

PROPOSAL HIGHLIGHTS

Texas Book Company's management expertise, location, size and long-term commitment make us best suited to manage the Temple College bookstore. This proposal highlights our qualifications and demonstrates our confidence in our success and in Temple College.

Annual Guarantee

Fifty five Thousand (\$55,000) Dollars Annual Guarantee.

Plus

10% of gross sales over Seven Hundred Fifty Thousand (\$750,000) Dollars

Payment Advance

One Hundred Ten Thousand (\$110,000) Dollars

Improvements to Facility

Fifty Thousand (\$50,000) Dollars

Payment for Inventory

Texas Book Company will pay for the inventory within ten (10) days upon inventory completion.

Contributions

Two Textbook Scholarships annually

Staffing

Texas Book Company local and corporate management is highly experienced in all aspects of bookstore operations and management. Texas Book Company offers competitive salaries, benefits and generous bonus programs.

Textbook Buyback

Texas Book Company will provide a year-round buy back program.

TEXAS BOOK COMPANY



RECEIVED
OCT 30 2007
Business Office

October 24, 2007

Mr. Wayne Criswell
Vice President for Administrative Services
Temple College
2600 South First Street
Temple, TX 76504-7435

Dear Wayne:

We are nearing completion of your bookstore renovation and very eager for your students, faculty and staff to shop in their new bookstore. We promise continued dedication to quality service, and a comfortable and enticing bookstore setting for your campus. The new design and remodel exceeds the original scope and cost commitment as specified in the current agreement. To complete your bookstore renovation plans, we submit the following addendum to our current agreement.

TBC offers broad experience and expertise in designing a well organized, convenient bookstore facility, essential to the overall success of the Temple College bookstore operation. Using the right store furniture and fixtures is vital to store appeal and the customer's shopping experience. An additional \$40,000.00 is necessary to ensure that your new bookstore design, furniture, clothing racks, gondola shelving, showcases, display tables, and custom-made checkout counters enliven the store's design, and advance the College's image. The following describes the expenditures:

- \$38,000.00 - new wood cabinetry, custom checkout counters, end panels, accents throughout the store
- \$17,000.00 - flooring, included hardwood flooring in the front entry way into the new convenience area, carpeting through the remainder of the retail space
- \$7,000.00 - new steel fixtures
- \$9,000.00 - remodel and installation labor
- \$6,000.00 - design cost
- \$3,000.00 - misc. fixture and remodel costs

Attached is our proposed addendum to the current agreement. Thank you for your continued confidence in Texas Book Company. If you have any questions, please feel free to contact Darren, Stacy, or me.

Sincerely,

A handwritten signature in black ink, appearing to read "Brent", written over a large, stylized circular flourish.

Brent Dyer
President

Bookstore Management Renewal Agreement
Between
Temple College
and
Texas Book Company
Addendum I

All articles in this addendum replace the like-titled sections, in their entirety, as stated in the Bookstore Management Renewal Agreement. Unless stated in this addendum, all other articles of the agreement remain in force.

3. Contract Considerations:

a. Prior Considerations

The following represent Texas Book Company contributions, and funds committed to bookstore improvements, prior to this addendum. The commitment of these funds is considered integral to the term of this addendum.

Texas Book Company commits up to \$80,000.00 (Eighty Thousand Dollars) for Temple College Student Union and Bookstore leasehold improvements, furniture, fixtures, and equipment.

- i. \$40,000.00 (Forty Thousand Dollars) is designated for Bookstore upgrades, furniture, fixtures, and equipment.
- ii. \$40,000.00 (Forty Thousand Dollars) is designated as a contribution for Temple College to use for Student Union renovation and improvements. The \$40,000.00 contribution was paid in full to Temple College on June 27, 2007.

b. Present Considerations

Texas Book Company commits an additional \$40,000.00 (Forty Thousand Dollars) for Temple College Bookstore leasehold improvements, furniture, fixtures, and equipment.

6. Term:

Upon signing, this addendum shall become a part of the Bookstore Management Renewal Agreement, which governs the partnership between Temple College and Texas Book Company. This addendum extends the current contract, ending October 31, 2013, for an additional three years to an ending date of October 31, 2016.

Upon completion of the initial contract term, the contract will automatically renew annually under the same provisions, except as agreed in writing between Texas Book Company and the College.

8. Termination:

Temple College or Texas Book Company may terminate this contract by choice with 180 (one hundred eighty) days' written notice of intent to terminate. If the contract is terminated for any reason, Texas Book Company will continue operation of the Bookstore until a new contractor is designated or until the College is able to commence operations, provided this period shall not exceed 6 (six) months from the effective date of termination. Such termination of the agreement cannot take place within 60 (sixty) days prior to the start of either the fall or spring semesters or summer sessions. Termination notice must be mailed by regular mail to the respective principal business address of the other party in this agreement.

The College may terminate this agreement should there be a material breach of contract or should Texas Book Company fail to perform. The College must send written notice to Texas Book Company stating defects to be corrected. If Texas Book Company, after having received written notice from the College of default of any of the contractual obligations, does not fully remedy said defaults within 30 (thirty) days, the College may, with written notice to Texas Book Company, terminate this agreement in its entirety within 90 (ninety) days.

If this agreement is terminated for any reason, the College or its assigned will repurchase the Bookstore inventory at the same price as Texas Book Company's cost for the inventory. Inventory levels and product mix shall be appropriate for enrollment and campus environment.


Temple College or its assigned will pay Texas Book Company in full for the inventory upon inventory completion.

TBC commits \$80,000.00 to leasehold improvements, furniture, fixtures and equipment for the Student Union and Bookstore. Amortization of this commitment begins on November 1, 2005, and continues for 8 (eight) years, based on a straight-line amortization schedule. If either party elects to terminate this agreement for any reason, the College or its assigns will reimburse Texas Book Company for the unamortized portion of the leasehold improvements, furniture, fixtures and equipment.

TBC commits an additional \$40,000.00 to leasehold improvements, furniture, fixtures and equipment for the Temple College Bookstore. Amortization of this additional commitment begins on November 1, 2013, and continues for 3 (three) years, based on a straight-line amortization schedule. If either party elects to terminate this agreement for any reason, the College or its assigned will reimburse Texas Book Company for the unamortized portion of the leasehold improvements, furniture, fixtures and equipment.

Texas Book Company considers the Vice President for Administrative Service or his/her designee, as the Temple College official liaison. Texas Book Company respectfully submits this agreement addendum for consideration and agrees to discuss, negotiate or resolve all issues, which may require clarification.

Accepted:
Temple College

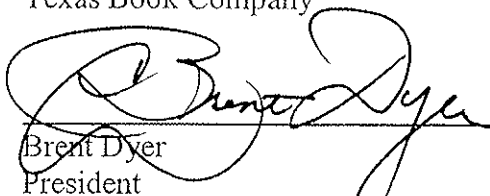


Wayne Criswell
Vice President, Business Affairs

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Date

Texas Book Company



Brent Dyer
President

October 25, 2007

Date