, its officers, agents and employees.

ARTICLE XV
TERMINATION

15.1 Contract Termination: The Contract may be terminated with or without cause by either party by giving the other not less than ninety (90) days written notice of the intention to terminate as of the date specified for termination.

15.2 In the event Contractor fails to comply with any material term of the contract and shall continue in default for a period of sixty (60) days after written notice thereof by the University of default and demand for performance, then the University may:

1. Declare the term ended, and enter into and upon the premises or any part of the premises, either with or without process of law, and expel Contractor or any person occupying the same in or upon the premises, using such force as may be necessary to do so, and so to repossess and enjoy the premises as in the University's former estate; and/or

2. Re-let the premises, applying the rent from a new tenant on the Contract and Contractor shall be responsible for no more than the balance that may be due, should a balance exist.
ARTICLE XVI
SURRENDER OF PREMISES

16.1 Inventory Supplies: Contractor shall remove all inventory and supplies at the expiration or sooner upon termination of the Contract except as agreed in Article 10.9 of this contract.

16.2 Personal Property: Contractor shall remove its personal property at the expiration or sooner upon termination of the Contract. On removal of the property, the Premises shall be returned to the University in its original state, wear and tear excepted. Contractor's failure to remove its personal property within thirty (30) days after the termination or expiration of the Contract shall be deemed to be an abandonment of its personal property. The University will make all necessary repairs to the premises that may be required as a result of the removal of trade fixtures and other personal property and reasonably charge Contractor for such repairs.

ARTICLE XVII
TAXES

Contractor shall pay any and all applicable tax attributable to the bookstore operation. Contractor shall be responsible for collecting and remitting any applicable sales, use, or meal taxes.

ARTICLE XVIII
CONTROLLED SUBSTANCES

Controlled substance policy will be set by the University.

ARTICLE XIX
PARKING

Contractor parking spaces shall be obtainable on a first come, first served basis for a fee paid directly to the University in accordance with campus policy.
ARTICLE XX
EXCLUSIVE CONTRACTS

Contractor shall abide with the requirements of current and any future exclusive rights contracts that are negotiated by St. Cloud State University.

ARTICLE XXI
NOTICE

Notice: Notices required to be provided under this agreement shall be in writing and shall be deemed to have been duly given if mailed first class as follows:

To the Contractor:
Follett Higher Education Group
1818 Swift Drive
Oak Brook, Illinois 60523-1576
Attn: Christopher D. Traut
    President and CEO
    Follett Corporation

To the University:
St. Cloud State University
720 - 4th Ave. S.
St. Cloud, MN 56301-4498
Attn: Diana Burlison
    Associate Vice President for Administrative Affairs

IN WITNESS WHEREOF, the parties have caused this contract to be duly executed intending to be bound thereby.

ST. CLOUD STATE UNIVERSITY

Approved: ____________________________
By: ____________________________
Date: 8/14/01

As to form and execution:

Approved: ____________________________
By: ____________________________
Date: 8/14/01

FOLLETT HIGHER EDUCATION GROUP

Approved: ____________________________
By: ____________________________
Date: 7/3/01