

**BOARD OF TRUSTEES
UNIVERSITY OF THE DISTRICT OF COLUMBIA
UDC RESOLUTION NO. 2026 – 16**

SUBJECT: APPROVAL OF A LEASE AGREEMENT BETWEEN FOLLETT HIGHER EDUCATION GROUP, LLC AND THE BOARD OF TRUSTEES OF THE UNIVERSITY OF THE DISTRICT OF COLUMBIA AS LANDLORD (THE “LEASE AGREEMENT”)

WHEREAS, pursuant to D.C. Code § 38-1202.01(a)(5), the Board of Trustees (“Board”) possesses all powers necessary or convenient to accomplish its statutorily prescribed objects and duties, including the power to make, deliver, and receive deeds, leases and other instruments; and

WHEREAS, the University Administration recommends leasing approximately four thousand five hundred thirty-five (4,535) rentable square feet of available space at the Van Ness Campus, 4250 Connecticut Avenue, NW, Washington, DC 20008, to Follett Higher Education Group, LLC, to operate a University bookstore; and

WHEREAS, the Lease Agreement includes a term of ten (10) years, with an option to extend the term of the lease for one (1) additional five (5)-year term; and

WHEREAS, the Lease Agreement was negotiated, and the University Administration has determined that the terms in the Lease Agreement are favorable to the University with due consideration to maintenance and operation efficiency and that the charges are consistent with prevailing scales in the community for comparable facilities; and

WHEREAS, pursuant to 8B DCMR § 2101.1, the President, subject to Board approval, is authorized and empowered to rent any building or land belonging to the University or under jurisdiction of the President, or any available space therein, whenever such building, land or space is not then required for the purpose for which it was acquired; and

WHEREAS, the Lease Agreement requires the approval of the Board prior to entering into the Lease Agreement.

NOW THEREFORE BE IT RESOLVED, that the Board approves the Lease Agreement and the President is authorized to execute the Lease Agreement in substantially the form attached hereto as **Attachment A**; and is authorized to exercise the option to extend the term of the Lease Agreement in accordance with the terms of the Lease Agreement.

Submitted by the Operations Committee:

April 21, 2026

Approved by the Board of Trustees:

May 6, 2026



Warner H. Session
Chairperson of the Board

**LEASE AGREEMENT
BY AND BETWEEN**

the
Board of Trustees of the University of the District of Columbia

LANDLORD

AND

Follett Higher Education Group, LLC.

TENANT

for

**4250 Connecticut Avenue, NW
Retail Space # 2, Washington, DC 20008**

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this “Lease”) is made and entered into by and between the University of the District of Columbia, a public institution of higher education and independent agency of the District of Columbia, whose address is 4200 Connecticut Avenue, NW, Washington, DC 20008 (“**Landlord**”), and Follett Higher Education Group, LLC, an Illinois, limited liability company whose address is 3 Westbrook Corporate Center, Suite 200, Westchester, IL 60154 (“**Tenant**”).

RECITALS

WHEREAS, Landlord owns a certain parcel of real estate (the “**Land**”), including the buildings and improvements thereon, located at 4250 Connecticut Avenue, NW, Washington, DC 20008 (the “**Building**”) subject to the rights of Washington Metropolitan Area Transit Authority (“**WMATA**”) as ground lessor pursuant to the Ground Lease;

WHEREAS, Landlord wishes to lease to Tenant and Tenant wishes to Lease from Landlord ground floor space consisting of approximately four thousand five hundred thirty-five (4,535) rentable square feet as shown on Exhibit A attached hereto (the “**Premises**”), on the terms and conditions set forth below;

WHEREAS, the Premises are located in the approximate location depicted on Exhibit A, attached to this Lease;

WHEREAS, pursuant to D.C. Official Code §38-1202.01(a)(5), the Board of Trustees of the University of the District of Columbia (the “**Board**”) possesses all powers necessary or convenient to accomplish its statutorily prescribed objects and duties, including the power to make, deliver, and receive deeds, leases and other instruments and to take title to real and other property in its own name, and Landlord has the right and authority to enter into and attend to matters set forth in this Lease;

WHEREAS, Landlord represents that pursuant to 8B DCMR §2101.1, the President of the University of the District of Columbia, subject to Board approval, is authorized to enter into real estate lease agreements with any person, partnership, corporation, or other entity; and

WHEREAS, the foregoing recitals and all exhibits attached hereto are hereby incorporated into this Lease and made a part hereof.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Landlord and Tenant agree as follows:

DEFINITIONS

“Additional Rent the Percentage Rent Difference detailed in Section 7.7,

“Additional Services” means additional services provided by the Landlord ancillary to this Lease, or additional improvements to the Premises or the Building provided by the Landlord not otherwise set forth in this Lease.

“Agent” means a Party’s contractor or vendor.

“Alteration” means any improvement, addition, alteration, fixed decoration, substitution, replacement or modification, structural or otherwise, made by the Tenant in or to the Premises or the Building or the Land, but does not include removable fixtures, furniture, or equipment.

“Annual Rental” is defined in Section 7.

“Anti-Deficiency Act” is defined in Subsection 26.1.

“Base Building Conditions” is the roof, floor slab, foundation, exterior walls (excluding doors, windows, and glass), structural portions of the Building, and any mechanical or operational systems (such as plumbing, piping, electricity) or utility lines located either (a) outside the Building or (b) located within the Building but not servicing the Premises or any other leased space within the Building.

“Building” is defined in the Recitals above.

“Business Days” means Monday through Friday, excluding holidays observed by the Government of the District of Columbia and days when the Landlord is officially closed for business.

“Common Areas” means the elevators, hallways, stairways, public bathrooms, sidewalks, driveways, parking areas, loading docks, common entrances, lobbies and other similar public or non-exclusive areas and access ways in or on the Property.

“Contingent Fee” means any fee, commission, percentage, brokerage or other payment that is contingent upon the success such person or concern has in securing a lease with the Tenant.

“Course Material Commissionable Sales” means all collected revenue (in compliance with generally accepted accounting principles) for all physical print course material products and course related supplies generated through the Store or the Store website, less Digital product revenue, Course-by-Course Access Program revenue, voids, refunds, sales tax, campus debit card fees, discounted sales to Landlord’s authorized faculty, staff, departments and others as may be mutually agreed to under this Agreement, associated Tenant-funded scholarships, handling fees associated with non-return of rental textbooks, pass-through income and any sales at less than a 20% margin.

“Declaration of Delivery” means that document (in the form attached as Exhibit C to this Lease) to be executed by the Parties setting forth the Lease Commencement Date, the Rent Commencement Date, Lease expiration date, and verifying such other terms as deemed appropriate

by the Parties.

“Delivery Date” means the date that the Landlord delivers the Premises to the Tenant.

“Digital Commissionable Sales” means all collected revenue (in compliance with generally accepted accounting principles) for all digital content generated through the Store or the Store website, less Course by Course Access Program revenue, voids, refunds, sales tax, campus debit card fees, discounted sales to Landlord’s authorized faculty, staff, departments and others as may be mutually agreed to under this Agreement, associated Tenant-funded scholarships and pass-through income.

“Emergency Condition” means an emergency affecting the Premises or the Building or the health or safety of tenants or visitors to the Premises.

“Environmental Default” means any of the following: (a) a continuing violation beyond any applicable period of notice and cure of Environmental Laws; (b) a release, spill or discharge of Hazardous Materials on or from the Premises, or any of the Property; (c) an environmental condition requiring responsive action; or (d) any combination of the foregoing.

“Environmental Laws” means any present and future laws and any amendments thereto (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Building or the Land and relating to the environment and environmental conditions or to any Hazardous Material (including, without limitation, CERCLA, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 1101 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; any so-called “Super Fund” or “Super Lien” law; any law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the Environmental Protection Agency and any similar state and local Laws; all amendments or modifications to the foregoing as they may occur from time to time; and, all regulations, orders, decisions and decrees now or hereafter promulgated thereunder.

“Extension Term” is defined in Section 6.

“Force Majeure Event” means any of the following that directly cause any of a Party’s obligations under this Lease not to be performed in a timely manner: an act of God (including fire, flood, earthquake, hurricane, or other natural disaster) explosion, war, acts of terrorism (as defined by the United Nations Security Council), insurrection, riot, government orders or shutdown orders, applicable states of emergency, a general shortage of labor, equipment, facilities, materials or supplies in the open market, failure or unavailability of transportation, strike, lockout, or other actions of labor unions, epidemic or pandemic or any other cause, whether similar or dissimilar to the foregoing that is not within the reasonable control of the Party or caused by the willful misconduct or negligence of Landlord or Tenant, as applicable.

“General Merchandise Commissionable Sales” means all collected revenue (in compliance with

generally accepted accounting principles) for all general merchandise products generated through the Store or the Store website, less course related supplies associated with an Access Program, voids, refunds, sales tax, campus debit card fees, discounted sales to Landlord's authorized faculty, staff, departments and others as may be mutually agreed to under this Agreement, associated Tenant-funded scholarships, pass-through income and merchandise sales at less than a twenty (20%) margin.

"Gross Sales" is defined as the aggregate dollar amount for all sales, excluding sales tax levied upon retail sales and payable to the appropriate government authority, including, but not limited to, merchandise sold (including gift and merchandise cards and certificates sold and redeemed at the Premises), Course Material Commissionable Sales, Digital Commissionable Sales and General Merchandise Commissionable Sales, from all sales made at, from or related to the Premises, regardless of where the order is received or delivered, and any other revenues of any type arising out of or in connection with the Tenant operations at the Premises, whether performed by the Tenant, its subcontractors, subsidiaries, associated companies, or any other entity corporate or otherwise, for cash, credit, charge or otherwise, of every kind, name and nature, regardless of where or whether collected, as if the same had been sold for cash, including, but not limited to sales and services where orders originate or are accepted by the Tenant: (a) at, in or away from the Premises, (b) from telephone, internet, online, digital platform or other medium, or (c) Tenant's UDC store website or Campus Bookstore URLs provided for Tenant usage.

"Hazardous Materials" means (a) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Laws or any other applicable Laws as a "hazardous substance," "hazardous material," "hazardous waste," "infectious waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity or Toxicity Characteristic Leaching Procedure (TCLP) toxicity; (b) any petroleum and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; and (c) any petroleum product, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive material (including any source, special nuclear or by-product material), chlorofluorocarbon, lead or lead-based product and any other substance the presence of which could be detrimental to the Building or the Land or hazardous to health or the environment.

"Improper Influence" means any influence that induces or intends to induce a Party, or its Representatives to give consideration or to act regarding the Lease on any basis other than on the merits of the matter or in violation of any Laws or regulation regarding the acquisition of a leasehold interest.

"Initial Lease Term" is defined in Subsection 5.1, but does not include the Extension Term, if applicable.

"Interruption" means any event or condition which causes the Premises or a portion thereof to be untenable, inaccessible, or otherwise unfit for occupancy or its intended use under this Lease to the extent not caused by Tenant.

"Land" means the real property upon which the Building is located, the legal description of which

is set forth on Exhibit B attached hereto.

“Landlord’s Delivery Obligations” means Landlord’s delivery of the Premises detailed in Subsection 9.1(a).

“Landlord Payment Address” means the address to submit payments to the Landlord, as identified in Subsection 7.4.

“Laws” means all applicable laws, orders, rules and regulations promulgated thereunder, as the same may be amended from time to time, including but not limited to all applicable ordinances (including without limitation, zoning ordinances and land use requirements) and codes of the District of Columbia, the United States, and any other governmental or quasi-governmental entities.

“Lease Commencement Date” means the date that the Landlord delivers the Premises to Tenant.

“Lease Term” or “Term” is the Initial Lease Term, as may be extended by the Extension Term.

“Lease Year,” in cases where the Lease Term is more than one (1) year, each twelve (12) month period beginning with the Rent Commencement Date, and each anniversary thereof, until the Lease Term ends.

“Minimum Hours of Operation” shall mean the hours of the hours of 9:00 am to 5:00 pm Monday through Friday and occasional weekend hours depending on campus activities and University/community needs.

“Parties” means Landlord and the Tenant.

“Party” means either the Landlord or the Tenant.

“Permitted Use” means use of the Premises solely for operation of a university bookstore providing textbooks, course materials, school supplies, general merchandise, and related and complementary products and services to include cultural and entertaining activities available to the public.

“Premises” is defined in the Recitals above in this Lease.

“Property” means the Building and Land.

“Rent Commencement Date” shall be one hundred eighty (180) days following Tenant’s receipt of building permits.

“Representatives” means that Party’s respective trustees, officers, directors, employees, affiliates, shareholders, partners, members, Agents and representatives as applicable to each Party.

“Security Deposit” is defined in Subsection 7.6.

“Tenant Improvements” are the improvements to the Premises that may be installed by the Tenant in accordance with the terms and conditions set forth in this Lease and plans and specifications approved by the Landlord pursuant to Section 9. For the avoidance of any doubt, Tenant Improvements constituting furniture or equipment shall be the personal property of the Tenant.

“Three Broker Method” means each party appoints its own broker. If the two (2) representatives can agree on the market rate for the Annual Rental, that figure will be binding on the parties. If not, the two (2) will agree on a third, impartial broker, who then either makes an independent determination of the market rate that is binding on the Parties, or some calculation is done to average two (2) or all three (3) of the brokers’ proposed Annual Rental rates.

PROVISIONS:

1. PREMISES

1.1 The Tenant leases the Premises from Landlord and Landlord demises the Premises to the Tenant for the Lease Term and upon the conditions and covenants set forth in this Lease.

1.2 Landlord hereby grants to the Tenant the exclusive right to use the Premises, in accordance with the terms of this Lease. The Tenant and its Representatives and invitees shall have access and rights of ingress and egress to the Premises and the Property for the Lease Term.

1.3 Landlord hereby represents, warrants, and covenants that, as of the Lease Commencement Date, the Property and the Building will comply with Laws, subject to any “grandfathering” provisions. Landlord shall be responsible for complying with all Laws pertaining to the Property, provided that Landlord shall not be responsible for any non-compliance that is solely attributable to the Tenant’s use or occupancy of the Building or the Premises (including Alterations in and to the Premises by the Tenant). If, after the Lease Commencement Date, the Tenant elects to use the Premises in a way that necessitates changes or additions to the Premises or the Building in order to comply with Laws solely due to the Tenant’s specific use or occupancy of the Premises, the Tenant shall be responsible for those changes or additions.

1.4 After the Landlord completes its Delivery Obligations detailed in Subsection 9.1(a), Landlord shall deliver the Premises to the Tenant and the Tenant shall accept the Premises and Property in its “as-is” condition, and in accordance with the terms of this Lease. There shall be no further Landlord’s work or contribution for delivery. Landlord makes no warranties or representations with respect to the Premises. After Landlord Delivers the Premises, Landlord will only be responsible for the maintenance, repair and replacement of the Base Building Conditions, and will not be responsible for damages to the Premises and the Property caused by Tenant.

2. USE OF PREMISES

2.1 The Tenant shall use and occupy the Premises to operate the official UDC store and online store, solely in accordance with the Permitted Use and Tenant shall not use the Premises or permit the Premises to be used for any other purpose without the Landlord’s prior written approval, which may be withheld in the Landlord’s sole and absolute discretion. In furtherance of the

Permitted Use, Tenant shall utilize the Premises in accordance with Exhibit F, attached hereto and made a part hereof. The Tenant shall comply with all Laws applicable to it concerning the use, occupancy and condition of the Land, Building or Premises and all machinery, equipment, furnishings, fixtures, and improvements therein, all of which shall be complied with in a timely manner, provided that the Tenant shall not be required to construct or alter the elements of the Base Building Conditions within the Premises unless required by reason of either: (i) the Tenant's particular use of the Premises, or (ii) any Alteration made by the Tenant. If any such Laws require an occupancy or use permit or license for the Premises or the operation of the business conducted therein, then the Tenant shall obtain and keep current such permit or license. Use of the Premises is subject to all covenants, conditions and restrictions of record, which Landlord represents and warrants do not and will not adversely impact the Permitted Use hereunder.

Tenant shall have the exclusive use of the outdoor patio directly in front of the Premises, indicated in Exhibit A, as an outdoor seating area serving its customers. Tenant shall obtain written schematic design approval for the patio from Landlord prior to submitting its drawings and/or plans for the applicable government approval. Tenant shall construct the patio, subject to obtaining the applicable governmental approvals, licenses and permits for such use. The construction and/or placement of personal property in this area shall be installed by the Tenant or its Representatives at the Tenant's expense. Tenant shall be responsible for any public space costs payable to any applicable local, state and federal governments. Tenant shall take reasonable steps to keep the patio reasonably clean and neat and shall use commercially reasonable efforts to avoid materially obstructing or interfering with any pedestrian walkways. Tenant shall not change the boundary or the materials used to create the boundary for the patio without Landlord's prior written consent, provided Tenant shall have the right to add, remove and relocate the chairs, seating, tables, trash cans and other personal property within such area without Landlord's consent.

Tenant shall employ reputable business standards and practices consistent with the operation of its Permitted Use and, with the exception of excused periods, operate its business for the Permitted Use continuously and uninterrupted during the Lease Term.

2.2 (a) The Tenant and its Representatives and invitees shall not introduce or cause any Hazardous Materials to be generated, used, treated, released, stored, or disposed of in or about the Premises, the Building or the Land by the Tenant; provided, the Tenant may use and store normal and reasonable quantities of standard cleaning and office materials as may be reasonably necessary for the Tenant to conduct normal operations in the Premises so long as such materials are stored and used by the Tenant in accordance with applicable Laws. At the expiration or earlier termination of this Lease, the Tenant shall surrender the Premises to Landlord free of Hazardous Materials introduced by the Tenant and its Representatives and invitees, and in compliance with all Environmental Laws (excluding those violations caused by parties other than the Tenant, its Representatives and invitees).

(b) The Landlord and Tenant shall: (i) give the other prompt oral and follow-up written notice of any actual or threatened Environmental Default affecting the Premises or any other portion of the Property which could affect occupants or invitees of the Premises, including an Environmental Default affecting the Common Areas (an "Environmental Area"), about which it becomes aware; and (ii) promptly deliver to the other copies of any notices or other items received from or submitted to any governmental or quasi-governmental agency, or any claim instituted or

threatened by any third party concerning an Environmental Area. Tenant shall promptly cure any Environmental Default to the extent caused by Tenant in accordance with all Environmental Laws and only after the Tenant has obtained Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

(c) Landlord represents, warrants, and covenants that, as of the date that Landlord's Delivery Obligations are satisfied, the Premises will comply in all material respects with applicable Environmental Laws. Landlord shall promptly abate, remediate, or otherwise cure any such Environmental Default caused by Landlord or its Representatives in accordance with all Environmental Laws, provided that Landlord shall have no obligation to perform such abatement, remediation or cure if Landlord's insurance proceeds are insufficient to perform such abatement, remediation or cure. In the event of an Environmental Default affecting an Environmental Area caused by the Landlord or its Representatives, within ten (10) days of Landlord's actual knowledge of such Environmental Default, Landlord shall notify the Tenant in writing of the default ("**Environmental Notice**") which Environmental Notice shall: (i) state Landlord's reasonable determination of the time necessary to cure the Environmental Default and (ii) state whether Landlord elects not to cure the Environmental Default because insurance proceeds payable are insufficient to pay for the costs of such cure. The Tenant shall have the right to terminate this Lease on thirty (30) days prior written notice to Landlord if Landlord elects not to cure the Environmental Default or cure of the Environmental Default is reasonably anticipated to take more than sixty (60) days.

(d) If this Lease is terminated pursuant to this section, then Annual Rental shall be apportioned (based on the portion of the Premises that is usable or used after such Environmental Default caused by Landlord or its Representatives) and paid to the date of termination. Whether or not the Lease is terminated as a result of such damage or destruction, then until cure of such Environmental Default, Tenant shall be required to pay Annual Rental only for that portion of the Premises that is usable while such cure is being performed.

2.3 During the term of the Lease, and except for Landlord-required relocation(s) of Premises to another Landlord-owned or operated property, in a manner which prevents Tenant from operating a bookstore at its current location, Tenant shall continuously operate and occupy the Premises, subject to the terms and conditions of this Lease. Tenant shall open for business to the public no later than one hundred eighty days (180) days from the Rent Commencement Date and thereafter continuously operate maintaining, at a minimum, the Minimum Hours of Operation and occupy the Premises subject only to closures in connection with casualty, condemnation and/or remodeling not to exceed sixty (60) days within one (1) Lease Year. Landlord shall have no right to relocate Tenant to another space or property without Tenant's mutual written consent.

Tenant covenants and agrees that throughout the Term, either it or its successors or permitted assigns, will continuously, actively and diligently carry on its business in the whole of the Premises.

If Tenant discontinues the continuous operation of the Store without a rightful termination of the Agreement, Landlord has the right to terminate the Lease after thirty (30) days of non-operation of the Store. and Tenant shall immediately pay to Landlord all Rental amounts and other amounts remaining due for the balance of the Term.

2.4 During the Term of this Lease, neither Tenant, nor any of its parent, subsidiary, affiliate, franchisee, officer, director or shareholder of Tenant, shall within a radius of one half (1/2) mile of the Premises, either directly or indirectly, own, operate or be financially interested in, with or without others, a university bookstore like or similar to the business permitted to be conducted pursuant to this Lease, nor shall Tenant permit any such business within such radius to be operated under a name which shall be the same or similar to the Tenant's corporate or trade name. The provisions of this section shall survive re-entry into the Premises by Landlord resulting from a breach of this Lease by Tenant. This provision does not prohibit, however, Tenant from operating bookstores within the radius that expressly service the customers or interests of a different educational institution.

3. EXCLUSIVE RIGHTS

3.1 Landlord shall not enter into leases within the Building, or any other property of the University, with any tenant whose use includes the Permitted Use.

3.2 Tenant's Permitted Use shall be subject to the exclusivity clauses of the leases of other tenants in the Building existing at the time of Lease execution.

3.3 Exclusivity of Services. Tenant shall have the exclusive right, free from any alternate source endorsed, licensed or otherwise approved or supported by Landlord (whether on campus, by catalog, through the Learning Management System (LMS), or through electronic commerce, including hyperlinks to alternate sources) to buy, sell, market, 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. Tenant shall also have right of first refusal to fulfill any distance learning instructional and ancillary materials required by Landlord during the term of this Lease.

Landlord may authorize the sale of certain items such as Landlord- emblematic merchandise and gifts by approved vendors, student groups, or Landlord-affiliated organizations (e.g. alumni groups and direct support foundations) as long as such activities do not materially impact the sales of the Campus Store.

4. RULES

The Tenant shall abide by and observe any reasonable rules that Landlord may promulgate from time to time for the operation and maintenance of the Building, provided: (a) Landlord gives the Tenant reasonable prior written notice thereof; (b) such rules are not inconsistent with the provisions of this Lease or any applicable laws; and (c) no rule discriminates against the Tenant in the enforcement or promulgation thereof. If any provision of this Lease conflicts with any provision of any Building rule, such provision of this Lease shall govern.

5. TERM AND TERMINATION

5.1 The Initial Lease Term shall be for ten (10) years from the Rent Commencement Date and shall end at 11:59 p.m. on the last day of the Lease Term. The Initial Lease Term may

be extended by any properly exercised extension of the Lease Term pursuant to Section 6 below.

5.2 On the date that Tenant is open for business at the Premises and is no longer operating at the original campus location, Tenant's existing contract for bookstore management services shall terminate, , excluding (i) payment by one Party to the other Party of any financial obligations incurred under such contract and (ii) provisions specifically set forth to survive such termination)

5.3 Except for payment in connection with the Security Deposit in accordance with Subsection 7.6 as security due prior to the execution of the Lease, no payment of the Annual Rental shall be due until the beginning of the third year from the Rent Commencement Date

5.4 If the Rent Commencement Date is not the first day of a calendar month, the first Lease Year shall end on the last day of the calendar month in which the first anniversary of the Rent Commencement Date occurs and Tenant shall prorate payment of the Annual Rental for the additional days in the Lease Year, when the first monthly installment of the Annual Rental for the first Lease Year is due, subject, however, to the abatement described in Subsection 7.5 of this Lease.

5.5 Either party may terminate this Lease for convenience upon one hundred and twenty (120) days written notice to the other party.

Either party may terminate this Agreement for breach where the breaching party has failed to cure such breach upon sixty (60) days written notice thereof by the other party.

Landlord may terminate this Agreement immediately if Tenant initiates any bankruptcy proceeding, or if any such proceeding initiated against Follett remains undismissed for sixty (60) days.

5.6 Upon any termination or expiration of this Lease, or any relocation of the Store operations, Landlord shall pay Tenant:

a. The unamortized book value of Tenant Improvements, which shall be calculated on the straight-line method, from the in-service date[s], over the greater of ten (10) years or until expiration of the Lease, and

b. The unamortized book value of any financial contributions (as provided in Section 7.9), which shall be calculated on the straight-line method, from the date the payment is made by Tenant, over the greater of five (5) years or until expiration of this Lease.

5.7 Upon expiration or termination of this Lease, Tenant shall pay Landlord any Additional Rent due prior to the expiration date of the Lease or the effective date of the termination.

5.8 Upon any termination or expiration of this Lease, Landlord shall include in any request for qualifications, request for proposals, or similar solicitation issued for a successor bookstore operator a requirement that such successor operator purchase, without exception, the store inventory then on hand or ordered prior to the effective date of termination or expiration of

this Lease. Such purchase shall be made under the same terms and conditions under which the inventory was originally acquired by Tenant.

For purposes of this section, "Store inventory" shall include, without limitation, textbook rentals and any inventory associated with an ACCESS or similar program.

6. EXTENSION OPTION(S)

The Tenant shall have the right to extend the Lease Term for one (1) additional five (5)-year option term (the "Extension Term"). If exercised, an Extension Term shall commence at midnight for the first day following the expired Lease Term. The Tenant may exercise the option by written notice to Landlord delivered no less than eighteen (18) months prior to the expiration of the Initial Lease Term.

During the Extension Term, the Annual Rental for the first year of the Extension Term shall be at a market rate of no less than three percent (3%) above the Annual Rental rate for the previous year. The market rate shall be determined by mutual agreement. If mutual agreement cannot be reached, then by the Three Broker Method. For each successive year during the Extension Term, the Annual Rental shall increase by two percent (2%) per year

7. ANNUAL RENTAL AND PAYMENTS

7.1 The Annual Rental for the Premises throughout the Lease Term is the Annual Base Rent, one hundred seventy-five thousand dollars (\$175,000.00) per year, increased by three (3) percent each year, and Additional Rent, as applicable.

Lease Year	Annual Base Rent	Monthly Base Rent
1	\$0	\$0
2	\$0	\$0
3	\$175,000.00	\$14,583.33
4	\$180,250.00	\$15,020.83
5	\$185,658.00	\$15,471.46
6	\$191,228.00	\$15,935.64
7	\$196,965.00	\$16,413.74
8	\$202,874.00	\$16,906.16
9	\$208,960.00	\$17,413.35
10	\$215,229.00	\$17,935.73

Annual Rental amounts indicated above include the cost for common area maintenance (CAM) and Building insurance costs for the Building.

7.2 The Tenant shall pay the Annual Base Rent for the Lease Term and Extension Term(s), if any, in monthly installments. The monthly installments of the Annual Base Rent shall be paid to Landlord on or before the 5th of each month (each an “Annual Rental Due Date”).

7.3 Payments for Annual Rental and any other payments due made after the due date shall be assessed a late fee of five percent (5%) of the amount due.

7.4 Tenant shall make payments to Landlord, at the Landlord Payment Address, or to such other place as Landlord may from time to time designate in writing, by good check or other methods approved by Landlord from time to time, without setoff, deduction or demand. Landlord shall provide Tenant with the procedure for electronic payments upon request.

All check payments to Landlord shall be remitted to Landlord as follows:

Cashier's Office
University of the District of Columbia
4200 Connecticut Avenue N.W.
Washington, D.C. 20008

Re: Rent Payment for 4250 Connecticut Ave./Retail Space # 2

7.5 Notwithstanding anything in this section to the contrary, Landlord hereby grants to the Tenant, in lieu of a cash Tenant Improvement Allowance, a rental abatement of one hundred (100) percent for years one (1) and two (2) of the Lease for the payment of the Annual Base Rental and payment of the Percentage Rent Difference. The abatement period shall begin on the Rent Commencement Date. Further, Tenant shall continue to pay any commission or rent to Landlord under the contract for bookstore management services until Tenant is no longer operating its business at its current University location.

7.6 On or within ten (10) days of Tenant's execution of this Lease, Tenant shall pay the Security Deposit in the amount of fourteen thousand five hundred eighty-three dollars and thirty-three cents (\$14,583.33) as security for Tenant's faithful performance of its obligations under this Lease. If Tenant fails to pay Annual Rental, or otherwise defaults under this Lease, Landlord may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due Landlord or to reimburse or compensate Landlord for any liability, expense, loss or damage which Landlord may suffer or incur by reason thereof. If Landlord uses or applies all or any portion of the Security Deposit, Tenant shall, within ten (10) days after receipt of Landlord's written request, deposit such funds with Landlord to restore the Security Deposit to the full amount required by this Lease. Should the Permitted Use be amended to accommodate a material change in the business of Tenant or to accommodate a subtenant or assignee, Landlord shall have the right to increase the Security Deposit by up to fifty percent (50%) to the extent necessary, in Landlord's reasonable discretion, to account for any changes that the Premises or the Lease terms may suffer as a result thereof. If a change in control of Tenant occurs during this Lease and following such change, the financial condition of Tenant is, in Landlord's reasonable discretion, significantly reduced, Tenant shall deposit such additional monies with Landlord requested by the Landlord as shall be sufficient in the Landlord's reasonable discretion to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Landlord shall not be required to keep the Security Deposit separate from its general accounts.

Provided Tenant is not in default and after the Landlord applies the Security Deposit to unpaid Rent, to repair to the Base Conditions of the Premises, or in accordance with other terms and conditions of this Lease, Landlord shall return any unapplied portion of the Security Deposit to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within sixty (60) days after the expiration or termination of this Lease. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be a prepayment for any monies to be paid by Tenant under this Lease. Landlord's use or application of all or any portion of the Security Deposit shall not preclude or impair any other rights or remedies provided for under this Lease or under applicable Law and shall not be construed as a payment of liquidated damages.

7.7 Where the annual total of the percentages of Tenant's collected revenue indicated in this Section ("Percentage Rent") exceeds the amount of the Annual Base Rent ("the Percentage Rent Difference"). Tenant shall pay to Landlord the Percentage Rent Difference as Additional Rent. The Percentage Rent is calculated as the total sum of the following:

- Ten percent (10.0%) of all Course Material Commissionable Sales, plus
- Seven percent (7.0%) of all Digital Commissionable Sales, plus
- Fifteen and a half percent (15.5%) of all General Merchandise Commissionable Sales up to \$500,000; plus
- Sixteen and a half percent (16.5%) of any part of General Merchandise Commissionable Sales over \$500,000.

If the Percentage Rent Difference is due, it shall be paid in an annual installment ninety (90) days after the anniversary of the Rent Commencement Date ("**Percentage Rent Difference Due Date**").

7.8 Tenant shall make a payment of one hundred thousand dollars (\$100,000.00) within one hundred eighty (180) days of the execution of the Lease. Tenant shall make a payment of one hundred thousand dollars (\$100,000.00) within one hundred eighty (180) days of the opening of the store at the Premises to the public. If Tenant exercises the option to extend, Tenant shall make a payment of one hundred thousand dollars (\$100,000.00) within one hundred eighty (180) days of the extension of the Lease.

7.9 Annually, Tenant shall provide the Landlord with seven thousand five hundred dollars (\$7,500) in textbook scholarships or contributions (e.g. gift cards, cash), which is due the first day of the Landlord's Fall Semester. Landlord shall apply the scholarship within the academic year in which the scholarships are granted, in its own discretion, and shall not roll over the scholarships into future academic years.

8. TAXES

8.1 Landlord is a tax-exempt organization and does not pay real estate taxes. The District of Columbia will charge Tenant a Leasehold Interest Tax (also known as the Possessory Use Tax) where Tenant occupies property that is otherwise exempt based on the property's exempt

status. It will be the Tenant's obligation to pay the Possessory Use Tax and any other taxes directly to the District of Columbia.

8.2 The Tenant shall pay before delinquency any business, rent or other taxes or fees that are now or hereafter levied, assessed or imposed directly upon the Tenant due to its use or occupancy of the Premises, the conduct of the Tenant's business at the Premises or the Tenant's equipment, fixtures, furnishings, inventory or personal property. If any such tax or fee is enacted or altered so that such tax or fee is levied against Landlord or so that Landlord is responsible for collection or payment thereof, then the Tenant shall pay such tax or fee with the monthly payment of Annual Rental next becoming due and payable.

9. CONSTRUCTION OF IMPROVEMENTS; ALTERATIONS; DELIVERY DATE

9.1 (a) " Landlord will deliver the Premises to the Tenant in "Grey Box condition" and will provide additional improvements at the Landlord's own cost, up to a total of four hundred thousand dollars (\$400,000). The specific improvements to be completed by the Landlord include the demolition and removal of the existing kitchen exhaust duct, demolition and removal of the existing kitchen grease trap, demolition and removal of the existing restroom plumbing and restroom walls, installation of new HVAC replacement, and new electrical services."

9.2 Tenant or its designee shall inspect the Premises prior to the execution of the Lease. Plans and specifications for the Tenant's demolition within the Premises and Tenant Improvements shall be subject to the Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed. Tenant shall also provide an outdoor seating plan and design for the patio area. Tenant's design and construction plans shall also be subject to approval by all applicable governmental agencies. The design and construction of any Tenant Improvements, patio designs or plans or demolition, shall be performed and completed by the Tenant in accordance with the Landlord approved plans and specifications. Tenant shall spend up to nine hundred thousand dollars (\$900,000.00) in Tenant Improvements. Tenant shall submit its construction drawings to Landlord for approval within sixty (60) days after Lease execution. Landlord shall provide approval within ten (10) business days of receipt of submissions. Tenant shall apply for building permits within ten (10) business days of approval by Landlord, shall diligently pursue permits and hire a permit expeditor.

9.3 After completion of the initial Tenant Improvements, the Tenant shall not make or permit anyone to make Alterations without the prior written consent of Landlord: (i) which consent may be withheld or granted in Landlord's sole and absolute discretion with respect to Alterations which may affect any aspect of the Base Building Conditions, and (ii) which consent shall not be unreasonably withheld, conditioned, or delayed with respect to non-structural Alterations. Alterations that may adversely affect Base Building Conditions shall be deemed to include, without limitation, any Alteration that will or may necessitate any changes, replacements or additions to the columns, slabs or other structural elements of the Building, or to the fire protection, water, sewer, electrical, mechanical, plumbing or HVAC systems of the Premises or the Building. Notwithstanding the foregoing, the Tenant shall have the right, after providing thirty (30) days prior written notice to Landlord, but without the necessity of obtaining Landlord's consent, to re-carpet, re-paint or to make any cosmetic or decorative nonstructural Alterations in or to the Premises. All Alterations shall be constructed at the Tenant's election and expense. in compliance

with applicable Laws and lien free. The Tenant shall not permit any mechanic's lien to be filed against the Premises, Building, Land, or the real property of which the Premises are a part, for work claimed to have been done for or materials claimed to have been furnished to the Tenant. Landlord shall not be liable for any and all claims, losses, expenses, and damages resulting from or arising out of any Alterations by the Tenant unless caused by the negligence or willful misconduct of Landlord. If Landlord gives its consent to the making of any Alteration, such consent shall not be deemed to be an agreement or consent by Landlord to subject its interest in the Premises or the Building or the Land to any liens that may be filed in connection therewith. The Tenant acknowledges that any Alterations are accomplished for the Tenant's account, and, other than an Alteration performed by Landlord for the Tenant and subject to the terms and conditions of a work agreement for such Alterations, Landlord shall have no obligation or responsibility in respect thereof.

9.4 If any Alterations are made without the prior written consent of Landlord, Landlord shall have the right to require the Tenant to restore the Premises and the Building to their condition immediately prior thereto, subject to the Tenant. All Alterations to the Premises or the Building made by either Party shall immediately become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of the Lease Term, except that the Tenant shall be required to remove any Alterations that Landlord requires the Tenant to remove as a condition of its consent to the installation of such Alterations under Subsection 9.2, so long as Landlord notified the Tenant at the time of its approval of such Alterations that the Tenant shall be required to remove the same (in order that the Tenant may include the costs of such removal in its budgetary process); provided, however, the Tenant shall have the right to remove, prior to the expiration or earlier termination of the Lease Term, all movable furniture (including systems furniture), furnishings and equipment installed in the Premises solely at the expense and discretion of the Tenant. The Tenant shall repair any damage and injury to the Premises or the Building caused by such removal subject to the Tenant. If such furniture (including systems furniture), furnishings and equipment are not removed by the Tenant at the expiration or earlier termination of the Lease Term, the same shall at Landlord's option: (i) be deemed abandoned or (ii) become the property of Landlord to be surrendered with the Premises as a part thereof.

9.5 Landlord shall deliver the Premises with Landlord's Delivery Obligations satisfied not later than one hundred eighty (180) days after this Lease has been executed by both Parties (the "Outside Delivery Date"). In addition to the abatement of all Annual Rental as set forth in Section 7.5 above, Annual Rental shall abate by one (1) day for each day after the Outside Delivery Date that the Premises is not delivered to the Tenant with Landlord's Delivery Obligations satisfied.

9.6 In the event that the Tenant exercises its option to extend the term of the Lease, the Tenant shall make additional Tenant Improvements to refresh the Premises in an amount not to exceed one hundred thousand dollars (\$100,000). Tenant shall submit its construction drawings to Landlord for approval within sixty (60) days after Lease extension. Landlord shall provide approval within ten (10) business days of receipt of submissions. Tenant shall apply for building permits within ten (10) business days of approval by Landlord, shall diligently pursue permits and hire a permit expeditor.

10. MAINTENANCE AND REPAIRS

10.1 Notwithstanding any other provision of this Lease, but subject to Subsections 10.2 and Section 18, Landlord, at its sole cost and expense, shall promptly make all repairs, perform all maintenance, and make all replacements in and to the Land, the Common Areas, the outdoor patio area and the Base Building Conditions (including those located within the Premises) and the Building, excluding the Premises, that are necessary or desirable to keep the same: (a) in good condition and repair, (b) in a clean, safe and tenantable condition, and (c) otherwise in accordance with all Laws and the requirements of this Lease.

Landlord 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, as well as the American with Disabilities Act. Landlord shall be responsible for any loss or costs resulting from failure of the Building to meet applicable building codes and regulations.

At all times, subject to Section 16, Landlord shall be liable for all injury, breakage and damage to the Premises resulting from a failure of the Base Building Conditions, except to the extent arising solely due to Tenant. The Tenant shall give Landlord prompt notice of any defects or damage to the Base Building Conditions, equipment or fixtures in the Building or any part thereof affecting the Premises. Landlord shall ensure that the Building will be managed, operated and maintained in accordance with the standards of quality followed for a building of comparable age, quality, use, size and location as the Building and in full compliance with all applicable Laws (including, but not limited to, codes for electrical, mechanical, plumbing, fire and fire safety).

10.2 Other than elements of the Base Building Conditions that apply to the Premises, Tenant, at its sole cost and expense, shall promptly make all repairs, perform all maintenance, including for plate glass, and make all replacements in and to the Premises that are necessary or desirable to keep the Premises in good condition and repair; in a clean, safe and tenantable condition; and otherwise in accordance with all Laws and the requirements of this Lease. Tenant shall maintain all Tenant Improvements, including fixtures, furnishings and equipment, to the extent located in, or exclusively serving the Premises and not a part of the Base Building Conditions, in clean, safe and sanitary condition, shall take good care thereof and make all required repairs and replacements thereto.

10.3 Except as otherwise provided in Section 18, the Tenant shall be responsible for all injury, breakage and damage to the Premises and to any other part of the Building or the Land to the extent caused by Tenant, its Representatives, contractors and invitees, exclusive of Landlord's employees or students.

10.4 Any changes or additions to the Building or Premises required from time to time in order to remain in compliance with Laws, except for changes as a result of Tenant Improvements, shall be at Landlord's sole cost and expense (meaning that such costs and expenses are already included in Annual Rental). Notwithstanding the foregoing, however, if any such changes or additions are required solely by reason of Tenant's use of the Premises, Tenant shall, at its option, either: (i) not commence or immediately cease (as the case may be) any use requiring such changes

or additions, or (ii) agree to bear the costs of such changes or additions.

10.5 With the exception for Emergency Conditions, the Parties hereby agree that Landlord's entry into the Premises shall be subject to Tenant's security requirements.

10.6 At the expiration or earlier termination of the Lease Term, Tenant shall surrender the Premises in an order and condition equal to its order and condition on the Rent Commencement Date, subject to ordinary wear and tear, Landlord's repair and maintenance obligations, and Section 18.

11. SIGNS

Tenant may, with the prior written consent of the Landlord, which shall not be unreasonably withheld, install signs outside the Premises, within and outside the Building. Tenant's signage shall be approved by Landlord prior to submitting its drawings and/or plans for the applicable government approval. Tenant shall construct the patio, subject to obtaining the applicable governmental approvals, licenses and permits. Such signage shall be installed by the Tenant or its Representatives at the Tenant's expense. In the event that any signs are installed, same shall be obtained and in compliance with all Laws, and subject to approval by all relevant agencies, associations, and governmental entities. Landlord's consent may be conditioned on the Tenant's Representatives providing proof of adequate insurance, which shall be determined by the Landlord in its sole discretion, naming the Landlord as an additional insured on its insurance and other additional insurance requirements.

12. PARKING

No parking is being provided in this Lease.

13. SERVICES AND UTILITIES

13.1 The following services or utilities are not included in the amount of the Annual Rental and shall be the responsibility of the Tenant, at its sole cost and expense:

- (a) utilities services and their installation;
- (b) extermination and pest control at appropriate intervals, as may be deemed necessary in the exercise of prudent management practices;
- (c) repair and maintenance of any HVAC unit or system within or solely serving the Premises, which shall include, without limitation, cleaning, repairs, and replacements;
- (d) trash removal services and recycling, in compliance with all applicable Laws;
- (e) an independent security and access control system for the Premises;
- (f) fire protection system; nor
- (g) any additional services or utilities, not included in this subsection, for Tenant's

exclusive use of the Premises as shall be consistent with the Permitted Use.

13.2 The following Services are included in the Annual Rental:

Pre-treatment and snow removal from the sidewalks, drives and entrances promptly during and promptly after a snowfall and in no event permitting hazardous ice or snow accumulations along such sidewalks, drives and entrances.

14. INTERRUPTION OF SERVICE.

14.1 Tenant agrees that Landlord shall not be liable, by abatement of Annual Rental, except as specifically set forth herein, for any interruption of any service, failure to furnish any service, delay in furnishing any service, or surge or diminution thereof, when such interruption, failure, delay, diminution or surge is occasioned by a Force Majeure Event.

14.2 Upon any failure of services not resulting from an act or omission of the Tenant, or its Representatives or invitees, Tenant shall be entitled to an abatement of Annual Rental on a per diem basis in the proportion in which the area of the portion of the Premises that is unfit to occupy because of such failure of services bears to the total area of the Premises. Such abatement shall begin on the third (3rd) Business Day of such Interruption and shall continue for each day such Interruption continues (such abatement shall end as to each portion affected when such service or ability to use and occupy is fully restored to such area). If such Interruption continues for ten (10) Business Days, then Landlord shall deliver to the Tenant within the next ten (10) Business Days a reasonably detailed written plan to remedy and end the Interruption. If Landlord fails to timely deliver such plan or if the Tenant provides Landlord with a written determination that, in the Tenant's reasonable discretion, such plan will not end the Interruption, then the Tenant shall have the right to terminate this Lease within thirty (30) days of the expiration of such ten-Business Day period. If the Interruption continues for ninety (90) consecutive days, then the Tenant shall have the right to terminate this Lease by written notice to Landlord at any time following the ninetieth (90th) day of such Interruption; provided, however, if such Interruption ceases prior to delivery by the Tenant of such notice of termination or prior to the effective date of such termination, such notice of termination shall be deemed revoked and of no further force and effect.

15. INSPECTION

Upon reasonable prior notice, which need not be in writing, the Tenant shall permit Landlord and its Representatives to enter the Premises without charge therefor and without diminution of the rent payable by the Tenant in order to examine, inspect or protect the Premises; to make such alterations and/or repairs to the Base Building Conditions. Landlord shall endeavor to minimize disruption to the Tenant's normal business operations in the Premises in connection with any such entry. Except for an Emergency Condition, Landlord shall use commercially reasonable efforts not to interrupt, delay or disrupt the Tenant's normal business operations in the Premises without reasonable, prior notice to the Tenant of its intent to do so.

16. INSURANCE AND INDEMNIFICATION

16.1 Landlord shall carry and maintain all-risk property insurance covering the

Building and Landlord's property therein in an amount required by its insurance company to avoid the application of any coinsurance provision. Landlord also agrees to carry and maintain commercial general liability insurance including public liability and broad form property damage, with a minimum combined single limit of liability in the amount of \$1,000,000 for personal injuries or deaths of persons occurring in or about the Building. Landlord may elect to carry such other additional insurance or higher limits as it reasonably deems appropriate.

16.2 Tenant shall carry and maintain the following insurance coverage:

- (a) broad form commercial general liability insurance policy naming Landlord as an additional insured; additional Insured with a policy limit of \$2,000,000 per occurrence \$3,000,000 in the aggregate;
- (b) Excess liability insurance, naming Landlord as an additional insured, with a minimum policy limit: \$5,000,000;
- (c) If Tenant owns or leases an automobile, automobile liability insurance for each automobile owned or leased by Tenant, with a \$1,000,000 per occurrence limit, naming Landlord as an additional insured;
- (d) Workers' Compensation/Employers' Liability, with statutory coverage with a \$500,000/accident; \$500,000/Disease Policy; and \$500,000/Disease-per employee; and
- (e) Personal property damage insurance, together with insurance against vandalism and malicious mischief, with coverage limits of not less than full replacement value of Tenant's personal property located in or on the Premises.

16.3 Prior to the Lease Commencement Date, Tenant shall deliver to the Landlord such certificates of insurance, endorsements and declarations pages as the Landlord may reasonably request showing the Landlord as a certificate holder and an additional insured (or additional loss payee, as applicable), and confirming that the insurance coverage amounts and policies required hereunder are in force with premiums paid. Tenant shall provide the Landlord with written notice of cancellation of any insurance required of Landlord hereunder. All insurance required hereunder shall be purchased from carriers authorized to do business in the District of Columbia and possessing an A- or better policyholders' rating and a minimum Class VIII financial size category as listed at the time of issuance by A.M. Best Insurance Reports or a similar rating publication. At all times during the Lease Term, Tenant agrees to maintain the insurance coverage required in this section.

16.4 To the extent not inconsistent with other provisions of this Lease and applicable law, Landlord shall not be obligated to insure, and shall not assume any liability of risk of loss for, the Tenant's personal property, including any such property or work of the Tenant's subtenants or occupants. Landlord shall also have no obligation to carry insurance against, nor be responsible for, any loss suffered by the Tenant, subtenants or other occupants due to interruption of the Tenant's or any subtenant's or occupant's business. Landlord shall not carry insurance on, and shall not be responsible for damage to, Tenant Improvements, if such are permitted by the Landlord (which do not constitute Base Building Conditions) and Landlord shall not carry insurance against,

or be responsible for any loss suffered by Tenant due to, interruption of Tenant's business. The Tenant shall be responsible for the repair of all injury, breakage and damage to the Premises, including the outdoor patio area, and to any other part of the Building or the Land to the extent caused by Tenant, its Representatives contractors, vendors or invitees.

16.5 Tenant shall indemnify, defend, save and hold harmless the Landlord and its Representatives from and against any and all claims of liability to the extent arising from or based on or as a consequence of or result of any act, omission or default of Tenant or its Representatives, contractors, vendors or invitees in violation of the Lease or as a result of Tenant's use and occupancy of the Premises.

17. LIABILITY OF LANDLORD AND THE TENANT

17.1 Except as otherwise expressly provided in this Lease, neither Landlord nor Tenant nor their Representatives shall be liable to the other party and their Representatives for any damage, injury, loss or claim based on or arising out of any cause whatsoever related to the Premises or this Lease, unless such liability is due to the negligence or willful misconduct of such party, its trustees, officers, directors or agents, contractors or employees.

17.2 Neither party shall be liable for any exemplary, punitive, consequential or indirect damages in connection with, arising under or relating to this Lease.

18. DAMAGE OR DESTRUCTION

18.1 (a) If the Premises or the Building are totally or partially damaged or destroyed due to no fault of the Tenant, Landlord shall diligently repair and restore the Building and Premises; provided, however, that notwithstanding anything to the contrary in this Lease: (i) the Tenant shall have the right to terminate this Lease with ninety (90) days prior written notice given within thirty (30) days of the date of the casualty if, in the Tenant's reasonable opinion, the damage renders the entire Premises inaccessible for more than sixty (60) days or twenty-five percent (25%) or more thereof is unusable for the normal conduct of the Tenant's operations then conducted on the Premises; (ii) Landlord and the Tenant each shall have the right to terminate this Lease on sixty (60) days prior written notice, given within thirty (30) days of the date of the casualty if, in Landlord's reasonable judgment, the repair and restoration cannot be completed within one hundred eighty (180) days after the date of the damage or destruction (which time period includes the time needed for effecting a satisfactory settlement with any insurance company involved, removal of debris, preparation of plans and issuance of all required governmental approvals and permits); and (iii) both Landlord and the Tenant shall have the right to terminate this Lease on thirty (30) days prior written notice given within thirty (30) days of the date of the casualty if there is then left in the Lease Term less than twelve (12) months. If the Premises or any part thereof shall be damaged or destroyed, the Tenant shall provide prompt notice thereof to Landlord.

(b) Landlord's obligations to repair and reconstruct the Building and the Premises as set forth above are subject to Subsection 26.1 and the following conditions precedent having been satisfied in Landlord's reasonable judgment:

(i) Landlord shall likely be able to obtain, or shall have obtained, all necessary governmental or quasi-government approvals and similar authorizations to rebuild the Building as

required herein, including, but not limited to, zoning approvals and permits:

(ii) Landlord and the Tenant each shall not have exercised its right to terminate the Lease to the extent permitted to do so pursuant to Subsection 18.1(a).

18.2 If this Lease is terminated pursuant to Subsection 18.1, then Annual Rental shall be apportioned (based on the portion of the Premises that is usable or used after such damage or destruction) and paid to the date of termination. Whether or not the Lease is terminated as a result of such damage or destruction, then until such repair and restoration of the Premises are substantially complete, the Tenant shall be required to pay Annual Rental only for the portion of the Premises that is usable while such repair and restoration are being made.

18.3 In the event that inadequate insurance proceeds are available for repair and restoration, Landlord shall have the right to terminate this Lease. The Tenant shall not be entitled to compensation for damages to its property as a result of the termination of this Lease following damage or destruction as described in this subsection; provided, however, that in the event that inadequate insurance proceeds are available for repair and restoration and Landlord does not terminate this Lease but elects not to make the repairs and restoration, then notwithstanding anything to the contrary contained in this Lease, the Tenant, as its sole and exclusive remedy on account thereof, shall have the right to terminate this Lease upon written notice thereof to Landlord within thirty (30) days after the Tenant receives written notice of Landlord's election not to repair and restore the Premises and/or the Building.

19. DEFAULT

19.1 Tenant Default.

(a) Tenant shall be in default if it: (i) fails to pay the monthly installment of the Annual Rental or for Additional Services, respectively, within thirty (30) days of its date due; (ii) fails to perform or observe any non-monetary obligation of the Tenant under this Lease within fifteen (15) days after the date the Tenant receives written notice from Landlord setting forth in reasonable detail the nature and extent of the failure and identifying the applicable Lease provision requiring such obligation to be performed, or within such longer period of time as may be necessary for such cure so long as the Tenant shall promptly commence and thereafter diligently prosecute to completion the curing thereof but no later than thirty (30) days from the date of the notice; (iii) subleases or assigns the Lease, without the prior written consent of the Landlord or (iv) abandons the Premises.

(b) Upon the occurrence of a Tenant Default, Landlord, in its sole and absolute discretion, may seek all remedies available to it at law or equity. Notwithstanding anything to the contrary herein, Landlord agrees to use commercially reasonable efforts to relet the Premises and mitigate damages following the surrender of, or Landlord's recovery of, possession of the Premises.

(c) Neither the payment by the Tenant of a lesser amount than the monthly installment of Annual Rental due hereunder (or any other financial obligation), nor any endorsement or statement on any check or letter accompanying a check for payment of rent or other sums payable hereunder shall be deemed an accord and satisfaction. Landlord may accept the same without

prejudice to Landlord's right to recover the balance of such rent or other sums or to pursue any other remedy. Notwithstanding any request or designation by the Tenant, Landlord may apply any payment received from the Tenant to any payment then due under the Lease.

19.2 Landlord Default.

(a) It shall be a Landlord default if Landlord fails to perform or observe any of its obligations under this Lease after a period of forty-five (45) days from the date Landlord receives written notice thereof from the Tenant setting forth in reasonable detail the nature and extent of the failure and identifying the applicable Lease provision requiring such obligation to be performed; provided, however, that Landlord shall not have committed such a default if such failure is of a type and nature that cannot reasonably be cured within such forty-five (45) day period, so long as Landlord promptly commences the curing of such failure within such forty-five (45)-day period and thereafter diligently prosecutes to completion the curing of such failure but no later than one hundred twenty (120) days from the date of the notice. It is specifically understood and agreed that any failure by Landlord to take any action that might be deemed to violate the Anti-Deficiency Act or any failure of funds to be appropriated in accordance with Subsection 26.1 to fulfill Landlord's obligations under this Lease notwithstanding Landlord's request therefor shall not constitute a default.

(b) Upon the occurrence of a Landlord Default, the Tenant may pursue any remedies available to it at law or equity.

20. ASSIGNMENT AND SUBLETTING

Provided Tenant is not in default of any provisions of its Lease, Tenant shall have the right to sublease or assign the Premises with Landlord's prior written consent, which shall not be unreasonably withheld conditioned or delayed.

Any profits from subleasing shall be split 50/50 between Landlord and Tenant (after first deducting brokerage/legal/advertising costs of such assignment or subleasing). Profit sharing shall not apply to a sale of Tenant's business. Any agreement by the Landlord to the Tenant subleasing the Premises shall not relieve the Tenant of its obligations pursuant to the Lease.

Notwithstanding anything to the contrary in this Section, Tenant may, subject to no less than thirty (30) days advance notice to Landlord and subject to the Landlord's consent, which shall not be unreasonably withheld, conditioned, or delayed, assign or transfer this Lease to a Permitted Transferee (each a "Permitted Transfer"), provided that the proposed use of the Premises is consistent with the Permitted Use, the Permitted Transferee has sufficient capital to operate the Premises and Landlord shall not be required, as a result of applicable laws, to make any renovations to the Building or provide special services as a result of such transfer "Permitted Transferee" means: (i) any Affiliate of Tenant; or (ii) a successor to Tenant by merger, consolidation, reorganization or recapitalization of or with Tenant, or the purchase of all or substantially all of Tenant's stock, membership interests, or assets. As used herein, "Affiliate" shall mean any person or entity which, directly or indirectly, owns or controls or is owned or controlled by or is under common ownership or control with Tenant. For purposes of this definition, the word "control," as used in the preceding sentence means, with respect to an entity,

the right to exercise, directly or indirectly, fifty percent (50%) or more of the voting rights attributable to the shares of the controlled entity or the possession, directly or indirectly, of the power at all times to direct or cause the direction of the management and policies of the controlled entity. Tenant's Permitted Transferee shall be deemed to have sufficient capital if the Permitted Transferee's financial condition is materially equal to or greater than Tenant's financial condition at the time this Lease is executed or at the time notice of the intended transfer is given to Landlord.

21. HOLDING OVER

If the Tenant (or anyone claiming through the Tenant) does not immediately surrender the Premises or any portion thereof upon the expiration of the then applicable Lease Term, or earlier termination date (as expressly provided in this Lease), as applicable, then: (a) the Annual Rental payable by the Tenant hereunder shall be increased to one hundred fifty percent (150%) of the Annual Rental payable by the Tenant during the month immediately preceding such holdover. Any such holdover shall be deemed to be a tenancy from month-to-month. In no event shall any holdover be deemed a permitted extension or renewal of the Lease Term, and nothing contained herein shall be construed to constitute Landlord's consent to any holdover or to give the Tenant any right with respect thereto. Notwithstanding any other provision of this Lease, Landlord's acceptance of Annual Rental during any holdover period shall not in any manner adversely affect Landlord's other rights and remedies under this Lease or by Laws.

22. COVENANTS OF LANDLORD

Landlord represents and warrants that it has the right and authority to enter into this Lease and perform all obligations of Landlord hereunder. Landlord further covenants that, subject to the provisions of this Lease, the Tenant shall during the Lease Term peaceably and quietly occupy and enjoy the full possession of the Premises without hindrance by Landlord or its Representatives.

Landlord represents and warrants to Tenant that: (a) as of the Lease Commencement Date, Landlord has, and as of the Rent Commencement Date, Landlord shall have, fee simple title to the Building; and (b) there are no matters of public record encumbering the Premises and no agreements to which Landlord is a party which would: (i) interfere with or adversely affect Tenant's use and enjoyment of the Premises or prevent Tenant from operating its Premises in accordance with the terms of this Lease, (ii) adversely affect any right granted to the Tenant under this Lease, or (iii) impose on the Tenant any obligation in excess of those set forth in this Lease.

23. LANDLORD AND TENANT RELATIONSHIP

Nothing contained in this Lease shall be construed as creating any relationship between Landlord and the Tenant other than that of landlord and tenant.

24. GENERAL PROVISIONS

24.1 Waiver of Jury Trial. LANDLORD, THE TENANT, ALL GUARANTORS, AND ALL REPRESENTATIVES EACH WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE. THE RELATIONSHIP OF LANDLORD AND THE TENANT HEREUNDER, THE TENANT'S USE

OR OCCUPANCY OF THE PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE. LANDLORD, THE TENANT AND ANY REPRESENTATIVE OF LANDLORD EACH WAIVES ANY OBJECTION TO THE VENUE OF ANY ACTION FILED IN ANY COURT SITUATED IN THE JURISDICTION IN WHICH THE BUILDING IS LOCATED, AND WAIVES ANY RIGHT, CLAIM OR POWER, UNDER THE DOCTRINE OF *FORUM NON CONVENIENS* OR OTHERWISE, TO TRANSFER ANY SUCH ACTION TO ANY OTHER COURT.

24.2 Service of Notices. All notices or other communications required under this Lease shall be in writing and shall be deemed duly given and received when delivered in person (with receipt therefor), on the next Business Day after deposit with an established, overnight delivery service, or on the third Business Day after being sent by United States certified mail, return receipt requested, postage prepaid.

To Landlord:

Vice President for Real Estate & Facilities Management
University of the District of Columbia
4200 Connecticut Avenue, N.W.
Building 38, Suite C-01
Washington, D.C. 20008

with a copy not constituting notice to:
Office of the General Counsel
University of the District of Columbia
4200 Connecticut Avenue, N.W.
Building 39, Room 301Q
Washington, D.C. 20008
Attn: General Counsel

To Tenant:

To Follett:
Ryan Petersen
President
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

Landlord's and Tenant's Notice designations set forth above shall be the Parties' respective

initial addresses for notices. Either Party may change its designation for notices by sending notice to the other Party in writing in accordance with this subsection.

24.3 Severability. Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by Laws. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, then such provision shall be deemed to be replaced by the valid and enforceable provision most substantively similar to such invalid or unenforceable provision, and the remainder of this Lease and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby.

24.4 Pronouns. Feminine, masculine or neuter pronouns shall be substituted for those of another form, and the plural or singular shall be substituted for the other number, in any place in which the context may require such substitution.

24.5 Headings. Headings are used for convenience only and shall not be considered when construing this Lease.

24.6 Successors. The provisions of this Lease shall be binding upon and inure to the benefit of the Parties and each of their respective Representatives, successors and permitted assigns.

24.7 Integration. The Parties confirm that this Lease contains and embodies the entire agreement of the Parties hereto and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties, understandings, suggestions and discussions, whether written or oral, between the Parties hereto. Any representation, inducement, warranty, understanding or agreement that is not expressly set forth in this Lease shall be of no force or effect.

24.8 Governing Law. This Lease shall be governed by the laws of the District of Columbia, without regard to the application of choice of law principles. There shall be no presumption that this Lease be construed more strictly against the Party who itself or through its Representatives prepared it (it being agreed that all Parties hereto have participated in the preparation of this Lease and that each Party had the opportunity to consult legal counsel before the execution of this Lease). No custom or practice that may evolve between the Parties in the administration of the terms of this Lease shall be construed to waive either Party's right to insist on the other Party's strict performance of the terms of this Lease.

24.9 Amendments. This Lease may be modified or changed in any manner only by an instrument signed by the duly authorized representatives of both Parties and approved for legal sufficiency by Landlord and the Tenant.

24.10 Time is of the Essence. Time is of the essence with respect to each of the Tenant's and Landlord's obligations hereunder.

24.11 Counterparts. This Lease may be executed in multiple counterparts and by facsimile or e-mail .pdf, each of which shall be deemed an original and all of which together constitute one and the same document.

24.12 No Recordation. Neither this Lease nor a memorandum thereof shall be recorded.

24.13 Federally Prohibited Persons. Tenant warrants that it has not engaged in any dealings or transactions: (i) in contravention of any money laundering laws, regulations or conventions of the United States or (ii) in contravention of Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time to time or any published terrorist or watch list that may exist from time to time. Tenant represents and warrants that neither it nor any person owning any interest in Tenant: (a) is or will be conducting any business or engaging in any transaction with any person appearing on the list maintained by the U.S. Treasury Department's Office of Foreign Assets Control Sanction's List.

24.14 Survival. Subject to applicable Laws and the Anti-Deficiency Act, the Landlord's liabilities and obligations with respect to the period prior to the expiration or earlier termination of the Lease Term shall survive such expiration or earlier termination.

24.15 Force Majeure. Unless specifically provided otherwise, if Landlord or the Tenant is in any way delayed or prevented from performing any of its obligations under this Lease (other than payment obligations) due to a Force Majeure Event, then the time for performance of such obligation shall be excused for the period of such delay or prevention and extended for a period equal to the period of such delay, interruption or prevention. The foregoing shall not serve to excuse the Tenant's payment of Annual Rental when due under this Lease, unless otherwise specifically provided in the Lease.

24.16 Review. A Party's review, approval and consent powers (including the right to review design plans or construction drawings), if any, are for such Party's benefit only. Such review, approval or consent (or conditions imposed in connection therewith) shall be deemed not to constitute a representation concerning legality, safety, or any other matter.

24.17 Meaning of Deleted Text. The deletion of any printed, typed or other portion of this Lease shall not evidence the Parties' intention to contradict such deleted portion. Such deleted portion shall be deemed not to have been inserted in this Lease.

24.18 Delivery of Keys upon Termination. At the expiration or earlier termination of the Lease Term, the Tenant shall deliver to Landlord all keys and key cards to the Building and the Premises, whether such keys were furnished by Landlord or otherwise procured by the Tenant.

24.19 No Partnership; No Third Party Beneficiaries. Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and the Tenant. Nothing contained in this Lease shall be deemed or construed to create any third party beneficiaries. The only entities that the Parties intend to be benefitted by this Lease are Landlord and the Tenant.

24.20 Not a Contract for Goods or Services. This Lease is not intended to be, nor shall it be deemed or construed to be a contract for goods or services. Nothing contained in this Lease, and no future action or inaction by the Tenant under this Lease, shall be deemed or construed to mean that the Tenant has contracted with Landlord to perform any activity at the Premises or the

Property that is not ancillary to the conveyance of an interest in real property.

24.21 FERPA. To the extent that that Tenant has access to student educational records in furtherance of the services detailed in this Agreement, the Parties recognize that the student educational records are protected by the Family Educational Rights and Privacy Act ("FERPA"). FERPA permits disclosure of student "educational records" to "school officials" that have a "legitimate educational interest" in the information. In accordance with FERPA, Landlord can designate other entities, including vendors and consultants, as "other school officials." For purpose of this Lease only, the Tenant's is determined to fall within the category of "school official." Neither Party, their agents, nor their assignees shall disclose student educational records to any third party, except with the prior written consent of the student (or parent, where applicable) or as permitted by law. Approved re-disclosures to third parties shall not exceed the purpose of the original disclosure. Further, should the Tenant be permitted to disclose student educational records, the Tenant is obligated to maintain a list of entities, agencies, or organizations to whom the records were disclosed, identifying which records were disclosed and the purpose for each disclosure.

Any disclosures made shall comply with Landlord's definition of "legitimate educational interest." The Parties agree and warrant that they shall use student educational records solely to accomplish their obligations and solely in a manner and for purposes consistent with the terms and conditions of this Lease and Tenant's policies and procedures. The Parties agree to take appropriate legal action against any unauthorized use or disclosure of any student educational record to the extent caused by the negligent or intentional acts or omissions of their trustees, officers, directors, employees, agents or contractors, respectively.

25. ASBESTOS CERTIFICATION.

25.1 Certification. Landlord certifies that to the best of its knowledge it has disclosed all asbestos surveys or inspections within its custody that have been conducted by or on behalf of Landlord concerning the Building (including the Premises). Based upon these surveys and inspections, if any, Landlord further certifies that to the best of its knowledge it has not received any written notice that any asbestos-containing materials ("ACM") in the Building (including the Premises) are in violation of applicable Laws (which violation remains uncured). Landlord must furnish copies of these asbestos surveys or inspections (if any) to the Tenant prior to the Lease Commencement Date. If any asbestos inspection is conducted, Landlord shall furnish a copy thereof to the Tenant ten (10) days prior to the Lease Commencement Date. The certifications made by Landlord regarding asbestos and hazardous waste management contained herein are material representations of fact upon which the Tenant has relied on in entering on into this Lease.

25.2 Inspection; Abatement. Upon discovery by Landlord, or upon notice to Landlord by the Tenant or any other person of the presence of suspected ACM in the Building in violation of any applicable Laws, Landlord shall promptly, at its sole cost, have the relevant portion of the Building inspected by a firm licensed to perform asbestos inspections. Promptly after receipt by Landlord of the written report of such finding, Landlord shall deliver to the Tenant a copy thereof. Landlord shall at its sole cost and expense cause any ACM in violation of applicable Laws noted in such report to be removed, contained or otherwise brought into compliance with all applicable Laws. Prior to commencement of any abatement action, Landlord shall consult with the Tenant and receive approval of the Tenant, such approval not to be unreasonably withheld, conditioned or

delayed concerning the nature of the abatement action. If Landlord fails promptly to commence and diligently pursue removal, containment or other compliance procedures with respect to the ACM after notice to Landlord of the same, the Tenant, after giving Landlord ten (10) Business Days' notice, may elect to perform such work or terminate this Lease, and in either event the Tenant may pursue any other right or remedy available to it under this Lease, at law or in equity. Provided that the asbestos was not placed in the Building by the Tenant and its Representatives, if the asbestos or the abatement action halts or interferes with the Tenant's use of the Premises and in fact the Tenant does not use the Premises for more than five (5) Business Days, then Annual Rental, in proportion to the amount of space rendered unfit for occupancy and vacated, shall be abated beginning on the date that the Tenant ceases to use all or such portion of the Premises.

26. SPECIFIC DISTRICT OF COLUMBIA LAWS

26.1 Anti-Deficiency Limitations.

(a) Whether expressly or impliedly qualified or limited in any section of this Lease, the obligations of the Landlord to fulfill any financial obligation pursuant to this Lease or any subsequent agreement entered into pursuant to this Lease, or referenced herein, to which the Landlord is a party (each, an "**Other Agreement**") are and shall remain subject to the provisions of: (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349-1351 and 1511-1519 (2004), and D.C. Official Code §§ 1-206.03(e) and 47-105 (2001); (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 – 355.08 (2006 Supp.) ((i) and (ii) collectively, as may be amended from time to time); and (iii) § 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46 (2006 Supp.), as may be amended from time to time, to the extent applicable to this Lease or any Other Agreement (collectively, "Any Agreement"). To the extent required by the Anti-Deficiency Act, nothing in Any Agreement shall create an obligation of the Landlord in anticipation of an appropriation by the United States Congress ("Congress") or the District of Columbia for such purpose, and the Landlord's legal liability for the payment of any financial obligation or any component thereof under Any Agreement shall arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year as approved by Congress and the District of Columbia.

(b) Notwithstanding the foregoing, neither the Landlord or its Representatives shall have any personal liability in connection with the breach of the provisions of this section or in the event of a default by the Landlord under Any Agreement.

(c) No Agent of the Landlord is authorized to obligate or expend any amount under any Agreement unless such amount has been appropriated by Act of Congress or the District of Columbia and is lawfully available.

26.2 Nondiscrimination. Tenant shall not discriminate by segregation or otherwise against any person because of race, color, religion, sex, national origin, age, marital status, personal appearance, sexual orientation, familial status, family responsibilities, disability, matriculation, political affiliation, source of income or place of residence or business in furnishing or by refusing to furnish to such person or persons the use of the Premises, including any and all services, privileges, accommodations and activities provided under this Lease.

26.3 Contingent Fees.

(a) No Contingent Fees. Except for Landlord's broker, if any, Landlord warrants that no person or agency has been employed or retained by Landlord to solicit or obtain this Lease upon an agreement or understanding for a Contingent Fee.

(b) The Parties represent and warrant neither they or their Representatives has received any payment or other consideration for the negotiation, execution, delivery or performance of this Lease, and that no such person has any interest, direct or indirect, in this Lease, the proceeds thereof or related thereto. The negotiation, execution, delivery and performance of this Lease has not been, and shall not be, induced by, the result of or based on Improper Influence.

26.4 Authority.

(a) By executing this Lease, the Tenant represents to Landlord that: (i) it is authorized to enter into, execute and deliver this Lease and perform the obligations hereunder; (ii) this Lease is effective and enforceable against the Tenant in accordance with its terms; (iii) the person signing on the Tenant's behalf is duly authorized to execute this Lease; and (iv) no other signatures or approvals are necessary in order to make all of the representations of the Tenant contained in this section true and correct in all material respects.

(b) Subject to the provisions set forth in Subsection 26.1, by executing this Lease, Landlord represents to the Tenant that: (i) it is authorized to enter into, execute and deliver this Lease and perform its obligations hereunder; (ii) this Lease is effective and enforceable against Landlord in accordance with its terms; (iii) the person signing on behalf of Landlord is duly authorized to execute this Lease; (iv) no other signatures or approvals are necessary in order to make all of the representations of Landlord contained in this section true and correct in all material respects.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and the Tenant has each caused its respective duly authorized representative to execute and deliver this Lease to be effective as of the Lease Commencement Date.


LANDLORD:
UNIVERSITY OF THE DISTRICT OF COLUMBIA

Maurice Edington
President
Date: _____

Approved as to form and legal sufficiency:

Avis Marie Russell
General Counsel

TENANT:
FOLLETT HIGHER EDUCATION GROUP, LLC

DocuSigned by:

7A06E3A8448E4C4

Name: Ryan Peterson
Title: President

EXHIBIT A

Site Plan of Premises

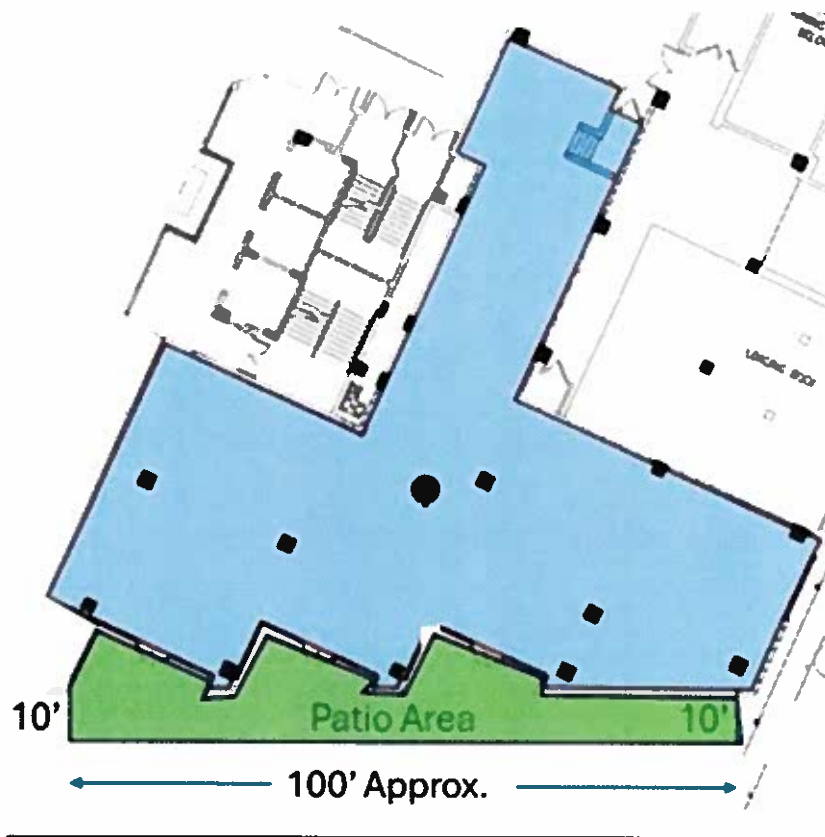
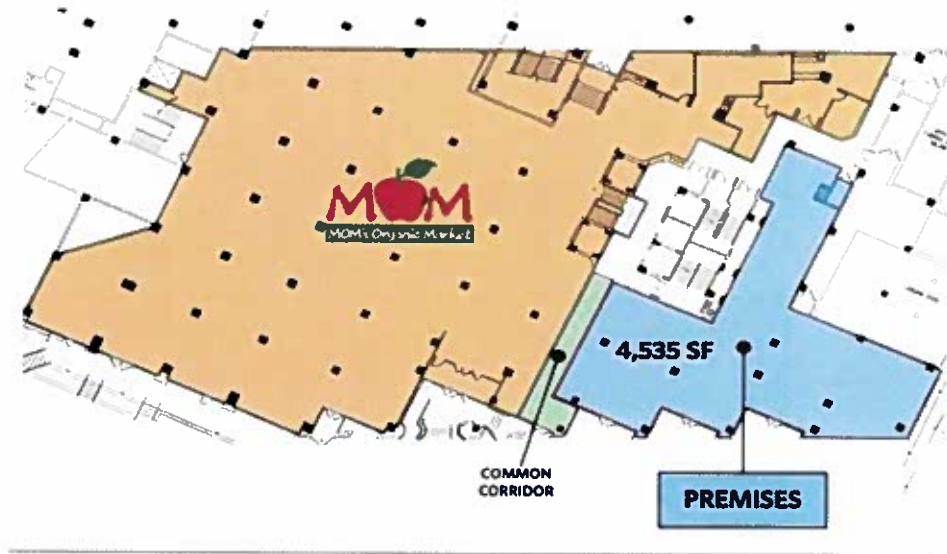


EXHIBIT B

Legal Description of Land

All of those lots or parcels of land together with all easements, rights and privileges appurtenant thereto located and being in the District of Columbia and being more particularly described as follows:

Lot numbered One (1), in Square numbered Twenty Hundred Forty-seven (2047) in a subdivision made by Washington Metropolitan Area Transit Authority, as per plat recorded in Liber 170 at folio 70 among the Records of the Office of the Surveyor for the District of Columbia.

EXHIBIT C

Form of Declaration of Delivery

DECLARATION OF DELIVERY OF PREMISES

This Declaration of Delivery of Premises ("**Declaration**") is attached to and made a part of that certain In-Lease dated the ____ day of _____, 20____, and is made effective as of _____, 20____ ("**Declaration Effective Date**"), and is entered into by and between the University of the District of Columbia, a public institution of higher education and independent agency of the District of Columbia ("**Landlord**"), and Follett Higher Education Group, LLC ("**Tenant**").

Capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the Lease. Landlord and Tenant do hereby confirm that:

1. the Premises was delivered by Landlord to Tenant on _____, ____ ("**Delivery Date**" and "**Lease Commencement Date**");
2. the Rent Commencement Date is hereby established to be _____, _____;
3. the Initial Lease Term shall expire on _____, _____, unless sooner terminated.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Landlord and Tenant have caused their respective duly authorized representative to execute and deliver this Declaration to be effective as of the Declaration Effective Date.

LANDLORD:
UNIVERSITY OF THE DISTRICT OF COLUMBIA

Maurice Edington.
President

Approved as to form and legal sufficiency:

Avis Marie Russell
General Counsel

TENANT:
FOLLETT HIGHER EDUCATION GROUP, LLC

Name: Ryan Peterson
Title: President

EXHIBIT D

Operational Obligations

1. **Trademark License.** Landlord grants Tenant the right, subject to Landlord's published standards, to use the Landlord's seal, logotype, and associated trademarks and service marks in relation to provision of Services hereunder including on the Store's Internet site, marketing, signage and collateral materials.

If Landlord or its faculty changes its name, seal, or logotype, or changes the colors, type, or composition of any required clothing or supplies, with less than one (1)-year's written notice to Tenant prior to notice to the public, or if Landlord prohibits the sale of any items it has previously approved, Tenant will deduct from any commissions otherwise payable to Landlord Tenant's cost of all clearance expense and/or unsold discontinued/dated emblematic merchandise on hand at the time of such change.

2. **Final Adoption List.** Landlord will make sure that faculty provide adoptions to Tenant in a timely and accurate manner every semester. After receiving raw adoptions from faculty each term, Tenant will use proprietary systems and methods to create and compile a final adoption list for each term. This adoption list is proprietary to Tenant and created at substantial expense and effort by Tenant. While final adoption information may be publicly available pursuant to HEOA, the compiled adoption list is considered confidential and will not be shared with third parties. Landlord may request a copy of the adoption list for personal use, but, barring a public records requirement, Landlord may not share or disclose the list to a) any Landlord employee without a legitimate need to know of its contents; and/or b) any third party.

3. **Services to Tenant.** Landlord shall provide the following services and support to the Store at no cost to Tenant:

- a) Local telephone/data service including all equipment and lines (telephone toll charges to be charged to Tenant at the same rate charged to Landlord's departments);
- b) Campus Bookstore URLs provided for Tenant usage; URLs procured by Tenant remain property of Tenant except where otherwise required by applicable law.
- c) Security support of persons and property in the same manner provided for other Building tenants;
- d) Lost and found service as regularly provided by Landlord;
- e) Parking for Tenant's employees in common with other authorized parkers in a location approved and provided by Landlord (Tenant's employees must abide by all applicable parking rates and regulations); and
- f) Participation in any debit or credit card, voucher program, or other payment or financial aid service now or hereafter made available by Landlord to its students or to local merchants.

4. Payments to Tenant. Tenant will extend credit to Landlord for financial aid and departmental charge accounts in accordance with the terms set forth in Tenant's standard Credit Account Agreement. Landlord will furnish to Tenant all required information and will pay all accounts, after receipt of an approved invoice, within thirty (30) days of invoice. Landlord shall be required to send all A/R payments directly to the bank via ACH, or Wire Transfer.

For any amount or receivable that is more than fifteen (15) days past due, Tenant may:

- (i) set off the amounts payable from Landlord's commission payments or other amounts payable to Landlord, and/or
- (ii) charge interest for each day past due at the lesser of: a) the rate of 1.5% per month, or b) the maximum rate allowed by law.

5. Marketing Efforts. To help the Landlord maximize their brand exposure and increase revenue, Landlord will provide to the Store at no cost, the following:

- a) A minimum of two hyperlinks located on the home page of the Landlord's .edu website to the Store's eTenant website, and on the appropriate subpage(s) of the Landlord'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 eTenant website.
- b) The inclusion of key search terms within the Landlord's .edu site that presents eTenant hyperlinks when key words are typed into the .edu site search field. Key terms include bookstore, books, book store, campus store, textbooks, course materials, books, clothing, gifts, t-shirts, supplies, shop, store and fan gear.
- c) Approval to send Financial Aid notifications by email and SMS to students, notifying them of their financial aid balances, timelines for using funds, and other messaging to help promote the use of available funds in the Store and the Store's eTenant website.
- d) The opportunity, as determined by Tenant, 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).
- e) Advertising in faculty, athletic, and student e-newsletters with a hyperlink to the Store's eTenant website.
- f) Advertising space in any Landlord-produced print publication (weekly, quarterly or yearly).
- g) In compliance with industry standard practices, Landlord shall provide the following:
 1. all enrolled student email addresses one month before the start of the fall term each year;
 2. all accepted student email addresses within one month of acceptance notice distribution each spring; and
 3. all alumni emails one month before the start of the fall term each year (where the Landlord operates the Alumni Association) or Landlord shall commit to periodically send Tenant-created emails to students and faculty.

- h) The opportunity to present Store information and promotional information at student and parent orientations.
- i) The opportunity to regularly present at faculty/staff orientation to review current Tenant programs and services.
- j) The opportunity to present campus Store events and promotions on any existing or future closed circuit campus message broadcast applications.
- k) The opportunity to set up a temporary retail location for athletic, alumni, and other events that are held on the Landlord campus.
- l) Provide key staff members of the Store a Landlord .edu email address.
- m) In-store product and service placements to drive brand awareness for vendors that serve the campus operation.
- n) Configure and install Tenant Discover Shop in the SIS (“Student Information System”) and Tenant Discover View within the course catalog or .edu website to facilitate purchase access to course materials.
- o) Configure and install Tenant Discover Adopt and Access where there are commercial grade SIS and LMS environments, and have the application links prominently displayed within these properties to make them readily accessible for the faculty adoption process, and student access to digital course materials.
- p) Promote the faculty adoption process and deadlines on all related campuses via campus-based email system up to two (2) messages per adoption season whereby Tenant will supply content such as graphics, copy, links, and subject lines for the Landlord to send to faculty and administrators. If Landlord does not choose to communicate the faculty adoption deadlines and procedures via their campus email system, all faculty email addresses will be given to Tenant so they can communicate the adoption process on behalf of the Landlord.

6. Renegotiation of Terms –Sales Decline. If in any Lease Year the annual Gross Sales of the Store shall materially decline more than ten percent (10%) from the prior Lease Year’s sales, then the Parties agree to negotiate modifications to the financial terms of the Lease. For the first year of this Lease, Gross Sales will be compared to the final year of Gross Sales of the on-campus bookstore operated by Tenant.

7. Transaction Data. Tenant does not sell Landlord-provided information and keeps all the data provided by Landlord as confidential. Landlord is the data controller/data owner and Tenant is the processor of Landlord-provided data. However, Landlord will not own Tenant Transaction Data. “Tenant Transaction Data” is any and all information independently provided to and/or collected by Tenant, whether through transactions conducted at and/or through Tenant’s point of sale (whether online or in a brick-and mortar Store), through users’ interactions with website(s), or mobile applications operated by Tenant, and/or otherwise, and whether personally identifiable information or otherwise, which, as between the parties hereto, constitutes and shall at all times remain Tenant’s proprietary data.

Memorandum

To: Board of Trustees

From: Managing Director of Finance *David A. Franklin*

Date: April 21, 2026

Subject: Follett Lease Agreement

Conclusion

University has sufficient operational funding to cover the preparation costs and operating expenses associated with the proposed lease of the demised premises located at 4250 Connecticut Avenue, NW (the “Property”).

Background

The University has engaged with the Follett Higher Education Group, LLC for the lease of commercial ground floor retail Space #2 at 4250 Connecticut Ave NW, Washington DC 20008.

The tenant shall lease approximately 4,535 rentable square feet of space.

In lieu of cash Tenant Improvement Allowance, the University shall abate rent one hundred (100) percent for Years One (1) and Two (2) of the Lease.

Fiscal Impact

The terms of the lease and other key costs will be outlined in the lease agreement. Initial rent is \$175,000, increased by 3% each year. The Rent Commencement Date shall be one hundred eighty (180) days following receipt of Tenant’s building permits.

The University will spend up to \$400,000, delivering the Premises to the Tenant in “Grey Box condition.” The specific improvements to be completed by the University include the demolition and removal of the existing kitchen exhaust duct, demolition and removal of the existing kitchen grease trap, demolition and removal of the existing restroom plumbing and restroom walls, installation of new HVAC replacement, and new electrical services. Meanwhile, Follett will invest up to \$900,000 to create a beautiful and efficient retail space that enhances Follett and UDC’s brand image, attracts customers, and increases sales.

Additional Rent and Commission

- Follett will make a \$100,000 one-time payment within 180 days of the execution of the lease.

- Follett will make an additional \$100,000 one-time payment within 180 days of the new store opening to the public
- If Tenant exercises the option to extend, Tenant shall make a payment of one hundred thousand dollars (\$100,000) within one hundred eighty days (180) days of the extension of the lease.
- Commission:
 1. 10.0% of all Course Material Commissionable Sales
 2. 7.0% of all Digital Commissionable Sales
 3. 15.5% of all General Merchandise Commissionable Sales up to \$500,000
 4. 16.5% of any part of General Merchandise Commissionable Sales over \$500,000.

Follett shall pay for its own consumption of utilities (via a separate meter/sub-meter provided by Landlord) to the Public Utility Company providing service.

Based on the information provided, there are no anticipated negative financial impacts at this time.

**EXHIBIT A
SITE PLAN**

Premises

