To: CPE Commissioners

From: Save the Art Institute of Las Vegas Limited

Subject: Art Institute of Las Vegas – Denial of Renewal

Date: September 10, 2019

For Action: September 18, 2019

Save the Art Institute of Las Vegas Limited ("Save the Art"), as an interested party, by and through its counsel, Howard & Howard Attorneys, PLLC hereby provides the Commissioners with supplemental information in support of the Art Institute of Las Vegas's ("Ai Las Vegas") application for renewal of license. Before specifically addressing the deficiencies noted in the July 31, 2019 renewal denial letter and the August 14, 2019 letter, it is important to provide the Commission with additional background information about Ai Las Vegas, the pending sale of the school to Save the Art as well as the circumstances that ultimately resulted in Ai Las Vegas being brought before this Commission. The overall picture provides this Commission the means and good reason to maintain Ai Las Vegas's license in effect and allow the school to continue once the change of ownership occurs on or before November 1, 2019.

Save the Art consists of dedicated faculty, current students, alumni and local community professionals united together to form this entity with the sole purpose of saving Ai Las Vegas for the students, its faculty and this local community[1]. For the reasons set forth herein, as well as any evidence that may be presented to the Commission at the time of the hearing on this agenda item, it is in the best interests of Ai Las Vegas, its students, faculty and our community for this Commission to renew Ai Las Vegas license, or at minimum grant a provisional license to Ai Las Vegas. The denial of Ai Las Vegas's application to renew its license, or at minimum grant Ai Las Vegas a provisional license until purchase with Save the Art can be consummated, would force Ai Las Vegas to close its doors, leaving its students and faculty without any recourse and leaving a large void in the community. In the event of such denial, students will be left out in the cold with their hope of getting education completed vanished. Most of the students attending Ai Las Vegas have obtained student loans to pay for their education, which they will still be responsible to pay, but which they will not be able to complete and get credit for, if the school is forced to close. Moreover, dedicated faculty, who have been teaching the students, for months without pay, will also not only find themselves without a job but are likely not going to get paid if the school closes. In that event, the Commission will also likely have to bear indemnification responsibilities for cash pay stipends, third party payments, including tuition paid by the VA Educational Benefits programs, Title IV programs and students with third party loans. Thus, it is not to anyone's benefit (not Ai Las Vegas, the students, the community, Save the Art or this Commission) to close the school at this juncture, which will undoubtedly occur if the application

[1] At the onset of the formation of Save the Art, this group gathered nearly 4,000 signatures from students, faculty and local community members in support of this effort.

for renewal of license is denied or unless at minimum this Commission grants a provisional license to Ai Las Vegas to allow the sale to Save the Art be consummated and for a change of ownership to occur.

Granting additional time for Ai Las Vegas to correct the outstanding deficiencies is appropriate under current circumstances, especially in view of the pending sale of the assets of Ai Las Vegas, which will bring the school out of the grasp of Federal Court and the receivership and allow Save the Art to move forward with the school. As long as Ai Las Vegas's license remains in effect, the contemplated sale to Save the Art can be consummated[2] and, to the extent any deficiencies noted in the July 31, 2019 or the August 14, 2019 letters have not been corrected, Save the Art would be able to do so once the change of ownership is approved by this Commission, ACICS and the Department of Education ("DOE").

The receivership has caused many obstacles for the school and its operation, which obstacles will be removed once the sale is effectuated. Also, per the Order approving sale to Save the Art, a copy of which is attached as **Attachment A**[3], Save the Art, as a condition of the sale, is assuming such liabilities, *i.e.*, faculty salaries and student refunds/stipend deficiencies noted in the CPE Administrator's denial of Ai Las Vegas's application for renewal of license letter of July 31, 2019. Thus, if the license remains intact and change of ownership occurs, any indemnification responsibilities of this Commission would be diminished by the bond that Save the Art posts pursuant to NRS 394.480 as a condition for approval of the change of ownership. Also, unlike most of the schools today, Save the Art wants complete transparency and intends to operate the school as a benefit corporation. Prior to or upon acquiring the assets of Ai Las Vegas Save the Art will either file Articles of Conversion with the Nevada Secretary of State whereby Save the Art is converted into Citadel of the Arts Colleges, a Nevada for benefit corporation[4] or assign its rights of the purchase of assets of Ai Las Vegas to a newly formed Nevada for benefit corporation, namely Citadel of the Arts Colleges. In either case, after the sale, the school will be operated as a benefit corporation, albeit for profit but with complete transparency and for the benefit of its students, faculty and the community it serves. The use of a name, Citadel of the Arts Colleges, has already been approved by the CPE Administrator. *See* **Attachment B**.

It is also important to note that upon receipt of the July 31, 2019 letter, steps have already been taken by both the Receiver and Save the Art to correct the noted deficiencies, set forth in

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[2] Ai Las Vegas's license must be in effect for Save the Art to proceed with the purchase.

[3] The Order Approving Sale that was attached to the Submission of CPE Administrator was not the actual Sale Order that was signed by the Federal Court judge. The Order Approving Sale that was attached to the CPE Administrator's Submission to this Commission, was a draft order which was attached as Exhibit E to the Asset Purchase Agreement. **Attachment A** provides this Commission with a copy of the actual Order that was entered by the Court approving the sale of the assets to Save the Art.

[4] Benefit corporation also commonly referred to as "a for benefit" corporation is a new type of entity that allows companies to be socially responsible while still generating profits. Benefit corporation meets rigorous standards of social and environmental performance, accountability and transparency. In essence a benefit corporation aspires to use the power of markets to solve social and environmental problems.

the CPE Administrator's letters of July 31, 2019 and August 14, 2019. Save the Art has been diligently working with the CPE Administrator and the Commission's counsel, Robert Whitney, in addressing the CPE Administrator's concerns and to the best of its ability has been providing the information sought by the CPE Administrator in order to resolve these deficiencies. As of the date of this submission, as noted below, many of the deficiencies have already been corrected. Save the Art continues to address any outstanding deficiencies, although some of them logistically cannot be corrected until after the sale is consummated and the changes of ownership occurs. Again, to the extent that any deficiencies cannot be corrected prior to the consummation of the sale, they would be corrected once Save the Art acquires the assets pursuant to the Asset Purchase Agreement ("APA"), a copy of which is attached as **Attachment C**, and obtains change of ownership approval.

Pursuant to the Order of Approving the APA and the sale to Save the Art, Save the Art is assuming "any obligation, claim, encumbrance, lien or liability which the School may owe or be required by DETR or the United States Department of Veterans Affairs to pay or otherwise be responsible for, relating to any student stipend(s), unearned tuition, student reimbursements, errors, omissions or other monetary obligation(s) incurred or accrued by the School prior to April 1, 2019 or, to the extent applicable, otherwise prevent any recovery pursuant to NRS 394.520 for violations of NRS 394.393-NRS 394.560 or NAC Chapter 394.300-394.685, or for any recovery for potential violations of 38 CFR § 21.4009(f)." Similarly, Save the Art is assuming "any obligation, claim, encumbrance, lien or liability which the School may owe or be required by DOE or the United States Department of Veterans Affairs to pay or otherwise be responsible for, relating to any student stipend(s), unearned tuition, or other monetary obligation(s) incurred or accrued by the School prior to April 1, 2019; provided, however, for avoidance of doubt that under no circumstances will the Buyer be responsible for any trailing liabilities associated with any institution or OPE ID associated with or under the ownership of Seller, Dream Center Education Holdings, Argosy University of California, LLC, Dream Center South University, LLC or The Arts Institute International, LLC other than the School.". *See* Sales Order, **Attachment A**.

From the onset, students, faculty, and the school has been Save the Art's primary concern and Save the Art intends to do right by them, once the sale is consummated. Save the Art also agreed to the sale of the assets "free and clear of all Interests except for amounts that are required to be paid as part of the process of approval of the Sale at the direction of the United States Department of Education (the "DOE") or the Nevada Department of Employment, Training and Rehabilitation, Commission of Postsecondary Education (the "DETR") (the "DOE/DETR Required Amounts"). *See* **Attachment C,** Exhibit D, Sale Order in the APA. The APA, with all exhibits, was included in the Emergency Motion to approve the Sale, that was filed on July 15, 2019. A copy of the Emergency Motion is attached as **Attachment D**. As it was never the

intention of Save the Art to escape such liability, Save the Art agreed to add the additional language requested by DETR.[5]

As the Commissioners are already aware, Ai Las Vegas currently remains under a receivership before the United States District Court for the Northern District of Ohio, Eastern Division, Case No. 1:19-cv-145 ("Federal Court"). On January 18, 2019 a Federal Court appointed a Receiver for Ai Las Vegas as well as other campuses owned by its parent company, Dream Center Education Holdings (DCEH). Most, if not all, of the issues and/or deficiencies before this Commission stem from Ai Las Vegas being placed into receivership. Ai Las Vegas was not placed in receivership due to its operations or financial woes, but was placed in receivership simply because its parent company, DCEH, was placed into receivership. Ai Las Vegas, on its own, has generated and continues to generate enough funds for its operations; albeit during past few years, much of Ai Las Vegas's income was syphoned by its parent company and "shipped" out of this State, for the benefit of DCEH and was not used for the benefit of Ai Las Vegas or its students. The current predicament of Ai Las Vegas is a direct result of the receivership creating the financial deficiencies noted by the CPE Administrator that the school is currently facing. These issues will be resolved once the sale is consummated and the school is placed out of the receivership.

Despite the receivership, Ai Las Vegas remains financially sound on its own and is in position to meet its financial obligations, including payment of outstanding faculty and administrative payroll, stipends and student refunds. Currently, there is an estimated $2.5 to 2.6 million of Title IV funds earned by Ai Las Vegas that remain with the DOE for the 2019 Spring quarter and 2019 Summer quarter alone. Some Title IV funds for 2019 Winter Quarter also remain with the DOE. Typically, those Title IV funds would have long ago been provided to Ai Las Vegas under normal circumstances, but unfortunately, due to the issues that the DOE found with the Receiver's 2019 Winter quarter submittal, Ai Las Vegas has been unable to post and make its submission for 2019 Spring and 2019 Summer quarter funds until the 2019 Winter quarter is reconciled and approved by the DOE. The DOE has recently only partially approved the 2019 Winter quarter submission, which in turn, further delays Save the Art to post and make 2019 Spring quarter and 2019 Summer quarter submissions on behalf of Ai Las Vegas. *See* **Attachment E**, a copy of the DOE partial approval letter received on or about August 14, 2019. Had Ai Las Vegas been able to post and submit the 2019 Spring quarter and 2018 Summer Quarter in due course, Ai Las Vegas would not be experiencing the financial difficulties noted by the CPE Administrator. After the Order Approving Sale was entered, Save the Art took immediate steps to retain an independent third-party company to assist with HCM2 submittal process, including posting and submittal for the 2019 Spring quarter and 2019 Summer quarter.

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[5] Unlike DOE, DETR did not reach out to Save the Art or the Receiver prior to filing its Limited Objection. When DOE reached out requiring additional language, Save the Art worked with the DOE and revised the proposed Sale Order accordingly. Once DETR's Limited Objection was filed, Save the Art worked with its counsel, Robert Whitney, and revised the Sale Order as requested. Even after DETR's agreed upon language changes were already made to the Sale Order, when the DOE requested additional changes to certain paragraphs in the Sale Order, Save the Art made sure that similar changes in the Sale Order were made with respect to DETR, all to DETR's benefit.

The Commissioners should note that Global Financial Aid Services ("Global") has been retained in this regard as well as in order to expedite the re-submittal of the 2019 Winter quarter submission to the DOE. Once the 2019 Winter quarter is reconciled and re-submitted to the DOE, and upon the DOE's acceptance of same, Global will be in the position to prepare and submit the 2019 Spring quarter and 2019 Summer quarter submissions to the DOE. Global is very experienced in these types of matters and has worked effectively with the DOE in the past on numerous occasions. Global is also very familiar with the HCM2 submittal process as well as steps necessary to get the school off HCM2 submittal process. After the sale, Global will continue to work with the school and make the necessary postings and submissions on behalf of the school to the DOE and assure continued compliance therewith. Thus, to the extent any financial issues and/or deficiencies of Ai Las Vegas before this Commission are not or cannot be resolved before the sale is consummated, they would be able to be resolved after the sale of the assets of Ai Las Vegas and change of ownership to Save the Art occurs.

Moreover, at the DOE's recommendation, Save the Art also retained Aaron Lacey, Esq. of Thompson Coburn, LLC, whose practice is dedicated entirely to helping institutions of higher education navigate complex legal and regulatory matters. Mr. Lacey has substantive experience in the array of federal, state, and accrediting agency laws and standards that govern postsecondary institutions.[6] By surrounding themselves with experts in the postsecondary education field shows Save the Art's desire and intent to have the school in full compliance with regulations, which are necessary for the school's continued success once the sale is consummated. Additionally, Save the Art has also made arrangement with Laura Nowlan, who will work with students with employment transitions, internships and capturing the required date for the Campus Accountability Report (CAR). Ms. Nowlan will serve as a Provisional Career Services Staff Member until the change of ownership occurs, at which time she will serve as a Career Service/Placement Director for the school. Ms. Nowlan's resume is attached as **Attachment F.**

Although the school on its own generates enough funds to operate, the future of the school is even brighter if the change of ownership occurs. Of course, this will only be possible so long as Ai Las Vegas's license is maintained. To date, Save the Art in good faith has already fronted over $160,000, which it is at risk of losing, should the sale not be consummated. Save the Art has also taken steps in finding potential investors and/or lenders in order to obtain financing for the school. However, until the APA and the sale of assets was approved by the Court, Save the Art was unable to do so as investors and lenders require assurances that sale of the assets to Save the Art was approved. Save the Art had several potential lenders and investors interested in helping the school once the sale was approved by the Federal Court. Once the sale was approved but before Save the Art was able to do anything in that regard, Ai Las Vegas received July 31, 2019 denial of application for renewal license letter from the CPE Administrator. Although the sale of the assets of Ai Las Vegas has now been approved, in view of the current status of the

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[6] In October 2017, the DOE selected Mr. Lacey to serve as one of 17 negotiators charged with overhauling the DOE's complex and controversial "borrower defense" rule. The DOE selected Mr. Lacey to represent and negotiate on behalf of general counsels, attorneys and compliance officers at postsecondary institutions nationwide. Mr. Lacey is also a frequent writer and speaker on topics relating to higher education policy and the federal financial aid programs.

school's Nevada license, Save the Art, as well as numerous investors and lenders, are reluctant to fund further sums when the future of the school is unknown. The license to operate the school is an integral and material part of the APA and if it is not renewed or provisional license not granted by this Commission, the school will undoubtedly be forced to close. Under the current predicament, Save the Art is not in the position, nor is financially prudent, for Save the Art to fund the school with its own funds nor is it likely for Save the Art to find investors or lenders that would be willing to take on such a risk. Prospective funding, loans, and investors will not be an issue if this predicament can be resolved by this Commission extending or renewing the current license of Ai Las Vegas and allow the sale of the school to go through as contemplated under the APA.[7]

To the extent that license is maintained, Save the Art will proceed to obtain interim financing to cover the school's post and current daily expenses for the operation of the school, which are needed since the Title IV funds earned and due to Ai Las Vegas for prior school quarters had not yet been released. Save the Art has already procured an investor who is willing to post letter of credit with a Nevada bank that would provide the school the means to pay for the faculty past and present payroll expenses along with other operational expenses. Once the sale is consummated, which is to occur by no later than November 1, 2019, the school will be out of receivership and Save the Art will be in full control of the operations of the school.[8] Ai Las Vegas being in receivership has caused many, if not all, the issues before this Commission and ACICS. The receivership also hinders both the school and Save the Art in their efforts to correct deficiencies and in being able to operate the school in a traditional manner. Save the Art, however, is confident that once the transfer of ownership occurs, the school, under new ownership will be able to correct the outstanding deficiencies and will once again thrive and provide quality education for which it is known.

Prior to receivership, DCEH owned and operated the Art Institutes, Argosy and South Universities across the country, including Ai Las Vegas. Not too long ago DCEH had over 54,000 students in combined enrollment across United States, namely about 22,000 students at the Art Institutes campuses, about 17,600 students at the Argosy University campuses, and about 14,200 students at the South University campuses. At one point, Ai Las Vegas had up to 1,500 students. However, as a result of a series of operational decisions in the last few years, DCEH, including Ai Las Vegas, landed in receivership, which resulted in closure of almost all their campuses that it owned at the time of receivership.[9] In fact, on a single day in February 2019, almost 11,000 students lost their schools. Out of all campuses owned by DCEH or its affiliates at the time of receivership, to our knowledge, Ai Las Vegas was the only campus that retained its

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[7] Ai Las Vegas's license being in effect at the time of the sale is crucial for the sale to be consummated.

[8] Although Save the Art has entered into a Managed Services Agreement (**Attachment G**) and Transition Service Agreement (**Attachment H**), other than daily operation of the school, Save the Art has not had complete access to nor control of Ai Las Vegas, finances, data, financial or otherwise.

[9] It is our understanding that prior to receivership, DCEH sold some of its campuses to Studio and/or its affiliates. Ai Las Vegas and several other campuses were, however, retained by DCEH. Other than Ai Las Vegas and Western Law School, all other campuses owned by DCEH have been closed.

Title IV eligibility[10], which made it feasible to maintain Ai Las Vegas campus opened and for Save the Art to negotiate with the Receiver for the purchase Ai Las Vegas assets.

For nearly 20 years, Ai Las Vegas has conferred postsecondary science and art degrees in Applied Arts and Culinary Arts. In fact, until the current predicament, Ai Las Vegas has seen much success, both financially and academically. Despite Ai Las Vegas's recent struggles, which Save the Art believes were caused by DCEH's mismanagement of the schools and their funds that the schools generated, including that of Ai Las Vegas, Ai Las Vegas, much to the pleasure of its students and faculty, has maintained worthy educational and career development that has culminated into a lengthy list of thriving and successful alumni. While the downswing of this once-thriving program is now plagued by uncertainty brought on by the receivership, Save the Art has stepped in with dedicated intentions to do right by the school and carry it forward. Save the Art has pledged its tireless support and is committed to keeping the school in operation, academically and financially, for the direct benefit of the students and future educational needs of the community upon the completion of the sale. The dedication to save the school is easily seen by school's administration and its faculty, most of whom continued to teach students and operate the school despite not being paid. Their dedication and efforts to save the school should not be dismissed or go unnoticed by this Commission and certainly should not be in vain. By not granting the renewal application or at minimum grant a provisional license to Ai Las Vegas at this juncture, when it is so close to the occurrence of change of ownership would vitiate the tremendous amount of time, effort and commitment by everyone trying to save this school. The school must be given a chance to succeed, which it cannot do, without this Commission granting Ai Las Vegas's renewal of license application or at minimum granting a provisional license and thereby allowing the sale to go forward. Once the change of ownership occurs, the school can go back to its traditional operation, which has proved to be successful for the past 20 years. The school should be given an opportunity to get out of the grasps of receivership so that it can thrive as it once did.

The Commission should also be aware that the sole purpose, for which Save the Art was formed, was to negotiate and provide for the survival of the school. After months of negotiations with the Receiver, Save the Art executed an APA on July 15, 2019 to purchase the assets of the Ai Las Vegas. *See* **Attachment C**. The sale of the assets of Ai Las Vegas, pursuant to the APA, was approved by the Federal Court on July 26, 2019. *See* **Attachment A**. The closing under the APA is to occur by no later than November 1, 2019. Save the Art is currently taking steps in order to close escrow on the purchase pursuant to the terms of the APA, including obtain appropriate governmental approvals. However, mere days after the approval of the sale occurred on July 26, 2019, another obstacle presented itself – namely the denial of the application for renewal of school's license on July 31, 2019. The Ai Las Vegas's renewal of the license, which is before this Commission, is an integral part of the APA and Save the Art's acquisition of the assets under the APA. Without this license, Ai Las Vegas, and upon acquisition, Save the Art would not be able to operate the school.

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[10] Unlike majority of the schools under the receivership, Ai Las Vegas has its own OPE ID number and has not lost Title IV funds.

Without the license, the school will be forced to close and the students, faculty and this community be subject to yet another school closure. By maintaining the license, this Commission can prevent another school closure and the negative impact such closure would have on the students, faculty and our community, and give the school a chance to continue to operate under new ownership once the sale is consummated on or before November 1, 2019.

There is another important reason for keeping this school open. The curriculum and the career arts skills that this school offers are unique to Nevada, as we are unaware of any other school in Nevada offering the same type of postsecondary career arts skill education. Also, to our knowledge, Ai Las Vegas may also be the only degree granting culinary arts skill school that remains in Nevada. This type of school is, thus, a perfect fit for the Las Vegas metropolitan area. This community boasts a wide variety of career opportunities representative of the areas of study offered at the Ai Las Vegas. This is certainly an educational opportunity worth preserving and carrying forward. Notably, significant groundwork has already been completed by Save the Art to guarantee future operational success for the school once change of ownership occurs. Thus, the loss of this school would be detrimental not only to the students and faculty but to our community as a whole.

In addition to keeping the school open for its current students, the school is in a great position to expand, not only in its enrollment, but also in developing additional colleges and curricula. Such expansion will be good not only for the school but also for our community.

The closure of about 180 schools under the DCEH, has resulted in approximately 12,000 students displaced with incomplete and non-transferable degree programs across the country. Such closures provide this school with enormous opportunity to attract these displaced students and provide them with opportunities to have their degrees and certificates completed here. With the full transfer of earned credits, there will be an incentive for these students to attend our school. Save the Art has retained EZ Education Connect to assist school in the readmission outreach to these students. Moreover, with EZ Education Connect, the school will focus on foreign students, especially from India. EZ Connect has extensive experience, local presence and education credentials to expand its network in India for recruitment of students for the school. EZ Education Connect has a close working relationship with the government of India and is familiar with India's government provided or subsidized policies promoting education. Through EZ Education Connect it is anticipated that the school could easily add 500 to 1,000 students in the first two years from India alone.

In addition to increasing student enrollment, Save the Art also intends to expand its curricula. Currently Ai Las Vegas offers two schools, namely College of Applied Arts and College of Culinary Arts. Save the Art intends to expand and develop the following additional art skills colleges, namely College of Performance Arts, College of Medical Technical Arts, College of Entrepreneurship, College of Continuing Education, and Online & Distance Learning Programs. Both expansions will significantly benefit the school and our community.

As long as change of ownership occurs, which again hinges greatly upon Ai Las Vegas's license staying in effect, Save the Art has great plans for not only being able to operate the

school in a traditional manner as was done prior to school being placed in the receivership, but also has plans to improve the school and our community through the use of opportunity zone investments.

The Opportunity Zone ("OZ") legislation was enacted December 22, 2017 with regulations issued on October 19, 2018 and April 17, 2019. The spirit of the OZ legislation is intended to spark new investment in communities that are lacking business investment and real estate development in specifically defined low income census tracts. Essentially the OZ legislation allows investors with capital gain to defer and permanently eliminate a portion of taxes on capital gains and completely eliminate taxes on capital gains if a capital gain is invested in OZ real estate or an OZ business and holds such investment for a period of 10 years or more.

Save the Art has identified several OZ locations within City of Las Vegas ("City") that match the Citadel of the Arts College ("COA")[11] campus criteria and that align with the local community development strategy. With the assistance of the City and State of Nevada incentives and other traditional debt and equity financing, Save the Art will be able to accept various size Opportunity Fund investments to supplement the short term and long term COA development plan.

The development plan has identified and confirmed numerous OZ investors interested in various aspects of the COA. Because the COA development plan includes both a real estate and a "for benefit" business operation, we are in a unique position to secure OZ funding from various OZ investors, including: ultra-high net worth private investors, family office, private and public banks, as well as corporate investors seeking development opportunities that match various Socially Responsible Investing ("SRI") requirements. These OZ investors are seeking OZ projects that are transformative in nature to the local community and benefit the arts and/or have educational or other sustainability components. And, unlike other tax credit financing tools, the OZ investment formula requires that investors with deferred capital gains make such new investments within 180 days from the date a gain is realized. This means that the COA development project must be ready to accept initial investor equity placements before December 31, 2019 to avoid losing access to many OZ investors who are already within their 180-day window to make a qualified investment. By way of example, Save the Art has a qualified investor who has already established his Opportunity Fund who must make a qualified OZ investment by October 22, 2019 or lose his ability to defer and eliminate tax on a $3M gain generated in Q42018. However, this investor will only move forward on a $2.5M to $3M OZ placement with COA after confirmation that Ai Las Vegas is out from receivership and free to operate as COA with all the requisite licenses and accreditation. Because OZ investors must make OZ investment decisions within a 180-day window from the date a capital gain is generated, it is critical that the sale is consummated as quickly as possible with certainty about all aspects of the COA, including with this license intact, so as not to lose out on the possibility of many of these investors opting to place their OZ investments elsewhere.

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[11] Upon change of ownership, the school will operate under the name of the Citadel of Arts Colleges, the name previously approved by the CPE Administrator.

The future of the school rests on the shoulders of this Commission. Without the license none of this will be possible, and this Commission will once again be faced with another school closure, which could be easily avoided. Not allowing the school to continue to operate in a situation as presently presented and not giving the school a chance to come out of receivership and be able to correct the deficiencies that still remain once the school is out of receivership, is not in anyone's best interest, especially, where steps to correct many of the deficiencies have already been taken by the school.

The Commission must consider the fact that Save the Art, along with the Receiver, have both been cooperating with CPE Administrator to get the deficiencies noted in the denial of the application for license renewal corrected and in otherwise addressing the concerns of Administrator and this Commission. As noted by CPE Administrator, Save the Art, has been in weekly communications with the CPE Administrator and the Commission's counsel, Robert Whitney, and has been completely transparent though this entire process. The "unprecedented" amount of time spent with CPE Administrator and Robert Whitney to address deficiencies and to keep them apprised of the status of the corrective action, shows not only good faith, but also the intent by both Save the Art and the Receiver in getting the deficiencies corrected for Ai Las Vegas to maintain the license. Again, some of the deficiencies simply may not be able to be corrected until the sale is consummated. That does not mean however, that they cannot be, nor that they will not be corrected after the change of ownership occurs. It also does not mean that Ai Las Vegas will not continue to correct the deficiencies on an ongoing basis. At this juncture, it would be premature for the Commission to deny Ai LV license renewal or at minimum provide a provisional license in order to give the school an opportunity to correct any remaining deficiencies once the change of ownership occurs.

At this point, we would like to more specifically address CPE Administrator's submission to the Commission that was prepared on September 5, 2019 ("Submission"). On September 5, 2019 Save the Art provided CPE Administrator with additional documents in response of noted deficiencies, which are not addressed or reflected in the Submission. Thus, several Outstanding Issues noted in the Submission have or should now be resolved. Notably, the catalog, payment of CPE quarterly fees, evidence of signed Nevada enrollment agreements for students who transferred in from other Art Institute schools and documentation relative the student complaints were all provided by Save the Art on September 5, 2019 but are not reflected in the Submission. The corrections required by CPE Administrator to Ai Las Vegas's enrollment agreement were also made and the corrected enrollment agreement was submitted to CPE Administrator via e-mail on September 8, 2019. Once the enrollment agreement is approved by CPE Administrator, Ai Las Vegas will proceed to have any transfer student that has not previously executed a Nevada enrollment agreement execute the approved enrollment agreement and provide a copy of it to CPE Administrator. Thus, other than payment of current and past employee wages, all the Outstanding Issues set forth in the Submission and the July 31, 2019 and August.14, 2019 letters relating to the denial of Ai Las Vegas's application for renewal of license should now be completed. To the extent there are additional items that need to be provided, Save the Art will work with the CPE Administrator to provide them.

The chart on page 3 of the Submission, sets forth that several requested items had not been received. Most of the outstanding items were delivered to the CPE Administrator on September 5, 2019. It is likely that due to the timing of when the Submission was prepared and when the additional items were provided to the CPE Administrator that several of the items in the Submission were noted as "Not received" when in fact they had been provided. Moreover, Ai Las Vegas and Save the Art continue to work with the CPE Administrator to resolve any other outstanding matters.

Requested Item	**Rationale**	**Status**
List of Current faculty with courses thought and contact information	Identify staff current teaching. CPE has received complaints of faculty leaving and being replaced with unqualified individuals.	Received on September 10, 2019
All Faculty and required staff complete background check process as required under NRS 394.465	CPE has not received any backgrounds since March 2019 in violation of NRS 394.465. ACICS visit revealed several new staff who had not completed the process. CPE received a catalog dated 7/11/19 listing faculty who had communicated to CPE they left their position.	Partially Received. Additional documents provided on September 10, 2019. To date, 10 out of 21 faculty and required staff have been fingerprinted and information provided to Administrator. The remaining 11 faculty and/or required staff members are in the process of completing the background check process at which time additional documentation will be provided. As to any faculty member whose qualification was questionable based on CPE's initial review of the faculty/staff credentialing form, Ai Las Vegas is currently reviewing and will provide secondary credentialing documentation (*i.e.*, letters of recommendation form, employers, portfolio's, work experience) as soon as possible.

		Ai Las Vegas have been working with the CPE Administrator and has been and continues to provide documentation on a rolling basis.
Submission of approvable enrollment agreements	Enrollment agreement not valid. Several references to DCEH corporate structure.	Revised enrollment agreement received on September 8, 2019
Approvable Catalog	Catalog not valid. Several references to DCEH corporate structure and institutional processes that are no longer in existence.	Received on September 5, 2019
Payment of current and past employee wages	Pursuant to NRS 608.060, employers are required to regularly pay employees. Several faculty have indicated the institution last paid wages in May 2019 for part of April wages.	Not received
Payment of CPE quarterly fees	All institutions are required to pay fee for new enrollments pursuant to NRS 394.540(3). CPE has not received payment for quarters October 2018-December 2018 & January 2019-March 2019 totaling $300 and the required late fee of $500	Received on September 5, 2019
Resolution of Student Complaints	Provided the Institution with list of required documents to investigate student issues and complaints. NRS 394.441(3) requires institutions to maintain adequate records. Several investigations were started during Winter term. School has not provided information required within the student files.	Received updated student ledgers, check copies and description from Receiver's office concerning some payments related to Winter 2019 term. Other documents requested received on September 5, 2019.

VA Suspension and Student Complaints

As a result of receivership, Ai Las Vegas has been suspended for enrollment of new VA Educational Benefits program beneficiaries, we believe in large part because of complaints filed by VA students, which are part of DETR's investigation and are reflected in the Submission (*See* **Attachment I**) and an apparent failure of Ai Las Vegas to provide the requested student records for these student complaints. Other than for two VA students for whom response was provided to DETR on July 2, 2019 (*See* **Attachment J**), Save the Art and the Ai Las Vegas campus were not aware of the student complaints in **Attachment I** until the August 14, 2019 letter. After Ai Las Vegas provided its response on July 2, 2019 on the two student complaints Ai Las Vegas did not receive any further feedback, response or request for further documentation from DETR on the two VA students or an inquiry as to why responses were not provided as to the remaining 15 student complaints set forth in the **Attachment I.**[12]

Despite the fact a response was provided on July 2, 2019 (*See* **Attachment J**), the two VA students and the complaints they filed with DETR were again included in the August 14, 2019 letter. On September 5, 2019, Ai Las Vegas once again provided the documentation relating to these two VA students to DETR along with the documentation requested as to the remaining 15 student complaints, of which Save the Art and the local campus Ai Las Vegas had no knowledge until August 14, 2019. Additionally, as reflected in **Attachment I**, the payment of student stipends and/or tuition refunds, which were part of student complaint filed with the DETR, was issued by the Receiver on August 15, 2019. Ai Las Vegas also provided accommodation to its deaf students, including the student complaining that Ai Las Vegas is not providing him with a disability accommodation, namely a sign language interpreter for class times. In compliance with the ADA requirements, reasonable accommodation to its deaf students can be made in the form of computer-aided transcription pursuant to 28 C.F.R. § 36.303(b)(1). This accommodation in a form of computer-aided transcription is currently being provided to any deaf student attending the school even though Ai Las Vegas technically is not be required to provide auxiliary aids or services if it would be an undue burden to the school. Significant difficulty or expense to the school is an undue burden to the school. The current enrollment which is currently down because of the school being in receivership and in fact, the mere fact that the school is in receivership, evidences that providing a sign language interpreter, would cause an undue burden to Ai Las Vegas.

Ai Las Vegas has been cooperating, and will continue to cooperate, with DETR to get the student complaints resolved. To the best of their ability under the current situation, Ai Las Vegas has provided DETR with the documents requested by DETR relative the student complaints. To the extent additional documentation is required for DETR to complete its investigation or in order to resolve the student complaints, the school will continue to cooperate with DETR to get the student complaint resolved.

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[12] Again, the first time that Save the Art and the local campus became aware of the 15 student complaints was not until August 14, 2019 letter. It is unclear to whether and to whom DETR sent the notice and request for a response as to the 15 student complaints.

Accreditation Issues

Ai Las Vegas acknowledges the accreditation issues that resulted from the ACICS "surprise" Fast Assessment and Compliance Team (FACT) visit on June 25, 2019.[13] Ai Las Vegas responded to the deficiencies noted in its FACT visit of June 25, 2019. On August 30, 2019, Ai Las Vegas was issued a continue to show-cause notice requiring an in-person hearing at the December 2019 Council. Save the Art is in the process of submitting its change of ownership application to ACICS. The change of ownership and getting the school out of receivership should address most if not all ACICS's concerns. Aaron Lacey, Esq. is working with Save the Art and the school on accreditation with ACICS and to address the show-cause notice that has been issued by ACICS against Ai Las Vegas.

Quarterly Fees

As previously noted, a check in the sum of $800 was submitted to DETR on September 5, 2019. Therefore, Ai Las Vegas is current with its quarterly fees.

Denial of Renewal

On July 11, 2019, Ai Las Vegas submitted its renewal application. On July 31, 2019, 5 days after the Federal Court entered an order approving the sale of the assets of Ai Las Vegas, in which DETR participated, DETR denied Ai Las Vegas's application for license renewal. Its application was denied on the basis that since the Receiver is in possession of the institution the institution cannot demonstrate financial soundness. Moreover, although an audited financial statement for DCEH was provided by the Receiver on August 6, 2019, it was determined that "the court permitting the company to be placed in Receivership in [sic] direct evidence of the DCHC [sic] financial instability. The CPE Administrator therefore felt that she did not have "the authority to renew a license when the applicant fails to meet the criteria for granting the application and therefore, a denial of licensure was issued on July 31, 2019.

Again, it is important for the Commission to note that Ai Las Vegas was not placed into receivership because of its financial instability or of any fault of its own. Rather, Ai Las Vegas, found itself being placed into receivership simply because its parent company, DCEH, was placed into receivership. Ai Las Vegas, on its own, has generated and continues to generate sufficient funds for its operations. Again, the DOE is currently holding Title IV Funds for 2019 Winter quarter, 2019 Spring quarter and 2019 Summer Quarter. Title IV funds held by the DOE for 2019 Spring and Summer quarters alone are in the vicinity of $2.5 to $2.6 million. Global is working with the Receiver, Save the Art and the DOE to get the 2019 Winter quarter re-submitted, upon which time submissions and postings for the 2019 Spring quarter and 2019 Summer quarter can be made. Once received, the funds held by the DOE on their own are more than enough to meet the school's operational expenses, including payment of faculty past and current wages. Thus, on its own, Ai Las Vegas remains financially stable.

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[13] Although initially Ai Las Vegas was told that ACICS would be making the FACT visit sometime in January/February 2020, ACICS gave Ai Las Vegas less than a week's notice of its June 25, 2019 FACT visit.

Moreover, under the APA, Save the Art has agreed to purchase the assets of Ai Las Vegas by no later than November 1, 2019. The sale to Save the Art was approved by the Federal Court on July 26, 2019. *See* **Attachment A.** The Order approving the sale, which was entered mere days before the July 31, 2019 denial of application for renewal, included language that was specifically requested by the CPE Administrator through counsel Robert Whitney that made sure that outstanding claims of students, VA and DETR would be taken care of.

Consideration of all these factors should have been given in consideration of Ai Las Vegas's application for renewal license. At minimum, due to the impending sale, an extension should have been provided to Ai Las Vegas, the applicant for renewal, pursuant to NRS 394.490(2) to allow Ai Las Vegas to resolve the issues and otherwise eliminate the reasons cited in the denial letter. Such an extension would have provided the Receiver and Save the Art time to consummate the sale and allow for the change of ownership to occur. Many, if not all the concerns, are likely have been resolved once the change of ownership occurred and the school was no longer in receivership.

Ai Las Vegas, along with the Receiver and Save the Art, have been cooperating with the CPE Administrator to get the outstanding issues resolved. Many of the issues have been resolved prior to this Commission hearing. To the extent that any remain outstanding, Ai Las Vegas will continue the course of action to resolve them as expeditiously as possible. Again, Ai Las Vegas being in receivership hinders both the school and Save the Art in their efforts to correct any deficiencies and in being able to operate the school in a traditional manner. Save the Art, however, is confident that once the transfer of ownership occurs, the school, under new ownership will be able to correct any remaining outstanding deficiencies and will once again thrive and provide quality education for which it is known. At this juncture, denial of Ai Las Vegas's application for renewal or at minimum granting Ai Las Vegas a provisional license would cause irreparable harm to the school, its students, faculty, Save the Art and our community. The license should remain in effect and Ai Las Vegas given an opportunity to proceed with the change of ownership. By keeping the license in effect will provide Ai Las Vegas and after the change of ownership, Save the Art, an opportunity to correct outstanding deficiencies. It will also provide the school, which has been successful in this community, to survive and thrive once again. Thus, even if the Commission was inclined to accept the CPE Administrator's denial of Ai Las Vegas's application for renewal, postponement of effective date of such action is appropriate pursuant to NRS 394.530. NRS 394.530 provides:

> **NRS 394.530 Postponement of effective date of action pending review.** If the Commission or the Administrator determines that irreparable injury would result from putting into immediate effect a final action or penalty, the Commission or Administrator, as appropriate, shall postpone the effective date of the action pending review.

Undoubtedly, an outright denial of application for renewal, or denial to grant Ai Las Vegas at least a provisional license to allow the sale and change of ownership to proceed would

cause irreparable injury not only to the school, but also to its students, faculty, Save the Art and the community in general. The closure of the school, which is likely to occur if Ai Las Vegas no longer has a license, would also cause harm unnecessarily. The change of ownership is at maximum less than two months away, as the sale is to be consummated by no later than November 1, 2019. On the other hand, maintaining the license in effect and allowing the sale and change of ownership to occur will be to everyone's benefit. The deficiencies noted in the denial letter are not insurmountable. There is no reason that any deficiencies that remain prior to the change of ownership cannot be corrected after the change of ownership occur. Many of the deficiencies simply exist because of Ai Las Vegas being in receivership. Once the school is no longer in receivership, the school will be in a better position of being able to resolve them to the satisfaction of DETR. After the change of ownership, the school will also be able to operate in traditional manner again. Therefore, the best course of action for the Commission is to allow Ai Las Vegas to maintain its license and allow the change of ownership to occur.

Student Population Impact

In the event the license is not maintained, the impact of school closure is much greater than Ai Las Vegas's current summer quarter enrollment. Historically, the summer quarter student enrollment is less than for the remaining year. Also, in view of other Ai school closures, there are thousands of students that have been displaced, which would be able to complete their education at the school in Las Vegas. With the full transfer of earned credits, these displaced students have an opportunity to be able to complete their degrees and certificates. Once the sale is consummated, the school will once again be in the position to add additional courses, faculty and staff to meet the student demands in order to fulfill student graduation requirements without adding additional time and cost to the program.

Supporting Letters

The support for saving the school remains strong by the dedicated faculty, students, alumni and local community professionals as well as local government officials. A sample of supporting letters received is attached as **Attachment K**. Additionally, DOE has been working with Save the Art to result in change of ownership of the school. Save the Art has surrounded itself by professionals knowledgeable in the field of postsecondary education to make the change of ownership as seamless as possible. The support for saving the school that the school has received is yet another reason for the Commission to maintain the license to allow the change of ownership to occur.

Conclusion

As this Commission can see, the prospects for the future success of the school are great not only for the school but more importantly for its students and our community. Any adverse action taken by the CPE Administrator and this Commission on Ai Las Vegas's license will cause irreparable harm to the school, but more importantly to its faculty, students and our community. The situation that Ai Las Vegas finds itself before this Commission is not typical in

that the deficiencies which resulted in the CPE Administrator's denial of Ai Las Vegas's application for renewal of license. Unlike other schools that typically find themselves before this Commission for deficiencies that occurred during their traditional operation of their school, Ai Las Vegas finds itself in a different predicament. In this case, the predicament that Ai Las Vegas finds itself stems from being placed into receivership through no fault of its own. Had Ai Las Vegas not been placed into receivership, it is likely that its application for renewal of license would have been granted in due course. However, because of being placed into receivership, caused Ai Las Vegas being placed into HCM2 status with DOE and thus has caused a significant delay in getting the Title IV funds that it would typically have to operate. Yet despite of all this, Ai Las Vegas has been able to remain open, largely due to its dedicated faculty and administrative staff who continue to provide education to the students even though they have not been paid for months. The utmost importance for Save the Art and the dedicated faculty and administrative staff of Ai Las Vegas is to save the school for the students and our community. None of this can happen, and all the efforts will be for naught if this Commission does not maintain the license and allow the change of ownership to occur. As noted above, once the change of ownership occurs, the plans and future of the school are bright for all involved. Therefore, to avoid irreparable injury, which will undoubtedly occur in the event of loss of Ai Las Vegas's license, the Commission should do the right thing and allow Ai Las Vegas to maintain its license and allow the change of ownership to proceed. The change of ownership will allow the school to correct any deficiencies that may remain and put the school back on the right track from which it was derailed by being placed into receivership.

ATTACHMENT A

ORDER GRANTING EMERGENCY MOTION OF MARK E. DOTTORE, RECEIVER OF THE ART INSTITUTE OF LAS VEGAS, LLC, FOR AN ORDER AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE ART INSTITUTE OF LAS VEGAS, FREE AND CLEAR OF LIENS, ENCUMBRANCES, CLAIMS AND OTHER INTERESTS (WITH CERTAIN EXCEPTIONS) AND FOR TRANSFER OF THE INTERESTS OF UNPAID HOLDERS OF INTERESTS TO THE PROCEEDS OF SALE

(See Attached)

ATTACHMENT A

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

DIGITAL MEDIA SOLUTIONS, LLC,	)	CASE NO. 1:19-cv-145
	)	
Plaintiff,	)	JUDGE DAN AARON POLSTER
	)	
v.	)	MAGISTRATE JUDGE THOMAS M. PARKER
	)	
SOUTH UNIVERSITY OF OHIO, LLC, *et. al.*,	)	
	)	
	)	
Defendants.	)	

ORDER GRANTING EMERGENCY MOTION OF MARK E. DOTTORE, RECEIVER OF THE ART INSTITUTE OF LAS VEGAS, LLC, FOR AN ORDER AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE ART INSTITUTE OF LAS VEGAS, LLC, FREE AND CLEAR OF LIENS, ENCUMBRANCES, CLAIMS AND OTHER INTERESTS (WITH CERTAIN EXCEPTIONS) AND FOR TRANSFER OF THE INTERESTS OF UNPAID HOLDERS OF INTERESTS TO THE PROCEEDS OF THE SALE

This matter having come before the Court on the Motion (the "**Sale Motion**") of Mark E. Dottore (the "**Receiver**"), Receiver of The Art Institute of Las Vegas LLC, for an Order Authorizing the sale of substantially all of the assets of The Art Institute of Las Vegas, LLC, an Arizona nonprofit limited liability company that is registered in the State of Nevada as The DC Art Institute of Las Vegas, LLC OPE ID #04051300 (the "**School**"), free and clear of all mortgages, pledges, security interests, liens, encumbrances, claims, charges, and any other interests of any kind or type whatsoever (the "**Interests**") (with certain exceptions as hereinafter provided) and for the transfer the Interests of unpaid holders of Interests to the Proceeds of the Sale. In the Sale Motion, the Receiver seeks the entry of an Order: (i) authorizing the sale of all or substantially all of the assets (the "**Assets**") of the

School to Save the Art Institute of Las Vegas Limited ("**Save Las Vegas**" or the "**Buyer**"), consistent with the terms of an Asset Purchase Agreement (the "**APA**") dated July15, 2019; (ii) determining and directing that the sale of the Assets is free and clear of all Interests except for amounts that are required to be paid as part of the process of approval of the Sale at the direction of the United States Department of Education (the "**DOE**") or the Nevada Department of Employment, Training and Rehabilitation, Commission of Postsecondary Education (the "**DETR**") (the "**DOE/DETR Required Amounts**"); and (iii) and transferring any unpaid claims of the holders of Interests and other interest holders in the Assets to the proceeds of sale; and (iv) granting such other and further relief as is warranted in the circumstances.

The Court having reviewed the Sale Motion, the Declaration of the Receiver, and all other pleadings, motions, objections, and other responses (the "**Written Statements**") related thereto, to consider the proposed sale (the "**Sale**") of the Assets pursuant to the terms and conditions of the APA, at which time all parties in interest were afforded an opportunity to be heard and the Court having weighed and considered the Written Statements :

IT IS HEREBY FOUND AND DETERMINED THAT:

A. All capitalized terms not defined herein shall have the same meaning as set forth in the Sale Motion and the APA;

B. The relief requested in this motion is governed by FED. R. CIV. P. 66, Rule 66.1(c) and (d) of the Local Rules for the United States District

Court for the Northern District of Ohio (the "**Local Rules**"), federal common law and the Receiver Order;

C. The Interim Receiver Order provides,

> 2.n. The Receiver is authorized to negotiate and effect an orderly sale, transfer, use or assignment of all or a portion of any of the Property in or outside of the ordinary course of business of the Receivership Entities and, for the proceeds thereof, to pay the secured and unsecured indebtedness of the Property, including the Real Property . . . The Receiver is authorized to conduct such a sale of the Property in any manner which he, in his good faith and reasonable discretion, believes will maximize the proceeds received from the sale.;

D. The Amended Receiver Order provides that the Receiver's authority to negotiate and effect a sale of the assets is subject Paragraphs 13 and 14 of the Amended Receiver Order. Paragraph 13 affirms that the regulatory authority of the United States may not be stayed or constrained and Paragraph 14 affirms the validity of the Federal Priority Statute, 31 U.S.C. § 3713;

E. Notice of the Sale Motion and the Sale was provided to hundreds of persons, who the Receiver identified as having an interest in the sale proceeding. Notice was served upon all parties to this lawsuit and their lawyers, the federal, state and local taxing authorities, all secured creditors, unsecured creditors that have demonstrated an interest in the assets, the Department of Justice, the Department of Education, the Nevada state education regulators, the Nevada Attorney General, and all regulatory and accrediting agencies. The list

of persons served through the Court is a matter of record; the additional parties served is contained in a certificate of service filed with the Court;

F. Proper, timely, adequate and sufficient notice of the Sale Motion, the Sale Hearing and the proposed Sale has been provided to all interested parties;

G. Objections were filed as follows:

1. *Tech Park 6, LLC's Limited Objection to Emergency Motion of Mark E. Dottore, Receiver of The Art Institute of Las Vegas, LLC, for an Order Authorizing the Sale of Substantially all of the Assets of The Art Institute of Las Vegas, LLC, Free and Clear of All Liens, Encumbrances, Claims, and Other Interests (With Certain Exceptions) and for Transfer of the Interests of Unpaid Holders of Interests to the Proceeds of the Sale* (Doc. No. 395) (the "**Tech Park Objection**");

2. *The State of Nevada, Commission on Postsecondary Education's Good Faith Limited Objection to the Receiver's Sale of the Art Institute of Las Vegas, LLC* (Doc. No. 396) (the "**DETR Objection**"); and

3. *Studio Enterprise Manager, LLC's Limited Objection and Reservation of Rights to Emergency Motion of Mark E. Dottore, Receiver of The Art Institute of Las Vegas, LLC, for an Order*

Authorizing the Sale of Substantially all of the Assets of The Art Institute of Las Vegas, LLC, Free and Clear of All Liens, Encumbrances, Claims, and Other Interests (With Certain Exceptions) and for Transfer of the Interests of Unpaid Holders of Interests to the Proceeds of the Sale (Doc. No. 395) (the "**Studio Objection**").

H. In addition to the Objections, the parties to the transaction received an inquiry from the DOE (the "**DOE Inquiry**");

I. This Court has the authority to approve a Sale of the Assets free and clear of all Interests (except for the DOE/DETR Required Amounts), and to transfer all Interests whatsoever to the proceeds derived from the respective sales of the Assets;

J. Liens reported against the Assets are as stated in the Sale Motion;

K. The DOE and DETR have an interest in the Assets in the amount that is required to be paid prior to the change of ownership to Save Las Vegas;

L. Those other holders of Interests who did not object to the Sale Motion are deemed to have consented to the Sale. Those holders of Interests who did object, if any, are adequately protected by having their Interests, if any, attach to the proceeds of Sale;

M. Prior to the appointment of the Receiver, the School advertised itself as for sale to a willing buyer. The School was one of the Excluded

Campuses; that is, it was not selected for acquisition by Education Principle Foundation, The Arts Institute International, LLC or the Dream Center South University, LLC. Immediately after his appointment, the Receiver was approached by Save Las Vegas and another group who were seriously interested in acquiring the School;

N. Since his appointment in this case, the Receiver has marketed all of the Assets in a manner that was designed to attract the maximum number of individuals and groups with an interest in purchasing one or multiple campuses. Further, this case has been the subject of extensive press coverage. Through the press coverage and through earlier efforts to sell the institution, the Receiver's interest in a sale transaction and its financial situation were widely known among educators, educational institutions and investors in educational institutions and in excess of twenty prospective buyers have contacted the Receiver about the possibility of purchasing one or more campuses of the Receivership Entities;

O. The APA submitted by Buyer is the highest and best offer received for the Assets. It represents the highest in terms of money offered for the Assets and also includes the opportunity to continue the institution and honor the students' wishes to complete their programs of study. The APA offers the School's creditors the most money and the School's students an uninterrupted education. Principals of Buyer have

demonstrated postsecondary education experience and knowledge and are more likely than other prospective purchasers to be successful in obtaining approvals from regulatory authorities which are required to complete the sale transaction. Buyer also seeks to close at the earliest possible time and demonstrates the financial wherewithal to do so. A Sale to Buyer is consistent with good business judgment and is approved by this Court;

P. If the Assets are not sold to Buyer at this time, they will be substantially devalued or the sale will fail and the School will close. The Assets are more valuable when sold as a "going concern," that is, as an educational institution. The sale to Buyer will also benefit the School's students, faculty and the community as the school will remain open. In order to sell the Assets as a continuing educational enterprise in good standing, the Seller must complete its sale transaction immediately, as it cannot continue to operate as an educational institution even for a short time without financial assistance and is in danger of losing both its accreditation and its ability to participate in federal student aid programs;

Q. A reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested herein has been afforded to all interested persons and entities, including but not limited to, all parties and intervenors to this action, all secured lenders, all unsecured

creditors who have requested that notices be sent to them, Attorney General of the State of Nevada, all full time faculty members, all of the School's educational accrediting agencies, and other parties that the Receiver believes would have an interest in the Sale or who have requested that they be notified of any sale;

R. The Receiver has demonstrated that approval of the Sale Motion and consummation of the Sale to the Buyer at this time is in the best interests of the School, its creditors and its students. The Receiver has advanced good and sufficient business justification supporting the sale of the Assets to the Buyer as set forth in the Sale Motion, and it is a reasonable exercise of the Receiver's business judgment to consummate a sale of the Assets on the terms and conditions set forth in the APA, and to execute, deliver and perform its obligations thereunder. Sound business judgment includes, but is not limited to, the fact that (i) there is a risk of immediate and irreparable loss of value of the Assets if the Sale is not consummated, (ii) there is a substantial risk of loss of accreditation from the Accrediting Counsel for Independent Colleges and Schools ("**ACICS**") and American Culinary Federation Education Foundation's Accrediting Commission ("**ACFEFAC**"), and loss of eligibility to participate in federal student aid programs (iii) the School cannot continue as an educational institution for even a short time without financial assistance, (iv) if the

School ceases to operate as an educational institution, its students will be unable to complete their programs of study, and (v) the consummation of the transaction contemplated under the APA presents the best opportunity to realize the value of the Assets to avoid further decline and devaluation thereof; (vi) the sale is at arm's length; and (vii) the Receiver has exercised reasonable diligence and good faith judgment;

S. The consideration to be paid by the Buyer for the Assets constitutes adequate and fair value for the Assets and the terms and conditions of the APA are fair and reasonable;

T. The Receiver is authorized and directed to negotiate, execute and deliver all documents necessary to consummate the Sale with the Buyer on the same general terms and conditions as the APA with such changes as the Receiver, in his sole discretion, deems necessary or desirable, and is further authorized to execute other ancillary agreements and other documents to sell the Assets and to complete the Sale of the Assets without further order of this Court free and clear of all Interests (except for the DOE/DETR Required Amounts), as long as the terms and conditions of the APA and other documents are not materially worse, in the aggregate, to the School, or materially worse with respect to the interests of individual secured creditors, than the terms and conditions contained in the APA;

U. The School has good title to the Assets, and accordingly the sale of such Assets to the Buyer will be a legal, valid and effective sale of the Assets;

V. The terms and conditions of the APA were negotiated, proposed and entered into in good faith, from arm's length bargaining positions by the Receiver and the Buyer and constitute the highest or otherwise best offer for the Assets after a period in which third parties had ample opportunity to seek information and enter into discussions or negotiations with the Receiver concerning a sale of the Assets. The Buyer is entitled to the protections of a good faith purchaser with respect to the Sale approved hereby;

W. The APA is conditioned upon several events, which include (i) all of the terms and conditions of the sale must be approved by the Court through an Order of Sale and the Order of Sale must be final and not appealable; (ii) the sale must be free and clear of all Interests (except for the DOE/DETR Required Amounts); and (iii) all necessary approvals from the Governing Authorities and Educational Agencies are obtained. The Buyer will not consummate the transactions contemplated in the APA, thus adversely affecting the School, its creditors and its students, if the sale of the Assets to the Buyer is not free and clear of all Interests, or if the Buyer would, or in the future

could, be liable for any of the Interests (except for the DOE/DETR Required Amounts);

X. The Receiver does not have any interest in Buyer or any party affiliated with Buyer;

Y. The Sale was non-collusive, fair and reasonable and conducted in good faith.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Sale of the Assets is approved and authorized on terms consistent with those in the APA which is attached to the Sale Motion and made a part hereof;

2. Any objections to the Sale Motion or the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are overruled on the merits;

3. The APA is hereby approved and the Receiver is hereby authorized and empowered to fully perform thereunder and to consummate the sale as contemplated under the APA on the same general terms and conditions as the APA. To the extent that changes are needed to consummate the sale as contemplated under the APA, the Receiver, in his sole discretion and without further order of this Court, is authorized to execute such additional instruments and documents that may be reasonably necessary or desirable to implement the APA and to take all further actions as may reasonably be requested by the Buyer

for the purpose of selling, assigning, transferring, granting, conveying and conferring to the Buyer, or reducing to the Buyer's possession, any or all of the Assets free and clear of all Interests;

4. As of the closing of the Sale of the Assets, the sale of the Assets to the Buyer will be a legal, valid, enforceable, and effective sale of the Assets, and will vest the Buyer with all right, title, and interest in the Assets free and clear of all Interests (except for the DOE/DETR Required Amounts);

5. Subject to Paragraphs 14 and 16, and except as may be expressly permitted by the contemplated APA, all persons and entities holding liens or interests, including the Secured Claimants, are hereby barred from asserting such liens or interests against the Buyer, its successors or assigns, or the Assets;

6. Proper, timely, adequate and sufficient notice of the proposed Sale has been provided by the Receiver to all relevant parties, and no other or further notice is required;

7. The foregoing notwithstanding, subject to Paragraphs 14 and 16, the provision of this Order authorizing the Sale of the Assets free and clear of all Interests (except for the DOE/DETR Required Amounts) shall be self-executing, and notwithstanding the failure of the Receiver, the Buyer or any other party to execute, file or obtain releases, discharges, termination statements, assignments, consents or other instruments to effectuate, consummate and/or implement the provisions hereof or the contemplated APA with respect to the Sale of the Assets, all liens, claims, encumbrances and interests on such Assets shall be deemed

released and shall attach to the proceeds of the Sale except for the DOE/DETR Required Amounts;

8. Subject to Paragraphs 14 and 16, this Order shall be binding upon and govern the acts of all entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons or entities who may be required by operation of law, the duties of their office or contract to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report to or insure title or state of title in or to any of the Assets;

9. Subject to Paragraphs 14 and 16, from and after entry of this Order, neither the School nor any creditor or other party in interest shall take or cause to be taken any action that would interfere with the sale of the Assets to the Buyer in accordance with the terms of this Order;

10. Subject to Paragraphs 14 and 16, from and after entry of this Order, no creditor or other party in interest shall assert any claims or take any legal or other actions relating to the Assets to be sold to Buyer, before the closing of the Sale against Buyer, its principals or the Assets;

11. The Receiver is authorized to execute such other documents as are necessary or desirable to implement this Order;

12. This Court shall retain jurisdiction (i) to enforce and implement the terms and provisions of the contemplated APA and all amendments thereto, any waivers and consents thereunder and any other agreements executed in connection therewith, (ii) to resolve any disputes arising under or related to the APA, except as otherwise provided therein, and (iii) to interpret, implement and enforce the provisions of this Order.

13. The Tech Park Objection shall be deemed resolved effective as of entry by this Court of the proposed form of *Order Surrendering Possession of Premises to Intervening Landlord, Tech Park 6, LLC, Relieving Injunction and Stay as to Leased Premises and the Lease and Related Relief* submitted to this Court jointly by the Receiver, the Buyer and Tech Park.

14. The DETR Objection is resolved. Nothing in the APA or this Order shall constrain the regulatory authority of DETR to require the Buyer to assume any obligation, claim, encumbrance, lien or liability which the School may owe or be required by DETR or the United States Department of Veterans Affairs to pay or otherwise be responsible for, relating to any student stipend(s), unearned tuition, student reimbursements, errors, omissions or other monetary obligation(s) incurred or accrued by the School prior to April 1, 2019 or, to the extent applicable, otherwise prevent any recovery pursuant to NRS 394.520 for violations of NRS 394.393-NRS 394.560 or NAC Chapter 394.300-394.685, or for any recovery for potential violations of 38 CFR § 21.4009(f).

15. The Studio Objection is resolved. The parties shall amend the APA as follows:

a. The last sentence of the definition of "Accounts Receivable" in the APA is modified to read "Accounts Receivable shall not include any account receivable that Studio or its affiliates are entitled to, including pursuant to that certain Amended and Restated Framework Agreement, dated January 7, 2019, by and among Studio, Seller, Dream Center Education Holdings, LLC and the other parties thereto."

b. The last sentence of the definition of "Excluded Receivables" in the APA is modified to read "Excluded Receivables shall include any account receivable that Studio or its affiliates are entitled to, including pursuant to that certain Amended and Restated Framework Agreement, dated January 7, 2019, by and among Studio, Seller, Dream Center Education Holdings, LLC and the other parties thereto."

c. The following language shall be added to the end of Section 5.4 of the APA: "Notwithstanding the foregoing, any data or access provided hereunder expressly excludes any information or data of any other schools or students of any other schools.

16. The inquiry of the DOE is resolved. Nothing in the APA or this Order shall constrain the regulatory authority of any agency of the United States, including DOE, or affect DOE's authority to set conditions for participation under the Title IV program of the Higher Education Act, including but not limited to

requiring the Buyer to assume any obligation, claim, encumbrance, lien or liability which the School may owe or be required by DOE or the United States Department of Veterans Affairs to pay or otherwise be responsible for, relating to any student stipend(s), unearned tuition, or other monetary obligation(s) incurred or accrued by the School prior to April 1, 2019; provided, however, for avoidance of doubt that under no circumstances will the Buyer be responsible for any trailing liabilities associated with any institution or OPE ID associated with or under the ownership of Seller, Dream Center Education Holdings, Argosy University of California, LLC, Dream Center South University, LLC or The Arts Institute International, LLC other than the School.

17. Pursuant to Fed. R. Civ.R. 54(B), this Order is a final Order and there is no just reason for delay.

IT IS SO ORDERED.

Dated: July 26, 2019

s/Dan Aaron Polster
Dan Aaron Polster
United States District Judge

Thomas M. Parker
United States Magistrate Judge

Respectfully submitted,

/s/ Mary K. Whitmer
Mary K. Whitmer (0018213)
James W. Ehrman (0011006)
Robert M. Stefancin (0047184)
WHITMER & EHRMAN LLC
2344 Canal Road, Suite 401
Cleveland, Ohio 44113-2535
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Counsel for Mark E. Dottore, Receiver

/s/ Gwen Rutar Mullins
Gwen Rutar Mullins (NV-003146) (admitted pro hac vice)
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3800 Howard Hughes Parkway, Suite 1000
Las Vegas, NV 89169
Telephone: 702.667.4818
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Counsel for Save the Art Institute of Las Vegas Limited

AGREED AS TO PARAGRAPH 13

Richard A. Chesley (OH-0029442)
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444 West Lake Street, Suite 900
Chicago, IL 60606
Telephone: 312.368.4000
Email: richard.chesley@dlapiper.com

- and -

/s/ Joshua D. Morse
Joshua D. Morse (admitted pro hac vice)
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555 Mission Street, Suite 2400
San Francisco, CA
Telephone: 415.836.2500
Email: joshua.morse@dlapiper.com
Counsel to Tech Park 6, LLC

AGREED AS TO PARAGRAPH 14

/s/ Robert A. Whitney

Robert A. Whitney (NV-008726)
Aaron Ford – Attorney General
Office of Nevada Attorney General
555 East Washington Avenue, Suite 3900
Las Vegas NV 89101
Chicago, IL 60606
Telephone: 702.483.3104
Email: rwhitney@ag.nv.gov

Counsel for The State of Nevada,
Commission on Postsecondary Education

4850-1133-9421, v. 1

ATTACHMENT B

COMMISSION OF POSTSECONDARY EDUCATION LETTER
RE: APPROVAL OF NAME OF CITADEL OF THE ARTS COLLEGE

(See Attached)

ATTACHMENT B

KELLY WUEST
Administrator

STATE OF NEVADA

8778 S. Maryland Parkway, Suite 115
Las Vegas, Nevada 89123
(702) 486-7330
Fax: (702) 486-7340

COMMISSION ON POSTSECONDARY EDUCATION

March 13, 2019

Citadel of the Arts College
Richard G. Rock
2350 Corporate Circle
Henderson, NV 89074

Dear Mr. Rock:

This letter serves as approval to use the word "College" in the name "Citadel of the Arts College." to operate a private postsecondary educational institution within the state of Nevada. This letter verifies Citadel of the Arts College will be license with the Commission on Postsecondary Education upon the final acquisition of the Art Institute of Las Vegas. College word use approval is pursuant to NRS 394.625.

If you have any questions, please contact this agency.

Sincerely,

Kelly D. Wuest
Administrator

College or University Authorization Application

APPLICATION IS HEREBY MADE TO USE THE TERM (Check one): ☒ College ☐ University

EXACT NAME FOR WHICH YOU ARE APPLYING

CITADEL of The Arts COLLEGE

PURPOSE/BUSINESS OF THE ABOVE NAMED ENTITY

Post-secondary College of CAREER AND CULINARY Arts

FOR THE ABOVE NAMED ENTITY, ENTER:

ADDRESS	PHONE	FAX
2350 Corporate Circle HENDERSON, NV 89074	702-338-1762	
	EMAIL: TBD	WEBSITE URL

NAME OF CONTACT FOR THIS APPLICATION

RICHARD G. ROCK

IF DIFFERENT FROM ABOVE, ENTER:

CONTACT'S ADDRESS	CONTACT'S PHONE	CONTACT'S FAX
3017 WEST Charleston Blvd. Suite 20E LAS VEGAS, NV. 89102	702-339-0340	
	CONTACT'S EMAIL: rgrockiv@gmail.com	

ATTACHMENTS

You must attach evidence of accreditation and authorization to operate in your state of domicile.

SIGNATURE BELOWS CONSTITUTES UNDERSTANDING THAT THE ENTITY IDENTIFIED ON THIS FORM.

1. Is and will maintain accreditation as defined by NRS 394.006 or authorization is void; and,
2. Is not authorized to solicit students or operate in Nevada as defined in NRS 394.087; NRS 394.091; AND, NRS 394.640.

SIGNATURE OF APPLICANT/DATE SIGNED

Richard G. Rock

CPE USE ONLY BELOW THIS LINE
Pursuant to NRS 394.625

X	Approved to use the term "college" or "university" as checked above		Not approved to use the term "college" or "university"

SIGNATURE OF CPE REPRESENTATIVE/DATE SIGNED

Kelly D. West 3/13/19

COMMISSION ON POSTSECONDARY EDUCATION
8778 S MARYLAND PARKWAY STE 115
Las Vegas, Nevada 89123
PH: 702-486-7330 FX: 702-486-7340
www.cpe.state.nv.us

ATTACHMENT C

ASSET PURCHASE AGREEMENT FOR PURCHASE OF ASSETS OF THE ART INSTITUTE OF LAS VEGAS

(See Attached)

ATTACHMENT C

FINAL EXECUTION COPY July 15, 2019

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of July [15th], 2019 ("Effective Date"), by and between **SAVE THE ART INSTITUTE OF LAS VEGAS LIMITED**, a Nevada limited liability company, its designee or assignee ("Buyer"), and **THE ART INSTITUTE OF LAS VEGAS, LLC**, an Arizona nonprofit limited liability company that is registered in the State of Nevada as **The DC Art Institute of Las Vegas, LLC**, by and through Mark E. Dottore, Receiver ("Seller"), appointed by the United States District Court for the Northern District of Ohio, Eastern Division (the "Court"). Buyer and Seller may be referred to in this Agreement individually as a "Party" and collectively, as the "Parties."

RECITALS:

A. Seller owns and operates a private nonprofit, ACICS accredited and Title IV Program participating (i.e. under OPE ID # 04051300) institution of postsecondary education offering all or a portion of many academic degree and credential programs in design, media arts, fashion and culinary arts at 2350 Corporate Circle, Suite 100, Henderson, Nevada 89074 (the "School").

B. Pursuant to that certain Order Appointing Receiver (the "Appointment Order") entered on January 18, 2019, by the Court in Case No. 1:19-cv-145, Mark E. Dottore ("Receiver") was appointed receiver of various entities, including Dream Center Education Holdings, LLC. The term "Seller" as used in this Agreement shall mean the School by and through its Court appointed Receiver in connection with the sale of the Purchased Assets.

C. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Purchased Assets (as hereinafter defined) held in connection with, necessary for, or material ownership and operations of the School (excluding, for the avoidance of doubt, the Excluded Assets), on terms and conditions set forth in this Agreement (the "Transaction").

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants, agreements and representations set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

ARTICLE I
DEFINITIONS

The terms set forth in this ARTICLE I have the following meanings when used in this Agreement:

"Accounts Receivable" means all accounts receivable and all notes, bonds and other evidence of indebtedness of and rights to receive payments arising out of tuition payments or sales occurring in the usual conduct of the School, including but not limited to VA funds, Title IV funds and all student cash paid tuition made by students from April 1, 2019 forward.

Accounts Receivable shall not include any account receivable that Studio is entitled to receive pursuant to the Irrevocable Direction Letter Regarding Certain Accounts Receivable dated February 27, 2019.

"Accrediting Body" means any non-governmental entity, including without limitation institutional and specialized accrediting agencies, which engage in the granting or withholding of accreditation of postsecondary educational institutions or programs, or accreditation of private elementary and secondary schools or programs, in accordance with standards relating to the performance, operations, financial condition or academic standards of such institutions and schools, including, without limitation, ACICS, ACF or CIDA.

"ACF" means the American Culinary Federation.

"ACICS" means the Accrediting Council for Independent Colleges and Schools

"Actions" or "Proceedings" means any claim, action, cause of action, suit, demand, inquiry, proceeding, audit, hearing, subpoena, investigation, charge, notice of violation, citation, summons, litigation or suit (of any nature, whether civil, criminal, administrative, regulatory, judicial or investigative, whether formal or informal, whether public or private, whether at law or in equity) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or Educational Agency, or any other arbitration, mediation or similar proceeding.

"Adverse Regulatory Condition" shall mean any term or condition that would impede Buyer from operating the School in the same manner and to the full extent it is currently being operated by Seller, impose any conditions that would dilute, in any material respect, the benefits of the contemplated transactions to Buyer and its Affiliates or otherwise require any provision of credit support by Buyer or any of its Affiliates.

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control," including the terms "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of at least fifty percent (50%) of the voting securities, by contract or otherwise, including the ability to elect a majority of the members of the governing board of such Person.

"Agreement" means this Asset Purchase Agreement, including all Exhibits and Schedules hereto, as the same may be amended from time to time in accordance with its terms.

"Applicable Law" or "Law" means any federal, state, or local law, statute, Regulation, rule, ordinance, order, judgment, decision, or decree by any Governmental Authority applicable to Seller and Buyer.

"Assignment and Assumption Agreement" means that assignment and assumption agreement to be executed by Buyer and Seller, in the form attached as Exhibit A.

"Assumed Contracts" means all enrollment agreements and those contracts listed on Schedule I attached hereto.

"Assumed Liabilities" means all liabilities of Seller arising or to be performed after the Closing under the Assumed Contracts (but not related to matters, facts or circumstances existing at, prior to or as a consequence of Closing) as identified in Schedule 2.2.

"Bill of Sale" means that bill of sale to be executed by Seller, in the form attached as Exhibit B.

"Business Records or Business Data" means all data or information, in any format, collected, generated, or used in the Ordinary Course of Business or necessary for the conduct of the Business, including, without limitation, records relating to accreditation, all financial data relating to the Business, all educational and student records or data, including all financial, educational and student data contained in any databases including on the Shared IT Platform that are used in or necessary for the conduct of the Business of the School.

"Business" means the business of the School.

"CIDA" means the Council for Interior Design Accreditation.

"Claim" or "Claims" will have the meaning set forth in section 101(5) of the U.S. Bankruptcy Code.

"Closing" has the meaning given that term in Section 7.1 of this Agreement.

"Closing Date" has the meaning given that term in Section 7.1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Curriculum" means all curricula owned by Seller and used in any educational programs of the School in the form of computer programs or software, slide shows, texts, films, web site content, audio, videos or any other form or media, including the following items: School catalog (without reference to AI or AILV), faculty notes, course and faculty evaluation materials, syllabi for all classes for the School, student handbook, faculty handbook policy and procedure manuals, program and course curricula, program and course materials, academic policies, procedures and standards, handbooks and guidebooks. Curriculum does not include any online courses or programs.

"DETR" means the Nevada Department of Employment, Training and Rehabilitation, Commission of Postsecondary Education.

"DOE" means the United States Department of Education and any successor agency administering student financial assistance under Title IV.

"Educational Agency" means any entity or organization, whether governmental, government chartered, tribal, private, or quasi-private, that engages in granting or withholding Educational Approvals, administers Financial Assistance Programs to or for students of, or

otherwise regulates postsecondary schools or programs, in accordance with standards relating to the performance, operation, financial condition, privacy or academic standards of such schools and programs, including DOE and any Accrediting Body or State Educational Agency.

"Educational Approval" means any license, Permit, consent, franchise, approval, authorization, certificate, or accreditation issued or required to be issued by an Educational Agency to Buyer with respect to any aspect of the School and Seller's campus operations subject to the oversight of such Educational Agency, including any such approval for the Buyer and the School to participate in any Financial Assistance Program.

"Educational Notices/Consents" means any approval, authorization or consent by any Educational Agency, or any notification to be made by Buyer with the cooperation of Seller to an Educational Agency, with regard to the transactions contemplated by this Agreement, whether required to be obtained prior to or after the Closing Date, which is necessary under applicable Laws or Regulations in order to maintain or continue any Educational Approval held by Seller or its School as of the date of this Agreement.

"Educational Law" means any United States federal, state, local or similar statute, Law, ordinance, Regulation, rule, Accrediting Standard, code, order or standard, including the provisions of Title IV and any Regulations implementing or relating thereto, issued or administered by any Educational Agency or any Financial Assistance Program.

"Employee Benefit Plan" means any "employee benefit plan" (as such term is defined in ERISA §3(3)) and any other compensation or benefit plan, program policy, practice, agreement, understanding or arrangement of any kind, including, without limitation, all incentive, bonus, severance, change in control, deferred compensation, vacation, holiday, cafeteria, medical or disability.

"Encumbrance" means any mortgage, encumbrance, charge, Claim, community property interest, condition, equitable interest, Lien, option, pledge, security interest, right of first refusal or restriction of any kind, including any restriction on use, voting, transfer (other than restrictions on transfer under applicable securities laws), receipt of income or exercise of any other attribute of ownership.

"Environmental Laws" means all federal, state, and local laws, rules, Regulations, and binding governmental determinations relating to environmental, health, and safety matters (including, without limitation, those relating to toxic or hazardous substances), including, without limitation, the Clean Air Act, the Clean Water Act, the Solid Waste Management Act (as amended by the Resource Conservation and Recovery Act), CERCLA (as amended by the Superfund Amendments and Reauthorization Act), the Emergency Planning and Community Right-to-Know Act, the Toxic Substances Control Act, and the Occupation Safety and Health Act."

"Environmental Liabilities" means any Liability or investigatory, corrective or remedial obligation, whenever arising or occurring, arising under Environmental Laws with respect to the School or the Purchased Assets (including without limitation any arising from the on-site or off-

site release, threatened Release, treatment, storage, disposal, or arrangement for disposal of hazardous substances).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Excluded Assets" means:

(1) all bank accounts of Seller.

(2) all rights to receive mail and other communications addressed to Seller relating to any of the Excluded Assets or Excluded Liabilities;

(3) all company records of Seller, including minute books and Organizational Documents;

(4) all personnel and other records of Seller required by Applicable Law to be retained by the Seller;

(5) all contracts and agreements, whether written or oral, to which Seller is a party other than the Assumed Contracts;

(6) any Excluded Receivables; and

(7) Trademark and tradename "The Art Institute of Las Vegas"; "AI"; "Art Institute" or any variation thereof or similar names and nomenclature;

(8) any assets of Seller not used or held for use by the School.

Notwithstanding the foregoing, however, the Excluded Assets shall not include Accounts Receivable or any funds in Seller's bank accounts or otherwise held by Seller that Seller received or is to receive for tuition or otherwise for the 2019 Spring Quarter, 2019 Summer Quarter and all subsequent quarters, including but not limited to VA funds and Title IV funds from April 1, 2019 forward.

"Excluded Liabilities" has the meaning given that term in Section 2.2.

"Excluded Receivables" means any student receivable of the School in existence at the Closing Date that are attributable to the 2019 Winter Quarter or any prior quarters and all causes of action pertaining to the collection of the foregoing. Excluded Receivables shall not include any account receivable that Studio is entitled to receive pursuant to the Irrevocable Direction Letter Regarding Certain Accounts Receivable dated February 27, 2019.

"Financial Assistance Programs" means the Title IV Program pursuant to which Title IV Program funding has been provided to or on behalf of the School's students, and any other government-sponsored or private program of student financial assistance other than the Title IV Program pursuant to which student financial assistance, grants or loans were provided to or on behalf of the School's students.

"Governmental Approval" means any Permit, consent, waiver, approval, order or authorization of, or registration, accreditation, declaration issued, granted, given or otherwise made, or filing with, any Governmental Authority.

"Governmental Authority" means any government, any governmental or regulatory entity or body, department, commission, board, agency or instrumentality.

"Indebtedness" with respect to any Person means any obligation of such Person for any Trailing Liability or for borrowed money, including, without limitation or duplication, (a) any obligation incurred for all or any part of the purchase price of property or other assets or for the cost of property or other assets constructed or of improvements thereto, other than accounts payable included in current liabilities and incurred in respect of property purchased in the ordinary course of business, (b) the face amount of all letters of credit issued for the account of such Person, (c) obligations (whether or not such Person has assumed or become liable for the payment of such obligation) secured by Liens, (d) capitalized lease obligations, (e) all guarantees and similar obligations of such Person, (f) all accrued interest, fees and charges in respect of any Indebtedness, and (g) all prepayment premiums and penalties, and any other fees, expenses, indemnities and other amounts payable as a result of the prepayment or discharge of any Indebtedness.

"Intellectual Property" means all of the following in any jurisdiction throughout the world: (a) patents, patent applications and invention disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions and reexaminations thereof; (b) copyrights, works of authorship, mask works and copyrightable works, and applications, registrations and renewals in connection therewith; (c) trade secrets and confidential business information (including concepts, research and development, know-how, inventions, formulas, compositions, discoveries, compositions, privacy data and non-public personal information, algorithms, models, methodologies, technical and engineering data, business and marketing plans, processes and techniques, designs, drawings and specifications); (d) IT Systems; (e) copies and tangible embodiments of any of the foregoing in whatever form or medium; (g) rights of publicity and privacy related to the use of the names, likenesses, voices, signatures and biographical information of real persons; and (g) all other intellectual property or proprietary rights protectable as a matter of law and licenses, immunities, covenants not to sue relating to any of the foregoing. Intellectual Property shall not mean any software programs from the Shared IT Platform.

"IT Systems" means all devices and/or computer software (including but not limited to source code, executable code data, databases, scripts, libraries, compilers, files, applications and documentation, software that is available generally through consumer retail stores or distribution networks including, without limitation, any software pre-installed in the Ordinary Course of Business as a standard part of hardware), hardware, and technology (including but not limited to communications systems, network infrastructure and related equipment websites and social media accounts) owned by Seller for operation of the School and located solely at the School, other than any such devices, hardware, technology, communications systems, network infrastructure and/or computer software that are located, maintained on or part of the Shared IT Platform.

"Knowledge of Seller" means to the best knowledge of the Receiver and the Seller, after reasonable inquiry and diligence with respect to the matters in question.

"Liability" or "Liabilities" means any liability (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, whether liquidated or unliquidated and whether due, or to become due), including Trailing Liability or any liability for Indebtedness or Taxes.

"License" means any Permit, license, contract, agreement, Educational Approval, authorization or other obligation issued by any Governmental Authority related to the Seller to which Seller is a party or by which Seller or the Purchased Assets are bound.

"Lien" or "Liens" shall mean means all liens, Indebtedness, Encumbrances (including, without limitation, any leasehold interests, licenses or other rights, in favor of a Third Party to use any portion of the Purchased Assets), Claims, security interests, of whatever kind or nature, mortgages, pledges, restrictions, charges, instruments, licenses, encroachments, options, rights of recovery, judgments, orders and decrees of any court or foreign or domestic governmental authority, interest, products and Taxes (including foreign, federal, state and local Taxes), in each case of any kind or nature, whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, known or unknown.

"Managed Services Agreement" means that certain Managed Services Agreement entered into between the Seller and Buyer on or about March 28, 2019 ("MSA").

"Material Contracts" has the meaning given to that term in Section 3.4 of this Agreement.

"Non-Core Services" has the meaning as defined in the MSA.

"Ordinary Course of Business" means the ordinary course of the operation of the School consistent with past custom and practice.

"Organizational Documents" means any charter, certificate of formation, articles of organization, articles of incorporation, certificate of incorporation, declaration of partnership, articles of association, code or Regulations, bylaws, operating agreement, limited liability company agreement, partnership agreement or similar formation or governing documents and instruments.

"Permit" or "Permits" shall mean any franchise, grant, authorization, agreement, license, permit, registration, easement, variance, exception, consent, clearance, certificate, approval, order or similar rights issued, granted, or obtained for the School by or from any Governmental Authority, but excluding any Educational Approval.

"Person" means an individual, corporation, limited liability company, partnership, trust, unincorporated association or any other entity or organization.

"Post-Closing Educational Consent" means any of those Educational Consents that must be effectuated or obtained following the Closing, as set forth in Schedule 7.2(f).

"Pre-Acquisition Review Application" means the materially complete electronic application submitted to the DOE with respect to the transactions contemplated hereby, marked for pre-acquisition review, together with any required exhibits or attachments.

"Pre-Acquisition Review Notice" means a written notice or response from the DOE following the DOE's review of a Pre-Acquisition Review Application regarding the transaction contemplated by this Agreement, which shall not indicate the existence of any material impediment to the issuance of a TPPPA or PPPA to the Buyer extending Seller's certification to participate in the Title IV Program following the Closing.

"Pre-Closing Educational Consent" means any of those Educational Consents that must be effectuated or obtained prior to the Closing, as set forth in Schedule 7.2(b).

"Pre-Closing Period" means the period commencing on the date of this Agreement and ending the later to occur (a) all Pre-Closing Educational Notices/Consents have been obtained from the Governing Authorities and (c) the Court's entering Order approving the sale to the Buyer pursuant to the terms of this Agreement.

"Premises" shall mean the School's current location at 2350 Corporate Circle, Suite 100, Henderson, Nevada 89074 which are subject to a Lease Agreement with Tech Park 6, LLC.

"PPA" means a Program Participation Agreement issued to the School and countersigned by or on behalf of the Secretary of the DOE, evidencing the DOE's certification of the School to participate in the Title IV Programs prior to consummation of the transactions contemplated by this Agreement.

"PPPA" means a Provisional Program Participation Agreement issued to the School and countersigned by or on behalf of the Secretary of the DOE, evidencing the DOE's certification of the School to continue its Title IV Programs participation following consummation of the transactions contemplated by this Agreement.

"Pre-Closing Audit" means that audit performed by Receiver's CFO for (i) any monetary obligations that Seller or Buyer have under the MSA and TSA including but not limited to any invoices for the period April 1 2019 forward for expenses to be paid by Buyer under the MSA but unpaid by Seller or Buyer, (b) sums paid or advanced by Buyer to Seller for payment of School expenses including faculty and staff salaries, rent or other expenses that accrued or were due for the period prior to April 1, 2019, and (iii) all School expenses of any kind paid by Seller on behalf of Buyer for the period April 1, 2019 forward from any funds other than those designated entirely for the 2019 Spring Quarter or any subsequent quarter.

"Purchased Assets" means all right, title and interest in Accounts Receivable and any and all of the assets owned, used or held for use by Seller with respect to the School and the Business, including all tangible and intangible assets, other than Excluded Assets, of the School used or held for use by the School, including, without limitation, personal property, inventory, supplies, equipment, tangible personal property, fixed assets, library books located at School Premises, Business Records or Business Data (excluding Excluded Assets), School educational and student Records, Assumed Contracts, fixtures, leasehold improvements, equipment, prepaid expenses, licenses, advertising material, Permits, goodwill, School's OPE ID # 04051300,

Intellectual Property relating to the School, if any, any IT Systems or other computer systems used in financial aid management and administration located solely at the School, School's tuition payments received or to be received by Seller for 2019 Spring Quarter and all School's subsequent quarters, including but not limited to the Title IV funds and the VA funds from April 1, 2019, forward. Notwithstanding anything herein to the contrary, Curriculum is not a Purchased Asset. Buyer shall have the right to use the Curriculum for a period three (3) years from the Effective Date.

"Real Property" means all parcels and tracts of land, together with all buildings, structures, fixtures and improvements located thereon (including those under construction), and all privileges, rights, easements, hereditaments and appurtenances belonging to or for the benefit of such land, including all easements appurtenant to and for the benefit of such land, and all rights existing in and to any streets, alleys, passages and other rights-of-way included thereon or adjacent thereto (before or after vacation thereof) and vaults beneath any such streets.

"Receiver's CFO" means David Linscott.

"Regulation" means any law, ordinance, treaty, statute, regulation, ruling or rule or order or, administered or enforced by or on behalf of, any court, Educational Agency or Governmental Authority.

"Sale Order" means the final, non-appealable order, substantially in the form attached hereto as Exhibit D, from the Court (i) authorizing Seller to sell, and confirming the sale of, the Purchased Assets to Buyer, free and clear of all Liens, on the terms and conditions of this Agreement (as may from time to time be amended as provided herein), and (b) confirming that the Consent Judgment entered into in November 2015 between Education Management Corporation, et al. and 39 state attorneys general and the District of Columbia does not apply to the School or the Purchased Assets following Closing.

"Shared IT Platform" means any Technology owned by Dream Center Education Holdings, LLC and currently subleased to Studio pursuant to a sublease agreement approved by the Court, which stores and maintains data, including, without limitation student and financial data, relevant to and for operation of various universities, including the School.

"State Educational Agency" means any state educational licensing body that provides a license or authorization necessary for the School to provide postsecondary education in the State of Nevada, including without limitation, DETR.

"Studio" means Studio Enterprise Manager, LLC, a Delaware limited liability company.

"Tax" or "Taxes" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental customs, duties, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, capital gain, transfer, registration, transportation, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition to the Tax, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

"Technology" means information technology, hardware and computer systems, including those relating to the transmission, storage, maintenance, organization, presentation, generation, processing or analysis of all data and information collected, generate, or used in the conduct of the Business and located solely at the School.

"Third Party" means any Person other than the Parties.

"Title IV" means Title IV of the Higher Education Act of 1965, 20 USC § 1001, et seq., as amended, or any successor statute thereto.

"Title IV Programs" means the programs of federal student financial assistance administered pursuant to Title IV.

"TPPPA" means a Temporary Provisional Program Participation Agreement issued to the School post-Closing, and countersigned by or on behalf of the Secretary of the DOE continuing the School's certification to participate in the Title IV Programs on an interim basis following the Closing.

"Trailing Liability" or "Trailing Liabilities" means any obligation, Claim, Encumbrance, Lien or Liability for which the School may owe or be required by the DOE or any Governing Authority or Educational Agency to pay or otherwise be responsible for, relating to any student stipend(s), unearned tuition, or other monetary obligation(s) incurred or accrued by the School prior to April 1, 2019.

"Transition Services Agreement" means that certain Transition Services Agreement entered into between the Seller and Buyer on or about March 28, 2019 ("TSA").

"Transition Services and License Agreement" means a transition services agreement that may hereafter be negotiated and executed by Buyer and Studio in the event and to the extent that Buyer requires such transition services to be performed by Studio prior to or after Closing. To the extent that the Buyer does not require any transition services from Studio before or after Closing, Buyer shall not be obligated to enter into a Transition Services Agreement with Studio.

"2019 Spring Quarter" means School quarter commencing on April 1, 2019 and ending on June 15, 2019.

"2019 Summer Quarter" means School quarter commencing on July 8, 2019 and ending on September 21, 2019.

"2019 Winter Quarter" means School quarter commencing on January 7, 2019 and ending on March 23, 2019.

ARTICLE II
PURCHASE AND SALE OF ASSETS AND ASSUMPTION OF LIABILITIES.

2.1 Purchase and Sale. Subject to the terms and conditions of this Agreement, at the Closing, Seller shall sell, contribute, convey, assign, transfer and deliver to Buyer, free and clear of all Claims, Encumbrances and Liens and Buyer shall purchase, acquire

and take assignment and delivery of, in exchange for the Purchase Price (as the same may be adjusted for any sums owed by Seller to the Buyer), the Purchased Assets, including, without limitation, all of the following assets of Seller (but excluding the Excluded Assets pursuant to Section 2.3 hereof):

(a) all Accounts Receivable and other accounts and notes receivables (whether current or noncurrent) and all causes of action specifically pertaining to the collection of the foregoing (excluding, for the avoidance of doubt, the Excluded Receivables);

(b) all Intellectual Property owned by the School and used solely by the School and all corresponding rights that, now or hereafter, may be secured throughout the world and all copies and tangible embodiments of any such Intellectual Property in Seller's possession or control;

(c) all of Seller's rights existing under the Assumed Contracts listed on Schedule I;

(d) all machinery, equipment (including all transportation and office equipment), computer equipment (including all servers, routers, and network equipment), projection equipment, library equipment, telephone systems and furniture relating to the School and owned by the Seller;

(e) all office supplies, spare parts, miscellaneous supplies, and other tangible property of any kind relating solely to the School, including, without limitation, all property of any kind located in any building, office or other space leased by Seller;

(f) all texts, journals, periodicals, documents, catalogs, indices, databases, core materials, archives and other materials, written and electronic, located at the Premises owned by Seller;

(g) the School's OPE ID # 04051300;

(h) School's tuition payments received or to be received by Seller or the School for 2019 Spring Quarter and all School's subsequent quarters, including, without limitation, the Title IV funds and the VA funds) for the period April 1, 2019 forward, including any Accounts Receivable;

(i) the right to receive and retain mail (including electronic mail) and other communications relating to the School as long as Buyer provides Seller with copies of all mail relating to the operation of the School received until the Closing;

(j) the right to bill and receive payment for services performed in connection with the School for the period commencing 2019 Spring Quarter but unbilled or unpaid as of the Closing (other than with respect to any of the Excluded Receivables);

(k) all data, including, without limitation, student and financial data, stored or maintained on the Shared IT Platform and any hard-copy paper files relating solely to the School;

(l) all IT Systems solely for the benefit of the School that are located at the Premises;

(m) all telephone numbers used by Seller solely in connection with the operation of the School;

(n) all indemnities from Third Parties relating to the Purchased Assets or the Assumed Liabilities prior to the Closing Date.

All of the Purchased Assets will be sold, assigned, transferred, conveyed and delivered to Buyer free and clear of all Liens.

2.2 Liabilities. Except for the Assumed Liabilities and the obligations of Buyer under the MSA as set forth in Schedule 2.2, Buyer shall not assume, and shall have no liability for, any Liabilities, obligations or commitments of Seller of any kind, character or description, whether accrued, absolute, contingent or otherwise, it being understood that Buyer is expressly disclaiming any express or implied assumption of any Liabilities other than the Assumed Liabilities (collectively, the "Excluded Liabilities"), each of which shall be retained and timely discharged by Seller. Regardless of whether any other Liabilities of Seller may be disclosed to Buyer or whether Buyer may have actual knowledge of the same, Buyer shall not assume, and Seller shall pay, perform, and discharge when due and remain exclusively liable for the Excluded Liabilities, including, without limitation, all of the following Excluded Liabilities (but excluding Assumed Liabilities):

(a) all obligations, claims, or Liabilities of Seller or any predecessor(s) or Affiliate(s) of Seller that relate to Purchased Assets and the Excluded Assets prior to April 1, 2019;

(b) all obligations, Trailing Liabilities, Claims, Encumbrances or Liabilities for which the School has, may owe or be required by the DOE or any Governing Authority to pay or be otherwise responsible for, relating to the student stipend(s) or other monetary obligation(s) incurred or accrued by the School prior to April 1, 2019;

(c) all Environmental Liabilities unless caused by the action or inaction of Buyer;

(d) all obligations, claims, or Liabilities of Seller or any predecessor(s) or Affiliate(s) of Seller or for which Seller or any predecessor(s) or Affiliates of Seller could be liable relating to Taxes (including any Taxes relating to the Purchased Assets or otherwise) for all periods, or portions thereof, ending prior to April 1, 2019;

(e) all obligations, claims, or Liabilities for any legal, accounting, investment banking, brokerage, real estate appraisal, consulting or similar fees or expenses incurred by Seller in connection with, resulting from or attributable to the transactions contemplated by this Agreement or otherwise;

(f) all Indebtedness of Seller or any predecessor(s) or Affiliate(s) of Seller, including any Indebtedness owed by Seller to any of its Affiliates or any Governmental Authority;

(g) all Liabilities and obligations, including any and all proceedings, of Seller or any predecessor(s) or Affiliate(s) of Seller resulting from, caused by or arising out of the conduct or the operation of the School or the lease of the Premises or any other properties or assets by Seller at any time prior to April 1, 2019, or other actions, omissions or events occurring prior to April 1, 2019 (other than all cure payments payable in accordance with the terms of this Agreement), whether past, present, future, known or unknown, liquidated or unliquidated, accrued or unaccrued, pending or threatened;

(h) any Liability or obligation under any Assumed Contract which arises after the Closing but which arises out of any breach thereof by Seller that occurred prior to the April 1, 2019;

(i) any Liability or obligation of Seller under any contract, agreement, lease, mortgage, indenture or other instrument not assumed by Buyer hereunder except for those obligations of Buyer under the MSA for period of April 1, 2019 forward;

(j) any Liability or obligation of Seller under any employment, severance, retention or termination agreement with any employee, consultant or contractor of Seller prior to April 1, 2019;

(k) any Liability of Seller prior to April 1, 2019 for accrued but unused vacation and sick leave;

(l) any Liability of Seller under any Employee Benefit Plan relating to the School provided that Buyer terminates all employees at the School at Closing;

(m) any Liability or obligation of Seller to indemnify, reimburse or advance amounts to any officer, employee or agent of Seller prior to April 1, 2019; and

(n) any Liability or obligation arising out of or resulting from Seller's non-compliance with any Law or Regulation prior to April 1, 2019.

The Parties acknowledge and agree that disclosure of any obligation or Liability on any Schedule to this Agreement will not create an Assumed Liability or other Liability of Buyer, except where such disclosed obligation has been expressly assumed by Buyer as an Assumed Liability in accordance with the provisions of Section 2.2 hereof; provided, however, that any and all liabilities for obligations of Buyer under the MSA and any other expense incurred in the Ordinary Course of Business for period of April 1, 2019 forward will not have to listed on Schedule 2.2.

2.3 Purchase Price. As consideration for the sale of the Purchased Assets, Buyer shall pay to Seller a purchase price of Two Hundred and Fifty Thousand Dollars ($250,000.00) adjusted by the Pre-Closing Audit (the "Purchase Price"), payable in cash by wire transfer or other immediately available funds at Closing. The Pre-Closing Audit shall be

performed by Receiver's CFO and provided to the Buyer within thirty (30) days of the Effective Date. To the extent that Buyer disputes the findings of the Pre-Closing Audit, Buyer shall notify Seller in writing as soon as practicable after receipt of the Seller's Pre-Closing Audit but not later than five (5) business days prior to Closing of its objections (the "**Objection Period**") to Seller's Pre-Closing Audit and provide to the Receiver's CFO documentation evidencing that (i) School expenses were paid by Receiver from School's income generated from April 1, 2019, (ii) School expenses were paid by Buyer or advanced by Buyer after April 1, 2019 or (iii) School Expenses were paid to Seller for payment of faculty salaries, rent or other expenses that accrued prior to April 1, 2019. Receiver's CFO shall take into account the documentation provided by Buyer and shall, to the extent appropriate, make adjustment to the Pre-Closing Audit. If Buyer fails to provide written objections by the Objection Period, Buyer's ability to object to the Pre-Closing Audit shall be deemed waived. Receiver's CFO's findings and determination which shall be made in good faith shall be final between the Parties as to the Purchase Price.

2.4 Rights Held in Trust. Notwithstanding anything contained herein, this Agreement shall not constitute an agreement to assign any Purchased Asset if an attempted assignment of such contract or agreement, without the consent of a third-party or Governing Authorities, would constitute a breach thereof, or in any material adverse way affect the rights of Seller (or the Buyer following the Closing) thereunder or with respect thereto. Buyer, with Seller's cooperation, shall use its reasonable best efforts to obtain the consent to the assignment of any such Purchased Asset in all cases in which such consent is required for assignment or transfer and which Seller has agreed to cooperate in a commercially reasonable manner.

ARTICLE III
REPRESENTATIONS OF SELLER

In order to induce Buyer to enter into this Agreement, Seller represents and warrants as follows:

3.1 Existence and Good Standing of Seller.

(a) Seller is a limited liability company validly existing and in good standing under the laws of the State of Arizona and is qualified to conduct business in the State of Nevada. A Certificate of Full Force and Effect from the Arizona Secretary of State and a Certificate of Force and Effect with the Nevada Secretary of State are jointly attached hereto as Exhibit C.

(b) Seller has full power and authority to conduct its business at the School as it is now being conducted, to own or use the properties and assets that it purports to own or use at the School, and to perform all its obligations under the Assumed Contracts.

3.2 Authorization and Binding Obligation. Pursuant to the Appointment Order and subject to the entry of the Sale Order, Seller has full power and authority to execute and deliver this Agreement and each other agreement, document, instrument and/or certificate contemplated by this Agreement to be executed or delivered by Seller and to consummate the Transaction and perform Seller's obligations hereunder and thereunder.

3.3 Title to Purchased Assets. Seller has good and marketable title to, or a valid leasehold interest in, all of the Purchased Assets, and subject to the entry of the Sale Order, Seller can and shall deliver good and marketable title to, or a valid leasehold interest in, all of the Purchased Assets, free and clear of all Liens. Pursuant to the entry of the Sale Order, none of the Purchased Assets are nor shall be subject to Liens. The Purchased Assets shall be conveyed to the Buyer free and clear of Liens, Claims or Encumbrances. Schedule 3.3 sets forth all tangible personal property used or held for use by the School. The Purchased Assets constitute all properties and assets necessary to operate the School as currently operated.

Real Property. To the Knowledge of Seller, except as set forth in Schedule 3.5, Seller does not own, and has never owned, any Real Property used by or held for use by the School. Schedule 3.5 sets forth a complete and correct list of all Real Property in which the Seller has a leasehold interest that is used or held for use by the School (the "School Real Property"). Seller has delivered to Buyer a complete and correct copy of each lease or other contract pertaining to School Real Property, together with all amendments, extensions, renewals, modifications, alterations, guaranties and other changes thereto (the "School Leases") all of which are identified on Schedule 3.5.

3.4 Broker's or Finder's Fees. No Person retained by Seller is or will be entitled to any broker's or finder's fee or any similar commission or fee in connection with the Transaction.

3.5 Disclosure. No representation or warranty made by Seller in this Agreement contains any untrue statements of a material fact or omits to state a fact necessary to make the statements of fact contained herein not misleading.

ARTICLE IV
REPRESENTATIONS OF BUYER

Buyer represents and warrants to Seller as follows:

4.1 Existence and Good Standing of Buyer. Buyer is a limited liability company validly existing and in good standing under the laws of the State of Nevada and has all requisite organizational power and authority to own, lease and operate its properties and to carry on its business as now being conducted. A Certificate of Good Standing from the Nevada Secretary of State is attached hereto as Exhibit E.

4.2 Authorization and Binding Obligation. Buyer has full power and authority to execute and deliver this Agreement and each other agreement, document, instrument and/or certificate contemplated by this Agreement to be executed or delivered by Buyer and to consummate the Transaction and perform its obligations hereunder and thereunder. The execution and delivery of this Agreement by Buyer and each other agreement, document, instrument and/or certificate contemplated by this Agreement to be executed or delivered by Buyer and the consummation by Buyer of the Transaction and performance of its obligations hereunder and thereunder have been duly authorized by all necessary action on the part of Buyer. This Agreement and each other agreement, document, instrument and/or certificate contemplated by this Agreement to be executed or delivered by Buyer has been (or will be) duly executed and

delivered by Buyer and, assuming the due authorization, execution, and delivery by Seller, constitutes (or will constitute) a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms (subject to bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the rights of creditors generally and the availability of equitable remedies).

4.3 Broker's or Finder's Fees. No Person retained by Seller is or will be entitled to any broker's or finder's fee or any similar commission or fee in connection with the Transaction.

4.4 No Violations. The execution and delivery of this Agreement and the consummation of the Transaction and compliance with the provisions of this Agreement will not conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or acceleration of any obligation under, (a) the Organizational Documents of the Buyer, (b) any agreement applicable to Buyer that would impair the ability of Buyer to perform its obligations under this Agreement, or (c) any Applicable Law.

4.5 AS IS, WHERE IS. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, ALL ACQUIRED PURCHASED ASSETS ARE BEING CONVEYED HEREUNDER ON AN "AS IS, WHERE IS" BASIS AND SELLER MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, WITH RESPECT TO THE PURCHASED ASSETS, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. ALL OF SUCH EXPRESS AND IMPLIED WARRANTIES AND REPRESENTATIONS, EXCEPT THOSE STATED HEREIN, ARE HEREBY EXCLUDED. THE PROVISIONS OF THIS SUBSECTION SHALL SURVIVE THE CLOSING OR ANY TERMINATION HEREOF.

4.7 Current Operations. Buyer acknowledges that it has been providing services to the School since April 1, 2019 pursuant to the MSA. Except as otherwise stated in this Agreement, Buyer is relying on its own knowledge and the knowledge it has gleamed from providing services to the School since April 1, 2019.

4.8 Transition Services. Buyer acknowledges that if shared IT services or any other kind of services ("collectively, the "Services") previously provided by DCEH are needed, Buyer shall enter into a Transition Services and License Agreement with Studio for said Services. Buyer acknowledges that the Services that the Seller was providing pursuant to the TSA can no longer be provided by DCEH or the Seller. To the extent that the Buyer does not require any Services from Studio, Buyer shall not be obligated in any way to negotiate or enter into a Transition Services Agreement with Studio.

ARTICLE V
PRE-CLOSING COVENANTS OF SELLER

5.1 Conduct of the School Prior to Closing. From the Effective Date through and including the Closing, Buyer shall not, without the prior written consent of Seller, engage in any practice, take any action, or enter into any transaction with respect to the School outside the Ordinary Course of Business other than such actions taken in furtherance of the transaction.

Until Closing, Seller will use reasonable best efforts to take all action and do all things necessary in order to consummate and make effective the Transaction contemplated by this Agreement, including, without limitation, compliance with and observance of the terms and conditions set forth in this Article VI.

5.2 Operation of School until Closing. Seller will cooperate with Buyer for Buyer to operate the School and Seller will not engage in any practice, take any action, or enter in any transaction outside of the Ordinary Course of Business relative the School without Buyer's approval which shall not be unreasonably withheld, conditioned or delayed, or except as contemplated by this Agreement; provided, however, that if Seller and Buyer receive written notice that the School is in violation of any Regulation by any Educational Agency which is not being remedied by the Buyer, Seller shall have the right to take any action it deems necessary without first seeking approval of Buyer at Buyer's sole cost and expense. To the extent that Seller is in receipt or prior to Closing receives any Accounts Receivable, funds or income generated by the School after April 1, 2019, Seller with Buyer's approval, agrees to either (i) pay and apply such funds toward any outstanding expense of the School that was incurred after April 1, 2019 for which the Buyer is obligated to pay, or (ii) turn over funds, including without limitation, any excess funds after Seller's has paid Buyer's obligations under 5.2(i), to Buyer.

5.3 Payment of Liabilities Incurred Prior to April 1, 2019. Seller shall remain responsible for all obligations and Liabilities incurred by the School between the dates January 18, 2019 and April 1, 2019, including any student stipends or unearned tuition or other obligations that a Governing Authority or Educational Agency requires to be satisfied for any period prior to 2019 Spring Quarter. Seller agrees that Seller shall pay such obligations or Liabilities either prior to or immediately upon receipt of Title IV funds received for 2019 Winter Quarter. To the extent that Buyer, in its sole discretion, advances any funds to pay off any Liability of Seller that is required to be paid by any Governing Authority or Educational Agency in order to facilitate receipt of Title IV funds from the DOE for the 2019 Winter Quarter or otherwise to bring the School in compliance with any Governing Authority and Educational Agency, such Buyer advanced funds shall be immediately paid by Seller to Buyer from the Title IV funds received for the 2019 Winter Quarter or to the extent applicable adjust the Purchase Price.

5.4 Access to Information. No later than five (5) business days after entry of the Sales Order, Seller shall copy and provide to Buyer in a manner acceptable to Buyer all data located on the Shared IT Platform including, without limitation student and financial data set forth on CampusVue, ImageNow, CARS and the Lawson and Kronos Software, relevant to the operation of the School. Prior to Closing, Buyer and Buyer's representatives shall hold all such information in confidence and shall not disclose any such information to any third parties without the express written consent of Seller. Should this transaction not close, any and all documents, notes, memorandum, Curriculum, etc. provided to Buyer in any format pursuant to this Agreement, whether set forth in this Section or in any other part of this Agreement, shall be returned to Seller within three (3) business days of when this Agreement is terminated.

5.5 Accounting. Fourteen (14) days of the Effective Date, Seller shall provide Buyer with complete accounting on a cash basis showing all income and expenses or other Liabilities of the School, including any invoices or evidence of indebtedness received or paid by

Seller from January 18, 2019 to March 31, 2019. For the period April 1, 2019 forward, Seller shall provide Buyer with complete accounting on a cash basis showing all income and expenses or other Liabilities of the School received or paid by Seller, including without limitations, any and all invoices, whether paid or unpaid, as well as proof of payment.

5.6 Consents and Approvals. Until Closing, Seller, will cooperate with Buyer, in order for Buyer (1) to obtain all necessary approvals, accreditations, acquiescences and other authorizations necessary for the operation of the School after Closing, including without limitations those from ACICS, DOE, Educational Agency or any other Governmental Authority; (ii) to obtain all necessary consents and approvals to consummate the purchase and sale of the Purchased Assets and the assignment of Assumed Liabilities, if any, together with any other necessary consents and approvals to consummate the Transaction, and (iii) to make all filings, applications, statements and reports to all Educational Agencies or Governmental Authorities that are required to be made prior to Closing pursuant to any applicable Regulation in connection with this Agreement and the transactions contemplated hereby.

(a) Pre-Closing Educational Notices/Consents. Seller shall cooperate with Buyer for Buyer to obtain the Educational Notices/Consents and any Educational Approvals necessary for operation of the School, including, without limitation, obtaining the Pre-Closing Educational Notices/Consents, including, without limitation, cooperate with Buyer to (i) complete all required and voluntary pre-acquisition processes with the Educational Agency, including without limitation, DETR, and (ii) assist Buyer in the filing of a Pre-Acquisition Review Application with the DOE in order to obtain the DOE Pre-Acquisition Review Notice.. Seller shall use commercially reasonable best efforts to assist Buyer with the foregoing, and Seller and Buyer shall each provide any additional information concerning itself and shall execute such documents as are necessary with respect to the Educational Notices/Consents and any necessary Educational Approvals.

(b) Educational Agency Communications. Seller shall cooperate with Buyer in order for the Buyer to be able to submit letters, applications, or other documents to be to any Educational Agency or Governmental Authority with respect to any consent, license or Pre-Closing Educational Notices/Consent or in connection with the Pre-acquisition Review Application to be filed with the DOE. Seller shall not make any written or verbal statements or representations regarding the transactions contemplated hereby to any Educational Agency or other third party without the advance consultation and consent of Buyer which shall not be unreasonably withheld, conditioned or delayed. Seller shall promptly advise Buyer concerning any discussions or other communications, whether oral or written, with any Educational Agency, Governmental Authority or other third party with respect to any such letters, applications or other documents that Seller may receive from the Educational Agency or the Government Authority. To the extent required by any Governmental Agency or Educational Agency, Receiver will ensure that he is available to attend any scheduled hearings or meetings in connection with obtaining any consent, license, Pre-Closing Educational Notices/Consent or other Educational Approval.

5.7 Notice of Developments. Until Closing, Seller will give prompt written notice to Buyer of all materially adverse developments or developments causing a breach of

any of Seller's representations, warranties and covenants hereunder or developments adversely affecting Seller's ability to perform its obligations hereunder.

5.8 Exclusivity. From the date of this Agreement through and including the Closing, Seller shall not (i) solicit, initiate or encourage the submission of any proposal or offer from, or enter into any agreement with, any Person relating to the acquisition of any equity interests or other voting securities of, or any portion of the Purchased Assets (including any acquisition structured as a merger, consolidation, or share exchange) or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the above.

5.9 Further Assurances. Each of the Parties agrees to use commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, and to assist and cooperate with the other Party in doing, all things necessary, proper, or advisable to consummate the Transaction.

5.10 Notice of Developments. Until Closing, Seller will give prompt written notice to Buyer of all materially adverse developments or developments causing a breach of any of Seller's representations, warranties and covenants hereunder or developments adversely affecting Seller's ability to perform its obligations hereunder.

ARTICLE VI
PRE-CLOSING COVENANTS OF BUYER

6.1 Operation of School. Since the execution of the MSA and continuing until Closing, Buyer, with the assist of Seller, shall to continue to operate the School and will not engage in any practice, take any action, or enter in any transaction outside of the Ordinary Course of Business except in each case (i) as contemplated by this Agreement, (ii) with Seller's approval, or (iii) for actions taken or omitted to be taken at the request of Seller. Buyer, after the entry of the Sale Order and prior to Closing, shall be solely and exclusively responsible to pay all costs and expenses set forth in MSA and shall deposit in Seller's account sufficient funds as determined by Seller, in his sole and exclusive determination, an amount to cover the costs and expenses of the School. Further commencing August 1, 2019 and continuing thereafter until Closing, Buyer agrees to pay for any and all expenses and costs set forth in the MSA or any other expense of the School in the Ordinary Course of Business from April 1, 2019 forward, including but not limited to, rent, payroll, workers' compensation coverage, taxes relating to the operation of the School of any and all kind, and all facility costs and expenses from April 1, 2019 forward.

6.2 Payment of Liabilities Incurred After to April 1, 2019. Buyer shall be responsible for all obligations and Liabilities incurred by the School after April 1, 2019, including any student stipends or unearned tuition or other obligations that a Governing Authority or Educational Agency requires to be satisfied for 2019 Spring Quarter, 2019 Summer Quarter or any subsequent School quarters.

6.3 Consents and Approvals. After entry of the Sale Order, Buyer will use reasonable best efforts with Seller's cooperation (1) to obtain all necessary approvals, accreditations, acquiescence and other authorizations for Buyer's operation of the School after Closing, including without limitations, Educational Approval and Governmental Approval from ACICS, DOE, Educational Agency or any other Governmental Authority; (ii) to obtain all necessary consents and approvals, as reasonably requested by Seller, to consummate the purchase and sale of the Purchased Assets and the assignment of Assumed Liabilities, if any, together with any other necessary consents and approvals to consummate the Transaction, and (iii) to make, as reasonably requested by Seller, all filings, applications, statements and reports to all Educational Authorities and Governmental Authorities that are required to be made prior to Closing by or on behalf of Buyer or Seller pursuant to any applicable Regulation in connection with this Agreement and the transactions contemplated hereby.

(a) Pre-Closing Educational Notices/Consents. Buyer shall use commercially reasonably good faith best efforts, with Seller's cooperation, to obtain the Educational Notices/Consents and any Educational Approvals necessary for the performance of its obligations pursuant to this Agreement, including, without limitation, obtaining the Pre-Closing Educational Notices/Consents, including, without limitation, to (i) complete all required and voluntary pre-acquisition processes with the State Educational Agency, including DETR or any other Educational Agency or Governmental Authority, and (ii) file a Pre-Acquisition Review Application with the DOE in order to obtain the DOE Pre-Acquisition Review Notice. Seller shall cooperate and assist Buyer with the foregoing, and Seller and Buyer shall each provide any additional information concerning itself and shall execute such documents as is necessary with respect to the Educational Notices/Consents and any necessary Educational Approvals.

(b) Educational Agency Communications. Buyer shall provide Seller with copies of all letters, applications, or other documents to be submitted to, or received from, any Educational Agency or Governmental Authority with respect to any consent, license or Pre-Closing Educational Notices/Consent or in connection with the Pre-Acquisition Review Application to be filed with the DOE, including drafts of any such letters, applications and other documents; provided that no such letters, applications, or other documents shall be submitted to any Educational Agency without the prior review and consent of Seller, such consent not to be unreasonably delayed, conditioned or withheld. Neither party shall make any written or verbal statements or representations regarding the transactions contemplated hereby to any Educational Agency or other third party without the advance consultation and consent of the other party. Each party will promptly advise the other party concerning any discussions or other communications, whether oral or written, with any Educational Agency, Governmental Authority or other third party with respect to any such letters, applications or other documents. Each party will ensure that their appropriate officers and employees shall be available to attend, as any Governmental Authority or Educational Agency may reasonably request, any scheduled hearings or meetings in connection with obtaining any consent, license, Pre-Closing Educational Notices/Consent or other Educational Approval.

6.4 Notice of Developments. Until Closing, Buyer will give prompt written notice to Seller of all materially adverse developments or developments causing a breach of any of Buyer's representations, warranties and covenants hereunder or developments adversely affecting Buyer's ability to perform its obligations hereunder.

6.5 Pre-Closing Audits. Buyer acknowledges and agrees at Buyer's sole cost and expense, with Seller's cooperation, to (a) complete any student financial aid compliance audit(s) or any other audits of the School required by any Educational Agency related to all or any portion of any period after September 1, 2018 (collectively, the "Pre-Closing Compliance Audits"); (b) provide Seller, for its review, copies of the Pre-Closing Compliance Audits promptly upon their completion, but no later than fourteen (14) days before the date on which the Pre-Closing Compliance Audits are due under applicable Law or Educational Law; and (c) permit Buyer to submit the Pre-Closing Compliance Audits in accordance with applicable Law or Educational Law. Notwithstanding the foregoing, Buyer shall not be responsible in any manner for failure to complete any Pre-Closing Compliance Audits that were due or should have been submitted to any Educational Agency or Government Authority prior to the Effective Date.

6.6 Accounting. Ten (10) days of the Effective Date, Buyer shall provide Seller with complete accounting and other financial records showing all income and expenses or other Liabilities of the School received or paid by Buyer from January 18, 2019, forward, including without limitations, any and all invoices, whether paid or unpaid, as well as proof of payment.

6.7 Termination of Employee Benefit Plans. So long as all present employees at the School are terminated by Buyer at Closing, Buyer will have no lability whatsoever for the current Employee Benefit Plan relating to or for the School.

6.8 Change of Name of School. Buyer shall take whatever steps are necessary to obtain such consents or approval from a Governmental Authority to effectuate a change of name for the School in accordance with the Second Settlement Agreement by and between the Receivership Entities and Studio and as approved by the court. Buyer upon Closing shall take action to obtain approval from Governmental Authorities and Education Agencies to change the name of the School and upon obtaining such approval Buyer will no longer be able to use the name The Art Institute. Notwithstanding the foregoing, under no circumstances shall Buyer be able to use the name The Art Institute after Change of Control has been obtained.

ARTICLE VII
CLOSING

7.1 Closing. The closing of the Transaction contemplated by this Agreement (the "Closing") shall take place at the offices of Seller's counsel, McCarthy, Lebit, Crystal & Liffman CO., LPA, at 101 W. Prospect Avenue, Suite 1800, Cleveland, Ohio 44115 and the Transaction shall be effective as of 12:01 a.m. Pacific Time on the three (3rd) business day following Buyer's receipt of all Governmental Approvals and Educational Approvals or such other date as the Buyer and Seller may mutually determine (the "Closing Date".) Notwithstanding the foregoing, if the Closing were to occur after the 15th calendar day of the month, it shall be extended to the first business day of the following month. The performance of all of the obligations and actions required of the Parties at the Closing shall be deemed to have occurred simultaneously, regardless of the order in which such performance actually occurs. If, however, Closing does not occur prior to November 1, 2019, this Agreement shall be null and void *ab initio* and the Parties shall have no further liability to one another and the MSA shall further terminate. The Pre-Closing Audit shall then be performed and all sums due under the

MSA and TSA after adjustments for any sums paid Buyer to Seller for expenses incurred prior to April 1, 2019 shall be paid with three (3) calendar days of completion of the Pre-Closing Audit.

7.2 Buyer's Conditions to Closing. The obligation of Buyer to consummate the Transaction is subject to the satisfaction (or waiver of Buyer) as of the Closing of the following conditions:

(a) the Court shall have issued the Sale Order approving the sale of Purchased Assets to Buyer free and clear of all Liens and Claims, which time for any appeal shall have expired Sale Order, a copy of which shall have been delivered to Buyer;

(b) Buyer shall have received documentary evidence, to the sole satisfaction of Buyer, that all notices, approvals, consents, registrations, permits, authorizations or other confirmations, in each case, required, proper, or advisable to be made with or obtained from any Governmental Authority or Educational Agency to consummate the transactions contemplated by this Agreement, including the Pre-Closing Educational Consents set forth on Schedule 7.2(b), have been made or obtained, as applicable, and do not contain any Adverse Regulatory Condition;

(c) Buyer shall have received written confirmation from DOE that the School's planned documentation submittal intended to demonstrate compliance with 34 CFR §600.9(a) will be accepted by the DOE and will not impede School's continued Title IV Programs participation after the Closing Date or result in the issuance of the TPPA or PPA that includes an Adverse Regulatory Condition;

(d) the School shall have received a Pre-Acquisition Review Response that does not contain any Adverse Regulatory Condition or indicate the existence of any material impediments to the issuance of a TPPPA or PPPA following the Closing;

(e) none of Seller, the School, or Buyer shall have received from any Educational Agency any communication that any Educational Approval will be suspended, revoked, terminated, or cancelled unless caused by the action, inaction or omission on the part of Buyer;

(f) none of Seller, the School, or Buyer shall have received from any Educational Agency any communication that any of the Post-Closing Educational Consents set forth on Schedule 7.2(f) will not be issued or will be subject to an Adverse Regulatory Condition unless caused by the action, inaction or omission on the part of the Buyer;

(g) no proceeding by any Third Party, Educational Agency or any Governmental Authority with respect to the transactions contemplated hereby shall be pending or threatened in writing and no order shall have been entered in any proceeding that would have the effect of (i) making any of the transactions contemplated by this Agreement or the transaction illegal, (ii) otherwise preventing the consummation of such transactions, or (iii) imposing limitations on such transactions and/or the ability of Buyer to perform its obligations hereunder or to operate the School after the Closing Date;

9/12/19 tp

(h) the representations and warranties of Seller contained in this Agreement shall be true and correct in all respects on and as of the Closing Date with the same effect as though made at or as of the Closing Date, in each case, other than representations and warranties that address matters only as of a specified date, which shall be true and correct as of such specified date;

(i) the Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date;

(j) at Closing, Seller shall have delivered to Buyer:

(i) actual possession of Purchased Assets, if Buyer is not already in possession, capable of passing by delivery with the intent that title in such Purchased Assets will pass by and upon delivery;

(ii) the Bill of Sale, duly executed by Seller for the Purchased Assets and such other good and sufficient instruments of sale, conveyance, transfer and assignment as may be required to vest in the Buyer all right, title and interest of Seller in and to the Purchased Assets, free and clear of all Liens, Claims, Encumbrances and obligations;

(iii) Lien releases on any UCC filings with respect to the Purchased Assets; and such other documents relating to the Transaction contemplated by this Agreement as Buyer may reasonably request.

7.3 Seller's Conditions to Closing. The obligation of Seller to consummate the Transaction is subject to the satisfaction (or waiver of Seller) as of the Closing of the following conditions:

(a) Buyer shall have performed and complied in all material respects with all agreements, obligations and covenants required to be performed or complied with by it on or prior to the Closing Date.

At Closing, Buyer shall have delivered to Seller all of the following:

(i) the Purchase Price;

(ii) all documents to be delivered by Buyer necessary for the Closing; and

(iii) such other documents relating to the Transaction contemplated by this Agreement as Seller may reasonably request.

7.4 Form of Instruments. To the extent that a form of any document to be delivered hereunder is not attached as an Exhibit hereto, such documents will be in form and substance, and will be executed and delivered in a manner, reasonably satisfactory to Buyer and Seller.

ARTICLE VIII
ADDITIONAL POST CLOSING COVENANTS

8.1 Joint Post-Closing Covenant of the Parties. The Parties jointly covenant and agree that, from and after the Closing Date, they will each use commercially reasonable efforts in connection with any proceeding, investigation or audit of the other relating to (a) the preparation of an audit of any Tax Return of Seller for all periods prior to or including the Closing Date, and (b) any audit of Buyer and/or any audit of Seller with respect to the sales, transfer and similar Taxes imposed by the laws of any state or political subdivision thereof, relating to the transactions contemplated by this Agreement. In furtherance hereof, the Parties further covenant and agree to promptly respond to all reasonable inquiries related to such matters and to provide, to the extent reasonably possible, substantiation of transactions and to make available and furnish appropriate documents and personnel in connection therewith. All costs and expenses incurred in connection with this Section 8.1 will be borne by the Party who is subject to such action.

8.2 Transition. Seller will not take any action that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier, or other business associate of Seller from maintaining the same business relationships with the Buyer and/or the School after the Effective Date or Closing as it maintained with Seller prior to the Effective Date without the consent of Buyer.

ARTICLE IX
INDEMNIFICATION

9.1 Survival of Representations, Warranties and Covenants. All covenants and agreements of the Parties contained in this Agreement shall survive the Closing indefinitely or for the period explicitly specified therein. The expiration of any covenant shall not affect any claim made in good faith and in accordance with this Agreement prior to the date of such expiration.

9.2 Indemnification by Buyer. Buyer shall indemnify and hold harmless Seller and its directors, officers, employees, shareholders, agents, representatives, successors and assigns (collectively, the "Seller Indemnified Parties"), from all losses, liabilities, damages, demands, claims, suits, actions, judgments, assessments, costs and expenses, including, without limitation, reasonable attorneys' fees, reasonable expenses incurred in investigating, preparing or defending against any litigation, commenced or threatened, and all amounts paid in settlement of any claim or litigation ("Damages"), asserted against, imposed upon, or incurred or suffered by any Seller Indemnified Party, as a result of or arising from any breach or nonfulfillment of any covenants or agreements made by Buyer in this Agreement (collectively, the "Seller's Indemnifiable Claims"), which arise or result from and to the extent they are attributable to:

(a) the breach of any representation or warranty made by Buyer pursuant to this Agreement;

(b) the breach of, or failure to perform, any of the covenants, commitments, agreements or obligations of Buyer under or contained in this Agreement;

(c) any Claim asserted against Seller with respect to any matter concerning Buyer's failure to provide by the terms and conditions set forth in the MSA and, more specifically, any allegations made by any Accrediting Body, ACICS, Governmental Authority, or any Third Party for any violations or Claims occurred or accrued from April 1, 2019 forward;

(d) the use or operation of the School and the Purchased Assets from April 1, 2019 forward; or

(e) the Assumed Obligations.

ARTICLE X
MISCELLANEOUS

10.1 Expenses. Except as expressly provided otherwise in this Agreement, each Party shall pay its own expenses in connection with the negotiation, execution and performance of this Agreement, the Transaction, and all things required to be done by it pursuant to this Agreement, including counsel fees, brokerage, finder or financial advisor fees, filing fees and accounting fees.

10.2 Specific Performance. Each Party's obligation under this Agreement is unique. If any Party should breach its covenants under this Agreement, the Parties each acknowledge that it would be extremely impracticable to measure the resulting damages; accordingly, the non-breaching Party or Parties, in addition to any other available rights or remedies, may sue in equity for specific performance.

10.3 Governing Law; Waiver of Jury Trial; Consent to Jurisdiction; Service of Process.

(a) All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio without giving effect to any choice of law or conflict of law rules or provisions.

(b) Each Party acknowledges and agrees that any Actions (in contract, in tort or otherwise) arising out of or relating to this Agreement, any transactions contemplated hereby, any relationships between or among the Parties hereunder and any disputes with respect to any of the foregoing is likely to involve complicated and difficult issues, and therefore it hereby irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any such Action.

(c) **EACH PARTY HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY ACTION OR SUIT AND AGREES THAT SERVICE OF SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT THE ADDRESS SET FORTH IN SECTION 10.4 OF THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED**

COMPLETED UPON THE EARLIER OF SUCH PARTY'S ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID.

10.4 Notices. All notices, requests, demands, and other communications under this Agreement must be in writing and will be deemed to have been duly given if delivered by hand; sent by registered or certified mail, return receipt requested, postage and fees prepaid; Federal Express or similar overnight courier; sent by sent by facsimile; or sent by email, and addressed as follows:

If to Seller:
Mark E. Dottore
c/o Dottore Companies, LLC
2344 Canal Rd.
Cleveland, OH 44113
Attn: Mark E. Dottore
Email: mark@dottoreco.com
Facsimile: (216) 771-2450

with a copy to:
McCarthy, Lebit, Crystal & Liffman Co., LPA
101 W. Prospect Ave., Suite 1800
Cleveland, OH 44115
Attn: Charles A. Nemer, Esq.
Email: can@mccarthylebit.com
Facsimile: (216) 696-1422

If to Buyer:
Save the Art Institute of Las Vegas Limited
2350 Corporate Circle, Suite 100
Henderson, NV 89074
Attn: William Turbay
Email: waturbay@gmail.com
Facsimile: (702) 667-4818

with a copy to:
Howard & Howard
3800 Howard Hughes Pkwy. Suite 1000
Las Vegas, NV 89169
Attn: Gwen Rutar Mullins, Esq.
Email: gmullins@howardandhoward.com
Facsimile: (702) 667-4818

Addresses are permitted to be changed by notice in writing signed by a Party desiring to change such Party's address, but any such notice of change of address will not be effective until actually received by the other Party. All notices will be deemed given on the day delivered, if (a) personally delivered, facsimiled (with confirmation of transmission) or emailed to the Party receiving such notice, provided that if delivered by facsimile or email, a copy of the notice shall also be sent by the method in subsection (b) or (c) below; (b) on the business day after the day

deposited, if delivered by Federal Express or similar overnight courier; or (c) on the third (3rd) business day following deposit in the U.S. mail.

10.5 Counterparts. This Agreement is Permitted to be executed in two or more counterparts, all of which taken together shall constitute one instrument. Copies of signatures of the Parties received by facsimile or email shall be effective as original signatures.

10.6 Headings. The subject headings of the Sections and Paragraphs of this Agreement are included for purposes of convenience only, and will not affect the construction or interpretation of any of its provisions.

10.7 No Third Party Beneficiaries. This Agreement is solely for the benefit of the Parties hereto and no provision of this Agreement will be deemed to confer upon Third Parties any rights, remedies, Claims or causes of action.

10.8 Further Assurances. At any time following the Effective Date, each of the Parties agrees to execute and/or deliver such instruments or documents as may be reasonably requested by the other Party to (i) consummate the transactions contemplated by this Agreement, (ii) effectuate fully the purposes of this Agreement, and (iii) vest in each Party the rights and interests conferred upon such Party under this Agreement.

10.9 No Agency Relationship. Neither Party may bind the other or otherwise act in any way as the representative of the other Party, unless otherwise expressly agreed to in a writing signed by authorized representatives of both Parties before any such act or representation. Neither Party may represent itself as the other Party's agent for any purpose to any Third Party or to allow any of its employees to do so, unless specifically authorized, in advance and in writing, to do so, and then only for the limited purpose stated in such authorization. Neither Party's employees are employees of the other Party.

10.10 Entire Agreement. This Agreement and Schedules and Exhibits referenced in this Agreement embody the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, oral or written, relative to said subject matter.

10.11 Binding Effect; Assignment. This Agreement shall inure to the benefit of and be binding upon Seller and Buyer and their successors and Permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be transferred or assigned (by operation of law or otherwise) by any of the Parties without the prior written consent of the other Parties, provided, however, that Buyer may assign this Agreement and all of its rights, interests and obligations under this Agreement to an Affiliate of Buyer without the consent of Seller. Any transfer or assignment of any of the rights, interests or obligations in violation of the terms of this Agreement shall be null and void.

10.12 Amendment; Waiver. This Agreement is not permitted to be amended, terminated, augmented, rescinded or discharged (other than by performance), in whole or in part, except by a writing executed by each of the Parties. No waiver of any of the provisions or conditions of this Agreement or any of the rights of a Party shall be effective or binding unless the waiver is in writing and signed by the Party claimed to have consented to it.

10.13 Severability. With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, the Parties agree that such court shall have jurisdiction to reform such provision so that it is enforceable to the maximum extent Permitted by law, and the Parties agree to abide by such court's determination. If any such provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect.

10.14 Tax Advice and Reliance. None of the Parties to this Agreement (nor any of the Parties' respective counsel, accountants or other representatives) has made or is making any representations to any other Party (or to any other Party's counsel, accountants or other representatives) concerning the consequences of the Transaction under applicable Tax laws. Each Party has relied solely upon the tax advice of its own representatives engaged by such Party and not on any such advice provided by any other Party

10.15 Time. Time is of the essence with respect to this Agreement and the performance by the Parties hereunder.

10.16 Court Approval. The Parties understand that this Agreement is subject to Court approval.

[Remainder of page left intentionally blank]
[Signature pages on following page]

IN WITNESS WHEREOF, this Agreement has been executed by or on behalf of each of the Parties below as of the date first above written.

BUYER:

Save The Art Institute Las Vegas Limited

By:
Name: William Turbay
Title: Manager

SELLER:

By:
Name: Mark E. Dottore, solely in his capacity as receiver for The Art Institute of Las Vegas, LLC pursuant to that certain Order Appointing Receiver entered on January 18, 2019, by the United States District Court for the Northern District of Ohio, Eastern Division

[Signature Page to Asset Purchase Agreement]

SCHEDULE I

Assumed Contracts

NONE

SCHEDULE 2.2

Assumed Liabilities

Any and all liabilities for obligations of Buyer under the MSA and any other expense incurred in the Ordinary Course of Business for period of April 1, 2019 forward

SCHEDULE 3.3

Tangible Personal Property

All personal property owned by Seller located at the Premises and/or on School Real Property, including, without limitation:

(a) all machinery, equipment (including all transportation and office equipment), computer equipment (including all servers, routers, and network equipment), projection equipment, library equipment, telephone systems and furniture relating to the School in which Seller has all right, title and ownership to;

(b) all office supplies, spare parts, miscellaneous supplies, and other tangible property of any kind relating solely to the School, including, without limitation, all property of any kind located in any building, office or other space leased by Seller; and

(c) all texts, journals, periodicals, library books, documents, catalogs, indices, databases, core materials, archives and other materials, written and electronic, located at the School premises.

SCHEDULE 3.5

Real Property

The following is a complete and correct list of all Real Property in which the Seller has a leasehold interest:

(1) Seller Real Property located at 2350 Corporate Circle, Suite 100, Henderson, Nevada 89074 which is currently subject to a Lease Agreement between Seller and Tech Park 6, LLC.

SCHEDULE 7.2(b)

Pre-Closing Educational Consents

Pre-Closing Educational Consents, including but not limited to:

1. United States Department of Education (ED)
   a. Receipt of DOE Pre-Acquisition Review Letter.

2. Nevada Department of Employment, Training and Rehabilitation, Commission of Postsecondary Education (DETR)

   a. Receipt of DETR application and approval of transfer and/or change of ownership/control.

3. Accrediting Council for Independent Colleges and Schools (ACICS)
   a. Notification, application and approval of Change of Ownership/Control Application Part I.

4. American Culinary Federation Education Foundation's Accrediting Commission (ACFEFAC)

   a. Notification and approval prior to change of ownership.

SCHEDULE 7.2(f)

Post-Closing Educational Consents

Post-Closing Educational Consents, including but not limited to:

1. United States Department of Education (ED)
   a. Application and approval.

2. Accrediting Council for Independent Colleges and Schools (ACICS)
   a. Application and approval of Change of Ownership/Control Application Part II.

3. Nevada Commission on Postsecondary Education (CPE)
   a. Application and approval.

4. Council for Interior Design Accreditation (CIDA)
   a. Notification and approval.

EXHIBIT A

Assignment and Assumption Agreement

NONE

EXHIBIT B

Bill of Sale

Bill of Sale

That, **The Art Institute of Las Vegas, LLC**, an Arizona nonprofit limited liability company that is registered in the State of Nevada as The DC Art Institute of Las Vegas, LLC the "School""), by and through Mark E. Dottore, Receiver, appointed by the United States District Court for the Northern District of Ohio, Eastern Division (the "Court"), the Grantor, for the consideration as stated in the Assets Purchase Agreement received to its full satisfaction from **Save The Art Institute of Las Vegas Limited** , the Grantee, has bargained sold and conveyed, and by these presents, and with full authority, including the approval of the Court, does bargain, sell and convey unto the said Grantee, its heirs and assigns, free and clear from all Interests as defined in the Order of Sale, the following described goods, wares, merchandise, chattels and effects, to-wit:

Purchased Assets, as defined in the Asset Purchase Agreement dated July 15, 2019, including without limitation, those assets set forth in Exhibit 1, attached hereto and incorporated by reference herein.

To have and to hold the same unto the said Grantee, its heirs and assigns, to Grantee and its own proper use and behoof forever.

And it, the said Grantor, does for itself and its heirs, covenants and agrees to and with the said Grantee, its heirs and assigns, that above bargained goods, wares, merchandise, chattels and effects are free and clear from all Interests as defined in the Order of Sale, and that it is the true and lawful owner thereof and has good right and lawful authority to bargain and sell the same in the manner and form as aforesaid, and that it will and its heirs and assigns shall warrant and defend the same against the lawful claims and demands of all persons whomsoever.

In Witness Whereof I hereunto set my hand at Cleveland, Ohio this _____ day of _____, 2019.

The Art Institute of Las Vegas, LLC

Signed in presence of:

_____

_____

By: Mark E. Dottore, solely in his capacity as receiver for The Art Institute of Las Vegas, LLC pursuant to that certain Order Appointing Receiver entered on January 18, 2019, by the United States District Court for the Northern District of Ohio, Eastern Division

EXHIBIT 1

All rights, title and interest in any and all of the Purchased Assets as defined in the Asset Purchase Agreement, including without limitation:

(a) all Accounts Receivable and other accounts and notes receivables (whether current or noncurrent) and all causes of action specifically pertaining to the collection of the foregoing (excluding, for the avoidance of doubt, the Excluded Receivables);

(b) all Intellectual Property owned by the School and used solely by the School and all corresponding rights that, now or hereafter, may be secured throughout the world and all copies and tangible embodiments of any such Intellectual Property in Seller's possession or control;

(c) all of Seller's rights existing under the Assumed Contracts listed on Schedule I;

(d) all machinery, equipment (including all transportation and office equipment), computer equipment (including all servers, routers, and network equipment), projection equipment, library equipment, telephone systems and furniture relating to the School that is owned by the School;

(e) all office supplies, spare parts, miscellaneous supplies, and other tangible property of any kind relating solely to the School, including, without limitation, all property of any kind located in any building, office or other space leased by Seller;

(f) all texts, journals, periodicals, documents, catalogs, indices, databases, core materials, archives and other materials, written and electronic, located at the Premises owned by Seller;

(g) the School's OPE ID # 04051300;

(h) School's tuition payments received or to be received by Seller or the School for 2019 Spring Quarter and all School's subsequent quarters, including, without limitation, the Title IV funds and the VA funds) for the period April 1, 2019 forward, including any Accounts Receivable;

(i) the right to receive and retain mail (including electronic mail) and other communications relating to the School as long as Buyer provides Seller with copies of all mail relating to the operation of the School received until the Closing;

(j) the right to bill and receive payment for services performed in connection with the School for the period commencing 2019 Spring Quarter but unbilled or unpaid as of the Closing (other than with respect to any of the Excluded Receivables);

(k) all data, including, without limitation, student and financial data, stored or maintained on the Shared IT Platform and any hard-copy paper files relating solely to the School;

(l) all IT Systems solely for the benefit of the School that are located at the Premises;

(m) all telephone numbers used by Seller solely in connection with the operation of the School;

(n) all indemnities from Third Parties relating to the Purchased Assets or the Assumed Liabilities prior to the Closing Date.

All of the Purchased Assets will be sold, assigned, transferred, conveyed and delivered to Buyer free and clear of all Liens.

4813-9871-1580, v. 3

EXHIBIT C

Seller's Certificates of Good Standing

19070112474359

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

I, the undersigned Executive Director of the Arizona Corporation Commission, do hereby certify that:

THE ART INSTITUTE OF LAS VEGAS, LLC

ACC file number: L21865306

was incorporated under the laws of the State of Arizona on 05/12/2017, and that, according to the records of the Arizona Corporation Commission, said limited liability company is in good standing in the State of Arizona as of the date this Certificate is issued.

This Certificate relates only to the legal existence of the above named entity as of the date this Certificate is issued, and is not an endorsement, recommendation, or approval of the entity's condition, business activities, affairs, or practices.

IN WITNESS WHEREOF, I have hereunto set my hand, affixed the official seal of the Arizona Corporation Commission, and issued this Certificate on this date: 07/01/2019

SEAL OF THE ARIZONA CORPORATION COMMISSION
DITAT DEUS
1912

Matthew Neubert, Executive Director

01337320

SECRETARY OF STATE

STATE OF NEVADA

CERTIFICATE OF EXISTENCE WITH STATUS IN GOOD STANDING

I, Barbara K. Cegavske, the duly elected and qualified Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, non-profit corporations, corporation soles, limited-liability companies, limited partnerships, limited-liability partnerships and business trusts pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent of 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **THE DC ART INSTITUTE OF LAS VEGAS, LLC**, as a limited liability company duly organized under the laws of Arizona and existing under and by virtue of the laws of the State of Nevada since August 11, 2017, and is in good standing in this state.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on July 1, 2019.

Barbara K. Cegavske

Barbara K. Cegavske
Secretary of State

Electronic Certificate
Certificate Number: C20190701-1416

01337304

EXHIBIT D

Sale Order

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

DIGITAL MEDIA SOLUTIONS, LLC,	)	**CASE NO. 1:19-cv-145**
	)	
Plaintiff,	)	**JUDGE DAN AARON POLSTER**
	)	
v.	)	**MAGISTRATE JUDGE THOMAS M. PARKER**
	)	
SOUTH UNIVERSITY OF OHIO, LLC, *et. al.*,	)	
	)	
Defendants.	)	

ORDER GRANTING EMERGENCY MOTION OF MARK E. DOTTORE, RECEIVER OF THE ART INSTITUTE OF LAS VEGAS, LLC, FOR AN ORDER AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE ART INSTITUTE OF LAS VEGAS, LLC, FREE AND CLEAR OF LIENS, ENCUMBRANCES, CLAIMS AND OTHER INTERESTS (WITH CERTAIN EXCEPTIONS) AND FOR TRANSFER OF THE INTERESTS OF UNPAID HOLDERS OF INTERESTS TO THE PROCEEDS OF THE SALE

This matter having come before the Court on the Motion (the "Sale Motion") of Mark E. Dottore (the "Receiver"), Receiver of The Art Institute of Las Vegas LLC, for an Order Authorizing the sale of substantially all of the assets of The Art Institute of Las Vegas, LLC, an Arizona nonprofit limited liability company that is registered in the State of Nevada as The DC Art Institute of Las Vegas, LLC OPE ID #04051300 (the "School"), free and clear of all mortgages, pledges, security interests, liens, encumbrances, claims, charges, and any other interests of any kind or type whatsoever (the "Interests") (with certain exceptions as hereinafter provided) and for the transfer the Interests of unpaid holders of Interests to the Proceeds of the Sale. In the Sale Motion, the Receiver seeks the entry of an Order: (i) authorizing the sale of all or substantially all of the assets (the "Assets") of the

School to Save the Art Institute of Las Vegas Limited ("**Save Las Vegas**" or the "**Buyer**"), consistent with the terms of an Asset Purchase Agreement (the "**APA**") dated July15, 2019; (ii) determining and directing that the sale of the Assets is free and clear of all Interests except for amounts that are required to be paid as part of the process of approval of the Sale by the United States Department of Education (the "**DOE**")or the Nevada Department of Employment, Training and Rehabilitation, Commission of Postsecondary Education (the "**DETR**") (the "**DOE/DETR Required Amounts**"); and (iii) and transferring any unpaid claims of the holders of Interests and other interest holders in the Assets to the proceeds of sale; and (iv) granting such other and further relief as is warranted in the circumstances.

The Court having reviewed the Sale Motion, the Declaration of the Receiver, and all other pleadings, motions, objections, and other responses (the "**Written Statements**") related thereto, and a hearing having been held before this Court on July __, 2019 (the "**Sale Hearing**"), to consider the proposed sale (the "**Sale**") of the Assets pursuant to the terms and conditions of the APA, at which time all parties in interest were afforded an opportunity to be heard and the Court having weighed and considered the Written Statements and the oral comments made at the Sale Hearing by the parties in interest:

IT IS HEREBY FOUND AND DETERMINED THAT:

A. All capitalized terms not defined herein shall have the same meaning as set forth in the Sale Motion and the APA;

B. The relief requested in this motion is governed by FED. R. CIV. P. 66, Rule 66.1(c) and (d) of the Local Rules for the United States District Court for the Northern District of Ohio (the "**Local Rules**"), federal common law and the Receiver Order;

C. The Interim Receiver Order provides,

> 2.n. The Receiver is authorized to negotiate and effect an orderly sale, transfer, use or assignment of all or a portion of any of the Property in or outside of the ordinary course of business of the Receivership Entities and, for the proceeds thereof, to pay the secured and unsecured indebtedness of the Property, including the Real Property . . . The Receiver is authorized to conduct such a sale of the Property in any manner which he, in his good faith and reasonable discretion, believes will maximize the proceeds received from the sale.

D. The Amended Receiver Order provides that the Receiver's authority to negotiate and effect a sale of the assets is subject Paragraphs 13 and 14 of the Amended Receiver Order. Paragraph 13 affirms that the regulatory authority of the United States may not be stayed or constrained and Paragraph 14 affirms the validity of the Federal Priority Statute, 31 U.S.C. § 3713.

E. Notice of the Sale Motion and the Sale was provided to hundreds of persons, who the Receiver identified as having an interest in the sale proceeding. Notice was served upon all parties to this lawsuit and their lawyers, the federal, state and local taxing authorities, all secured creditors, unsecured creditors that have demonstrated an interest in the assets, the Department of Justice, the Department of

Education, the Nevada state education regulators, the Nevada Attorney General, and all regulatory and accrediting agencies. The list of persons served through the Court is a matter of record; the additional parties served is contained in a certificate of service filed with the Court.

F. Proper, timely, adequate and sufficient notice of the Sale Motion, the Sale Hearing and the proposed Sale has been provided to all interested parties.

G. Objections were filed by _____.

H. This Court has the authority to approve a Sale of the Assets free and clear of all Interests (except for the DOE/DETR Required Amounts), and to transfer all Interests whatsoever to the proceeds derived from the respective sales of the Assets.

I. Liens reported against the Assets are as stated in the Sale Motion;

J. The DOE and DETR have an interest in the Assets in the amount that is required to be paid prior to the change of ownership to Save Las Vegas;

K. Those other holders of Interests who did not object to the Sale Motion are deemed to have consented to the Sale. Those holders of Interests who did object, if any, are adequately protected by having their Interests, if any, attach to the proceeds of Sale;

L. Prior to the appointment of the Receiver, the School advertised itself as for sale to a willing buyer. The School was one of the Excluded Campuses; that is, it was not selected for acquisition by Education Principle Foundation, The Arts Institute International, LLC or the Dream Center South University, LLC. Immediately after his appointment, the Receiver was approached by Save Las Vegas and another group who were seriously interested in acquiring the School.

M. Since his appointment in this case, the Receiver has marketed all of the Assets in a manner that was designed to attract the maximum number of individuals and groups with an interest in purchasing one or multiple campuses. Further, this case has been the subject of extensive press coverage. Through the press coverage and through earlier efforts to sell the institution, the Receiver's interest in a sale transaction and its financial situation were widely known among educators, educational institutions and investors in educational institutions and in excess of twenty prospective buyers have contacted the Receiver about the possibility of purchasing one or more campuses of the Receivership Entities;

N. The APA submitted by Buyer is the highest and best offer received for the Assets. It represents the highest in terms of money offered for the Assets and also includes the opportunity to continue the institution and honor the students' wishes to complete their programs of study.

The APA offers the School's creditors the most money and the School's students an uninterrupted education. Principals of Buyer have demonstrated postsecondary education experience and knowledge and are more likely than other prospective purchasers to be successful in obtaining approvals from regulatory authorities which are required to complete the sale transaction. Buyer also seeks to close at the earliest possible time and demonstrates the financial wherewithal to do so. A Sale to Buyer is consistent with good business judgment and is approved by this Court;

O. If the Assets are not sold to Buyer at this time, they will be substantially devalued or the sale will fail and the School will close. The Assets are more valuable when sold as a "going concern," that is, as an educational institution. The sale to Buyer will also benefit the School's students, faculty and the community as the school will remain open. In order to sell the Assets as a continuing educational enterprise in good standing, the Seller must complete its sale transaction immediately, as it cannot continue to operate as an educational institution even for a short time without financial assistance and is in danger of losing both its accreditation and its ability to participate in federal student aid programs;

P. A reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested herein has been afforded to all

interested persons and entities, including but not limited to, all parties and intervenors to this action, all secured lenders, all unsecured creditors who have requested that notices be sent to them, Attorney General of the State of Nevada, all full time faculty members, all of the School's educational accrediting agencies, and other parties that the Receiver believes would have an interest in the Sale or who have requested that they be notified of any sale;

Q. The Receiver has demonstrated that approval of the Sale Motion and consummation of the Sale to the Buyer at this time is in the best interests of the School, its creditors and its students. The Receiver has advanced good and sufficient business justification supporting the sale of the Assets to the Buyer as set forth in the Sale Motion and at the Sale Hearing, and it is a reasonable exercise of the Receiver's business judgment to consummate a sale of the Assets on the terms and conditions set forth in the APA, and to execute, deliver and perform its obligations thereunder. Sound business judgment includes, but is not limited to, the fact that (i) there is a risk of immediate and irreparable loss of value of the Assets if the Sale is not consummated, (ii) there is a substantial risk of loss of accreditation from the Accrediting Counsel for Independent Colleges and Schools ("**ACICS**") and American Culinary Federation Education Foundation's Accrediting Commission ("**ACFEFAC**"), and loss of eligibility to participate in federal student

aid programs (iii) the School cannot continue as an educational institution for even a short time without financial assistance, (iv) if the School ceases to operate as an educational institution, its students will be unable to complete their programs of study, and (v) the consummation of the transaction contemplated under the APA presents the best opportunity to realize the value of the Assets to avoid further decline and devaluation thereof; (vi) the sale is at arm's length; and (vii) the Receiver has exercised reasonable diligence and good faith judgment;

R. The consideration to be paid by the Buyer for the Assets constitutes adequate and fair value for the Assets and the terms and conditions of the APA are fair and reasonable;

S. The Receiver is authorized and directed to negotiate, execute and deliver all documents necessary to consummate the Sale with the Buyer on the same general terms and conditions as the APA with such changes as the Receiver, in his sole discretion, deems necessary or desirable, and is further authorized to execute other ancillary agreements and other documents to sell the Assets and to complete the Sale of the Assets without further order of this Court free and clear of all Interests (except for the DOE/DETR Required Amounts), as long as the terms and conditions of the APA and other documents are not materially worse, in the aggregate, to the School, or materially worse

with respect to the interests of individual secured creditors, than the terms and conditions contained in the APA;

T. The School has good title to the Assets, and accordingly the sale of such Assets to the Buyer will be a legal, valid and effective sale of the Assets;

U. The terms and conditions of the APA were negotiated, proposed and entered into in good faith, from arm's length bargaining positions by the Receiver and the Buyer and constitute the highest or otherwise best offer for the Assets after a period in which third parties had ample opportunity to seek information and enter into discussions or negotiations with the Receiver concerning a sale of the Assets. The Buyer is entitled to the protections of a good faith purchaser with respect to the Sale approved hereby;

V. The APA is conditioned upon several events, which include (i) all of the terms and conditions of the sale must be approved by the Court through an Order of Sale and the Order of Sale must be final and not appealable; (ii) the sale must be free and clear of all Interests (except for the DOE/DETR Required Amounts); and (iii) obtaining necessary approvals from the Governing Authorities and Educational Agencies (as defined in the APA). The Buyer will not consummate the transactions contemplated in the APA, thus adversely affecting the School, its creditors and its students, if the sale of the Assets to the

Buyer is not free and clear of all Interests, or if the Buyer would, or in the future could, be liable for any of the Interests (except for the DOE/DETR Required Amounts);

W. The Receiver does not have any interest in Buyer or any party affiliated with Buyer;

X. The Sale was non-collusive, fair and reasonable and conducted in good faith.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Sale of the Assets is approved and authorized on terms consistent with those in the APA which is attached to the Sale Motion and made a part hereof;

2. Any objections to the Sale Motion or the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are overruled on the merits;

3. The APA is hereby approved and the Receiver is hereby authorized and empowered to fully perform thereunder and to consummate the sale as contemplated under the APA on the same general terms and conditions as the APA. To the extent that changes are needed to consummate the sale as contemplated under the APA, the Receiver, in his sole discretion and without further order of this Court, is authorized to execute such additional instruments and documents that may be reasonably necessary or desirable to implement the APA and to take all further actions as may reasonably be requested by the Buyer for the purpose of

selling, assigning, transferring, granting, conveying and conferring to the Buyer, or reducing to the Buyer's possession, any or all of the Assets free and clear of all Interests;

4. As of the closing of the Sale of the Assets, the sale of the Assets to the Buyer will be a legal, valid, enforceable, and effective sale of the Assets, and will vest the Buyer with all right, title, and interest in the Assets free and clear of all Interests (except for the DOE/DETR Required Amounts);

5. Except as may be expressly permitted by the contemplated APA, all persons and entities holding liens or interests, including the Secured Claimants, are hereby barred from asserting such liens or interests against the Buyer, its successors or assigns, or the Assets;

6. Proper, timely, adequate and sufficient notice of the proposed Sale has been provided by the Receiver to all relevant parties, and no other or further notice is required;

7. The foregoing notwithstanding, the provision of this Order authorizing the Sale of the Assets free and clear of all Interests (except for the DOE/DETR Required Amounts) shall be self-executing, and notwithstanding the failure of the Receiver, the Buyer or any other party to execute, file or obtain releases, discharges, termination statements, assignments, consents or other instruments to effectuate, consummate and/or implement the provisions hereof or the contemplated APA with respect to the Sale of the Assets, all liens, claims, encumbrances and interests on

such Assets shall be deemed released and shall attach to the proceeds of the Sale except for the DOE/DETR Required Amounts;

8. This Order shall be binding upon and govern the acts of all entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons or entities who may be required by operation of law, the duties of their office or contract to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report to or insure title or state of title in or to any of the Assets;

9. From and after entry of this Order, neither the School nor any creditor or other party in interest shall take or cause to be taken any action that would interfere with the sale of the Assets to the Buyer in accordance with the terms of this Order;

10. From and after entry of this Order, no creditor or other party in interest shall assert any claims or take any legal or other actions relating to the Assets to be sold to Buyer, before the closing of the Sale against Buyer, its principals or the Assets;

11. The Receiver is authorized to execute such other documents as are necessary or desirable to implement this Order;

12. This Court shall retain jurisdiction (i) to enforce and implement the terms and provisions of the contemplated APA and all amendments thereto, any

waivers and consents thereunder and any other agreements executed in connection therewith, (ii) to resolve any disputes arising under or related to the APA, except as otherwise provided therein, and (iii) to interpret, implement and enforce the provisions of this Order.

13. The *Objection of* _____ (the "XXX Objection") filed by _____ ("XXX") is hereby resolved as follows:

14. Pursuant to Fed. R. Civ.R. 54(B), this Order is a final Order and there is no just reason for delay.

IT IS SO ORDERED.

Date: _____

_____
MAGISTRATE JUDGE THOMAS M. PARKER

_____
JUDGE DAN AARON POLSTER

Respectfully submitted,

/s/ Mary K. Whitmer
Mary K. Whitmer (0018213)
James W. Ehrman (0011006)
Robert M. Stefancin (0047184)
WHITMER & EHRMAN LLC
2344 Canal Road, Suite 401
Cleveland, Ohio 44113-2535
Telephone: (216) 771-5056
Email: mkw@weadvocate.net

Attorney for Mark E. Dottore, Receiver
4833-4928-1692, v. 1

EXHIBIT E

Buyer's Certificate from the Nevada Secretary of State

4840-1709-0716, v. 1

SECRETARY OF STATE

STATE OF NEVADA

CERTIFICATE OF EXISTENCE WITH STATUS IN GOOD STANDING

I, Barbara K. Cegavske, the duly elected and qualified Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, non-profit corporations, corporation soles, limited-liability companies, limited partnerships, limited-liability partnerships and business trusts pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent of 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **SAVE THE ART INSTITUTE OF LAS VEGAS LIMITED**, as a limited liability company duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada since January 25, 2019, and is in good standing in this state.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on July 10, 2019.

Barbara K. Cegavske

Barbara K. Cegavske
Secretary of State

Certified By: Paul Reyes
Certificate Number: C20190710-1431

AMENDMENT TO THE ASSET PURCHASE AGREEMENT

This AMENDMENT is made and entered into as of July 24, 2019 by and between **SAVE THE ART INSTITUTE OF LAS VEGAS LIMITED**, a Nevada limited liability company, its designee or assignee ("Buyer"), and **THE ART INSTITUTE OF LAS VEGAS, LLC**, an Arizona nonprofit limited liability company that is registered in the State of Nevada as **The DC Art Institute of Las Vegas, LLC** the ("School") , by and through Mark E. Dottore, Receiver ("Seller"), appointed by the United States District Court for the Northern District of Ohio, Eastern Division (the "Court"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Asset Purchase Agreement ("APA") executed on July 15, 2019

RECITALS:

WHEREAS, on July 15, 2019, Seller and Buyer entered into an Asset Purchase Agreement for the purchase of the School.

WHEREAS, Seller and Buyer desire to amend certain provisions of the APA as set forth herein;

WHEREAS, pursuant to Section 10.12 (Amendment; Waiver) of the APA, the APA may be amended in writing signed by Seller and Buyer.

WHEREAS, upon the execution of the APA, on July 15, 2019, Receiver filed an Emergency Motion of Mark E. Dottore, Receiver of The Art Institute of Las Vegas, LLC, for an Order Authorizing the Sale of Substantially all of the Assets of The Art Institute of Las Vegas, LLC, Free and Clear of All Liens, Encumbrances, Claims, and Other Interests (With Certain Exceptions) and for Transfer of the Interests of Unpaid Holders of Interests to the Proceeds of the Sale ("Motion") with the Court.

WHEREAS, per the order of the Court, good faith objections to the Motion had to be filed on or before 5:00 p.m. on July 23, 2019.

WHEREAS, on July 23, 2019, Studio Enterprise Manager, LLC ("Studio") filed a limited objection to the Motion seeking inclusion of certain changes to the APA.

NOW, THEREFORE, in consideration of the premises and performance of the terms and conditions contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer and Seller agree to amend the APA as follows:

1. The last sentence of the definition of "Accounts Receivable" in the APA is hereby deleted in its entirety and replaced with the following:

> "Accounts Receivable shall not include any account receivable that Studio or its affiliates are entitled to, including pursuant to that certain Amended and Restated Framework

Agreement, dated January 7, 2019, by and among Studio, Seller, Dream Center Education Holdings, LLC and the other parties thereto."

2. The last sentence of the definition of "Excluded Receivables" in the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"Excluded Receivables shall include any account receivable that Studio or its affiliates are entitled to, including pursuant to that certain Amended and Restated Framework Agreement, dated January 7, 2019, by and among Studio, Seller, Dream Center Education Holdings, LLC and the other parties thereto."

3. The following language shall be added to the end of Section 5.4 of the APA:

"Notwithstanding the foregoing, any data or access provided hereunder expressly excludes any information or data of any other schools or students of any other schools."

4. This Amendment shall modify and amend the APA to the extent, and only to the extent, expressly set forth herein (it being the intent of the Buyer and Seller that all of the terms and provisions of the APA that are not expressly amended, modified, waived or replaced hereunder shall be unaltered and shall remain in full force and effect.) From and after the date hereof, all references in the APA to "this Agreement" "herein", "hereunder" and words of like import shall mean and refer to the APA as amended hereby.

5. This Amendment shall be governed and construed in accordance with the laws of the State of Ohio, without regard to the conflicts of law or rules of such state, to the extent such principles or rules would require or permit the application of the laws of another jurisdiction.

6. Facsimiles, e-mail transmission of pdf. signatures or other electronic copies of signatures shall be deemed to be originals.

7. No provision of this Amendment is intended to confer any rights, benefits, remedies or liabilities hereunder upon any Person other than the Parties to the APA and their respective successors and permitted assigns.

[Remainder of Page Intentionally Left Blank, Signature page to follow]

IN WITNESS WHEREOF, this Agreement has been executed by or on behalf of each of the Parties below as of the date first above written.

BUYER:

Save The Art Institute Las Vegas Limited

By: _____
Name: William Turbay
Title: Manager

SELLER:

By: _____
Name: Mark E. Dottore, solely in his capacity as receiver for The Art Institute of Las Vegas, LLC pursuant to that certain Order Appointing Receiver entered on January 18, 2019, by the United States District Court for the Northern District of Ohio, Eastern Division

[Signature Page to Amendment to Asset Purchase Agreement]

4830-7336-4893, v. 3

ATTACHMENT D

EMERGENCY MOTION OF MARK E. DOTTORE, RECEIVER OF THE ART INSTITUTE OF LAS VEGAS, LLC, FOR AN ORDER AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE ART INSTITUTE OF LAS VEGAS, FREE AND CLEAR OF LIENS, ENCUMBRANCES, CLAIMS AND OTHER INTERESTS (WITH CERTAIN EXCEPTIONS) AND FOR TRANSFER OF THE INTERESTS OF UNPAID HOLDERS OF INTERESTS TO THE PROCEEDS OF SALE

(See Attached)

ATTACHMENT D

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

DIGITAL MEDIA SOLUTIONS, LLC,	)	**CASE NO. 1:19-cv-145**
	)	
Plaintiff,	)	**JUDGE DAN AARON POLSTER**
	)	
v.	)	**MAGISTRATE JUDGE THOMAS M. PARKER**
	)	
SOUTH UNIVERSITY OF OHIO, LLC, *et. al.*,	)	
	)	
	)	
Defendants.	)	

EMERGENCY MOTION OF MARK E. DOTTORE, RECEIVER OF THE ART INSTITUTE OF LAS VEGAS, LLC, FOR AN ORDER AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE ART INSTITUTE OF LAS VEGAS, LLC FREE AND CLEAR OF ALL LIENS, ENCUMBRANCES, CLAIMS, AND OTHER INTERESTS (WITH CERTAIN EXCEPTIONS) AND FOR TRANSFER OF THE INTERESTS OF UNPAID HOLDERS OF INTERESTS TO THE PROCEEDS OF THE SALE

Mark E. Dottore, (the "**Receiver**") duly appointed and acting Receiver, hereby moves this honorable Court, pursuant to the Order appointing him, federal common law and Fed. R. Civ. P. 66, and Rule 66.1(c) and (d) of the Local Rules for the United States District Court for the Northern District of Ohio for the entry of an Order, (i) authorizing the sale of substantially all of the assets (the "**Assets**") of The Art Institute of Las Vegas, LLC, an Arizona nonprofit limited liability company that is registered in the State of Nevada as the DC Art Institute of Las Vegas, LLC OPE ID #04051300, (the "**School**"), to Save the Art Institute of Las Vegas Limited, a Nevada limited liability company, or its assignee (the "**Buyer**"), consistent with the terms of an Asset Purchase Agreement (the "**APA**") attached hereto as Exhibit A; (ii) determining and directing that the sale of the Assets is free and clear of all

mortgages, pledges, security interests, liens, encumbrances, claims, charges, and any other interests of any kind or type whatsoever (the "**Interests**"), except for amounts that are required to be paid as part of the process of approval of the Sale by the United States Department of Education (the "**DOE**") or the Nevada Department of Employment, Training and Rehabilitation, Commission of Postsecondary Education (the "**DETR**") (the "**DOE/DETR Required Amounts**"); (iii) transferring all unpaid claims of persons holding Interests (the "**Claimants**") in the Assets to the proceeds of sale; and (iv) granting such other and further relief as is warranted in the circumstances.

This Motion is brought on emergency basis because there are imminent deadlines approaching that must be met for the School to be able to continue to operate. Until the approval of the sale, Buyer is unable to obtain finances that are necessary to continue to operate the School nor is Buyer able to submit applications or other necessary documentations to Governing Authorities or Educational Agencies (as defined in the APA) that are imperative to keep the School in compliance. Also, there is a substantial risk of (i) loss of accreditation from the Accrediting Counsel for Independent Colleges and Schools ("**ACICS**") and American Culinary Federation Education Foundation's Accrediting Commission ("**ACFEFAC**"), (ii) loss of eligibility to participate in federal student aid programs, and (iii) loss of School's State's licensure. The School simply cannot continue as an educational institution for even a short time without financial assistance and therefore immediate action by this Court is required to approve the sale of the

School. As this Court is well aware, the most important to all of this are the students, and if the School ceases to operate as an educational institution, its students will be unable to complete their programs of study and they will be detrimentally hurt.

In support of this Motion, the Receiver says as follows:

PROCEDURAL HISTORY

1. This Court appointed the Receiver on January 18, 2019, on an emergency basis, pursuant to its Order Appointing Receiver [Dkt. No. 8] (the "**Initial Receiver Order**"). On January 25, 2019, after discussions with the secured lenders of the Receivership Entities, the Receiver filed his *Motion of Mark E. Dottore, Receiver for Entry of Order Clarifying Order Appointing Receiver* [Docket No. 12], pursuant to which the Court entered the Clarifying Order, *nunc pro tunc* to the entry of the Initial Receiver Order. [Dkt. No. 14].

2. On February 25, 2019, the Receiver filed his *Motion of Mark E. Dottore Receiver for Entry of Amended Order Appointing Receiver*, seeking the entry of an Amended Order Appointing Receiver (the "**Amended Receiver Order**"), incorporating changes requested by persons with significant interests in the Receivership Entities and the operations of the receivership proceedings, including government entities and lenders. The various iterations of the orders appointing the Receiver shall be referred to herein as the "**Receiver Order,**" when the differences between the Initial Receiver Order, the Clarifying Order and the

Amended Receiver Order (if entered by the Court) are insignificant for the purposes of this Motion.

JURISDICTION AND AUTHORITY OF THE RECEIVER

3. The relief requested in this motion is governed by FED. R. CIV. P. 66, Rule 66.1(c) and (d) of the Local Rules for the United States District Court for the Northern District of Ohio (the "**Local Rules**"), federal common law and the Receiver Order.

4. The Interim Receiver Order provides,

> 2.n. The Receiver is authorized to negotiate and effect an orderly sale, transfer, use or assignment of all or a portion of any of the Property in or outside of the ordinary course of business of the Receivership Entities and, for the proceeds thereof, to pay the secured and unsecured indebtedness of the Property, including the Real Property . . . The Receiver is authorized to conduct such a sale of the Property in any manner which he, in his good faith and reasonable discretion, believes will maximize the proceeds received from the sale.

5. The Amended Receiver Order provides that the Receiver's authority to negotiate and effect a sale of the assets is subject Paragraphs 13 and 14 of the Amended Receiver Order. Paragraph 13 affirms that the regulatory authority of the United States may not be stayed or constrained and Paragraph 14 affirms the validity of the Federal Priority Statute, 31 U.S.C. § 3713.

FACTS AND HISTORY

6. Dream Center Education Holdings LLC ("**DCEH**") is a not for profit holding company. Prior to the commencement of this case, DCEH held the equity interests of Argosy University of California, LLC, Dream Center South University,

LLC, and The Arts Institutes International, LLC, an Arizona nonprofit LLC. Please see the First Report of Receiver [Dkt. No. 91], which is fully incorporated herein for further information as to DCEH's structure.

7. DC Art Institute of Phoenix, LLC (**"DC AiP"**), an Arizona nonprofit LLC, is the parent and the sole member of The Art Institute of Las Vegas, LLC, an Arizona nonprofit limited lability company which is registered in the State of Nevada as The DC Art Institute of Las Vegas, LLC. Buyer wishes to purchase all of the assets of the School used in the operation of the School, whether tangible or intangible, and assume certain liabilities and contracts of the School as set forth in the APA.

8. On or about March 28th, 2019, the Receiver on behalf of the School entered into a Managed Services Agreement ("MSA") with Buyer whereby Buyer agreed to provide certain Core services (as defined in the MSA) in support of the School's academic mission and purpose and that certain Non-Core services would be provided by DCEH pursuant to a Transition Service Agreement ("TSA").

THE SALE TRANSACTION

9. On March 28, 2019, Receiver on behalf of the School entered into a Memorandum of Understanding ("MOU") with Buyer to acquire substantially all of the assets of the School used in the operation of the School, whether tangible or intangible.

10. Subsequently, on July 15, 2019, the Receiver on behalf of the School entered into an Asset Purchase Agreement with Buyer to acquire all of the assets of the School used in the operation of the School, whether tangible or intangible.

11. The APA sets forth the following terms and conditions:

a. Buyer shall acquire substantially all of the assets of the School used in the operation of the School, whether tangible or intangible ("**Assets**"), and assume certain scheduled liabilities of the School including those liabilities which Buyer already committed to under the MSA (the "**Transaction**").

b. Consideration for the Transaction is Two Hundred and Fifty Thousand Dollars ($250,000.00) as adjusted under the terms of the APA.

c. Conditions to closing include:

1.) Receiver obtaining a final order (the "**Sale Order**") from this Court authorizing and approving the Transaction and ordering that (i) Buyer shall receive the Assets of the School free and clear of Interests (except for DOE/DETR Required Amounts); and (ii) the time to appeal Sale Order shall have lapsed.

2.).Each party hereto shall bear and pay its own fees and expenses and shall have no responsibility or obligation of any other party's fees or expenses.

3.).Closing shall occur no later than three (3) business days following Buyer's receipt of all Governmental Approvals and Educational Approvals or such other date as the Buyer and Seller may mutually determine, provided, however, the time period may be extended if a party to this action files an appeal of the Sale Order. In addition, the APA states that other regulatory requirements and pre-conditions may otherwise determine the date of the Closing.

THE SALE TRANSACTION IS CONSISTENT WITH SOUND BUSINESS JUDGMENT AND IS IN THE BEST INTEREST OF CREDITORS AND OTHER INTERESTED PARTIES, INCLUDING STUDENTS

12. Since his appointment in this case, the Receiver has marketed all of the Assets in a manner that was designed to attract the maximum number of

individuals and groups with an interest in purchasing the School. Prior to the appointment of the Receiver, the School advertised itself for sale to a willing buyer.

13. In addition to the marketing efforts by the Receiver and the School, this case has been the subject of extensive press coverage. Through the press coverage and through earlier efforts to sell the institution, the Receiver's interest in a sale transaction and its financial situation were widely known among educators, educational institutions and investors in educational institutions. The Receiver's business judgment is that no further marketing is required to produce interested purchasers.

14. Immediately after his appointment, the Receiver was approached by the Buyer. The APA submitted by Buyer is the highest and best offer received for the Assets. It represents the highest in terms of money offered for the Assets and also includes the opportunity to continue the institution and honor the students' wishes to complete their programs of study. The APA offers the School's creditors the most money and the School's students an uninterrupted education. Principals of Buyer have demonstrated postsecondary education experience and knowledge and are more likely than other prospective purchasers to be successful in obtaining approvals from regulatory authorities which are required to complete the sale transaction. Buyer also seeks to close at the earliest possible time and demonstrates the financial wherewithal to do so. A sale to Buyer is consistent with good business judgment and is approved by this Court.

15. The Buyer must have authority to complete the sale transaction through entry of an Order of Sale and submit an application for the change of control before July 31, 2019, or else it is possible that the School's license will be revoked. Even if the license is renewed, provisionally or permanently, absent an Order approving the sale transaction, there is a substantial risk of loss of accreditation from the Accrediting Counsel for Independent Colleges and Schools ("**ACICS**") and American Culinary Federation Education Foundation's Accrediting Commission ("**ACFEFAC**").

16. In short, the Buyer must close this transaction before July 31, 2019, or risk closure and/or loss of eligibility to participate in federal student aid programs. The failure to qualify for these programs is critical; the School cannot continue as an educational institution for even a short time without financial assistance, and without financial assistance, the Assets will be substantially devalued and/or the School will close.

17. The Assets are more valuable when sold as a "going concern," that is, as an educational institution. The sale to Buyer will also benefit the School's students, faculty and the community as the school will remain open. In order to sell the Assets as a continuing educational enterprise in good standing, the Seller must complete its sale transaction immediately, as it cannot continue to operate as an educational institution even for a short time without financial assistance and is in danger of losing both its accreditation and its ability to participate in federal student aid programs.

18. The Receiver asserts that approval of the Sale Motion and consummation of the Sale to the Buyer at this time is in the best interests of the School, its creditors and its students. The Receiver further asserts that in his best business judgment, the sale transaction on the terms and conditions set forth in the APA, is in the best interest of students, creditors and the community. Sound business judgment includes, but is not limited to, the fact that (i) there is a risk of immediate and irreparable loss of value of the Assets if the School ceases to operate as an educational institution, (ii) its students will be unable to complete their programs of study, (iii) the consummation of the transaction contemplated under the APA presents the best opportunity to realize the value of the Assets to avoid further decline and devaluation thereof; (iv) the sale is at arm's length; and (v) the Receiver has exercised reasonable diligence and good faith judgment.

19. The consideration to be paid by the Buyer for the Assets constitutes adequate and fair value for the Assets and the terms and conditions of the APA are fair and reasonable.

LIENS AND ENCUMBRANCES

Liens reported against the Assets to be sold are as follows:

a. Non-consensual interests obtained by the United States Government pursuant to 31 U.S.C. § 3713, known as the "federal priority statute";

b. U.S. Bank National Association, as Collateral Agent under the Senior Secured Credit an Guaranty Agreement, dated as of October 17, 2017, by The Dream Center Foundation and the other parties thereto; collateral is

all assets of the Debtor (DCEH), whether now owned or hereafter acquired;

c. U.S. Bank National Association, as Collateral Agent under the Senior Secured Credit an Guaranty Agreement, dated as of January 5, 2015, by Education Management II LLC and the other parties thereto; collateral is all assets of the Debtor (DCEH), whether now owned or hereafter acquired;

d. Great American Insurance Company; the collateral is all rights of the Debtors (DCEH and The Arts Institutes International, LLC, Dream Center Argosy University of California, LLC) growing out of bonds issued by Great American on behalf of Debtors and any of Debtors' subsidiaries and related entities (etc);

e. Studio Enterprise Manager, LLC claims a lien and/or an interest on all of the assets in the Receivership Entities including but not limited to The Arts Institutes of California, San Diego and the Art Institute of Seattle, LLC, and Accounts Receivable campuses located at Hollywood, Inland Empire, Orange County, Sacramento, and San Francisco;

f. Dream Center Argosy University of California LLC has a lien on "Contributed Receivables," which is accounts due from student Account Debtors at various Argosy University campuses;

g. Studio Enterprise Manager, LLC has a right of first refusal on Argosy and various other campuses.

LAW AND ARGUMENT

This Court has the authority to approve a sale of the Assets free and clear of all Interests, and to transfer the Interests to the proceeds derived from the respective sales of the Assets. The Court's authority to impose and administer this receivership is derived from its inherent powers as a court of equity. See *S.E.C. v. Forex Asset Mgmt., LLC*, 242 F.3d 325, 331 (5th Cir. 2001); U.S. v. Durham, 86 F.3d 70, 72 (5th Cir. 1996); see also Fed. R. Civ. P. 66 ("The practice in the administration of estate by receivers . . . shall be in accordance with the practice heretofore followed in the courts of the United States or as provided in rules promulgated by the district court."). A federal court exercises "broad powers and wide discretion" in crafting relief in an equitable receivership proceeding. See *S.E.C. v. Basic Energy & Affiliated Res., Inc.*, 273 F.3d 657, 668 (6th Cir. 2001).

The goal of a receiver charged with liquidating assets is to obtain the best value for the estate available under the circumstances. *Fleet Nat'l Bank v. H& D Entm't, Inc.*, 926 F. Supp. 226, 239-40 (D.C. Mass. 1996) (citing *Jackson v. Smith*, 254 U.S. 586 (1921)). The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. See, e.g., *Four B. Corp. v. Food Barn Stores, Inc.*, 107 F.3d 558, 564-65 (8th Cir. 1997). Moreover, courts have recognized that a receiver's business judgment is entitled to significant deference when selecting the appropriate methods to achieve this goal. See, e.g., *Golden Pac. Bancorp v. F.D.IC.*, 2002 WL 31875395 (S.D.N.Y. 2002); aff'd sub nom, *Golden Pac. Bancorp. v. F.D.I.C.*, 375 F.3d 196 (2nd Cir. 2004) (recognizing receivers are

afforded deference in corporate decision making); *In re JFD Enter., Inc.*, 2000 WL 560189, *5 (1st Cir. 2000) ("The trustee has ample discretion to administer the estate, including authority to conduct public or private sales of estate property. Courts have much discretion on whether to approve proposed sales, but the trustee's business judgment is subject to great judicial deference.") (internal citations omitted). 51.

This Court's broad authority over a receivership estate includes the equitable power "to sell property free of liens, transferring the lien to the proceeds." *Seaboard Natl. Bank v. Rogers Milk Prod. Co.*, 21 F.2d 414, 416 (2nd Cir. 1927); see also *First Natl. Bank v. Shedd*, 121 U.S. 74 (1887) (affirming the sale of railroad property deteriorating in value free and clear of liens); *F.T.C. v. Trudeau*, No. 03-C-3904 (N.D. Ill. May 27, 2014) (order approving sale of receivership assets free and clear of encumbrances, liabilities, and claims); *S.E.C. v. Pearson, No. 14 C 3785* (N.D. Ill. June 9, 2014) (order approving sale liens, claims, encumbrances, and interests); *Quilling v. Trade Partners, Inc.*, 2007 WL 296211 (W.D. Mich. 2007) (approving receiver's sale of property free and clear of all liens and encumbrances); *Stoder v. Am. Crushing 18 & Recycling, LLC*, 2006 WL 438615 (Conn. Super. Ct. 2006) (granting receiver's motion to sell property free and clear of liens); *Parks v. Carlisle Clay Prod. Co. of Carlisle*, 276 N.W. 591 (Iowa 1937) (allowing a receiver to sell the assets of the corporation free of liens and encumbrances).

Under Local Rule 66.1, the Court is to administer receivership estates "similar to that in bankruptcy cases." It is a bedrock principle of bankruptcy law

that bankruptcy courts (which are courts of equity like courts administering receivership estates) may authorize the sale of estate assets free and clear of all liens and interests. See 11 U.S.C. § 363.

OBJECTIONS

By a separate Motion filed contemporaneously herewith, and for the reasons stated herein, the Receiver is requesting the shortening of time for the filing of objections to the sale, and for an expedited hearing date.

NOTICE TO INTERESTED PARTIES

The Receiver will notify all interested parties of the sale of the Assets. Specifically, the Receiver will notify the all parties to the lawsuit, the federal, state and local taxing authorities, all secured lenders, unsecured creditors that have demonstrated an interest in the Assets, the Attorney General of the State of Nevada, the Accreditors, and other parties that the Receiver believes would have an interest in the sale or who have requested that they be notified of any sale. Notice shall consist of this Motion, with its exhibits, and any Notice of Hearing required to be served by this Court. Upon completion of the notice to interested parties, the undersigned will file an appropriate Certificate of Service with this Court.

WHEREFORE the Receiver moves this honorable court for an order authorizing and approving the sale of the Assets free and clear of the Interests and for the transfer of the Interests of the Claimants to the proceeds of the Sale to be paid by further order of this Court as their interests appear under the law and for such other and further relief as is just.

Date: July 15, 2019

WHITMER & EHRMAN LLC

/s/Mary K. Whitmer
Mary K. Whitmer (0018213)
James W. Ehrman (0011006)
2344 Canal Rd., Suite 401
Cleveland, OH 44113
Telephone: (216) 771-5056
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Email: mkw@weadvocate.net

Attorneys for the Receiver

FINAL EXECUTION COPY July 15, 2019

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of July [15th], 2019 ("**Effective Date**"), by and between **SAVE THE ART INSTITUTE OF LAS VEGAS LIMITED**, a Nevada limited liability company, its designee or assignee ("**Buyer**"), and **THE ART INSTITUTE OF LAS VEGAS, LLC**, an Arizona nonprofit limited liability company that is registered in the State of Nevada as **The DC Art Institute of Las Vegas, LLC**, by and through Mark E. Dottore, Receiver ("**Seller**"), appointed by the United States District Court for the Northern District of Ohio, Eastern Division (the "**Court**"). Buyer and Seller may be referred to in this Agreement individually as a "Party" and collectively, as the "**Parties.**"

RECITALS:

A. Seller owns and operates a private nonprofit, ACICS accredited and Title IV Program participating (i.e. under OPE ID # 04051300) institution of postsecondary education offering all or a portion of many academic degree and credential programs in design, media arts, fashion and culinary arts at 2350 Corporate Circle, Suite 100, Henderson, Nevada 89074 (the "School").

B. Pursuant to that certain Order Appointing Receiver (the "Appointment Order") entered on January 18, 2019, by the Court in Case No. 1:19-cv-145, Mark E. Dottore ("Receiver") was appointed receiver of various entities, including Dream Center Education Holdings, LLC. The term "Seller" as used in this Agreement shall mean the School by and through its Court appointed Receiver in connection with the sale of the Purchased Assets.

C. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Purchased Assets (as hereinafter defined) held in connection with, necessary for, or material ownership and operations of the School (excluding, for the avoidance of doubt, the Excluded Assets), on terms and conditions set forth in this Agreement (the "Transaction").

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants, agreements and representations set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

ARTICLE I
DEFINITIONS

The terms set forth in this ARTICLE I have the following meanings when used in this Agreement:

"Accounts Receivable" means all accounts receivable and all notes, bonds and other evidence of indebtedness of and rights to receive payments arising out of tuition payments or sales occurring in the usual conduct of the School, including but not limited to VA funds, Title IV funds and all student cash paid tuition made by students from April 1, 2019 forward.

Accounts Receivable shall not include any account receivable that Studio is entitled to receive pursuant to the Irrevocable Direction Letter Regarding Certain Accounts Receivable dated February 27, 2019.

"Accrediting Body" means any non-governmental entity, including without limitation institutional and specialized accrediting agencies, which engage in the granting or withholding of accreditation of postsecondary educational institutions or programs, or accreditation of private elementary and secondary schools or programs, in accordance with standards relating to the performance, operations, financial condition or academic standards of such institutions and schools, including, without limitation, ACICS, ACF or CIDA.

"ACF" means the American Culinary Federation.

"ACICS" means the Accrediting Council for Independent Colleges and Schools

"Actions" or "Proceedings" means any claim, action, cause of action, suit, demand, inquiry, proceeding, audit, hearing, subpoena, investigation, charge, notice of violation, citation, summons, litigation or suit (of any nature, whether civil, criminal, administrative, regulatory, judicial or investigative, whether formal or informal, whether public or private, whether at law or in equity) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or Educational Agency, or any other arbitration, mediation or similar proceeding.

"Adverse Regulatory Condition" shall mean any term or condition that would impede Buyer from operating the School in the same manner and to the full extent it is currently being operated by Seller, impose any conditions that would dilute, in any material respect, the benefits of the contemplated transactions to Buyer and its Affiliates or otherwise require any provision of credit support by Buyer or any of its Affiliates.

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control," including the terms "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of at least fifty percent (50%) of the voting securities, by contract or otherwise, including the ability to elect a majority of the members of the governing board of such Person.

"Agreement" means this Asset Purchase Agreement, including all Exhibits and Schedules hereto, as the same may be amended from time to time in accordance with its terms.

"Applicable Law" or "Law" means any federal, state, or local law, statute, Regulation, rule, ordinance, order, judgment, decision, or decree by any Governmental Authority applicable to Seller and Buyer.

"Assignment and Assumption Agreement" means that assignment and assumption agreement to be executed by Buyer and Seller, in the form attached as Exhibit A.

"Assumed Contracts" means all enrollment agreements and those contracts listed on Schedule I attached hereto.

"Assumed Liabilities" means all liabilities of Seller arising or to be performed after the Closing under the Assumed Contracts (but not related to matters, facts or circumstances existing at, prior to or as a consequence of Closing) as identified in Schedule 2.2.

"Bill of Sale" means that bill of sale to be executed by Seller, in the form attached as Exhibit B.

"Business Records or Business Data" means all data or information, in any format, collected, generated, or used in the Ordinary Course of Business or necessary for the conduct of the Business, including, without limitation, records relating to accreditation, all financial data relating to the Business, all educational and student records or data, including all financial, educational and student data contained in any databases including on the Shared IT Platform that are used in or necessary for the conduct of the Business of the School.

"Business" means the business of the School.

"CIDA" means the Council for Interior Design Accreditation.

"Claim" or "Claims" will have the meaning set forth in section 101(5) of the U.S. Bankruptcy Code.

"Closing" has the meaning given that term in Section 7.1 of this Agreement.

"Closing Date" has the meaning given that term in Section 7.1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Curriculum" means all curricula owned by Seller and used in any educational programs of the School in the form of computer programs or software, slide shows, texts, films, web site content, audio, videos or any other form or media, including the following items: School catalog (without reference to AI or AILV), faculty notes, course and faculty evaluation materials, syllabi for all classes for the School, student handbook, faculty handbook policy and procedure manuals, program and course curricula, program and course materials, academic policies, procedures and standards, handbooks and guidebooks. Curriculum does not include any online courses or programs.

"DETR" means the Nevada Department of Employment, Training and Rehabilitation, Commission of Postsecondary Education.

"DOE" means the United States Department of Education and any successor agency administering student financial assistance under Title IV.

"Educational Agency" means any entity or organization, whether governmental, government chartered, tribal, private, or quasi-private, that engages in granting or withholding Educational Approvals, administers Financial Assistance Programs to or for students of, or

otherwise regulates postsecondary schools or programs, in accordance with standards relating to the performance, operation, financial condition, privacy or academic standards of such schools and programs, including DOE and any Accrediting Body or State Educational Agency.

"Educational Approval" means any license, Permit, consent, franchise, approval, authorization, certificate, or accreditation issued or required to be issued by an Educational Agency to Buyer with respect to any aspect of the School and Seller's campus operations subject to the oversight of such Educational Agency, including any such approval for the Buyer and the School to participate in any Financial Assistance Program.

"Educational Notices/Consents" means any approval, authorization or consent by any Educational Agency, or any notification to be made by Buyer with the cooperation of Seller to an Educational Agency, with regard to the transactions contemplated by this Agreement, whether required to be obtained prior to or after the Closing Date, which is necessary under applicable Laws or Regulations in order to maintain or continue any Educational Approval held by Seller or its School as of the date of this Agreement.

"Educational Law" means any United States federal, state, local or similar statute, Law, ordinance, Regulation, rule, Accrediting Standard, code, order or standard, including the provisions of Title IV and any Regulations implementing or relating thereto, issued or administered by any Educational Agency or any Financial Assistance Program.

"Employee Benefit Plan" means any "employee benefit plan" (as such term is defined in ERISA §3(3)) and any other compensation or benefit plan, program policy, practice, agreement, understanding or arrangement of any kind, including, without limitation, all incentive, bonus, severance, change in control, deferred compensation, vacation, holiday, cafeteria, medical or disability.

"Encumbrance" means any mortgage, encumbrance, charge, Claim, community property interest, condition, equitable interest, Lien, option, pledge, security interest, right of first refusal or restriction of any kind, including any restriction on use, voting, transfer (other than restrictions on transfer under applicable securities laws), receipt of income or exercise of any other attribute of ownership.

"Environmental Laws" means all federal, state, and local laws, rules, Regulations, and binding governmental determinations relating to environmental, health, and safety matters (including, without limitation, those relating to toxic or hazardous substances), including, without limitation, the Clean Air Act, the Clean Water Act, the Solid Waste Management Act (as amended by the Resource Conservation and Recovery Act), CERCLA (as amended by the Superfund Amendments and Reauthorization Act), the Emergency Planning and Community Right-to-Know Act, the Toxic Substances Control Act, and the Occupation Safety and Health Act."

"Environmental Liabilities" means any Liability or investigatory, corrective or remedial obligation, whenever arising or occurring, arising under Environmental Laws with respect to the School or the Purchased Assets (including without limitation any arising from the on-site or off-

site release, threatened Release, treatment, storage, disposal, or arrangement for disposal of hazardous substances).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Excluded Assets" means:

(1) all bank accounts of Seller.

(2) all rights to receive mail and other communications addressed to Seller relating to any of the Excluded Assets or Excluded Liabilities;

(3) all company records of Seller, including minute books and Organizational Documents;

(4) all personnel and other records of Seller required by Applicable Law to be retained by the Seller;

(5) all contracts and agreements, whether written or oral, to which Seller is a party other than the Assumed Contracts;

(6) any Excluded Receivables; and

(7) Trademark and tradename "The Art Institute of Las Vegas"; "AI"; "Art Institute" or any variation thereof or similar names and nomenclature;

(8) any assets of Seller not used or held for use by the School.

Notwithstanding the foregoing, however, the Excluded Assets shall not include Accounts Receivable or any funds in Seller's bank accounts or otherwise held by Seller that Seller received or is to receive for tuition or otherwise for the 2019 Spring Quarter, 2019 Summer Quarter and all subsequent quarters, including but not limited to VA funds and Title IV funds from April 1, 2019 forward.

"Excluded Liabilities" has the meaning given that term in Section 2.2.

"Excluded Receivables" means any student receivable of the School in existence at the Closing Date that are attributable to the 2019 Winter Quarter or any prior quarters and all causes of action pertaining to the collection of the foregoing. Excluded Receivables shall not include any account receivable that Studio is entitled to receive pursuant to the Irrevocable Direction Letter Regarding Certain Accounts Receivable dated February 27, 2019.

"Financial Assistance Programs" means the Title IV Program pursuant to which Title IV Program funding has been provided to or on behalf of the School's students, and any other government-sponsored or private program of student financial assistance other than the Title IV Program pursuant to which student financial assistance, grants or loans were provided to or on behalf of the School's students.

"Governmental Approval" means any Permit, consent, waiver, approval, order or authorization of, or registration, accreditation, declaration issued, granted, given or otherwise made, or filing with, any Governmental Authority.

"Governmental Authority" means any government, any governmental or regulatory entity or body, department, commission, board, agency or instrumentality.

"Indebtedness" with respect to any Person means any obligation of such Person for any Trailing Liability or for borrowed money, including, without limitation or duplication, (a) any obligation incurred for all or any part of the purchase price of property or other assets or for the cost of property or other assets constructed or of improvements thereto, other than accounts payable included in current liabilities and incurred in respect of property purchased in the ordinary course of business, (b) the face amount of all letters of credit issued for the account of such Person, (c) obligations (whether or not such Person has assumed or become liable for the payment of such obligation) secured by Liens, (d) capitalized lease obligations, (e) all guarantees and similar obligations of such Person, (f) all accrued interest, fees and charges in respect of any Indebtedness, and (g) all prepayment premiums and penalties, and any other fees, expenses, indemnities and other amounts payable as a result of the prepayment or discharge of any Indebtedness.

"Intellectual Property" means all of the following in any jurisdiction throughout the world: (a) patents, patent applications and invention disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions and reexaminations thereof; (b) copyrights, works of authorship, mask works and copyrightable works, and applications, registrations and renewals in connection therewith; (c) trade secrets and confidential business information (including concepts, research and development, know-how, inventions, formulas, compositions, discoveries, compositions, privacy data and non-public personal information, algorithms, models, methodologies, technical and engineering data, business and marketing plans, processes and techniques, designs, drawings and specifications); (d) IT Systems; (e) copies and tangible embodiments of any of the foregoing in whatever form or medium; (g) rights of publicity and privacy related to the use of the names, likenesses, voices, signatures and biographical information of real persons; and (g) all other intellectual property or proprietary rights protectable as a matter of law and licenses, immunities, covenants not to sue relating to any of the foregoing. Intellectual Property shall not mean any software programs from the Shared IT Platform.

"IT Systems" means all devices and/or computer software (including but not limited to source code, executable code data, databases, scripts, libraries, compilers, files, applications and documentation, software that is available generally through consumer retail stores or distribution networks including, without limitation, any software pre-installed in the Ordinary Course of Business as a standard part of hardware), hardware, and technology (including but not limited to communications systems, network infrastructure and related equipment websites and social media accounts) owned by Seller for operation of the School and located solely at the School, other than any such devices, hardware, technology, communications systems, network infrastructure and/or computer software that are located, maintained on or part of the Shared IT Platform.

"Knowledge of Seller" means to the best knowledge of the Receiver and the Seller, after reasonable inquiry and diligence with respect to the matters in question.

"Liability" or "Liabilities" means any liability (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, whether liquidated or unliquidated and whether due, or to become due), including Trailing Liability or any liability for Indebtedness or Taxes.

"License" means any Permit, license, contract, agreement, Educational Approval, authorization or other obligation issued by any Governmental Authority related to the Seller to which Seller is a party or by which Seller or the Purchased Assets are bound.

"Lien" or "Liens" shall mean means all liens, Indebtedness, Encumbrances (including, without limitation, any leasehold interests, licenses or other rights, in favor of a Third Party to use any portion of the Purchased Assets), Claims, security interests, of whatever kind or nature, mortgages, pledges, restrictions, charges, instruments, licenses, encroachments, options, rights of recovery, judgments, orders and decrees of any court or foreign or domestic governmental authority, interest, products and Taxes (including foreign, federal, state and local Taxes), in each case of any kind or nature, whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, known or unknown.

"Managed Services Agreement" means that certain Managed Services Agreement entered into between the Seller and Buyer on or about March 28, 2019 ("MSA").

"Material Contracts" has the meaning given to that term in Section 3.4 of this Agreement.

"Non-Core Services" has the meaning as defined in the MSA.

"Ordinary Course of Business" means the ordinary course of the operation of the School consistent with past custom and practice.

"Organizational Documents" means any charter, certificate of formation, articles of organization, articles of incorporation, certificate of incorporation, declaration of partnership, articles of association, code or Regulations, bylaws, operating agreement, limited liability company agreement, partnership agreement or similar formation or governing documents and instruments.

"Permit" or "Permits" shall mean any franchise, grant, authorization, agreement, license, permit, registration, easement, variance, exception, consent, clearance, certificate, approval, order or similar rights issued, granted, or obtained for the School by or from any Governmental Authority, but excluding any Educational Approval.

"Person" means an individual, corporation, limited liability company, partnership, trust, unincorporated association or any other entity or organization.

"Post-Closing Educational Consent" means any of those Educational Consents that must be effectuated or obtained following the Closing, as set forth in Schedule 7.2(f).

"Pre-Acquisition Review Application" means the materially complete electronic application submitted to the DOE with respect to the transactions contemplated hereby, marked for pre-acquisition review, together with any required exhibits or attachments.

"Pre-Acquisition Review Notice" means a written notice or response from the DOE following the DOE's review of a Pre-Acquisition Review Application regarding the transaction contemplated by this Agreement, which shall not indicate the existence of any material impediment to the issuance of a TPPPA or PPPA to the Buyer extending Seller's certification to participate in the Title IV Program following the Closing.

"Pre-Closing Educational Consent" means any of those Educational Consents that must be effectuated or obtained prior to the Closing, as set forth in Schedule 7.2(b).

"Pre-Closing Period" means the period commencing on the date of this Agreement and ending the later to occur (a) all Pre-Closing Educational Notices/Consents have been obtained from the Governing Authorities and (c) the Court's entering Order approving the sale to the Buyer pursuant to the terms of this Agreement.

"Premises" shall mean the School's current location at 2350 Corporate Circle, Suite 100, Henderson, Nevada 89074 which are subject to a Lease Agreement with Tech Park 6, LLC.

"PPA" means a Program Participation Agreement issued to the School and countersigned by or on behalf of the Secretary of the DOE, evidencing the DOE's certification of the School to participate in the Title IV Programs prior to consummation of the transactions contemplated by this Agreement.

"PPPA" means a Provisional Program Participation Agreement issued to the School and countersigned by or on behalf of the Secretary of the DOE, evidencing the DOE's certification of the School to continue its Title IV Programs participation following consummation of the transactions contemplated by this Agreement.

"Pre-Closing Audit" means that audit performed by Receiver's CFO for (i) any monetary obligations that Seller or Buyer have under the MSA and TSA including but not limited to any invoices for the period April 1 2019 forward for expenses to be paid by Buyer under the MSA but unpaid by Seller or Buyer, (b) sums paid or advanced by Buyer to Seller for payment of School expenses including faculty and staff salaries, rent or other expenses that accrued or were due for the period prior to April 1, 2019, and (iii) all School expenses of any kind paid by Seller on behalf of Buyer for the period April 1, 2019 forward from any funds other than those designated entirely for the 2019 Spring Quarter or any subsequent quarter.

"Purchased Assets" means all right, title and interest in Accounts Receivable and any and all of the assets owned, used or held for use by Seller with respect to the School and the Business, including all tangible and intangible assets, other than Excluded Assets, of the School used or held for use by the School, including, without limitation, personal property, inventory, supplies, equipment, tangible personal property, fixed assets, library books located at School Premises, Business Records or Business Data (excluding Excluded Assets), School educational and student Records, Assumed Contracts, fixtures, leasehold improvements, equipment, prepaid expenses, licenses, advertising material, Permits, goodwill, School's OPE ID # 04051300,

Intellectual Property relating to the School, if any, any IT Systems or other computer systems used in financial aid management and administration located solely at the School, School's tuition payments received or to be received by Seller for 2019 Spring Quarter and all School's subsequent quarters, including but not limited to the Title IV funds and the VA funds from April 1, 2019, forward. Notwithstanding anything herein to the contrary, Curriculum is not a Purchased Asset. Buyer shall have the right to use the Curriculum for a period three (3) years from the Effective Date.

"Real Property" means all parcels and tracts of land, together with all buildings, structures, fixtures and improvements located thereon (including those under construction), and all privileges, rights, easements, hereditaments and appurtenances belonging to or for the benefit of such land, including all easements appurtenant to and for the benefit of such land, and all rights existing in and to any streets, alleys, passages and other rights-of-way included thereon or adjacent thereto (before or after vacation thereof) and vaults beneath any such streets.

"Receiver's CFO" means David Linscott.

"Regulation" means any law, ordinance, treaty, statute, regulation, ruling or rule or order or, administered or enforced by or on behalf of, any court, Educational Agency or Governmental Authority.

"Sale Order" means the final, non-appealable order, substantially in the form attached hereto as Exhibit D, from the Court (i) authorizing Seller to sell, and confirming the sale of, the Purchased Assets to Buyer, free and clear of all Liens, on the terms and conditions of this Agreement (as may from time to time be amended as provided herein), and (b) confirming that the Consent Judgment entered into in November 2015 between Education Management Corporation, et al. and 39 state attorneys general and the District of Columbia does not apply to the School or the Purchased Assets following Closing.

"Shared IT Platform" means any Technology owned by Dream Center Education Holdings, LLC and currently subleased to Studio pursuant to a sublease agreement approved by the Court, which stores and maintains data, including, without limitation student and financial data, relevant to and for operation of various universities, including the School.

"State Educational Agency" means any state educational licensing body that provides a license or authorization necessary for the School to provide postsecondary education in the State of Nevada, including without limitation, DETR.

"Studio" means Studio Enterprise Manager, LLC, a Delaware limited liability company.

"Tax" or "Taxes" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental customs, duties, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, capital gain, transfer, registration, transportation, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition to the Tax, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

"Technology" means information technology, hardware and computer systems, including those relating to the transmission, storage, maintenance, organization, presentation, generation, processing or analysis of all data and information collected, generate, or used in the conduct of the Business and located solely at the School.

"Third Party" means any Person other than the Parties.

"Title IV" means Title IV of the Higher Education Act of 1965, 20 USC § 1001, et seq., as amended, or any successor statute thereto.

"Title IV Programs" means the programs of federal student financial assistance administered pursuant to Title IV.

"TPPPA" means a Temporary Provisional Program Participation Agreement issued to the School post-Closing, and countersigned by or on behalf of the Secretary of the DOE continuing the School's certification to participate in the Title IV Programs on an interim basis following the Closing.

"Trailing Liability" or "Trailing Liabilities" means any obligation, Claim, Encumbrance, Lien or Liability for which the School may owe or be required by the DOE or any Governing Authority or Educational Agency to pay or otherwise be responsible for, relating to any student stipend(s), unearned tuition, or other monetary obligation(s) incurred or accrued by the School prior to April 1, 2019.

"Transition Services Agreement" means that certain Transition Services Agreement entered into between the Seller and Buyer on or about March 28, 2019 ("TSA").

"Transition Services and License Agreement" means a transition services agreement that may hereafter be negotiated and executed by Buyer and Studio in the event and to the extent that Buyer requires such transition services to be performed by Studio prior to or after Closing. To the extent that the Buyer does not require any transition services from Studio before or after Closing, Buyer shall not be obligated to enter into a Transition Services Agreement with Studio.

"2019 Spring Quarter" means School quarter commencing on April 1, 2019 and ending on June 15, 2019.

"2019 Summer Quarter" means School quarter commencing on July 8, 2019 and ending on September 21, 2019.

"2019 Winter Quarter" means School quarter commencing on January 7, 2019 and ending on March 23, 2019.

ARTICLE II
PURCHASE AND SALE OF ASSETS AND ASSUMPTION OF LIABILITIES.

2.1 Purchase and Sale. Subject to the terms and conditions of this Agreement, at the Closing, Seller shall sell, contribute, convey, assign, transfer and deliver to Buyer, free and clear of all Claims, Encumbrances and Liens and Buyer shall purchase, acquire

and take assignment and delivery of, in exchange for the Purchase Price (as the same may be adjusted for any sums owed by Seller to the Buyer), the Purchased Assets, including, without limitation, all of the following assets of Seller (but excluding the Excluded Assets pursuant to Section 2.3 hereof):

(a) all Accounts Receivable and other accounts and notes receivables (whether current or noncurrent) and all causes of action specifically pertaining to the collection of the foregoing (excluding, for the avoidance of doubt, the Excluded Receivables);

(b) all Intellectual Property owned by the School and used solely by the School and all corresponding rights that, now or hereafter, may be secured throughout the world and all copies and tangible embodiments of any such Intellectual Property in Seller's possession or control;

(c) all of Seller's rights existing under the Assumed Contracts listed on Schedule I;

(d) all machinery, equipment (including all transportation and office equipment), computer equipment (including all servers, routers, and network equipment), projection equipment, library equipment, telephone systems and furniture relating to the School and owned by the Seller;

(e) all office supplies, spare parts, miscellaneous supplies, and other tangible property of any kind relating solely to the School, including, without limitation, all property of any kind located in any building, office or other space leased by Seller;

(f) all texts, journals, periodicals, documents, catalogs, indices, databases, core materials, archives and other materials, written and electronic, located at the Premises owned by Seller;

(g) the School's OPE ID # 04051300;

(h) School's tuition payments received or to be received by Seller or the School for 2019 Spring Quarter and all School's subsequent quarters, including, without limitation, the Title IV funds and the VA funds) for the period April 1, 2019 forward, including any Accounts Receivable;

(i) the right to receive and retain mail (including electronic mail) and other communications relating to the School as long as Buyer provides Seller with copies of all mail relating to the operation of the School received until the Closing;

(j) the right to bill and receive payment for services performed in connection with the School for the period commencing 2019 Spring Quarter but unbilled or unpaid as of the Closing (other than with respect to any of the Excluded Receivables);

(k) all data, including, without limitation, student and financial data, stored or maintained on the Shared IT Platform and any hard-copy paper files relating solely to the School;

(l) all IT Systems solely for the benefit of the School that are located at the Premises;

(m) all telephone numbers used by Seller solely in connection with the operation of the School;

(n) all indemnities from Third Parties relating to the Purchased Assets or the Assumed Liabilities prior to the Closing Date.

All of the Purchased Assets will be sold, assigned, transferred, conveyed and delivered to Buyer free and clear of all Liens.

2.2 Liabilities. Except for the Assumed Liabilities and the obligations of Buyer under the MSA as set forth in Schedule 2.2, Buyer shall not assume, and shall have no liability for, any Liabilities, obligations or commitments of Seller of any kind, character or description, whether accrued, absolute, contingent or otherwise, it being understood that Buyer is expressly disclaiming any express or implied assumption of any Liabilities other than the Assumed Liabilities (collectively, the "Excluded Liabilities"), each of which shall be retained and timely discharged by Seller. Regardless of whether any other Liabilities of Seller may be disclosed to Buyer or whether Buyer may have actual knowledge of the same, Buyer shall not assume, and Seller shall pay, perform, and discharge when due and remain exclusively liable for the Excluded Liabilities, including, without limitation, all of the following Excluded Liabilities (but excluding Assumed Liabilities):

(a) all obligations, claims, or Liabilities of Seller or any predecessor(s) or Affiliate(s) of Seller that relate to Purchased Assets and the Excluded Assets prior to April 1, 2019;

(b) all obligations, Trailing Liabilities, Claims, Encumbrances or Liabilities for which the School has, may owe or be required by the DOE or any Governing Authority to pay or be otherwise responsible for, relating to the student stipend(s) or other monetary obligation(s) incurred or accrued by the School prior to April 1, 2019;

(c) all Environmental Liabilities unless caused by the action or inaction of Buyer;

(d) all obligations, claims, or Liabilities of Seller or any predecessor(s) or Affiliate(s) of Seller or for which Seller or any predecessor(s) or Affiliates of Seller could be liable relating to Taxes (including any Taxes relating to the Purchased Assets or otherwise) for all periods, or portions thereof, ending prior to April 1, 2019;

(e) all obligations, claims, or Liabilities for any legal, accounting, investment banking, brokerage, real estate appraisal, consulting or similar fees or expenses incurred by Seller in connection with, resulting from or attributable to the transactions contemplated by this Agreement or otherwise;

(f) all Indebtedness of Seller or any predecessor(s) or Affiliate(s) of Seller, including any Indebtedness owed by Seller to any of its Affiliates or any Governmental Authority;

(g) all Liabilities and obligations, including any and all proceedings, of Seller or any predecessor(s) or Affiliate(s) of Seller resulting from, caused by or arising out of the conduct or the operation of the School or the lease of the Premises or any other properties or assets by Seller at any time prior to April 1, 2019, or other actions, omissions or events occurring prior to April 1, 2019 (other than all cure payments payable in accordance with the terms of this Agreement), whether past, present, future, known or unknown, liquidated or unliquidated, accrued or unaccrued, pending or threatened;

(h) any Liability or obligation under any Assumed Contract which arises after the Closing but which arises out of any breach thereof by Seller that occurred prior to the April 1, 2019;

(i) any Liability or obligation of Seller under any contract, agreement, lease, mortgage, indenture or other instrument not assumed by Buyer hereunder except for those obligations of Buyer under the MSA for period of April 1, 2019 forward;

(j) any Liability or obligation of Seller under any employment, severance, retention or termination agreement with any employee, consultant or contractor of Seller prior to April 1, 2019;

(k) any Liability of Seller prior to April 1, 2019 for accrued but unused vacation and sick leave;

(l) any Liability of Seller under any Employee Benefit Plan relating to the School provided that Buyer terminates all employees at the School at Closing;

(m) any Liability or obligation of Seller to indemnify, reimburse or advance amounts to any officer, employee or agent of Seller prior to April 1, 2019; and

(n) any Liability or obligation arising out of or resulting from Seller's non-compliance with any Law or Regulation prior to April 1, 2019.

The Parties acknowledge and agree that disclosure of any obligation or Liability on any Schedule to this Agreement will not create an Assumed Liability or other Liability of Buyer, except where such disclosed obligation has been expressly assumed by Buyer as an Assumed Liability in accordance with the provisions of Section 2.2 hereof; provided, however, that any and all liabilities for obligations of Buyer under the MSA and any other expense incurred in the Ordinary Course of Business for period of April 1, 2019 forward will not have to listed on Schedule 2.2.

2.3 Purchase Price. As consideration for the sale of the Purchased Assets, Buyer shall pay to Seller a purchase price of Two Hundred and Fifty Thousand Dollars ($250,000.00) adjusted by the Pre-Closing Audit (the "Purchase Price"), payable in cash by wire transfer or other immediately available funds at Closing. The Pre-Closing Audit shall be

performed by Receiver's CFO and provided to the Buyer within thirty (30) days of the Effective Date. To the extent that Buyer disputes the findings of the Pre-Closing Audit, Buyer shall notify Seller in writing as soon as practicable after receipt of the Seller's Pre-Closing Audit but not later than five (5) business days prior to Closing of its objections (the "**Objection Period**") to Seller's Pre-Closing Audit and provide to the Receiver's CFO documentation evidencing that (i) School expenses were paid by Receiver from School's income generated from April 1, 2019, (ii) School expenses were paid by Buyer or advanced by Buyer after April 1, 2019 or (iii) School Expenses were paid to Seller for payment of faculty salaries, rent or other expenses that accrued prior to April 1, 2019. Receiver's CFO shall take into account the documentation provided by Buyer and shall, to the extent appropriate, make adjustment to the Pre-Closing Audit. If Buyer fails to provide written objections by the Objection Period, Buyer's ability to object to the Pre-Closing Audit shall be deemed waived. Receiver's CFO's findings and determination which shall be made in good faith shall be final between the Parties as to the Purchase Price.

2.4 Rights Held in Trust. Notwithstanding anything contained herein, this Agreement shall not constitute an agreement to assign any Purchased Asset if an attempted assignment of such contract or agreement, without the consent of a third-party or Governing Authorities, would constitute a breach thereof, or in any material adverse way affect the rights of Seller (or the Buyer following the Closing) thereunder or with respect thereto. Buyer, with Seller's cooperation, shall use its reasonable best efforts to obtain the consent to the assignment of any such Purchased Asset in all cases in which such consent is required for assignment or transfer and which Seller has agreed to cooperate in a commercially reasonable manner.

ARTICLE III
REPRESENTATIONS OF SELLER

In order to induce Buyer to enter into this Agreement, Seller represents and warrants as follows:

3.1 Existence and Good Standing of Seller.

(a) Seller is a limited liability company validly existing and in good standing under the laws of the State of Arizona and is qualified to conduct business in the State of Nevada. A Certificate of Full Force and Effect from the Arizona Secretary of State and a Certificate of Force and Effect with the Nevada Secretary of State are jointly attached hereto as Exhibit C.

(b) Seller has full power and authority to conduct its business at the School as it is now being conducted, to own or use the properties and assets that it purports to own or use at the School, and to perform all its obligations under the Assumed Contracts.

3.2 Authorization and Binding Obligation. Pursuant to the Appointment Order and subject to the entry of the Sale Order, Seller has full power and authority to execute and deliver this Agreement and each other agreement, document, instrument and/or certificate contemplated by this Agreement to be executed or delivered by Seller and to consummate the Transaction and perform Seller's obligations hereunder and thereunder.

3.3 Title to Purchased Assets. Seller has good and marketable title to, or a valid leasehold interest in, all of the Purchased Assets, and subject to the entry of the Sale Order, Seller can and shall deliver good and marketable title to, or a valid leasehold interest in, all of the Purchased Assets, free and clear of all Liens. Pursuant to the entry of the Sale Order, none of the Purchased Assets are nor shall be subject to Liens. The Purchased Assets shall be conveyed to the Buyer free and clear of Liens, Claims or Encumbrances. Schedule 3.3 sets forth all tangible personal property used or held for use by the School. The Purchased Assets constitute all properties and assets necessary to operate the School as currently operated.

Real Property. To the Knowledge of Seller, except as set forth in Schedule 3.5, Seller does not own, and has never owned, any Real Property used by or held for use by the School. Schedule 3.5 sets forth a complete and correct list of all Real Property in which the Seller has a leasehold interest that is used or held for use by the School (the "School Real Property"). Seller has delivered to Buyer a complete and correct copy of each lease or other contract pertaining to School Real Property, together with all amendments, extensions, renewals, modifications, alterations, guaranties and other changes thereto (the "School Leases") all of which are identified on Schedule 3.5.

3.4 Broker's or Finder's Fees. No Person retained by Seller is or will be entitled to any broker's or finder's fee or any similar commission or fee in connection with the Transaction.

3.5 Disclosure. No representation or warranty made by Seller in this Agreement contains any untrue statements of a material fact or omits to state a fact necessary to make the statements of fact contained herein not misleading.

ARTICLE IV
REPRESENTATIONS OF BUYER

Buyer represents and warrants to Seller as follows:

4.1 Existence and Good Standing of Buyer. Buyer is a limited liability company validly existing and in good standing under the laws of the State of Nevada and has all requisite organizational power and authority to own, lease and operate its properties and to carry on its business as now being conducted. A Certificate of Good Standing from the Nevada Secretary of State is attached hereto as Exhibit E.

4.2 Authorization and Binding Obligation. Buyer has full power and authority to execute and deliver this Agreement and each other agreement, document, instrument and/or certificate contemplated by this Agreement to be executed or delivered by Buyer and to consummate the Transaction and perform its obligations hereunder and thereunder. The execution and delivery of this Agreement by Buyer and each other agreement, document, instrument and/or certificate contemplated by this Agreement to be executed or delivered by Buyer and the consummation by Buyer of the Transaction and performance of its obligations hereunder and thereunder have been duly authorized by all necessary action on the part of Buyer. This Agreement and each other agreement, document, instrument and/or certificate contemplated by this Agreement to be executed or delivered by Buyer has been (or will be) duly executed and

delivered by Buyer and, assuming the due authorization, execution, and delivery by Seller, constitutes (or will constitute) a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms (subject to bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the rights of creditors generally and the availability of equitable remedies).

4.3 Broker's or Finder's Fees. No Person retained by Seller is or will be entitled to any broker's or finder's fee or any similar commission or fee in connection with the Transaction.

4.4 No Violations. The execution and delivery of this Agreement and the consummation of the Transaction and compliance with the provisions of this Agreement will not conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or acceleration of any obligation under, (a) the Organizational Documents of the Buyer, (b) any agreement applicable to Buyer that would impair the ability of Buyer to perform its obligations under this Agreement, or (c) any Applicable Law.

4.5 AS IS, WHERE IS. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, ALL ACQUIRED PURCHASED ASSETS ARE BEING CONVEYED HEREUNDER ON AN "AS IS, WHERE IS" BASIS AND SELLER MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, WITH RESPECT TO THE PURCHASED ASSETS, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. ALL OF SUCH EXPRESS AND IMPLIED WARRANTIES AND REPRESENTATIONS, EXCEPT THOSE STATED HEREIN, ARE HEREBY EXCLUDED. THE PROVISIONS OF THIS SUBSECTION SHALL SURVIVE THE CLOSING OR ANY TERMINATION HEREOF.

4.7 Current Operations. Buyer acknowledges that it has been providing services to the School since April 1, 2019 pursuant to the MSA. Except as otherwise stated in this Agreement, Buyer is relying on its own knowledge and the knowledge it has gleamed from providing services to the School since April 1, 2019.

4.8 Transition Services. Buyer acknowledges that if shared IT services or any other kind of services ("collectively, the "Services") previously provided by DCEH are needed, Buyer shall enter into a Transition Services and License Agreement with Studio for said Services. Buyer acknowledges that the Services that the Seller was providing pursuant to the TSA can no longer be provided by DCEH or the Seller. To the extent that the Buyer does not require any Services from Studio, Buyer shall not be obligated in any way to negotiate or enter into a Transition Services Agreement with Studio.

ARTICLE V
PRE-CLOSING COVENANTS OF SELLER

5.1 Conduct of the School Prior to Closing. From the Effective Date through and including the Closing, Buyer shall not, without the prior written consent of Seller, engage in any practice, take any action, or enter into any transaction with respect to the School outside the Ordinary Course of Business other than such actions taken in furtherance of the transaction.

Until Closing, Seller will use reasonable best efforts to take all action and do all things necessary in order to consummate and make effective the Transaction contemplated by this Agreement, including, without limitation, compliance with and observance of the terms and conditions set forth in this Article VI.

5.2 Operation of School until Closing. Seller will cooperate with Buyer for Buyer to operate the School and Seller will not engage in any practice, take any action, or enter in any transaction outside of the Ordinary Course of Business relative the School without Buyer's approval which shall not be unreasonably withheld, conditioned or delayed, or except as contemplated by this Agreement; provided, however, that if Seller and Buyer receive written notice that the School is in violation of any Regulation by any Educational Agency which is not being remedied by the Buyer, Seller shall have the right to take any action it deems necessary without first seeking approval of Buyer at Buyer's sole cost and expense. To the extent that Seller is in receipt or prior to Closing receives any Accounts Receivable, funds or income generated by the School after April 1, 2019, Seller with Buyer's approval, agrees to either (i) pay and apply such funds toward any outstanding expense of the School that was incurred after April 1, 2019 for which the Buyer is obligated to pay, or (ii) turn over funds, including without limitation, any excess funds after Seller's has paid Buyer's obligations under 5.2(i), to Buyer.

5.3 Payment of Liabilities Incurred Prior to April 1, 2019. Seller shall remain responsible for all obligations and Liabilities incurred by the School between the dates January 18, 2019 and April 1, 2019, including any student stipends or unearned tuition or other obligations that a Governing Authority or Educational Agency requires to be satisfied for any period prior to 2019 Spring Quarter. Seller agrees that Seller shall pay such obligations or Liabilities either prior to or immediately upon receipt of Title IV funds received for 2019 Winter Quarter. To the extent that Buyer, in its sole discretion, advances any funds to pay off any Liability of Seller that is required to be paid by any Governing Authority or Educational Agency in order to facilitate receipt of Title IV funds from the DOE for the 2019 Winter Quarter or otherwise to bring the School in compliance with any Governing Authority and Educational Agency, such Buyer advanced funds shall be immediately paid by Seller to Buyer from the Title IV funds received for the 2019 Winter Quarter or to the extent applicable adjust the Purchase Price.

5.4 Access to Information. No later than five (5) business days after entry of the Sales Order, Seller shall copy and provide to Buyer in a manner acceptable to Buyer all data located on the Shared IT Platform including, without limitation student and financial data set forth on CampusVue, ImageNow, CARS and the Lawson and Kronos Software, relevant to the operation of the School. Prior to Closing, Buyer and Buyer's representatives shall hold all such information in confidence and shall not disclose any such information to any third parties without the express written consent of Seller. Should this transaction not close, any and all documents, notes, memorandum, Curriculum, etc. provided to Buyer in any format pursuant to this Agreement, whether set forth in this Section or in any other part of this Agreement, shall be returned to Seller within three (3) business days of when this Agreement is terminated.

5.5 Accounting. Fourteen (14) days of the Effective Date, Seller shall provide Buyer with complete accounting on a cash basis showing all income and expenses or other Liabilities of the School, including any invoices or evidence of indebtedness received or paid by

Seller from January 18, 2019 to March 31, 2019. For the period April 1, 2019 forward, Seller shall provide Buyer with complete accounting on a cash basis showing all income and expenses or other Liabilities of the School received or paid by Seller, including without limitations, any and all invoices, whether paid or unpaid, as well as proof of payment.

5.6 Consents and Approvals. Until Closing, Seller, will cooperate with Buyer, in order for Buyer (1) to obtain all necessary approvals, accreditations, acquiescences and other authorizations necessary for the operation of the School after Closing, including without limitations those from ACICS, DOE, Educational Agency or any other Governmental Authority; (ii) to obtain all necessary consents and approvals to consummate the purchase and sale of the Purchased Assets and the assignment of Assumed Liabilities, if any, together with any other necessary consents and approvals to consummate the Transaction, and (iii) to make all filings, applications, statements and reports to all Educational Agencies or Governmental Authorities that are required to be made prior to Closing pursuant to any applicable Regulation in connection with this Agreement and the transactions contemplated hereby.

(a) Pre-Closing Educational Notices/Consents. Seller shall cooperate with Buyer for Buyer to obtain the Educational Notices/Consents and any Educational Approvals necessary for operation of the School, including, without limitation, obtaining the Pre-Closing Educational Notices/Consents, including, without limitation, cooperate with Buyer to (i) complete all required and voluntary pre-acquisition processes with the Educational Agency, including without limitation, DETR, and (ii) assist Buyer in the filing of a Pre-Acquisition Review Application with the DOE in order to obtain the DOE Pre-Acquisition Review Notice.. Seller shall use commercially reasonable best efforts to assist Buyer with the foregoing, and Seller and Buyer shall each provide any additional information concerning itself and shall execute such documents as are necessary with respect to the Educational Notices/Consents and any necessary Educational Approvals.

(b) Educational Agency Communications. Seller shall cooperate with Buyer in order for the Buyer to be able to submit letters, applications, or other documents to be to any Educational Agency or Governmental Authority with respect to any consent, license or Pre-Closing Educational Notices/Consent or in connection with the Pre-acquisition Review Application to be filed with the DOE. Seller shall not make any written or verbal statements or representations regarding the transactions contemplated hereby to any Educational Agency or other third party without the advance consultation and consent of Buyer which shall not be unreasonably withheld, conditioned or delayed. Seller shall promptly advise Buyer concerning any discussions or other communications, whether oral or written, with any Educational Agency, Governmental Authority or other third party with respect to any such letters, applications or other documents that Seller may receive from the Educational Agency or the Government Authority. To the extent required by any Governmental Agency or Educational Agency, Receiver will ensure that he is available to attend any scheduled hearings or meetings in connection with obtaining any consent, license, Pre-Closing Educational Notices/Consent or other Educational Approval.

5.7 Notice of Developments. Until Closing, Seller will give prompt written notice to Buyer of all materially adverse developments or developments causing a breach of

any of Seller's representations, warranties and covenants hereunder or developments adversely affecting Seller's ability to perform its obligations hereunder.

5.8 Exclusivity. From the date of this Agreement through and including the Closing, Seller shall not (i) solicit, initiate or encourage the submission of any proposal or offer from, or enter into any agreement with, any Person relating to the acquisition of any equity interests or other voting securities of, or any portion of the Purchased Assets (including any acquisition structured as a merger, consolidation, or share exchange) or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the above.

5.9 Further Assurances. Each of the Parties agrees to use commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, and to assist and cooperate with the other Party in doing, all things necessary, proper, or advisable to consummate the Transaction.

5.10 Notice of Developments. Until Closing, Seller will give prompt written notice to Buyer of all materially adverse developments or developments causing a breach of any of Seller's representations, warranties and covenants hereunder or developments adversely affecting Seller's ability to perform its obligations hereunder.

ARTICLE VI
PRE-CLOSING COVENANTS OF BUYER

6.1 Operation of School. Since the execution of the MSA and continuing until Closing, Buyer, with the assist of Seller, shall to continue to operate the School and will not engage in any practice, take any action, or enter in any transaction outside of the Ordinary Course of Business except in each case (i) as contemplated by this Agreement, (ii) with Seller's approval, or (iii) for actions taken or omitted to be taken at the request of Seller. Buyer, after the entry of the Sale Order and prior to Closing, shall be solely and exclusively responsible to pay all costs and expenses set forth in MSA and shall deposit in Seller's account sufficient funds as determined by Seller, in his sole and exclusive determination, an amount to cover the costs and expenses of the School. Further commencing August 1, 2019 and continuing thereafter until Closing, Buyer agrees to pay for any and all expenses and costs set forth in the MSA or any other expense of the School in the Ordinary Course of Business from April 1, 2019 forward, including but not limited to, rent, payroll, workers' compensation coverage, taxes relating to the operation of the School of any and all kind, and all facility costs and expenses from April 1, 2019 forward.

6.2 Payment of Liabilities Incurred After to April 1, 2019. Buyer shall be responsible for all obligations and Liabilities incurred by the School after April 1, 2019, including any student stipends or unearned tuition or other obligations that a Governing Authority or Educational Agency requires to be satisfied for 2019 Spring Quarter, 2019 Summer Quarter or any subsequent School quarters.

6.3 Consents and Approvals. After entry of the Sale Order, Buyer will use reasonable best efforts with Seller's cooperation (1) to obtain all necessary approvals, accreditations, acquiescence and other authorizations for Buyer's operation of the School after Closing, including without limitations, Educational Approval and Governmental Approval from ACICS, DOE, Educational Agency or any other Governmental Authority; (ii) to obtain all necessary consents and approvals, as reasonably requested by Seller, to consummate the purchase and sale of the Purchased Assets and the assignment of Assumed Liabilities, if any, together with any other necessary consents and approvals to consummate the Transaction, and (iii) to make, as reasonably requested by Seller, all filings, applications, statements and reports to all Educational Authorities and Governmental Authorities that are required to be made prior to Closing by or on behalf of Buyer or Seller pursuant to any applicable Regulation in connection with this Agreement and the transactions contemplated hereby.

(a) Pre-Closing Educational Notices/Consents. Buyer shall use commercially reasonably good faith best efforts, with Seller's cooperation, to obtain the Educational Notices/Consents and any Educational Approvals necessary for the performance of its obligations pursuant to this Agreement, including, without limitation, obtaining the Pre-Closing Educational Notices/Consents, including, without limitation, to (i) complete all required and voluntary pre-acquisition processes with the State Educational Agency, including DETR or any other Educational Agency or Governmental Authority, and (ii) file a Pre-Acquisition Review Application with the DOE in order to obtain the DOE Pre-Acquisition Review Notice. Seller shall cooperate and assist Buyer with the foregoing, and Seller and Buyer shall each provide any additional information concerning itself and shall execute such documents as is necessary with respect to the Educational Notices/Consents and any necessary Educational Approvals.

(b) Educational Agency Communications. Buyer shall provide Seller with copies of all letters, applications, or other documents to be submitted to, or received from, any Educational Agency or Governmental Authority with respect to any consent, license or Pre-Closing Educational Notices/Consent or in connection with the Pre-Acquisition Review Application to be filed with the DOE, including drafts of any such letters, applications and other documents; provided that no such letters, applications, or other documents shall be submitted to any Educational Agency without the prior review and consent of Seller, such consent not to be unreasonably delayed, conditioned or withheld. Neither party shall make any written or verbal statements or representations regarding the transactions contemplated hereby to any Educational Agency or other third party without the advance consultation and consent of the other party. Each party will promptly advise the other party concerning any discussions or other communications, whether oral or written, with any Educational Agency, Governmental Authority or other third party with respect to any such letters, applications or other documents. Each party will ensure that their appropriate officers and employees shall be available to attend, as any Governmental Authority or Educational Agency may reasonably request, any scheduled hearings or meetings in connection with obtaining any consent, license, Pre-Closing Educational Notices/Consent or other Educational Approval.

6.4 Notice of Developments. Until Closing, Buyer will give prompt written notice to Seller of all materially adverse developments or developments causing a breach of any of Buyer's representations, warranties and covenants hereunder or developments adversely affecting Buyer's ability to perform its obligations hereunder.

6.5 Pre-Closing Audits. Buyer acknowledges and agrees at Buyer's sole cost and expense, with Seller's cooperation, to (a) complete any student financial aid compliance audit(s) or any other audits of the School required by any Educational Agency related to all or any portion of any period after September 1, 2018 (collectively, the "Pre-Closing Compliance Audits"); (b) provide Seller, for its review, copies of the Pre-Closing Compliance Audits promptly upon their completion, but no later than fourteen (14) days before the date on which the Pre-Closing Compliance Audits are due under applicable Law or Educational Law; and (c) permit Buyer to submit the Pre-Closing Compliance Audits in accordance with applicable Law or Educational Law. Notwithstanding the foregoing, Buyer shall not be responsible in any manner for failure to complete any Pre-Closing Compliance Audits that were due or should have been submitted to any Educational Agency or Government Authority prior to the Effective Date.

6.6 Accounting. Ten (10) days of the Effective Date, Buyer shall provide Seller with complete accounting and other financial records showing all income and expenses or other Liabilities of the School received or paid by Buyer from January 18, 2019, forward, including without limitations, any and all invoices, whether paid or unpaid, as well as proof of payment.

6.7 Termination of Employee Benefit Plans. So long as all present employees at the School are terminated by Buyer at Closing, Buyer will have no lability whatsoever for the current Employee Benefit Plan relating to or for the School.

6.8 Change of Name of School. Buyer shall take whatever steps are necessary to obtain such consents or approval from a Governmental Authority to effectuate a change of name for the School in accordance with the Second Settlement Agreement by and between the Receivership Entities and Studio and as approved by the court. Buyer upon Closing shall take action to obtain approval from Governmental Authorities and Education Agencies to change the name of the School and upon obtaining such approval Buyer will no longer be able to use the name The Art Institute. Notwithstanding the foregoing, under no circumstances shall Buyer be able to use the name The Art Institute after Change of Control has been obtained.

ARTICLE VII
CLOSING

7.1 Closing. The closing of the Transaction contemplated by this Agreement (the "Closing") shall take place at the offices of Seller's counsel, McCarthy, Lebit, Crystal & Liffman CO., LPA, at 101 W. Prospect Avenue, Suite 1800, Cleveland, Ohio 44115 and the Transaction shall be effective as of 12:01 a.m. Pacific Time on the three (3rd) business day following Buyer's receipt of all Governmental Approvals and Educational Approvals or such other date as the Buyer and Seller may mutually determine (the "Closing Date".) Notwithstanding the foregoing, if the Closing were to occur after the 15th calendar day of the month, it shall be extended to the first business day of the following month. The performance of all of the obligations and actions required of the Parties at the Closing shall be deemed to have occurred simultaneously, regardless of the order in which such performance actually occurs. If, however, Closing does not occur prior to November 1, 2019, this Agreement shall be null and void *ab initio* and the Parties shall have no further liability to one another and the MSA shall further terminate. The Pre-Closing Audit shall then be performed and all sums due under the

MSA and TSA after adjustments for any sums paid Buyer to Seller for expenses incurred prior to April 1, 2019 shall be paid with three (3) calendar days of completion of the Pre-Closing Audit.

7.2 Buyer's Conditions to Closing. The obligation of Buyer to consummate the Transaction is subject to the satisfaction (or waiver of Buyer) as of the Closing of the following conditions:

(a) the Court shall have issued the Sale Order approving the sale of Purchased Assets to Buyer free and clear of all Liens and Claims, which time for any appeal shall have expired Sale Order, a copy of which shall have been delivered to Buyer;

(b) Buyer shall have received documentary evidence, to the sole satisfaction of Buyer, that all notices, approvals, consents, registrations, permits, authorizations or other confirmations, in each case, required, proper, or advisable to be made with or obtained from any Governmental Authority or Educational Agency to consummate the transactions contemplated by this Agreement, including the Pre-Closing Educational Consents set forth on Schedule 7.2(b), have been made or obtained, as applicable, and do not contain any Adverse Regulatory Condition;

(c) Buyer shall have received written confirmation from DOE that the School's planned documentation submittal intended to demonstrate compliance with 34 CFR §600.9(a) will be accepted by the DOE and will not impede School's continued Title IV Programs participation after the Closing Date or result in the issuance of the TPPA or PPA that includes an Adverse Regulatory Condition;

(d) the School shall have received a Pre-Acquisition Review Response that does not contain any Adverse Regulatory Condition or indicate the existence of any material impediments to the issuance of a TPPPA or PPPA following the Closing;

(e) none of Seller, the School, or Buyer shall have received from any Educational Agency any communication that any Educational Approval will be suspended, revoked, terminated, or cancelled unless caused by the action, inaction or omission on the part of Buyer;

(f) none of Seller, the School, or Buyer shall have received from any Educational Agency any communication that any of the Post-Closing Educational Consents set forth on Schedule 7.2(f) will not be issued or will be subject to an Adverse Regulatory Condition unless caused by the action, inaction or omission on the part of the Buyer;

(g) no proceeding by any Third Party, Educational Agency or any Governmental Authority with respect to the transactions contemplated hereby shall be pending or threatened in writing and no order shall have been entered in any proceeding that would have the effect of (i) making any of the transactions contemplated by this Agreement or the transaction illegal, (ii) otherwise preventing the consummation of such transactions, or (iii) imposing limitations on such transactions and/or the ability of Buyer to perform its obligations hereunder or to operate the School after the Closing Date;

(h) the representations and warranties of Seller contained in this Agreement shall be true and correct in all respects on and as of the Closing Date with the same effect as though made at or as of the Closing Date, in each case, other than representations and warranties that address matters only as of a specified date, which shall be true and correct as of such specified date;

(i) the Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date;

(j) at Closing, Seller shall have delivered to Buyer:

(i) actual possession of Purchased Assets, if Buyer is not already in possession, capable of passing by delivery with the intent that title in such Purchased Assets will pass by and upon delivery;

(ii) the Bill of Sale, duly executed by Seller for the Purchased Assets and such other good and sufficient instruments of sale, conveyance, transfer and assignment as may be required to vest in the Buyer all right, title and interest of Seller in and to the Purchased Assets, free and clear of all Liens, Claims, Encumbrances and obligations;

(iii) Lien releases on any UCC filings with respect to the Purchased Assets; and such other documents relating to the Transaction contemplated by this Agreement as Buyer may reasonably request.

7.3 Seller's Conditions to Closing. The obligation of Seller to consummate the Transaction is subject to the satisfaction (or waiver of Seller) as of the Closing of the following conditions:

(a) Buyer shall have performed and complied in all material respects with all agreements, obligations and covenants required to be performed or complied with by it on or prior to the Closing Date.

At Closing, Buyer shall have delivered to Seller all of the following:

(i) the Purchase Price;

(ii) all documents to be delivered by Buyer necessary for the Closing; and

(iii) such other documents relating to the Transaction contemplated by this Agreement as Seller may reasonably request.

7.4 Form of Instruments. To the extent that a form of any document to be delivered hereunder is not attached as an Exhibit hereto, such documents will be in form and substance, and will be executed and delivered in a manner, reasonably satisfactory to Buyer and Seller.

ARTICLE VIII
ADDITIONAL POST CLOSING COVENANTS

8.1 Joint Post-Closing Covenant of the Parties. The Parties jointly covenant and agree that, from and after the Closing Date, they will each use commercially reasonable efforts in connection with any proceeding, investigation or audit of the other relating to (a) the preparation of an audit of any Tax Return of Seller for all periods prior to or including the Closing Date, and (b) any audit of Buyer and/or any audit of Seller with respect to the sales, transfer and similar Taxes imposed by the laws of any state or political subdivision thereof, relating to the transactions contemplated by this Agreement. In furtherance hereof, the Parties further covenant and agree to promptly respond to all reasonable inquiries related to such matters and to provide, to the extent reasonably possible, substantiation of transactions and to make available and furnish appropriate documents and personnel in connection therewith. All costs and expenses incurred in connection with this Section 8.1 will be borne by the Party who is subject to such action.

8.2 Transition. Seller will not take any action that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier, or other business associate of Seller from maintaining the same business relationships with the Buyer and/or the School after the Effective Date or Closing as it maintained with Seller prior to the Effective Date without the consent of Buyer.

ARTICLE IX
INDEMNIFICATION

9.1 Survival of Representations, Warranties and Covenants. All covenants and agreements of the Parties contained in this Agreement shall survive the Closing indefinitely or for the period explicitly specified therein. The expiration of any covenant shall not affect any claim made in good faith and in accordance with this Agreement prior to the date of such expiration.

9.2 Indemnification by Buyer. Buyer shall indemnify and hold harmless Seller and its directors, officers, employees, shareholders, agents, representatives, successors and assigns (collectively, the "Seller Indemnified Parties"), from all losses, liabilities, damages, demands, claims, suits, actions, judgments, assessments, costs and expenses, including, without limitation, reasonable attorneys' fees, reasonable expenses incurred in investigating, preparing or defending against any litigation, commenced or threatened, and all amounts paid in settlement of any claim or litigation ("Damages"), asserted against, imposed upon, or incurred or suffered by any Seller Indemnified Party, as a result of or arising from any breach or nonfulfillment of any covenants or agreements made by Buyer in this Agreement (collectively, the "Seller's Indemnifiable Claims"), which arise or result from and to the extent they are attributable to:

(a) the breach of any representation or warranty made by Buyer pursuant to this Agreement;

(b) the breach of, or failure to perform, any of the covenants, commitments, agreements or obligations of Buyer under or contained in this Agreement;

(c) any Claim asserted against Seller with respect to any matter concerning Buyer's failure to provide by the terms and conditions set forth in the MSA and, more specifically, any allegations made by any Accrediting Body, ACICS, Governmental Authority, or any Third Party for any violations or Claims occurred or accrued from April 1, 2019 forward;

(d) the use or operation of the School and the Purchased Assets from April 1, 2019 forward; or

(e) the Assumed Obligations.

ARTICLE X
MISCELLANEOUS

10.1 Expenses. Except as expressly provided otherwise in this Agreement, each Party shall pay its own expenses in connection with the negotiation, execution and performance of this Agreement, the Transaction, and all things required to be done by it pursuant to this Agreement, including counsel fees, brokerage, finder or financial advisor fees, filing fees and accounting fees.

10.2 Specific Performance. Each Party's obligation under this Agreement is unique. If any Party should breach its covenants under this Agreement, the Parties each acknowledge that it would be extremely impracticable to measure the resulting damages; accordingly, the non-breaching Party or Parties, in addition to any other available rights or remedies, may sue in equity for specific performance.

10.3 Governing Law; Waiver of Jury Trial; Consent to Jurisdiction; Service of Process.

(a) All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio without giving effect to any choice of law or conflict of law rules or provisions.

(b) Each Party acknowledges and agrees that any Actions (in contract, in tort or otherwise) arising out of or relating to this Agreement, any transactions contemplated hereby, any relationships between or among the Parties hereunder and any disputes with respect to any of the foregoing is likely to involve complicated and difficult issues, and therefore it hereby irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any such Action.

(c) **EACH PARTY HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY ACTION OR SUIT AND AGREES THAT SERVICE OF SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT THE ADDRESS SET FORTH IN SECTION 10.4 OF THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED**

COMPLETED UPON THE EARLIER OF SUCH PARTY'S ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID.

10.4 Notices. All notices, requests, demands, and other communications under this Agreement must be in writing and will be deemed to have been duly given if delivered by hand; sent by registered or certified mail, return receipt requested, postage and fees prepaid; Federal Express or similar overnight courier; sent by sent by facsimile; or sent by email, and addressed as follows:

If to Seller:
Mark E. Dottore
c/o Dottore Companies, LLC
2344 Canal Rd.
Cleveland, OH 44113
Attn: Mark E. Dottore
Email: mark@dottoreco.com
Facsimile: (216) 771-2450

with a copy to:
McCarthy, Lebit, Crystal & Liffman Co., LPA
101 W. Prospect Ave., Suite 1800
Cleveland, OH 44115
Attn: Charles A. Nemer, Esq.
Email: can@mccarthylebit.com
Facsimile: (216) 696-1422

If to Buyer:
Save the Art Institute of Las Vegas Limited
2350 Corporate Circle, Suite 100
Henderson, NV 89074
Attn: William Turbay
Email: waturbay@gmail.com
Facsimile: (702) 667-4818

with a copy to:
Howard & Howard
3800 Howard Hughes Pkwy. Suite 1000
Las Vegas, NV 89169
Attn: Gwen Rutar Mullins, Esq.
Email: gmullins@howardandhoward.com
Facsimile: (702) 667-4818

Addresses are permitted to be changed by notice in writing signed by a Party desiring to change such Party's address, but any such notice of change of address will not be effective until actually received by the other Party. All notices will be deemed given on the day delivered, if (a) personally delivered, facsimiled (with confirmation of transmission) or emailed to the Party receiving such notice, provided that if delivered by facsimile or email, a copy of the notice shall also be sent by the method in subsection (b) or (c) below; (b) on the business day after the day

deposited, if delivered by Federal Express or similar overnight courier; or (c) on the third (3rd) business day following deposit in the U.S. mail.

10.5 Counterparts. This Agreement is Permitted to be executed in two or more counterparts, all of which taken together shall constitute one instrument. Copies of signatures of the Parties received by facsimile or email shall be effective as original signatures.

10.6 Headings. The subject headings of the Sections and Paragraphs of this Agreement are included for purposes of convenience only, and will not affect the construction or interpretation of any of its provisions.

10.7 No Third Party Beneficiaries. This Agreement is solely for the benefit of the Parties hereto and no provision of this Agreement will be deemed to confer upon Third Parties any rights, remedies, Claims or causes of action.

10.8 Further Assurances. At any time following the Effective Date, each of the Parties agrees to execute and/or deliver such instruments or documents as may be reasonably requested by the other Party to (i) consummate the transactions contemplated by this Agreement, (ii) effectuate fully the purposes of this Agreement, and (iii) vest in each Party the rights and interests conferred upon such Party under this Agreement.

10.9 No Agency Relationship. Neither Party may bind the other or otherwise act in any way as the representative of the other Party, unless otherwise expressly agreed to in a writing signed by authorized representatives of both Parties before any such act or representation. Neither Party may represent itself as the other Party's agent for any purpose to any Third Party or to allow any of its employees to do so, unless specifically authorized, in advance and in writing, to do so, and then only for the limited purpose stated in such authorization. Neither Party's employees are employees of the other Party.

10.10 Entire Agreement. This Agreement and Schedules and Exhibits referenced in this Agreement embody the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, oral or written, relative to said subject matter.

10.11 Binding Effect; Assignment. This Agreement shall inure to the benefit of and be binding upon Seller and Buyer and their successors and Permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be transferred or assigned (by operation of law or otherwise) by any of the Parties without the prior written consent of the other Parties, provided, however, that Buyer may assign this Agreement and all of its rights, interests and obligations under this Agreement to an Affiliate of Buyer without the consent of Seller. Any transfer or assignment of any of the rights, interests or obligations in violation of the terms of this Agreement shall be null and void.

10.12 Amendment; Waiver. This Agreement is not permitted to be amended, terminated, augmented, rescinded or discharged (other than by performance), in whole or in part, except by a writing executed by each of the Parties. No waiver of any of the provisions or conditions of this Agreement or any of the rights of a Party shall be effective or binding unless the waiver is in writing and signed by the Party claimed to have consented to it.

10.13 Severability. With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, the Parties agree that such court shall have jurisdiction to reform such provision so that it is enforceable to the maximum extent Permitted by law, and the Parties agree to abide by such court's determination. If any such provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect.

10.14 Tax Advice and Reliance. None of the Parties to this Agreement (nor any of the Parties' respective counsel, accountants or other representatives) has made or is making any representations to any other Party (or to any other Party's counsel, accountants or other representatives) concerning the consequences of the Transaction under applicable Tax laws. Each Party has relied solely upon the tax advice of its own representatives engaged by such Party and not on any such advice provided by any other Party

10.15 Time. Time is of the essence with respect to this Agreement and the performance by the Parties hereunder.

10.16 Court Approval. The Parties understand that this Agreement is subject to Court approval.

[Remainder of page left intentionally blank]
[Signature pages on following page]

IN WITNESS WHEREOF, this Agreement has been executed by or on behalf of each of the Parties below as of the date first above written.

BUYER:

Save The Art Institute Las Vegas Limited

By: _____
Name: William Turbay
Title: Manager

SELLER:

By: _____
Name: Mark E. Dottore, solely in his capacity as receiver for The Art Institute of Las Vegas, LLC pursuant to that certain Order Appointing Receiver entered on January 18, 2019, by the United States District Court for the Northern District of Ohio, Eastern Division

[Signature Page to Asset Purchase Agreement]

SCHEDULE I

Assumed Contracts

NONE

SCHEDULE 2.2

Assumed Liabilities

Any and all liabilities for obligations of Buyer under the MSA and any other expense incurred in the Ordinary Course of Business for period of April 1, 2019 forward

SCHEDULE 3.3

Tangible Personal Property

All personal property owned by Seller located at the Premises and/or on School Real Property, including, without limitation:

(a) all machinery, equipment (including all transportation and office equipment), computer equipment (including all servers, routers, and network equipment), projection equipment, library equipment, telephone systems and furniture relating to the School in which Seller has all right, title and ownership to;

(b) all office supplies, spare parts, miscellaneous supplies, and other tangible property of any kind relating solely to the School, including, without limitation, all property of any kind located in any building, office or other space leased by Seller; and

(c) all texts, journals, periodicals, library books, documents, catalogs, indices, databases, core materials, archives and other materials, written and electronic, located at the School premises.

SCHEDULE 3.5

Real Property

The following is a complete and correct list of all Real Property in which the Seller has a leasehold interest:

(1) Seller Real Property located at 2350 Corporate Circle, Suite 100, Henderson, Nevada 89074 which is currently subject to a Lease Agreement between Seller and Tech Park 6, LLC.

SCHEDULE 7.2(b)

Pre-Closing Educational Consents

Pre-Closing Educational Consents, including but not limited to:

1. United States Department of Education (ED)
   a. Receipt of DOE Pre-Acquisition Review Letter.

2. Nevada Department of Employment, Training and Rehabilitation, Commission of Postsecondary Education (DETR)

   a. Receipt of DETR application and approval of transfer and/or change of ownership/control.

3. Accrediting Council for Independent Colleges and Schools (ACICS)
   a. Notification, application and approval of Change of Ownership/Control Application Part I.

4. American Culinary Federation Education Foundation's Accrediting Commission (ACFEFAC)

   a. Notification and approval prior to change of ownership.

SCHEDULE 7.2(f)

Post-Closing Educational Consents

Post-Closing Educational Consents, including but not limited to:

1. United States Department of Education (ED)
   a. Application and approval.

2. Accrediting Council for Independent Colleges and Schools (ACICS)
   a. Application and approval of Change of Ownership/Control Application Part II.

3. Nevada Commission on Postsecondary Education (CPE)
   a. Application and approval.

4. Council for Interior Design Accreditation (CIDA)
   a. Notification and approval.

EXHIBIT A

Assignment and Assumption Agreement

NONE

EXHIBIT B

Bill of Sale

Bill of Sale

That, **The Art Institute of Las Vegas, LLC**, an Arizona nonprofit limited liability company that is registered in the State of Nevada as The DC Art Institute of Las Vegas, LLC the "School""), by and through Mark E. Dottore, Receiver, appointed by the United States District Court for the Northern District of Ohio, Eastern Division (the "Court"), the Grantor, for the consideration as stated in the Assets Purchase Agreement received to its full satisfaction from **Save The Art Institute of Las Vegas Limited** , the Grantee, has bargained sold and conveyed, and by these presents, and with full authority, including the approval of the Court, does bargain, sell and convey unto the said Grantee, its heirs and assigns, free and clear from all Interests as defined in the Order of Sale, the following described goods, wares, merchandise, chattels and effects, to-wit:

Purchased Assets, as defined in the Asset Purchase Agreement dated July 15, 2019, including without limitation, those assets set forth in Exhibit 1, attached hereto and incorporated by reference herein.

To have and to hold the same unto the said Grantee, its heirs and assigns, to Grantee and its own proper use and behoof forever.

And it, the said Grantor, does for itself and its heirs, covenants and agrees to and with the said Grantee, its heirs and assigns, that above bargained goods, wares, merchandise, chattels and effects are free and clear from all Interests as defined in the Order of Sale, and that it is the true and lawful owner thereof and has good right and lawful authority to bargain and sell the same in the manner and form as aforesaid, and that it will and its heirs and assigns shall warrant and defend the same against the lawful claims and demands of all persons whomsoever.

In Witness Whereof I hereunto set my hand at Cleveland, Ohio this _____ day of _____, 2019.

The Art Institute of Las Vegas, LLC

Signed in presence of:

_____

_____

By: Mark E. Dottore, solely in his capacity as receiver for The Art Institute of Las Vegas, LLC pursuant to that certain Order Appointing Receiver entered on January 18, 2019, by the United States District Court for the Northern District of Ohio, Eastern Division

EXHIBIT 1

All rights, title and interest in any and all of the Purchased Assets as defined in the Asset Purchase Agreement, including without limitation:

(a) all Accounts Receivable and other accounts and notes receivables (whether current or noncurrent) and all causes of action specifically pertaining to the collection of the foregoing (excluding, for the avoidance of doubt, the Excluded Receivables);

(b) all Intellectual Property owned by the School and used solely by the School and all corresponding rights that, now or hereafter, may be secured throughout the world and all copies and tangible embodiments of any such Intellectual Property in Seller's possession or control;

(c) all of Seller's rights existing under the Assumed Contracts listed on Schedule I;

(d) all machinery, equipment (including all transportation and office equipment), computer equipment (including all servers, routers, and network equipment), projection equipment, library equipment, telephone systems and furniture relating to the School that is owned by the School;

(e) all office supplies, spare parts, miscellaneous supplies, and other tangible property of any kind relating solely to the School, including, without limitation, all property of any kind located in any building, office or other space leased by Seller;

(f) all texts, journals, periodicals, documents, catalogs, indices, databases, core materials, archives and other materials, written and electronic, located at the Premises owned by Seller;

(g) the School's OPE ID # 04051300;

(h) School's tuition payments received or to be received by Seller or the School for 2019 Spring Quarter and all School's subsequent quarters, including, without limitation, the Title IV funds and the VA funds) for the period April 1, 2019 forward, including any Accounts Receivable;

(i) the right to receive and retain mail (including electronic mail) and other communications relating to the School as long as Buyer provides Seller with copies of all mail relating to the operation of the School received until the Closing;

(j) the right to bill and receive payment for services performed in connection with the School for the period commencing 2019 Spring Quarter but unbilled or unpaid as of the Closing (other than with respect to any of the Excluded Receivables);

(k) all data, including, without limitation, student and financial data, stored or maintained on the Shared IT Platform and any hard-copy paper files relating solely to the School;

(l) all IT Systems solely for the benefit of the School that are located at the Premises;

(m) all telephone numbers used by Seller solely in connection with the operation of the School;

(n) all indemnities from Third Parties relating to the Purchased Assets or the Assumed Liabilities prior to the Closing Date.

All of the Purchased Assets will be sold, assigned, transferred, conveyed and delivered to Buyer free and clear of all Liens.

4813-9871-1580, v. 3

EXHIBIT C

Seller's Certificates of Good Standing

19070112474359

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

I, the undersigned Executive Director of the Arizona Corporation Commission, do hereby certify that:

THE ART INSTITUTE OF LAS VEGAS, LLC

ACC file number: L21865306

was incorporated under the laws of the State of Arizona on 05/12/2017, and that, according to the records of the Arizona Corporation Commission, said limited liability company is in good standing in the State of Arizona as of the date this Certificate is issued.

This Certificate relates only to the legal existence of the above named entity as of the date this Certificate is issued, and is not an endorsement, recommendation, or approval of the entity's condition, business activities, affairs, or practices.

IN WITNESS WHEREOF, I have hereunto set my hand, affixed the official seal of the Arizona Corporation Commission, and issued this Certificate on this date: 07/01/2019

SEAL OF THE ARIZONA CORPORATION COMMISSION
DITAT DEUS
1912

Matthew Neubert, Executive Director

01337320

SECRETARY OF STATE

STATE OF NEVADA

CERTIFICATE OF EXISTENCE WITH STATUS IN GOOD STANDING

I, Barbara K. Cegavske, the duly elected and qualified Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, non-profit corporations, corporation soles, limited-liability companies, limited partnerships, limited-liability partnerships and business trusts pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent of 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **THE DC ART INSTITUTE OF LAS VEGAS, LLC**, as a limited liability company duly organized under the laws of Arizona and existing under and by virtue of the laws of the State of Nevada since August 11, 2017, and is in good standing in this state.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on July 1, 2019.

Barbara K. Cegavske

Barbara K. Cegavske
Secretary of State

Electronic Certificate
Certificate Number: C20190701-1416

01337304

EXHIBIT D

Sale Order

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

DIGITAL MEDIA SOLUTIONS, LLC,	)	CASE NO. 1:19-cv-145
	)	
Plaintiff,	)	JUDGE DAN AARON POLSTER
	)	
v.	)	MAGISTRATE JUDGE THOMAS M. PARKER
	)	
SOUTH UNIVERSITY OF OHIO, LLC, *et. al.*,	)	
	)	
	)	
Defendants.	)	

ORDER GRANTING EMERGENCY MOTION OF MARK E. DOTTORE, RECEIVER OF THE ART INSTITUTE OF LAS VEGAS, LLC, FOR AN ORDER AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE ART INSTITUTE OF LAS VEGAS, LLC, FREE AND CLEAR OF LIENS, ENCUMBRANCES, CLAIMS AND OTHER INTERESTS (WITH CERTAIN EXCEPTIONS) AND FOR TRANSFER OF THE INTERESTS OF UNPAID HOLDERS OF INTERESTS TO THE PROCEEDS OF THE SALE

This matter having come before the Court on the Motion (the "Sale Motion") of Mark E. Dottore (the "Receiver"), Receiver of The Art Institute of Las Vegas LLC, for an Order Authorizing the sale of substantially all of the assets of The Art Institute of Las Vegas, LLC, an Arizona nonprofit limited liability company that is registered in the State of Nevada as The DC Art Institute of Las Vegas, LLC OPE ID #04051300 (the "School"), free and clear of all mortgages, pledges, security interests, liens, encumbrances, claims, charges, and any other interests of any kind or type whatsoever (the "Interests") (with certain exceptions as hereinafter provided) and for the transfer the Interests of unpaid holders of Interests to the Proceeds of the Sale. In the Sale Motion, the Receiver seeks the entry of an Order: (i) authorizing the sale of all or substantially all of the assets (the "Assets") of the

School to Save the Art Institute of Las Vegas Limited ("**Save Las Vegas**" or the "**Buyer**"), consistent with the terms of an Asset Purchase Agreement (the "**APA**") dated July15, 2019; (ii) determining and directing that the sale of the Assets is free and clear of all Interests except for amounts that are required to be paid as part of the process of approval of the Sale by the United States Department of Education (the "**DOE**")or the Nevada Department of Employment, Training and Rehabilitation, Commission of Postsecondary Education (the "**DETR**") (the "**DOE/DETR Required Amounts**"); and (iii) and transferring any unpaid claims of the holders of Interests and other interest holders in the Assets to the proceeds of sale; and (iv) granting such other and further relief as is warranted in the circumstances.

The Court having reviewed the Sale Motion, the Declaration of the Receiver, and all other pleadings, motions, objections, and other responses (the "**Written Statements**") related thereto, and a hearing having been held before this Court on July __, 2019 (the "**Sale Hearing**"), to consider the proposed sale (the "**Sale**") of the Assets pursuant to the terms and conditions of the APA, at which time all parties in interest were afforded an opportunity to be heard and the Court having weighed and considered the Written Statements and the oral comments made at the Sale Hearing by the parties in interest:

IT IS HEREBY FOUND AND DETERMINED THAT:

A. All capitalized terms not defined herein shall have the same meaning as set forth in the Sale Motion and the APA;

B. The relief requested in this motion is governed by FED. R. CIV. P. 66, Rule 66.1(c) and (d) of the Local Rules for the United States District Court for the Northern District of Ohio (the "**Local Rules**"), federal common law and the Receiver Order;

C. The Interim Receiver Order provides,

> 2.n. The Receiver is authorized to negotiate and effect an orderly sale, transfer, use or assignment of all or a portion of any of the Property in or outside of the ordinary course of business of the Receivership Entities and, for the proceeds thereof, to pay the secured and unsecured indebtedness of the Property, including the Real Property . . . The Receiver is authorized to conduct such a sale of the Property in any manner which he, in his good faith and reasonable discretion, believes will maximize the proceeds received from the sale.

D. The Amended Receiver Order provides that the Receiver's authority to negotiate and effect a sale of the assets is subject Paragraphs 13 and 14 of the Amended Receiver Order. Paragraph 13 affirms that the regulatory authority of the United States may not be stayed or constrained and Paragraph 14 affirms the validity of the Federal Priority Statute, 31 U.S.C. § 3713.

E. Notice of the Sale Motion and the Sale was provided to hundreds of persons, who the Receiver identified as having an interest in the sale proceeding. Notice was served upon all parties to this lawsuit and their lawyers, the federal, state and local taxing authorities, all secured creditors, unsecured creditors that have demonstrated an interest in the assets, the Department of Justice, the Department of

Education, the Nevada state education regulators, the Nevada Attorney General, and all regulatory and accrediting agencies. The list of persons served through the Court is a matter of record; the additional parties served is contained in a certificate of service filed with the Court.

F. Proper, timely, adequate and sufficient notice of the Sale Motion, the Sale Hearing and the proposed Sale has been provided to all interested parties.

G. Objections were filed by _____.

H. This Court has the authority to approve a Sale of the Assets free and clear of all Interests (except for the DOE/DETR Required Amounts), and to transfer all Interests whatsoever to the proceeds derived from the respective sales of the Assets.

I. Liens reported against the Assets are as stated in the Sale Motion;

J. The DOE and DETR have an interest in the Assets in the amount that is required to be paid prior to the change of ownership to Save Las Vegas;

K. Those other holders of Interests who did not object to the Sale Motion are deemed to have consented to the Sale. Those holders of Interests who did object, if any, are adequately protected by having their Interests, if any, attach to the proceeds of Sale;

L. Prior to the appointment of the Receiver, the School advertised itself as for sale to a willing buyer. The School was one of the Excluded Campuses; that is, it was not selected for acquisition by Education Principle Foundation, The Arts Institute International, LLC or the Dream Center South University, LLC. Immediately after his appointment, the Receiver was approached by Save Las Vegas and another group who were seriously interested in acquiring the School.

M. Since his appointment in this case, the Receiver has marketed all of the Assets in a manner that was designed to attract the maximum number of individuals and groups with an interest in purchasing one or multiple campuses. Further, this case has been the subject of extensive press coverage. Through the press coverage and through earlier efforts to sell the institution, the Receiver's interest in a sale transaction and its financial situation were widely known among educators, educational institutions and investors in educational institutions and in excess of twenty prospective buyers have contacted the Receiver about the possibility of purchasing one or more campuses of the Receivership Entities;

N. The APA submitted by Buyer is the highest and best offer received for the Assets. It represents the highest in terms of money offered for the Assets and also includes the opportunity to continue the institution and honor the students' wishes to complete their programs of study.

The APA offers the School's creditors the most money and the School's students an uninterrupted education. Principals of Buyer have demonstrated postsecondary education experience and knowledge and are more likely than other prospective purchasers to be successful in obtaining approvals from regulatory authorities which are required to complete the sale transaction. Buyer also seeks to close at the earliest possible time and demonstrates the financial wherewithal to do so. A Sale to Buyer is consistent with good business judgment and is approved by this Court;

O. If the Assets are not sold to Buyer at this time, they will be substantially devalued or the sale will fail and the School will close. The Assets are more valuable when sold as a "going concern," that is, as an educational institution. The sale to Buyer will also benefit the School's students, faculty and the community as the school will remain open. In order to sell the Assets as a continuing educational enterprise in good standing, the Seller must complete its sale transaction immediately, as it cannot continue to operate as an educational institution even for a short time without financial assistance and is in danger of losing both its accreditation and its ability to participate in federal student aid programs;

P. A reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested herein has been afforded to all

interested persons and entities, including but not limited to, all parties and intervenors to this action, all secured lenders, all unsecured creditors who have requested that notices be sent to them, Attorney General of the State of Nevada, all full time faculty members, all of the School's educational accrediting agencies, and other parties that the Receiver believes would have an interest in the Sale or who have requested that they be notified of any sale;

Q. The Receiver has demonstrated that approval of the Sale Motion and consummation of the Sale to the Buyer at this time is in the best interests of the School, its creditors and its students. The Receiver has advanced good and sufficient business justification supporting the sale of the Assets to the Buyer as set forth in the Sale Motion and at the Sale Hearing, and it is a reasonable exercise of the Receiver's business judgment to consummate a sale of the Assets on the terms and conditions set forth in the APA, and to execute, deliver and perform its obligations thereunder. Sound business judgment includes, but is not limited to, the fact that (i) there is a risk of immediate and irreparable loss of value of the Assets if the Sale is not consummated, (ii) there is a substantial risk of loss of accreditation from the Accrediting Counsel for Independent Colleges and Schools ("**ACICS**") and American Culinary Federation Education Foundation's Accrediting Commission ("**ACFEFAC**"), and loss of eligibility to participate in federal student

aid programs (iii) the School cannot continue as an educational institution for even a short time without financial assistance, (iv) if the School ceases to operate as an educational institution, its students will be unable to complete their programs of study, and (v) the consummation of the transaction contemplated under the APA presents the best opportunity to realize the value of the Assets to avoid further decline and devaluation thereof; (vi) the sale is at arm's length; and (vii) the Receiver has exercised reasonable diligence and good faith judgment;

R. The consideration to be paid by the Buyer for the Assets constitutes adequate and fair value for the Assets and the terms and conditions of the APA are fair and reasonable;

S. The Receiver is authorized and directed to negotiate, execute and deliver all documents necessary to consummate the Sale with the Buyer on the same general terms and conditions as the APA with such changes as the Receiver, in his sole discretion, deems necessary or desirable, and is further authorized to execute other ancillary agreements and other documents to sell the Assets and to complete the Sale of the Assets without further order of this Court free and clear of all Interests (except for the DOE/DETR Required Amounts), as long as the terms and conditions of the APA and other documents are not materially worse, in the aggregate, to the School, or materially worse

with respect to the interests of individual secured creditors, than the terms and conditions contained in the APA;

T. The School has good title to the Assets, and accordingly the sale of such Assets to the Buyer will be a legal, valid and effective sale of the Assets;

U. The terms and conditions of the APA were negotiated, proposed and entered into in good faith, from arm's length bargaining positions by the Receiver and the Buyer and constitute the highest or otherwise best offer for the Assets after a period in which third parties had ample opportunity to seek information and enter into discussions or negotiations with the Receiver concerning a sale of the Assets. The Buyer is entitled to the protections of a good faith purchaser with respect to the Sale approved hereby;

V. The APA is conditioned upon several events, which include (i) all of the terms and conditions of the sale must be approved by the Court through an Order of Sale and the Order of Sale must be final and not appealable; (ii) the sale must be free and clear of all Interests (except for the DOE/DETR Required Amounts); and (iii) obtaining necessary approvals from the Governing Authorities and Educational Agencies (as defined in the APA). The Buyer will not consummate the transactions contemplated in the APA, thus adversely affecting the School, its creditors and its students, if the sale of the Assets to the

Buyer is not free and clear of all Interests, or if the Buyer would, or in the future could, be liable for any of the Interests (except for the DOE/DETR Required Amounts);

W. The Receiver does not have any interest in Buyer or any party affiliated with Buyer;

X. The Sale was non-collusive, fair and reasonable and conducted in good faith.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Sale of the Assets is approved and authorized on terms consistent with those in the APA which is attached to the Sale Motion and made a part hereof;

2. Any objections to the Sale Motion or the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are overruled on the merits;

3. The APA is hereby approved and the Receiver is hereby authorized and empowered to fully perform thereunder and to consummate the sale as contemplated under the APA on the same general terms and conditions as the APA. To the extent that changes are needed to consummate the sale as contemplated under the APA, the Receiver, in his sole discretion and without further order of this Court, is authorized to execute such additional instruments and documents that may be reasonably necessary or desirable to implement the APA and to take all further actions as may reasonably be requested by the Buyer for the purpose of

selling, assigning, transferring, granting, conveying and conferring to the Buyer, or reducing to the Buyer's possession, any or all of the Assets free and clear of all Interests;

4. As of the closing of the Sale of the Assets, the sale of the Assets to the Buyer will be a legal, valid, enforceable, and effective sale of the Assets, and will vest the Buyer with all right, title, and interest in the Assets free and clear of all Interests (except for the DOE/DETR Required Amounts);

5. Except as may be expressly permitted by the contemplated APA, all persons and entities holding liens or interests, including the Secured Claimants, are hereby barred from asserting such liens or interests against the Buyer, its successors or assigns, or the Assets;

6. Proper, timely, adequate and sufficient notice of the proposed Sale has been provided by the Receiver to all relevant parties, and no other or further notice is required;

7. The foregoing notwithstanding, the provision of this Order authorizing the Sale of the Assets free and clear of all Interests (except for the DOE/DETR Required Amounts) shall be self-executing, and notwithstanding the failure of the Receiver, the Buyer or any other party to execute, file or obtain releases, discharges, termination statements, assignments, consents or other instruments to effectuate, consummate and/or implement the provisions hereof or the contemplated APA with respect to the Sale of the Assets, all liens, claims, encumbrances and interests on

such Assets shall be deemed released and shall attach to the proceeds of the Sale except for the DOE/DETR Required Amounts;

8. This Order shall be binding upon and govern the acts of all entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons or entities who may be required by operation of law, the duties of their office or contract to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report to or insure title or state of title in or to any of the Assets;

9. From and after entry of this Order, neither the School nor any creditor or other party in interest shall take or cause to be taken any action that would interfere with the sale of the Assets to the Buyer in accordance with the terms of this Order;

10. From and after entry of this Order, no creditor or other party in interest shall assert any claims or take any legal or other actions relating to the Assets to be sold to Buyer, before the closing of the Sale against Buyer, its principals or the Assets;

11. The Receiver is authorized to execute such other documents as are necessary or desirable to implement this Order;

12. This Court shall retain jurisdiction (i) to enforce and implement the terms and provisions of the contemplated APA and all amendments thereto, any

waivers and consents thereunder and any other agreements executed in connection therewith, (ii) to resolve any disputes arising under or related to the APA, except as otherwise provided therein, and (iii) to interpret, implement and enforce the provisions of this Order.

13. The *Objection of* _____ (the "XXX Objection") filed by _____ ("XXX") is hereby resolved as follows:

14. Pursuant to Fed. R. Civ.R. 54(B), this Order is a final Order and there is no just reason for delay.

IT IS SO ORDERED.

Date: _____

_____
MAGISTRATE JUDGE THOMAS M. PARKER

_____
JUDGE DAN AARON POLSTER

Respectfully submitted,

/s/ Mary K. Whitmer
Mary K. Whitmer (0018213)
James W. Ehrman (0011006)
Robert M. Stefancin (0047184)
WHITMER & EHRMAN LLC
2344 Canal Road, Suite 401
Cleveland, Ohio 44113-2535
Telephone: (216) 771-5056
Email: mkw@weadvocate.net

Attorney for Mark E. Dottore, Receiver
4833-4928-1692, v. 1

EXHIBIT E

Buyer's Certificate from the Nevada Secretary of State

4840-1709-0716, v. 1

SECRETARY OF STATE

THE GREAT SEAL OF THE STATE OF NEVADA

STATE OF NEVADA

CERTIFICATE OF EXISTENCE WITH STATUS IN GOOD STANDING

I, Barbara K. Cegavske, the duly elected and qualified Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, non-profit corporations, corporation soles, limited-liability companies, limited partnerships, limited-liability partnerships and business trusts pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent of 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **SAVE THE ART INSTITUTE OF LAS VEGAS LIMITED**, as a limited liability company duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada since January 25, 2019, and is in good standing in this state.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on July 10, 2019.

Barbara K. Cegavske

Barbara K. Cegavske
Secretary of State

Certified By: Paul Reyes
Certificate Number: C20190710-1431

ATTACHMENT E

DEPARTMENT OF EDUCATION PARTIAL APPROVAL LETTER RECEIVED IN MID-AUGUST 2019 RE: WINTER QUARTER HCM2 SUBMISSION

(See Attached)

ATTACHMENT E

Mark Dottore
The Art Institute of Las Vegas
2350 Corporate Circle
Henderson, NV 89074-7737

Re: Partial Approval of HCM2 Submission
OPE ID: 04051300
DUNS: 926397829

Dear Mr. Dottore:

The Multi-Regional and Foreign Schools Participation Division received a complete HCM2 request from The Art Institute of Las Vegas (Ai Vegas) on June 12,2019. We have completed our review of the submission and approved the following amounts for payment on August 16, 2019.

Program	Amt Requested	Amt Approved	Amt Processed in G5
Pell Grant	$348,002.00	$2,797.00	$2,797.00
FSEOG	$54,728.00	$0.00	$0.00
Direct Loan	$488,718.00	$13,134.00	$13,134.00

Ai Vegas must correct the errors and resubmit the records as a complete, *separate* package, including Form 270, Student Data Spreadsheet, etc. Do not include resubmitted records with other records. Ai Vegas may submit the request without waiting for the original 30-day submission period to pass. Upon receipt of the resubmitted request, a new 30-day period will begin.

Our review of a random sample of student records detected an error in excess of 10%. Therefore, payment on all non-sampled students is also rejected. Ai Vegas must review these records for errors similar to those identified among sample students, make necessary corrections, and resubmit those students for payment.

Approval of a portion of this request shall in no way limit the Department of Education's rights to later determine that these funds were improperly expended and to recover these funds from Ai Vegas as the result of an audit, program review, or in any other manner. In addition, the review does not constitute a complete file review and does not relieve Ai Vegas of its annual audit requirement.

Sincerely,

Eric Miles
Payment Analyst

Enclosure: Payment Rejection Details

cc: Dawn Batulla, Financial Aid Director (dbatulla@aii.edu)

Payment Rejection Details

General Deficiencies

Reason for Rejection: Pell grant funds requested on the Student Data Spreadsheet and Form 270 were paid to Ai Vegas prior to HCM2 claim submission.
Requirements to Resolve: Submit an updated Student Data Spreadsheet and Form 270.

ATTACHMENT F

RESUME OF LAURA NOWLAN

(See Attached)

ATTACHMENT F

Laura Nowlan
Las Vegas, NV
LauraN@SeeUsNowStaffing.com
www.SeeUsNowStaffing.com
702-902-2448

Qualifications: Hard working, multi-tasking, bilingual (Spanish) professional with over 20 years of leadership experience, 30 years of customer service experience and over 14 years in Human Resources/Staffing experience with an entrepreneurial spirit, passion and drive. Work experience consists of, but is not limited to interviewing, screening, team building, and hiring qualified individuals for employment and all phases of starting a business to selling. Able to work independently or with a team; work is completed efficiently and in a timely manner. Works well with a broad range of cultural, ethnic, and economic backgrounds. Experienced; with strong emphasis on public relations with the added experience of managing departments, projects, scheduling, hiring, developing, budgeting and implementing marketing plans. Strong relationship building, community organizing and people skills.

President/Owner: 10/2014-Present- **See Us Now Staffing, Inc.**
- Responsible for day to day operations in growing the corporation by increasing sales
- Providing goals and direction to the recruiters and account executives
- Knowledgeable of the recruitment/staffing industry, self-confident, with a strong work ethic and high sense of urgency in accomplishing corporate goals
- Proven ability to design practical solutions and advise of problems before it becomes critical

Volunteer Executive Director/Co-Founder: 1/2015-5/2019- **Nevada Hispanic Business Group**
- Responsible for fulfilling the mission and vision of NVHBG: bringing the non-Hispanic and the Hispanic business community together through education, advocacy, networking and volunteering.
- Responsible for creating, planning, coordinating, executing and organizing community events with board members, sponsors and volunteers.
- Responsible for developing, planning and executing community programs that inspire entrepreneurs, small businesses and the community.
- Responsible for day to day operations of the organization.
- Responsible for assisting in preparing the agenda and minutes for board meetings with the NVHBG President and assist in conducting board meetings as a Co-Founder.
- Responsible for coordinating and conduct meetings with corporate sponsors, schools, other community organizations and government officials to create alliances and partnerships with NVHBG.

Branch Manager: 9/2012-8/2014- **Elite Resources Premier Staffing**
- Responsible for day to day operations of the Las Vegas Branch.
- Providing goals and direction to the recruiters and account executives.
- Knowledgeable of the recruitment/staffing industry, self-confident, with a strong work ethic and high sense of urgency in accomplishing branch goals.
- Proven ability to design practical solutions and advise of problems before it becomes critical.
- Responsible for hiring and dismissing employees and following all labor laws in the state of Nevada, as well as company policies.
- Responsible for overseeing interviews, pre-screening, e-verify, processing background checks, and 10 panel drug tests.
- Responsible for administrative functions of the office submitting payroll for all Las Vegas team.
- Responsible for building a client base of companies using our staffing services, hiring the right talent to meet the client's requirements and hiring the right team to meet all company goals.
- Responsible for branding the Elite Resources company name and services in Las Vegas area, participating in networking and community events.

Human Resource Manager: 10/2011-9/2012- **HTL Optoelectronic Technology**
- Responsible for recruiting qualified candidates, attending job fairs, and working closely with government agencies to ensure quality talent acquisition.

- Responsible for: interviews, pre-screening, conducting background checks, and reference checks for prospective candidates.
- Review job placement tests and enter candidates into employee tracking database.
- Assist the Accounting Department with payroll for all employees.
- Responsible for hiring/dismissing employees and following all labor laws in the state of Nevada, as well as company policies.
- Responsible for invoicing state grants for SSW, SESP and WIA to non-profits and government agencies.

Experience Office Leader/Marketing: 8/2010-11/2011- **H&R Block**
- Assisted with Interviewing, pre-screening Customer Service Personal and Tax pros.
- Responsible for scheduling Tax Pros and CSP's work schedules for tax season.
- Responsible for marketing and growing tax business in office market located area.

Staffing Manager: 9/2006-5/2010- **Millenium Staffing Services**
- Responsible for recruiting qualified candidates via internet searches and resumes submittal.
- Interviewing, pre-screening, conducting 5 panel drug test and request criminal background checks.
- Review job placement tests, check reference, enter candidates into employee tracking database.
- Assist clients with scheduling and coordinating work schedules.
- Assist the Payroll Department to assure proper payment of employees' work hours.
- Responsible for hiring/dismissing employees in the Light Industrial and Convention Services Division; in accordance with all labor laws in the state of Nevada as well as company policies.
- Project Manager operating at many large properties along the Las Vegas Strip to ensure customer satisfaction.

Loan Officer: 5/2003-9/2006- **Mortgage One Financial**

Business Owner: Since 1997-9/2006 **Latina Mobile Notary**

NeighborWorks® HomeOwnership Center Director: 12/1997-4/2002- **Neighborhood Housing Services of the Inland Empire**
- Responsible for the center's day to day activities and programs.
- Responsible for developing the center's education courses curriculum and educating members of the community as well as the lending industry on how to use the organizations down payment assistance programs.
- Responsible for securing volunteer instructors to teach home buyer education and home maintenance classes.
- Developed marketing plan for the center's programs and implement effective tracking procedures to ensure program compliance.
- Supervised administration of the City of Redlands, Highland and Rancho Cucamonga down payment assistance program. Also over saw the Section 8 pilot program for the agency and special low rate first mortgage loan programs that the staff implemented.
- Under my leadership, the number of individuals served had increased from three hundred fifty-six in 1997 to one thousand ninety-six in 1998.

Academic Education:
BS in Business Administration, California State University, June 1997
AA in Business Administration, San Bernardino Valley Community College, San Bernardino, May 1993

Certificate of Continuing Education: Powerful Communication Skills, The Basic of HR Law & Family and Medical Leave and Managing Human Resources under the Star12 National Seminar Training, BOWD, SBA Emerging Leaders and Latin Chamber of Commerce Leadership Nevada Graduate

Memberships: Co-founder of Nevada Hispanic Business Group 501C3, Board Member of DECA, Member of Women's Chamber of Commerce, Urban Chamber of Commerce, Dell Robison Middle School SOT Committee, Voice Links Toastmasters, Christian Women in Business Nevada, and Nevada Subcontractors Association.

ATTACHMENT G

MANAGED SERVICES AGREEMENT

(See Attached)

ATTACHMENT G

MANAGED SERVICES AGREEMENT

This Managed Services Agreement (this "Agreement") is made as of March 28, 2019, but shall be effective as of April 1, 2019 (the "Effective Date") by, between, and among THE ART INSTITUTE OF LAS VEGAS, LLC, an Arizona non-profit limited liability company, by and through MARK E. DOTTORE, Receiver ("the "University") and SAVE THE ART INSTITUTE OF LAS VEGAS LIMITED, a Nevada limited liability company, its designee or assignee ("AiLV" and, together with University, each a "Party" and together the "Parties"), to provide specified services to the University.

WHEREAS, Mark E. Dottore has been appointed Receiver of the University by Order dated January 18, 2019 in *Digital Media Solutions, LLC v. South University of Ohio, LLC, et al.*, Case No. 1:19-cv-145 (N.D. Ohio) (the "Litigation");

WHEREAS, the University is an institution of higher education duly authorized by applicable state and federal authorities to deliver programs of instruction leading to academic degrees institutionally accredited by the WASC Senior Commission of Colleges and Schools (the "University Accreditor");

WHEREAS, simultaneously with entering into this Agreement, AiLV has entered into a Transition Services Agreement (the "TSA") with Dream Center Education Holdings, LLC, an Arizona not-for-profit limited liability company, by and through Mark E. Dottore, Receiver ("DCEH");

WHEREAS, the University wishes to engage AiLV to provide certain Core Services (as defined herein) in support of its academic mission and purposes, as well as to be responsible for the payment and obligations of the University from the Effective Date under a certain Lease Agreement entered into on September 14, 2001 by and among HLLC BSP Tech Park, LP, a Nevada limited liability company and The Art Institute of Las Vegas, Inc., a Nevada corporation for the property located at 2350 Corporate Circle, Henderson, NV 89074, security and other services required by the University for the maintenance and repair of the ground campus and for the payment of salaries and all health care benefits for the administration, faculty and staff of the University;

WHEREAS, the University acknowledges that the a letter dated February 27, 2019 from the Department of Education, Multi-Regional and Foreign Schools Participation Division, does not make the University ineligible to participate in Title IV, HEA programs pursuant to emails AiLV has received from the DOE;

WHEREAS, the Parties wish to memorialize the terms and conditions upon which Services (as defined herein) are provided by AiLV to the University;

WHEREAS, the Board of the University has reviewed and approved the terms of this Agreement;

NOW THEREFORE, the Parties agree as follows:

1. Scope of Services; Definitions.

1.1 Services. AiLV will provide, or cause to be provided, to the University, in conjunction with the Board of the University, the area of Academics (determination of curriculum, establishment and application of academic standards, establishment of criteria for the award of academic credentials and the award of such credentials, provision of instruction, student academic advising, establishment of criteria for the engagement of faculty and for their engagement, oversight and training, and maintenance of necessary and appropriate state authorization and institutional and professional accreditations) ("Core Services"). Further, AiLV shall have complete control of all of the daily operations of the University. In addition, AiLV shall be solely and exclusively responsible for the obligations and liabilities of the University from the Effective Date under the Lease Agreement, as well as the (i) security, (ii) janitorial services; (iii) any other expenses required for the maintenance, repair and upkeep of the University; and (iv) all salaries and health care benefits for the administration, faculty and staff of the University ("Core Expenses"). AiLV shall provide the Receiver a monthly budget for any and all costs and expenses involving the operations of the University on a quarterly basis within ten (10) days prior to the commencement of each quarter ("Budget").

1.2 Non-Core Services. Pursuant to the terms and conditions set forth in the TSA which shall be executed simultaneously with this Agreement, DCEH will provide, or cause to be provided, to the University, the operational support services for the following functions: (i) marketing support services (marketing and brand development, advertising, admissions, lead development); (ii) corporate technology and other service; and (iii) other support services, student support, career development, industry alignment, in furtherance of the University's mission and goals, all to the extent described in the TSA (collectively, the "Non-Core Services"), it being anticipated that DCEH will provide the Non-Core Services from the Effective Date, while AiLV will remain responsible at all times for the Core Services and Core Expenses. Nothing in this Agreement will be construed as obligating DCEH to provide any Core Services or pay for any Core Expenses.

1.3 Reservation of All Academic Functions The Parties agree that the Board of the University,in conjunction with AiLV, will retain each and every one of the functions that are necessary attributes of a duly authorized and accredited institution of higher education, including all Core Services. The University will at all times operate in accordance with its established academic policies and procedures in a manner consistent with the requirements of the applicable Educational Agencies. The Board of the University, together with AiLV, shall remain responsible for providing confirmation of the University's adherence to the requirements of Educational Agencies upon their request.

1.4 Validity. This Agreement shall be effective upon the execution and delivery of this Agreement by (a) the Receiver and (b) an Authorized Representative of AiLV. The services to be provided shall be effective upon the execution and delivery of this Agreement by the Parties hereto.

1.5 General Definitions. Unless otherwise defined herein, all capitalized terms used in this Agreement are defined as set forth in Appendix__ (Definitions) attached hereto.

2. AiLV's Responsibilities.

2.1 Regulatory Matters. AiLV expressly acknowledges its affirmative obligations to conduct its affairs on behalf of the University in carrying out its obligations under this Agreement in a manner intended to be in accordance with applicable standards of the higher education community. In furtherance thereof, and not by limitation, AiLV warrants, represents and covenents that:

(a) AiLV's use and maintenance of any educational records containing personally identifiable student information that is provided to it through this Agreement remains subject to the oversight and control of the University. AiLV is familiar with, and will use commercially reasonable efforts to comply in all material respects with, all applicable Laws pertaining to student educational records and privacy, including the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g and subsequent codes, and its implementation regulations at 34 C.F.R. Part 99, and the Gramm Leach Bliley Financial Modernization Act, 15 U.S.C. §§ 6801-6803 (collectively, the "Privacy Laws and Regulations"). AiLV will not divulge any protected student information to anyone without prior notice to and written consent of the University; *provided, however,* that this requirement shall not apply to the divulging of protected student information to DCEH in accordance with the TSA.

(b) In the event this Agreement is terminated, AiLV will use commercially reasonable efforts to promptly deliver to the University all data regarding prospective students, applicants and students provided to it or obtained by it in accordance with this Agreement.

2.2 Service Standards. AiLV agrees that it will use commercially reasonable efforts to provide or cause to be provided the Core Services in an ethical, professional, workmanlike manner and in all material respects in accordance with this Agreement, the Laws identified in Section 2.1 and any other applicable Laws and relevant evolving state of the industry standard.

3. AiLV Responsibilities.

3.1 AiLV's Responsibility to Operate in Normal Course and Provide Services not Included in this Agreement. Other than the Non-Core Services to be performed by DCEH, AiLV shall remain fully responsible for insuring the performance of all other functions associated with the existing operations of the University, whether through institutional staff or agreements with affiliates or third parties, in compliance with all applicable laws and together with the Board of Trustees of the University.

3.2 Certain Actions of AiLV. AiLV, in conjunction with the Bord of the University, shall (a) operate the University and provide the Core Services in accordance with the terms of this Agreement, and (b) comply in all material respects with all applicable Laws.

3.3 Payment of Payroll Arrearage. On or before April 5, 2019, AiLV shall loan the Receiver the amount of One Hundred and Fifty Four Thousand Dollars ($154,000.00) for the

payment of payroll that is due and owing the faculty and staff at the University (the "Loan"). The Receiver shall repay the Loan within seven (7) business days from the date the funds the Receiver receives from the DOE relating to Title IV Funds for the prior quarters. AiLV shall be entitled to all Title IV Funds that the Receiver receives for the University as well as any and all other school related income on a go forward basis.

3.4 Payment of Rent. AiLV agrees to pay the Receiver the sum of Sixty Three Thousand Three Hundred and Eighty Nine Dollars and Thirty Three Cents ($63,389.33) for rent the Receiver has paid or will pay the Landlord, Tech Park 6, LLC, for the period March 11, 2019 through and including March 31, 2019. The aforementioned amount shall be repaid by reducing the Loan that the Receiver shall repay to AiLV pursuant to Section 3.3 to the amount of Ninety Thousand Six Hundred and Ten Dollars and Sixty Seven Cents ($90,610.67). Further, on or before April 5, 2019 and and the 28th day of each month thereafter so long as the University remains at the premises located at 2350 Corporate Circle, Suite 100, Henderson, Nevada, AiLV shall pay the Receiver the sum of One Hundred and Four Thousand Eight Hundred and Forty One Dollars and Ninety Cents ($104,841.90) which equals the Rent that is owed each month at the premises.

4. Asset Purchase Agreement.

4.1 Due Diligence. For thirty (30) days from the Effective Date, AiLV and AiLV's agents and consultants shall have the right to inspect the Business Assets, ground campuses and to request and receive from the Receiver any and all documentation in the Receiver's possession as it relates to the University. Buyer shall further be permitted to discuss with the Department of Education ("DOE") its transition plan so that students may begin to receive a disbursement of Title IV program funds going forward. During this due diligence period, AiLV and Receiver shall enter into negotiations with the goal to enter into an asset purchase agreement ("APA") prior to the expiration of the due diligence period. The APA shall set forth the terms and conditions by which AiLV shall purchase the Business Assets of the University at a price to be negotiated between the Parties.

5. Term and Termination.

5.1 Term. This Agreement shall begin on the Effective Date and continue for a period of One Hundred and Eighty (180) days ("Term"); *provided*, that the term shall be extended by agreement of the Parties or should the Parties enter into an APA prior to the expiration of the Term whereupon, the Term shall continue until the Court has issued an Order on the Receiver's Motion to Approve Sale ("Motion"). If the Motion is granted, this Agreement shall remain in effect for the period as long as is needed so that AiLV can transition all Non-Core Services to its third party contractors and AiLV shall have attained approval from ACISC or any other governmental agency. Upon agreement of the Parties, this Agreement may be terminated sooner and, as a result, neither Party shall have further obligation to the other.

5.2 Effect of Termination. If this Agreement is terminated and the Parties have no further liability or obligations towards one another except that any and all costs expenses which have not been paid during the period of this Agreement shall remain the obligation of AiLV.

5.3 Indemnification. AiLV shall indemnify, defend and hold harmless the Receiver and the University, and its officers, trustees, directors, employees, equity holders, members, managers, agents, attorneys and representative (each a "Receiver Indemnified Party") from and against any and all claims, liability, losses, damages, costs and expenses (collectively, "Losses") incurred by any Receiver Indemnified Party as a result of, related to or in conjunction with this Agreement, inclduing Losses related to any uncured breach by AiLV of its contractal obligations under this Agreement; *provided*, that the obligations of AiLV shall be relieved to the extent (and solely to the extent) that any such Losses arise out of (i) the Receiver's breach of its contractual obligations under the Agreement, or (ii) DCEH's material breach of the TSA which is not cured within the applicable cure period.

6. Title IV Funding and Other Governmental Funding.

All Title IV Funding and funding from any other governmental agency shall be deposited into a bank account in the name of Mark E. Dottore, Receiver for The Art Institute of Las Vegas LLC. The receiver shall then transfer funds to the operating account for the University within seven business (7) from the date the Receiver has received the funds and the Budget.

7. Confidentiality and Disclosure.

7.1 Definition of Confidential Information. In the course of providing or receiving Services, each Party may disclose ("Disclosing Party") its Confidential Information to the other Party ("Receiving Party").

7.2 Non-Disclosure, Limitation on Use. The Receiving Party will not disclose to a third party (which, for the avoidance of doubt, does not include DCEH) any of the Disclosing Party's Confidential Information, and no Receiving Party will use the Disclosing Party's Confidential Information for any purpose other than in connection with the provision or receipt of the Services. Notwithstanding the foregoing, the Receiving Party may disclose the Disclosing Party's Confidential Information to the Receiving Party's affiliates, officers, directors, employees, accountants, attorneys, financing sources, agents and representatives who need to know such information in connection with the Receiving Party's performance of its obligations under this Agreement; *provided* that, in each case, the confidentiality of which shall be maintained in accordance with Section 7 of this Agreement.

8. Representations, Warranties and Covenants of AiLV. AiLV represents, warrants and covenants as follows:

(a) **Contracts.** Its entry into and performance of this Agreement will not violate or constitute a material breach of any of its contractual obligations with third Parties.

(b) **Laws.** It will, and will cause its affiliates to, comply in all material respects with all applicable federal, state, local and foreign laws and regulations to the extent related to its responsibilities under this Agreement.

(c) **Criminal Title IV Adjudications.** AiLV, its Affiliates nor, to the knowledge of it, any of such AiLV's Affiliates' employees, have pled guilty to, pled *nolo*

contendere to or have been found guilty of, a crime involving the acquisition, use or expenditure of funds under the Title IV Programs or been judicially determined to have committed fraud involving funds under the Title IV Programs.

(d) **Bankruptcy.** AiLV and its Affiliates have not filed for relief in Bankruptcy or had an involuntary action entered against it for relief in Bankruptcy.

(e) **Authority.** AiLV has and will have all requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby and thereby.

(f) **Corporate Action.** The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of AiLV.

(g) **Valid and Binding Obligation.** This Agreement has been duly executed and delivered by AiLV and (assuming the due authorization, execution, and delivery hereof and thereof by AiLV) is a valid and binding obligation of AiLV, enforceable against it in accordance with its terms.

9. General.

9.1 Waiver. Failure of any Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder will not be construed as a continuing or future waiver of such term, condition, right or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available. No waiver of any provision of this Agreement shall be effective unless made in writing and executed by the applicable Party giving such waiver.

9.2 Severability. If any provision of this Agreement is held invalid or unenforceable, such provision will be deemed deleted from this Agreement and will be replaced by a valid and enforceable provision which so far as possible achieves the same objectives as the severed provision was intended to achieve, and the remaining provisions of this Agreement will continue in full force and effect.

9.3 Counterparts. This Agreement, and any amendments thereto may be executed in separate counterparts by the Parties. Each such counterpart when so executed will be deemed an original, but all such counterparts together will constitute the same instrument. A facsimile, telecopy, .pdf or other reproduction of this Agreement may be executed by one or more Parties, and an executed copy of this Agreement may be delivered by one or more Parties by email, facsimile or similar instantaneous electronic transmission device pursuant to which the signature of or on behalf of such Party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes as of the date hereof. At the request of a Party, the other Parties agree to execute an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

9.4 Governing Law; Jurisdiction and Venue; Waiver of Jury Trial.

(a) **Governing Law.** This Agreement, and all Proceedings or counterclaims (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of the Parties hereto in the negotiation, administration, performance and enforcement hereof and thereof, shall be governed by and construed in accordance with the internal substantive Laws of the State of Ohio, without giving effect to any choice or conflict of Laws provision or rule (whether of the State of Ohio or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Ohio.

(b) **Jurisdiction and Venue.** Each of the Parties hereto submits to the exclusive jurisdiction and venue of the United States District Court, Northern District, Eastern Division, located in Cleveland, Ohio, or, if such court shall not have jurisdiction, in any state or federal court sitting in Cleveland, Ohio, in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceedings may be heard and determined in any such court and hereby expressly submits to the personal jurisdiction and venue of such court for the purposes hereof and expressly waives any claim of improper venue and any claim that such courts are an inconvenient forum. Each of the Parties hereto hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to its address set forth in Section 8.6, such service to become effective ten (10) days after such mailing.

(c) **Waiver of Jury Trial.** EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO.

9.5 Assignment. No Party will assign (by operation of law or otherwise) any right or obligation under this Agreement without the other applicable Party's prior written consent. Any attempted assignment without such consent will be void. Subject to the foregoing, this Agreement, including Section 8.4 hereof, will be binding upon and will inure to the benefit of the Parties' respective successors and permitted assigns.

9.6 Notices. Any notice required to be given hereunder shall be sufficient if in writing and sent by E-mail transmission (provided that any notice received by E-mail or otherwise at the addressee's location on any Business Day after 5:00 p.m. (local time of the recipient) shall be deemed to have been received at 9:00 a.m. (local time of the recipient) on the next Business Day), by reliable overnight delivery service (with proof of service), hand delivery or certified or registered mail (return receipt requested and first-class postage prepaid), addressed as follows (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.6):

(a) if to Receiver to:

Mark E. Dottore, Receiver
Dottore Companies, LLC
2344 Canal Road
Cleveland, Ohio 44113
E-Mail: Mark@DottoreCo.com

with copy (which shall not constitute notice) to:

McCarthy, Lebit, Crystal & Liffman Co., L.P.A.
101 West Prospect Avenue, Suite 1800
Cleveland, Ohio 44115
E-mail: can@mccarthylebit.com
Attention: Charles A. Nemer, Esq.

(b) if to AiLV, to:

William A. Turbay
3017 West Charleston Boulevard, Suite 20E
Las Vegas, NV 89102
E-mail: waturbay@gmail.com
Attention: William A. Turbay

with copy (which shall not constitute notice) to:

Howard and Howard
3800 Howard Hughes Parkway, Suite 1000
Las Vegas, NV 89169
E-mail: gmullins@howardandhoward.com
Attention: Gwen Rutar-Mullins, Esq.

9.7 Interpretation.

(a) Unless otherwise indicated, all references herein to Articles, Sections or Schedules, shall be deemed to refer to Articles, Sections or Schedules of or to this Agreement, as applicable.

(b) Unless otherwise indicated, the words "include," "includes" and "including," when used herein, shall be deemed in each case to be followed by the words "without limitation."

(c) The word "or" is not exclusive.

(d) The words "hereof," "herein," and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(e) The table of contents and headings set forth in this Agreement are for convenience of reference purposes only and shall not affect or be deemed to affect in any way the meaning or interpretation of this Agreement or any term or provision hereof.

(f) Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

(g) When used herein, the word "extent" and the phrase "to the extent" means the degree to which a subject or other thing extends, and such word or phrase shall not simply mean "if."

(h) Any Law defined or referred to herein or in any agreement or instrument that is referred to herein means such Law as from time to time amended, modified or supplemented, including (in the case of statutes) by succession of comparable successor Laws.

(i) Unless "Business Days" are expressly specified, all references to "days" are to calendar days.

(j) The Parties hereto agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

9.8 No Joint Venture. Nothing in this Agreement, is intended to or shall constitute the parties hereto as partners or participants in a joint venture.

9.9 Title and Headings. The titles and captions in this Agreement are for reference purposes only, and shall not in any way define, limit, extend or describe the scope of this Agreement or otherwise affect the meaning or interpretation of this Agreement.

9.10 Expenses. Except as may otherwise be expressly set forth herein or in any other document, all fees and expenses incurred in connection with the authorization, preparation, negotiation, execution and performance of this Agreement and the potential consummation of the transactions contemplated hereby shall be the obligation of the respective Party incurring such fees and expenses.

9.11 Amendments. This Agreement, and any other exhibits, appendices, schedules, or attachments hereto, may be amended or modified in whole or in part only by a writing signed by all of the Parties.

9.12 Entire Agreement. The terms contained in this Agreement, and any schedules, appendices, exhibits or other attachments, which are incorporated (including any updated versions thereof) into this Agreement by this reference constitutes the entire agreement between

the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written, with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

THE ART INSTITUTE OF LAS VEGAS, LLC,
by and through Mark E. Dottore, Receiver

By: _____
Mark E. Dottore, Receiver

Dated: 3/28/19

SAVE THE ART INSTITUTE OF LAS VEGAS LIMITED

By: _____
Name: William A. Turbay
Title: Manager

Dated: 3.28.19

APPENDIX I – DEFINITIONS

The following terms have the meanings set forth below:

"Accrediting Body" means any non-governmental entity, including institutional and specialized accrediting agencies, which engage in the granting or withholding of accreditation of postsecondary educational institutions or programs in accordance with standards relating to the performance, operations, financial condition or academic standards of such institutions, including the University Accreditor.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly through one or more intermediaries controlling, controlled by or under common control with such other Person. For purposes of the immediately preceding sentence, the term "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"Authorized Representative" means a Person authorized to sign this Agreement pursuant to a Party's delegation of authority policy in effect at the time of signing or otherwise in accordance with its internal control documentation.

"Board" means, with respect to any Person, the board of trustees, board of managers, board of directors or similar governing body of such Person.

"Business Assets" means all right, title, and interest in and to all of the assets owned, used or held for use by the University or its Affiliates with respect to the business of the University located at 2350 Corporate Circle Drive, Henderson, Nevada, including all of their respective (a) personal property, (b) University's intellectual property rights and other intellectual property rights, (c) agreements and contracts, (d) governmental approvals, (e) business data and other written materials, (f) accounts receivable, (g) goodwill, (h) the sponsorship of and all assets maintained pursuant to or in connection with any assumed Employee Benefit Plan, (i) all inventory, and (k) any computer systems used in financial aid management and administration, any curricular materials, curricular know-how, any accounts receivable, student records, in each case related to (i) academic functions (instruction, advising, tutoring, faculty oversight and training) and (ii) financial aid functions.

"Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions located in Cleveland, Ohio are permitted or required by Law to remain closed.

"Code" means the Internal Revenue Code of 1986, as amended.

"Confidential Information" means: (a) all confidential and proprietary information (in oral, written, electronic, or other form) of, or relating to, a Disclosing Party, including information relating to its business and operations, employees, plans, strategies, assets, liabilities, and future, current, and prospective students and applicants; and (b) the terms and conditions of this Agreement.

"Core Expenses" means, for the applicable period, all cash expenses paid by or on behalf of the University for Core Services, but only to the extent that such costs are related to obligations, agreements and employees actually employed directly by and paid by the University plus any and all expenses from the Effective Date associated with the Lease Agreement, security, janitorial services and the physical campus.

"Core Services" has the meaning set forth in Section 1.1.

"Court" means the United States District Court, Northern District of Ohio, Eastern Division, which is hearing the Litigation matter.

"DOE" means United States Department of Education and any successor agency administering student financial assistance under Title IV.

"Educational Agency" means any entity or organization, whether governmental, government chartered, tribal, private, or quasi-private, that engages in granting or withholding Educational Approvals, administers Financial Assistance Programs to or for students of, or otherwise regulates postsecondary schools or programs, in accordance with standards relating to the performance, operation, financial condition, privacy or academic standards of such schools and programs, including the DOE, any Accrediting Body and any State Educational Agency.

"HEA" means the Higher Education Act of 1965, 20 U.S.C. § 1001 et seq., as amended, or any successor statute thereto.

"Law" means any applicable law, statute, treaty, constitution, principle of common law, ordinance, code, rule, regulation, Order or other legal requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority, as amended, unless expressly specified otherwise herein.

"Non-Core Expenses" means, for the applicable period, the TSA Fee payable to DCEH under the TSA.

"Non-Core Services" means all Services other than Core Services that are to be performed by DCEH under the TSA.

"Order" means any order, judgment, decision, decree, injunction, pronouncement, ruling, writ or assessment of, by or on behalf of any Governmental Authority (whether temporary, preliminary or permanent) or arbitrator.

"Proceeding" means any claim, charge, complaint, grievance, inquiry, audit, investigation, action, suit, litigation or proceeding by or before (or could come before) or brought on behalf of any Governmental Authority, Educational Agency or arbitrator.

"Title IV Programs" means the programs of federal student financial assistance administered pursuant to Title IV.

"Title IV" means Title IV of the HEA.

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ATTACHMENT H

TRANSITION SERVICES AGREEMENT

(See Attached)

ATTACHMENT H

TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT (this "Agreement"), is made and entered into as of March 28, 2019, but shall be effective as of April 1, 2019 (the "Effective Date") by and among DREAM CENTER EDUCATION HOLDINGS, LLC, an Arizona not-for-profit limited liability company ("DCEH"), by and through MARK E. DOTTORE, Receiver, and SAVE THE ART INSTITUTE OF LAS VEGAS LIMITED, a Nevada limited liability company, its designee or assignee ("Buyer"). DCEH and Buyer may be referred to herein individually as a "Party" and collectively as the "Parties".

WHEREAS, Buyer has entered into a certain Managed Services Agreement (the "Managed Services Agreement"), dated as of the date hereof, with THE ART INSTITUTE OF LAS VEGAS, LLC, an Arizona not-for-profit limited liability company ("University") for the campus located at 2350 Corporate Circle, Henderson, NV 89074;

WHEREAS, prior to the date hereof, the University is an Affiliate of DCEH and received certain services from DCEH;

WHEREAS, Buyer and its Affiliates will need the full right and ability to Use certain software and other Technology or to receive certain Transition Services from DCEH;

WHEREAS, DCEH desires to convey to Buyer and its Affiliates the full right and ability to use such software and other Technology and to receive certain Transition Services, all as delineated more fully herein;

WHEREAS, this Agreement is an integral component of the transactions consummated pursuant to the Managed Services Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and understandings herein contained, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto hereby agree as follows:

ARTICLE I
Definitions

Capitalized terms that appear in this Agreement are used with the meanings set forth in Exhibit 1 (attached hereto and incorporated herein by reference), or otherwise where such term is first identified and set off by quotation marks.

ARTICLE II
Transition Services

2.1 Transition Services.

(a) Transition Services. During the term of this Agreement, DCEH agrees to provide, or to cause its Affiliates to provide, the certain transition services set forth on Schedule A attached hereto (the "Transition Services"). During the Term of this Agreement, Buyer may decrease any of the Transition Services being provided by DCEH if and when Buyer determines that those Transition Services are no longer required or can be provided by the Buyer or its third party provided.

(b) Standard of Services. DCEH agrees that it will provide or cause to be provided the Transition Services in an ethical, professional, workmanlike manner and in all material respects in accordance with this Agreement, the Law and relevant evolving state of the industry standard.

2.2 Transition Services Fees. In consideration of providing the Transition Services, Buyer shall pay or cause to be paid to DCEH or its designee the monthly fees set forth on Schedule A (the "TSA Fee"), payable on the first (1st) day of each month of the Term; *provided* that, if the Effective Date is not the first (1st) of the month, then on the Effective Date, Buyer shall pay the TSA Fee for the period from the Effective Date through the last day of the calendar month. Notwithstanding the foregoing, the initial payment for the Transition Services shall be made on or before April 5, 2019. To the extent that Buyer decreases or eliminates any of the Transition Services during the Term of this Agreement, the TSA Fee shall be adjusted accordingly and Buyer shall not be responsible to pay the portion of the TSA Fee for the Transition Services that are no longer provided by DCEH.

ARTICLE III
Technology Services

3.1 Agreement to Provide Existing Services. DCEH shall provide the Buyer, at all times during the Term, with access to: (a) all of the services (the "Shared IT Services") that it provides now to the University with respect to the Shared IT Systems, including access and Use of those Shared IT Systems set forth on Exhibit 2 and (b) all of the services (the "Other Third-Party IT Services") that it provides now to the University with respect to Third-Party Materials other than Shared IT Systems, including access and Use of such Third-Party Materials, in each case ((a) and (b)). The foregoing Shared IT Services shall be provided on the fee basis specified in the previously mentioned Schedule A hereto. Other Third-Party IT Services are provided pursuant to Third-Party Agreement which DCEH has entered into with third-party vendors.

3.2 Responsibility for Maintenance. DCEH is solely responsible for providing, maintaining, and supporting all infrastructure, personnel, Technology and other resources, and for obtaining any third-party licenses.

3.3 Scheduled Maintenance. Unless the Parties agree otherwise in writing, DCEH will perform all maintenance, other than emergency maintenance, between the hours of 2 AM

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and 5 AM Eastern Time and with forty-eight (48) hours advance notice to Buyer. Without limiting any of DCEH's other obligations under this Agreement, DCEH may perform emergency maintenance outside of scheduled maintenance windows in the event such maintenance is reasonably and urgently required to protect the integrity, availability, safety, or security of any Technology Used by the Business. In the event that DCEH determines that such emergency maintenance is required, DCEH shall notify Buyer of such maintenance as soon as reasonably possible.

3.4 Service Levels.

(a) Proprietary Technology. With respect to Proprietary Technology, DCEH will ensure that such Proprietary Technology continues to perform consistent with current performance standards.

(b) Third-Party Technology. Without limiting DCEH's other obligations under this Agreement, DCEH shall ensure all Technology Used by the Business provided by third parties other than DCEH's Affiliates is available in accordance with the service levels set forth in the applicable agreement between DCEH and such third parties.

ARTICLE IV
Other Covenants of the Parties

4.1 Consideration; Withholding Taxes. DCEH is entering into this Agreement in consideration for the amounts set forth in Schedule A, which shall be paid on the terms set forth herein and therein.

4.2 Confidentiality. Each Party (the "Receiving Party") may use and disclose the other Party's (the "Disclosing Party") Confidential Information in order to exercise the Receiving Party's or its Affiliates' rights or perform its obligations under this Agreement, provided that the Receiving Party (a) only discloses such Confidential Information to its Representatives, (b) informs such Representatives of the confidential nature of such Confidential Information and (c) requires such Representatives to hold in confidence all such Confidential Information and to use it only for the purpose of exercising the Receiving Party's or the Receiving Party's Affiliates' rights or performing the Receiving Party's obligations under this Agreement. The Receiving Party will use at least the same degree of care to protect the Disclosing Party's Confidential Information as the Receiving Party uses to protect the Receiving Party's own Confidential Information of like nature, but will use at least reasonable care. A Receiving Party may disclose the Confidential Information of the Disclosing Party in response to a valid court order or other governmental action, provided that: (i) to the extent legally permissible, the Disclosing Party is notified in writing prior to disclosure of such Confidential Information and given reasonable opportunity to obtain a protective order and (ii) the Receiving Party assists in any attempt to limit or prevent the disclosure of such Confidential Information.

ARTICLE V
Representations and Warranties

5.1 Mutual Representations. Each Party represents, warrants and covenants to the other Parties that:

(a) Such Party has the full corporate power, right and authority to enter into this Agreement and perform its obligations hereunder.

(b) The execution of this Agreement by such Party and the performance by such Party of its obligations and duties hereunder does not conflict with any agreement to which such Party is a party or by which it is bound.

(c) This Agreement is a binding obligation upon such Party and, when executed by both Parties, is enforceable against such Party in accordance with its terms.

(d) Such Party will comply with Laws in performing its obligations under the Agreement.

ARTICLE VI
Term; Termination

6.1 Term. Unless sooner terminated by mutual agreement of the Parties, the term of this Agreement begins on the Effective Date and will continue in effect for the period as long as is needed so that Buyer can transition all Transition Services to Buyer and/or its third party contractors..

6.2 Effect of Termination. Termination of this Agreement shall not relieve the Buyer of its obligation to pay any outstanding TSA Fees for services utilized by the Buyer from the Effective Date through the date of termination.

ARTICLE VII
Miscellaneous

7.1 Waiver. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder will not be construed as a continuing or future waiver of such term, condition, right or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

7.2 Severability. In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to affect the intent of the Parties hereto. The Parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

7.3 Counterparts. This Agreement, and any amendments thereto may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other party, it being understood that all Parties need not sign the same counterpart. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission or by E-mail of a .pdf attachment shall be effective as delivery of a manually executed counterpart of this Agreement.

7.4 Governing Law; Jurisdiction and Venue; Waiver of Jury Trial.

(a) Governing Law. This Agreement, and all Proceedings or counterclaims (whether based on contract, tort or otherwise) arising out of or relating to this Agreement and the Transaction Documents or the actions of the Parties hereto in the negotiation, administration, performance and enforcement hereof and thereof, shall be governed by and construed in accordance with the internal substantive Laws of the State of Ohio, without giving effect to any choice or conflict of Laws provision or rule (whether of the State of Ohio or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Ohio.

(b) Jurisdiction and Venue. Each of the Parties hereto submits to the exclusive jurisdiction and venue of the United States District Court, Northern District of Ohio, Eastern located in Cleveland, Ohio, or, if such court shall not have jurisdiction, any state or federal court sitting in Cleveland, Ohio, in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceedings may be heard and determined in any such court and hereby expressly submits to the personal jurisdiction and venue of such court for the purposes hereof and expressly waives any claim of improper venue and any claim that such courts are an inconvenient forum. Each of the Parties hereto hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to its address set forth in Section 7.6, such service to become effective ten (10) days after such mailing.

(c) Waiver of Jury Trial. EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO.

7.5 Assignment. Except as otherwise provided in this Agreement, neither Party will assign (by operation of law or otherwise) any right or obligation under this Agreement without the other Party's prior written consent, which shall not be unreasonably withheld.

7.6 Notices. Any notice required to be given hereunder shall be sufficient if in writing and sent by E-mail transmission (provided that any notice received by E-mail or otherwise at the addressee's location on any Business Day after 5:00 p.m. (local time of the recipient) shall be deemed to have been received at 9:00 a.m. (local time of the recipient) on the

next Business Day), by reliable overnight delivery service (with proof of service), hand delivery or certified or registered mail (return receipt requested and first-class postage prepaid), addressed as follows (or at such other address for a party as shall be specified in a notice given in accordance with this Section 7.6):

(a) if to DCEH, to:

Dream Center Education Holdings, LLC
Mark E. Dottore, Receiver
Dottore Companies, LLC
2344 Canal Road
Cleveland, Ohio 44113
E-Mail: Mark@DottoreCo.com

with copy (which shall not constitute notice) to:

McCarthy, Lebit, Crystal & Liffman Co., L.P.A.
101 West Prospect Avenue, Suite 1800
Cleveland, Ohio 44115
E-mail: can@mccarthylebit.com
Attention: Charles A. Nemer, Esq.

(b) if to Buyer, to:

William A. Turbay
3017 West Charleston Boulevard, Suite 20E
Las Vegas, NV 89102
E-mail: waturbay@gmail.com
Attention: William A. Turbay

with copies (which shall not constitute notice) to:

Howard and Howard
3800 Howard Hughes Parkway, Suite 1000
Las Vegas, NV 89169
E-mail: gmullins@howardandhoward.com
Attention: Gwen Rutar-Mullins, Esq

7.7 Further Assurances. On or after the date of this Agreement, the Parties will execute and deliver or cause to be executed and delivered such further documents and take such further actions as may reasonably be required for the purposes of assuring and confirming the rights hereby created or granted hereunder or for otherwise facilitating the performance of the terms of the Agreement.

7.8 Interpretation. All headings herein are not to be considered in the construction or interpretation of any provision of this Agreement. Throughout this Agreement, (i) nouns,

pronouns and verbs shall be construed as masculine, feminine, neuter, singular or plural, whichever shall be applicable, (ii) the words "includes" or "including" means "including without limitation" and are intended to introduce a non-exclusive set of examples, (iii) the word "or" is not exclusive and (iv) the words "hereof," "herein," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not any particular section or article in which such words appear. All references to "dollars" or "$" are to the lawful currency of the United States. Unless "business days" are expressly specified, all references to "days" are to calendar days. All references herein to "Articles," "Sections" and "Paragraphs" shall refer to corresponding provisions of this Agreement. This Agreement was drafted with the joint participation of both Parties and will be construed neither against nor in favor of either, but rather in accordance with the fair meaning thereof. In the event of any apparent conflicts or inconsistencies between this Agreement and any schedules, exhibits or other attachments to it, to the extent possible such provisions will be interpreted so as to make them consistent, and if such is not possible, the provisions of this Agreement will prevail

7.9 **No Joint Venture; Relationship of Parties.** Nothing in this Agreement, expressed or implied, is intended to or shall constitute the Parties hereto partners or participants in a joint venture.

7.10 **Title and Headings.** The titles and captions in this Agreement are for reference purposes only, and shall not in any way define, limit, extend or describe the scope of this Agreement or otherwise affect the meaning or interpretation of this Agreement.

7.11 **Expenses.** Except as may otherwise be expressly set forth herein, all fees and expenses incurred in connection with the authorization, preparation, negotiation, execution and performance of this Agreement and the potential consummation of the transactions contemplated hereby shall be the obligation of the respective party incurring such fees and expenses.

7.12 **Amendments.** This Agreement, including any exhibits, appendices, schedules, or attachments hereto, may be amended or modified in whole or in part only by a writing signed and delivered by each of the Parties. To the extent that any Educational Agency notifies the University, DCEH or Buyer of concerns regarding the terms of this Agreement, DCEH and Buyer agree to immediately amend the terms of this Agreement to fully comply with the Educational Agency's requirements.

7.13 **Entire Agreement.** The terms contained in this Agreement, and any schedules, appendices, exhibits or other attachments, which are incorporated (including any updated versions thereof) into the Agreement by this reference, constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written, with respect to the subject matter hereof.

7.14 **Obligations.** In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties hereto. The Parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that

will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

DREAM CENTER EDUCATION HOLDINGS, LLC

By: _____
Name: Mark E. Dottore
Title: Receiver

SAVE THE ART INSTITUTE OF LAS VEGAS LIMITED

By: _____
Name: William A. Turbay
Title: Manager

EXHIBIT 1

DEFINITIONS

"Affiliate" means, with respect to any Person, any other Person directly or indirectly through one or more intermediaries controlling, controlled by or under common control with such other Person. For purposes of the immediately preceding sentence, the term "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"Business" means, collectively, the business of the University as it is currently conducted and as such University (or such University's designee, successor or assign) determine to conduct them in the future.

"Confidential Information" means, with respect to a Disclosing Party, any confidential or proprietary information of such Disclosing Party or its Affiliates that is either marked as being "Confidential" or "Proprietary" or under the circumstances of disclosure should reasonably be considered as confidential or proprietary. Confidential Information of both Parties includes the terms (but not the existence) of this Agreement. The Studio Confidential Information includes Studio Data, and any other Personal Data that DCEH or the Authorized Personnel may have access to under this Agreement. Confidential Information does not include information (other than Studio Data) that (a) is in or enters the public domain without breach of this Agreement through no fault of the Receiving Party; (b) the Receiving Party was lawfully in possession of without any obligation of confidentiality or nondisclosure prior to Receiving it from the Disclosing Party; (c) the Receiving Party can demonstrate was developed by the Receiving Party or its Affiliates independently and without use of or reference to the Disclosing Party's Confidential Information; or (d) the Receiving Party receives from a third Person without restriction on disclosure and without breach of a nondisclosure obligation.

"Law" means any applicable law, statute, treaty, constitution, principle of common law, ordinance, code, rule, regulation, Order or other legal requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority, as amended, unless expressly specified otherwise herein.

"Proprietary Technology" means any Technology Used by the Business which is owned by, or developed by or on behalf of, DCEH or any of its Affiliates.

"Shared IT Systems" means Technology owned by DCEH and made available by DCEH on a non-exclusive, restrictive access, shared service basis to the University, on the one hand, and any other university where such shared services are provided, on the other hand.

"Technology" means information technology, hardware and computer systems, including those relating to the transmission, storage, maintenance, organization, presentation, generation, Processing or analysis of all data and information collected, generated, or used in the conduct of the Business. Technology includes: (a) software, integrations, cloud services, databases,

websites, domain names, applications, telecommunications solutions, other information technology infrastructure and assets, hardware and other information technology or communications equipment and (b) all related source code, object code, firmware, development tools, files, records and data, and all media on which any of the foregoing is recorded and all documentation associated with the foregoing.

"Third-Party Agreement" means any Contract between DCEH and a third Person pursuant to which such third Person agrees to provide or license any Third-Party Materials, and any Contracts for Third-Party Support. Third-Party Agreements include those agreements listed on Exhibit 3.

"Third-Party Materials" means Technology Used by the Business which consists of Technology or other materials that are in each case owned or controlled by a Person other than DCEH.

"Use" means to (a) access, load, execute, compile, manipulate, use, Process, store, purge, transmit, receive, display, copy, connect, communicate with, interface with, maintain, modify, adapt, translate, enhance and create derivative works, anywhere in the world and (b) make, have made, distribute, import and export, anywhere in the world.

EXHIBIT 2

Shared IT Systems

Shared IT Systems:

The following is a list of all Technology utilized by the University, which is not exclusive to it and which constitutes Shared IT Systems. These Technologies are shared across the DCEH's platform:

Name	Description
Workstation	Desktop or laptop computer system to display, access and manipulate data. DCEH will also provide the Studio Entities access to and the ability to Use any Workstations constituting Technology Used by the Business.
Wireless Controller	Data center device used to manage remote campus and CS wireless access points
Wireless	Wireless access points to allow wireless computers and approved personal devices to access the corporate, student or public internet.
Webspace	The Ai Parties are moving their student web space in-house to Amazon ec2 Direct Admin Console. Faculty and staff may need to create their own personal website within their own sub domain for educational purposes. This is made possible by the Web Space System.
Waves Gold and Platinum + Tunes + 360	Classroom Software - for audio editing and plugins
Wan Optimizations	Device used to improve performance between the remote campus and data center.
V-Ray Rendering Plugin for Maya	Classroom Software animation rendering
VPN Cisco	Software used to provide full network access to remote employees and contractors
Voyager / OPAC	.net Library Tracking
Vormetric	Encryption and key mgmt to protect PII data. At rest encryption only.
Vordel	XML Gateway which provides SSO and web service security
VMWare - Fusion and Workstation	Virtualization software
VitalSource	Online Classroom
Visix Axis SW Maintenance	Visix display systems at the campuses

Video Conferencing	Conference room and personal video call services.
Vectorworks	Classroom Software for 3D design
User Access Request	Generic Configuration Item for tracking requests/issues with general User Access Request items
USB Block	USB Block Exception Requests for staff.
UPS	Generic Configuration Item for tracking requests/issues with UPS devices within the Infrastructure
Universal Content Management (UCM)	Content Management System
Turnitin.com	Plagiarism checker for students.
Tripwire	Security and Audit Detection/Reporting
Trintech	3rd party SAAS Reconciliation services for General Ledger
Trimble SketchUp Pro	Classroom Software
Transcript Request System (STS)	System used to manage transcript requests from students (both high school and college)
TrackIt Works	Equipment Cage Check-out application.
TOC (Transfer of Credits)	Provides a website for efficiently loading transfer credits into CampusVue
Tidal	Enterprise Scheduler
Thinkingstorm	On Demand tutoring provided to students via the online classroom. This is used by AIO, AI Ground Plus Students, AUO, and AUG.
Textbooks UI	Website that allows textbook information to be loaded into CampusVue in bulk.
Test Out	Online Courseware
Term Configuration Tool	Allows for customization of Term Descriptions and filtering of terms for the Student Financial Planning (SFP) tool
Telephony	Generic Configuration Item for tracking requests/issues with Telephony equipment within the Infrastructure
Telco Carrier	Public utility company that provides us with both data and voice services. AT&T, CenturyLink, XO are the most frequently used here.
Team Foundation Server	Team Foundation Server (TFS) - A Microsoft Source Code Management (SCM) and Project Tracking tool for software developers, which supports

	collaborative development of software within a team, and the tracking of changes to software source code revisions.
Tax Factory	tax calculation and payroll tax compliance solutions
Symantec Validation and ID Protection Service (VIP)	Multifactor Authentication System
Symantec Endpoint Protection	Antivirus protection.
Symantec Data Loss Protection (DLP)	Safeguards intellectual property and ensures compliance by protecting sensitive data wherever it lives—on premises, in the cloud, or at the endpoints.
Switch	Generic Configuration Item for tracking requests/issues with Switches within the Network
Student Payment Application (SPA)	User interface used by staff at The Center to accept payments from students via the SecureNet iframe
Student Orientation	Courseware product utilizing Adapt (purchased by Fulcrum) for Orientation courses and expanding its use to other courses.
Student Financial Planning	Student Financial Planning (SFP) is a web-based solution that provides students a financial plan to demonstrate affordability for their respective program. The application helps users provide financial plans for students.
Student Course Scheduling System (Student CSS)	Allows students to sign up for short courses
Student Body Flow (SBF)	Used by registrars to submit their student body flow reports to the CS finance group for disclosure purposes.
Stipend Generator	Data Transfer process and website allowing for data entry and transmission to Sallie Mae. Sallie Mae cuts checks to students and issues a remittance file, which is loaded back into the SIS
Sterling	This is an automated process that pulls data from third Person vendors, secure FTP site and posts the student payments in CampusVue.
State Grants	Dynamic application used for generating State Grants data files
Staff Learning System	Brightspace staff LMS
Sourcefire IDS	Intrusion Detection System
Solidworks 3D CAD	Classroom Software for 3D modeling
Socrates	Front end application for faculty to apply to be a teacher at our schools.
SOA	platform providing data/integration services for my campus portal and other applications
SmartyStreets	Address validations tool

SiteCore	Content Management System for Marketing Websites
SIS Custom Applications Landing Page	List of links to all of the custom applications created and managed by the Student Information Systems team
SharePoint	For anything related to: go.dcedh.org; my.dcedh.org and go3.dcedh.org (which has SSRS and BI)
SGUI (Student Group User Interface)	Website that allows advanced student group manipulations
SFA Custom Apps (Landing Page)	Student Financial Custom Applications landing page
ServiceNow	SaaS provider of IT Service Management. It will be used as Incident/Problem Tracking and Management, Knowledge Management, Change Management, and Service Requests.
SendWordNow	Emergency Notification System used to notify staff, faculty & students if an emergency situation occurs
Security Equipment	Generic Configuration Item for tracking requests/issues with Security Equipment within the Infrastructure
Security	All calls related to items the Security Team needs to be involved in.
Schedule Manager	Rebalances students in courses based on user selection. Helps the Center determine how many sections are needed for a course by term
Scanners	Generic Configuration Item for tracking requests/issues with Scanners
Router	Generic Configuration Item for tracking requests/issues with routers within the Network
RightFax	Centralized enterprise fax solution
RIC Process	Retail Installment Contract Process is an automated process that runs week days. It goes out and gets a file from third Person vendors, Tuition Options, processes it, stores data in CVInterface and updates data in CARS and CampusVue.
Rhino by McNeel	Classroom Software for 3D printing of Industrial design
Respondus	3rd Party Course Management product that creates and manages exams - publishing directly with Brightspace
Rema Grad Team Application	Keeps track of Grad Team members and organizational relationships
RedHat	Linux OS for various DCEH servers
RACER	RACER stands for Regulatory Affairs & Compliance Electronic Records. It is an in-house web-based document repository that houses school accreditation documentation and data for the Regulatory Affairs department. RACER is used by all CS Regulatory Affairs & Compliance

	department members as well as School Presidents and associated staff.
Qlikview	Data Warehouse Dashboard and Reporting
Public Key Infrastructure (PKI)	Microsoft CA Public Key. A public key infrastructure (PKI) consists of software and hardware elements that a trusted third Person can use to establish the integrity and ownership of a public key. The trusted party, called a certification authority (CA), typically accomplishes this by issuing signed (encrypted) binary certificates that affirm the identity of the certificate subject and bind that identity to the public key contained in the certificate. The CA signs the certificate by using its private key. It issues the corresponding public key to all interested parties in a self-signed CA certificate.
ProTools, ProTools HD, and Sibelius	Classroom Software for audio editing
ProofPoint	Email SPAM and A/V Gateway
Program Integrity	Program Integrity application provides the new program coordinators with the ability to map state restrictions to CampusVue program versions, as well as ability to create disclosures and disclaimers and Enrollment Agreements for regulatory and compliance purposes.
Program Course Management System (PCMS)	Program and course management for new courses; similar to Content Alert/Course Revision
Printers	Generic Configuration item to be used for Printer configuration/Issues
Presentation Technology	Technology used in the classroom environment or conference rooms to provide presentations. This includes Projectors, Conference lines, TVs, Switchers, Inputs, etc.
PlanView	Project Management Application
Pixologic Z Brush	Classroom Software Animation for 3D/2D texturing and painting
PerformLine	Speech Analytics Software
Password System (Center)	Manages passwords for all internal systems; except for those using AD
Palo Alto (Captive Portal)	System used to authenticate a user for Internet access on wired networks
Outlook	Microsoft Outlook is a personal information manager from Microsoft, available as a part of the Microsoft Office suite. Although often used mainly as an email application, it also includes a calendar, task manager, contact manager, note taking, journal, and web browsing.
OpenVoice	Citrix OpenVoice Conferencing is a reservation less audio-conferencing service that has a 500-participant limit and is accessible via a toll-free number. The service also offers recording, the ability to manage

	conference calls via an online console and integrates with Outlook for easier scheduling.
OpenAthens by EBSCO	Allows for identity and access management for students to seamlessly access e-resources. The OpenAthens tool eliminates the EZProxy product for all brands.
Office365 - Skype	Collaborative functionality provided by the Office 365 Suite. This provides the ability to chat in live time with others using the Lync Online system.
Office365 - Power BI	Power BI reports are developed and then published to O365 Power BI to be consumed by our customers. There is also a process using a Gateway that will refresh the reports with updated data if a schedule is setup for the report.
Office365 - Outlook Online	Email functionality provided by the Office 365 Suite. This relates to the Outlook email client and Exchange online technology
Office365 - OneDrive	Office 365 Storage area for any documents/data
Office365 - Office Pro Plus	This is the installation pack for the Office 365 client tools such as Outlook, Word, Excel, PowerPoint, etc.
Nexpose	Vulnerability Scanning System
Network	Generic Configuration Item for tracking requests/issues with Network devices within the Infrastructure
NetQOS	Network Node Manager
MyGroups	Tool that allows users to create/manage their own distribution groups.
MyCampusPortal	Student and Faculty Portal
MSBI Reports	Web based reporting tool for employees to get reporting data.
Movie Magic Scheduling	Classroom Software for video development
Movie Magic Budgeting	Classroom Software for video development
Mobile Phone	Mobile/Cellular devices
Microsoft Azure SQL	a cloud computing service created by Microsoft for building, testing, deploying, and managing applications and services
Media Composer	Classroom Software for video editing
Maxon Cinema 4D Studio Bundle	Classroom Software in game art 3D development
Marketing Websites	Marketing Web Sites

Lynda.com	Tutorials that are integrated into the online classroom.
Luxion Keyshot Pro Lab Pack	Classroom Software for 3D movement
Load Balancer	Application load testing tool
Lawson	Asset Management, including human capital and finance system
Kronos	Time Management System
Komplete Suite	Classroom Software for audio instruction
iZotope Music Production Suite (Includes: RX, Ozone, Neutron, Nectar, VocalSmith, and Trash)	Classroom Software for audio production
InGenius Software	Application that connects phone systems to CRMs - Microsoft Dynamics, ServiceNow - with features like screen pop & click-to-call.
Informatica	Data Integration and ETL
Infor Expense Management	Travel & Entertainment Expense Vendor
Imperva	Database Access Management System
iModules Alumni Community	The objective of the iModules Data Integration project is to design and implement an automated solution to facilitate the outbound and inbound data exchange with the new iModules Encompass platform for all Ed Systems except Western State. The outbound data will be used to create and update alumni records for pending graduates, graduates and students who are on externship/internship. The inbound write-back will update student/graduate demographic information in the SIS.
ImageNow Upload Center	Allows documents to be uploaded without direct access of ImageNow
ImageNow	Document Imaging
Image Onsite	Bank of America Image Onsite
IDEA	Student rating of Instruction Survey's given to students to rate faculty effectiveness in a course. Most of the IDEA surveys are distributed via paper form in the classroom and then sent to IDEA to process the answers. Online does use a web system to do their surveys but the student/faculty/course information is manually uploaded by the EDW team.
IARM	IARM: The Identity Access and Role Management system. This system is used to create/terminate/re-hire employee accounts based on HR data

Hyperion	This application was developed for use by FA Advisors. Its use is to allow FA Planners to show new and continuing students costs, aid, and loan information over the length of their program of studies.
HVAC	Regarding the central Heating/Ventilation and Air Conditioning systems in the Data Center
HP Virtual User Generator (VuGen)	VuGen is also used for HP BSM. It records the scripts for Business Process Monitor (synthetic transactions).
HP uCMDB	Configuration Management Database,
HP Systems Insight Manager	System management tool designed to help manage HP servers.
HP SiteScope	Agent-less monitoring software focused on monitoring the availability and performance of distributed IT infrastructures, including Servers, Network devices and services, Applications and application components, operating systems and various IT enterprise components.
HP OpenView Performance Manager (OVPM)	trace running performance manager
HP OpenView Operations Manager (OVOW)	System monitoring
HP Network Node Manager (NNM)	software that helps unify fault, availability, and performance monitoring to improve network uptime and performance, and increase responsiveness to business needs
HP Device and Dependency Mapping	Organizes hardware and software assets across the enterprise.
HP Data Protector	Enterprise Backup Software
HP Business Service Management	manage the performance of enterprise applications, systems, networks and storage
HP Business Process Monitor (BPM)	software that uses synthetic transactions to identify performance issues before they affect web or mobile customers
HP ArcSight	ArcSight Logger, Enterprise Security Manager (ESM) and SmartConnectors. Security log collection and alerting system.
Holds Automation	Automation for the Non-Payment and Re-entry Policy Hold processes for CampusVue
Harmony and Story Board by ToonBoom	Classroom Software for animation
Halogen	HR System that offers a talent management suite that reinforces and drives higher employee performance across all talent programs - whether that is performance management, learning and development, succession planning, recruiting and onboarding, or compensation
Grasshopper	This is a replacement CI for Skype. This provides the ability to chat in live time with others using the Grasshopper.

Grad Team Affairs	Any tasks associated with the graduation team.
GoToMeeting	Video Conferencing
Gerber Accumark and Yunique PLM	Classroom Software for fashion design and product development
Genesys	A Telecom Solution that currently provides inbound routing for WCTs at OHE and Ai Ground
Foglight	Application monitoring solution that helps organizations monitor and control the performance of mission-critical enterprise applications.
Firewall	Device used to protect or separate network segments
Federal FA Repack Report Config	This application is used to configure Federal FA Repack Report parameters.
Faculty Session Prep	Used by Online Faculty to allow them to accept their courses as well as order any supplies (textbooks, software etc.) that they may need.
Faculty Course Import	It allows "The Center" faculty scheduling team to update CVue courses with the instructors that accept courses from invitations sent from the Course Scheduling Team. It needs to be updated in CVue for reporting purposes.
EZ Proxy	Library System
Exchange	Microsoft Exchange is an e-mail messaging system from Microsoft that runs on Windows servers. The server side is Microsoft Exchange Server and the featured client program is Microsoft Outlook, which includes contacts and calendaring.
Estimated Financial Impact Plan (EFIP)	The application sends student-specific financial data from CampusNexus Student to the CFPB via a student-specific url so that applicants can complete an exercise that shows them how much it will cost them to attend the school, how much they have to borrow to cover the costs that they can't pay out of pocket, and what it means for their future.
Erwin Data Modeler	Erwin Modeling provides a collaborative data modeling environment to manage enterprise data through an intuitive, graphical interface. With a centralized view of key data definitions, you can leverage information as a strategic asset and more efficiently manage your data resources to save time and money.
Erwin Data Governance	Erwin Data Governance is a SSAS data governance tool that will be used to store our enterprise Business Glossary, Data Dictionary, Business Rules and the relationships of our data. This tool can also be used to govern all of the processes to maintain data quality and security.
Enterprise Mass Storage	Enterprise Storage
Enterprise File Transfer	Enterprise file transfer system which ftp, pgp, or related data transfer of data between disparate systems such as data to/from external sources or between two internal sources.

Enterprise Data Warehouse (EDW)	Enterprise data repository which accepts data feeds from several of our operational systems and organizes the data for reporting and analysis.
Employee Portal	Related to Lawson ESS
eLibrary	Online library available via respective portal for students and faculty.
eLearning Content	Identification of this CI should be done via the URL - www.thecampuscommon.com. If an incorrect/missing content is found on these pages, then have the appropriate team make the necessary updates. The responsible team is not in IT and therefore not in ServiceNow. During business hours - "_CS Webmasters" and off hours or paging - "_CS eLearning Content Page".
Education Collective by The Foundry (Nuke, CaraVR, Modo, Mari, and Katana)	Classroom Software for 3D rendering and effects
EdConnect	Department of Education application that is used to pull ISIR transaction files.
eBook	Used to upload eBook fees
Domain Name Service (DNS) [Classroom]	Domain Name Service
Domain Name Service (DNS)	Domain Name Service
DocuSign	DocuSign is a web-based application that allows staff to send documents to students to be signed electronically
Direct Loan Pell Reconciliation	Provides the interface to work on reconciliation cases for Direct loan and Pell loan. Through the tidal process the DOE loan data in loaded in this app's DB (SISInterface) and the app allows search, claim, reassign to supervisor, close and reporting functionalities to resolve the cases.
Digital Application	Online application for applicants to apply to come to school. Provides integration to CRM, CampusVue (eventually CARS), ImageNow, EchoSign, Program Integrity, RACER and SecureNet.
Degree Estimator	Degree Estimator is a web application used to calculate a potential student's estimated graduation date and estimated cost of an academic year.
Data Center	This will involve any issues with the management of the Data Center. This includes the application used to track data center configurations - Aperture Vista Data Suite is software that helps manage activities with the Data Center (power, cooling, space allocation, cabling, etc.). It is used primarily by the Data Center Manager; however, other staff members involved in related decision making are also users (Systems Administration, Network Provisioning & Support, and others). The product is owned by the IT Operations team, specifically, the Data Center

	Manager.
Cycling MAX MSP Audio Plugin	Classroom Software
Cvent	Service for high school students to take noncredit courses
Custom Authentication System (CAT)	AKA the Authentication Tool - Active Directory user access via Framework Authentication System that allows users to maintain specific applications within IT
Course Tracking System (CTS)	Provides ability to manage courses, textbooks, and degrees
Course Scheduling System (CSS)	System used by OHE to schedule facilitators to courses and terms, and for facilitators to accept/reject those assignments
Course Revision	Tracks Revisions for courses. It is used to track the progress of course revisions through the QA process.
Course Listing	Displays Program and Course Information for our online ed systems.
Core Network	Generic Configuration Item for tracking requests/issues with the Core/Datacenter network configurations within the Infrastructure
Contract Management	Manages requests, to enter into or renew a contract with a vendor. Provides the requester with an intake form and routes the form through the appropriate approver groups, such as Sourcing, IFO, Legal, Contract Administration etc., until the request is either fully approved/executed or rejected. The system also includes a document repository for storing contract correspondence and documents. Was known as Worksite and Autonomy is the software company (owned by HP)
Content Alert	3 copies of this system. One for each brand SuO, AuO, and AiO. System used by program development to QA proposed changes and/or revisions to courses. Also includes a separate system for Alert admin.
CommonLine	NSLP uses CommonLine to streamline the electronic loan application process. CommonLine is used to transmit student loan applications to NSLP. CommonLine is a set of standard file formats and protocols for transmitting student loan applications.
Collections UI	Update Activities, Fund Sources and Student Account Statuses when a student's account is sent to an outside collection agency
CMS (Interwoven)	Content Management System
Citrix	Used when setting up a user with a Citrix account, problems with logging into Citrix, general Citrix questions (for example, how to access applications once logged in), and password resets.
Check Point Client Encryption	The Check Point Full Disk Encryption Software Blade provides automatic security for all information on endpoint hard drives, including user data, operating system files and temporary and erased files. For maximum data protection, multi-factor pre-boot authentication ensures user identity, while encryption prevents data loss from theft.

Celemony Melodyne	Classroom Software
Career Center (CSO)	Career Services application to support the placement of students
Capture One Pro by PhaseOne	Classroom Software used in the digital Photography program
CampusVue Portal	Faculty and Student Portal that is part of the CampusVue application. NOT the MyCampus Portal.
CampusVue	CampusVue SIS by Campus Management Inc.
Campus Facilities	For power issues and other issues, the ITOC currently handles that need to be visible to other teams but handled by the ITOC use the ST\CT of Network Admin\Lan-Wired and (others).
Campaign Dialer	Provides business with opportunity to load and dial specific leads based on calling campaigns uploaded to the Dialer.
Call Copy	Uptivity (Call Copy) Call Recording Application. Takes screen scrape of activity during calls.
Call Compliance System	Used to track call monitoring issues across various functional areas
Calero (Call Detail Recording)	Installation of a new Telecommunications Expense Management (TEM) and Call Detail Report Application system to collect monthly telecom expenses and compare the internal collected data against the carrier provided data for allocation to the campuses. This comparison will help us to achieve greater accuracy on the allocation of the phone bills as well as provide better data to the effectiveness of other projects. The existing TEM and CDR systems do not have the ability to provide the granularity needed to report on data at this level and the data integrated into one SaaS system (Calero).
BrightSpace	Learning Management System
Bridgestreet Housing	School-sponsored student housing application, placement and customer service/client management.
BMI (BROADCAST MUSIC INC)	Base Student Fee
Batch Add Activity UI	The Batch Add Activity UI is a tool that exists outside of CampusVue whereby the user can create batches of activities and insert student specific content/verbiage. The user has the ability to upload student data for this tool either using a spreadsheet that contains student specific identifying data (systudentID) along with specific content for each student, or by using an existing student group in CampusVue. This UI will use the same functionality that exists within CampusVue for adding activities, however, it will allow the user to do it in batches rather than per individual student.

AWS Core Infrastructure	Amazon Web Services
AwardSpring Scholarship Vendor	Assists students in finding scholarships by matching them up with scholarships that match their student data
Avaya	Telephone and communications
Autodesk AECS and AEMS (Includes, AutoCAD, Maya, 3DS Max, Revit, Inventor, and Smoke)	Classroom Software
Assist	Application that makes data updates for CampusVue, CARS, Lawson, MyGroups, UARF, MCP, and Student Apps
ASCAP	Music licensing agreement that DCEH has for music being played in common areas- Basic License Fee
Aruba Clear Pass	Network admission control
Applied Voice Speech Technology (AVST)	Enterprise voice mail system
Applicant Tracking System ATS	Deltek Applicant Tracking System aka HRSmart is an HR application used to by recruiters to track New Hire candidates
Apple Logic Studio and Apple Remote Desktop	Classroom Software
Antares Auto-Tune	Classroom Software
Andersson Syntheyes	Classroom Software for movement tracking of animation and 3D game
Altiris (ACEM)	This application allows Desktop Services members to remotely install applications to user's PCs.
Allegorithmic Substance	Classroom Software
AIO Schedule (Current Schedule)	CurrentSchedule lists course schedules by department. For each course, it provides a seat availability snapshot from the AIPOD Course Schedule for CARS campuses. Without this report, campuses using CARS don't know which course/sections have available seat
Aerialink	Aerialink will be utilized to facilitate the messages between and the student's wireless carriers.
Adobe ETLA Creative Cloud	Classroom Software
Active Directory Services (Classroom)	Directory Authentication and Authorization Service
Active Directory Services (Admin)	Directory Authentication and Authorization Service
Active Directory Federation Services (ADFS)	Maintenance Window: Sundays 2 a.m. – 12 p.m. Release windows: Wednesday night 9 p.m. – Thursday 6 a.m.

ACME SBC	Session Border Controller (SBC) used for external SIP connections to the Voice Network
A/V Studio Equipment	Relating to campus Audio/Visual Studio Equipment
1098-T	Reg application from CMC to generate 1098-T data.
SDK for Unreal Tournament by EPIC Games	Classroom software for game development
Dragon Naturally Speaking by Kurzweil	Software used to provide accommodation help students with disabilities
Microsoft Office 2016 and earlier versions	Workstation software
Reason by Propellerhead	Classroom software for audio production
Red Giant	Classroom Software for video production
Unity Product Suite by Unity Technologies	Classroom software for game development
Vicon Blade by Vicon	Classroom software for motion capture
Camworks by Geometric Technologies	Classroom software for Industrial Design
Muster Render Engine	Classroom software for rendering of animation
ClickDimensions	Marketing Analytics
DoNotCall	DNC database/system
FYSK - Facts You Should Know	
JetSpring	Webchat
Master Web Database	Core Marketing Web site DataMart
Neustar / Decision Navigator	Marketing lead management
PossibleNow	
QuinStreet	Marketing lead management
CRM (Star Portal)	Customer Relationship Management

Cisco Secure Access Control Server (ACS)	The Cisco Secure Access Control Server (ACS) Solution Engine is a dedicated, rack-mountable appliance for network access policy control

Other Software and SaaS Services:
This list sets forth specific products directly utilized by the Ai University System only. These would be excluded from the Shared IT Systems.

Name	Description
Ableton Live Sound	Classroom Software
Adobe Captivate	Used by some instructors at SU for classroom instruction
DZED Dragonframe	Stop Motion software
Lectra Kaledo	Classroom Software for fashion design and product development
Hollywood Camera Work Shot Designer	Ai Video program to configure camera locations
RhinoCam by MecSoft	Classroom Software for 3D printing of Industrial design
Zayo Group -Dark Fiber	Dark Fiber between Ai Seattle's Physical Buildings for network connectivity between them

EXHIBIT 3

Third-Party Agreements

All Contracts between DCEH and a third Person related to any Third-Party Materials or Third-Party Support, including:

1. Master Services Agreement between Calero Software, LLC and Education Management II, LLC, dated September 30, 2016.

2. Digital Master Services Agreement between Hewlett Packard Enterprise Company and Education Management Corporation, dated October 10, 2007.

3. Business Associate Agreement between Hewlett Packard Enterprise Company and Education Management II, LLC, dated February 25, 2016.

4. Services and Solutions Agreement between Xerox Corporation and Education Management, LLC, dated May 29, 2012.

5. Managed Services Agreement (70919118) between Xerox Corporation and Education Management, LLC, dated December 15, 2004, as amended by General Amendment, dated October 17, 2008.

6. Software and Website Agreement between Tuition Options LLC and Education Finance II LLC, dated February 26, 2013.

7. AWS Enterprise Customer Agreement between Amazon Web Services, Inc. and Education Management, LLC, dated April 23, 2013.

8. CampusCare Software Support Agreement between Campus Management Corp. and Education Management II, LLC, dated April 30, 2004, as amended by the Second Addendum, dated January 1, 2014, and the Third Addendum, dated June 2, 2016.

9. Professional Service Agreement between Campus Management Corp. and Education Management, LLC, dated April 30, 2004.

10. Software License Agreement between Campus Management Corp. and Education Management, LLC, dated April 30, 2004, as amended by Addendum, dated March 14, 2014.

11. Master Agreement between D2L Ltd. and EDMC II, dated September 23, 2014.

12. Perpetual license for Oracle Database software.

13. Agreement between Perceptive Software, LLC (n/l/a Lexmark Enterprise Software, LLC) and Education Management, LLC, dated June 30, 2011.

14. Subscription License and Services Agreements between Infor (US) Inc. and Education Management, LLC, dated December 21, 2012.

15. Platform Version Change Requirements Agreement between Infor (US) Inc., Business Software Inc. and Education Management, LLC, dated December 21, 2012.

16. Non-Exclusive License Agreement between Infor (US) Inc. and Education Management II, LLC, dated March 23, 1992, as amended by Addendum, dated November 7, 2016.

17. Non-Exclusive License Agreement between Infor (US) Inc. and Education Management II, LLC, dated December 1995.

18. Master Services Agreement between Infor (US) Inc. and Education Management II, LLC, dated August 17, 2005.

19. Business Associate Agreement between Infor (US) Inc. and Education Management II, LLC, dated August 20, 2010.

20. Subscription License and Services Agreement between Infor (US) Inc. Education Management Corporation, dated December 21, 2012.

21. Software Customer Agreement between Lawson Group and Education Management, LLC, dated March 23, 1992.

22. Master Services Agreement between Lawson Software Americas, Inc. and Education Management, LLC, dated August 17, 2005, as amended by Addendum, dated August 24, 2010.

23. Software Services Agreement for Web-Based Training between Infor (US) Inc. and Education Management II, LLC.

24. License to Use Information Software between Informatica Corporation and Education Management, LLC, dated December 30, 2008, as amended by First Amendment, dated June 25, 2010.

25. Software License Agreement between Informatica Corporation and Education Management, LLC, dated September 29, 2011.

26. FastTrack for Dynamic 365 Microsoft Fast Track Services Agreement between Microsoft Corporation and Education Management II, LLC, dated May 17, 2017.

27. All other relevant agreements in the data room, as of January 1, 2018, including those listed on Attachment 1 to this Exhibit 6.

Schedule A

Transition Services and TSA Rates:

1. Financial Information Systems Services - $1.29/Student/Month
   - UARF/incidents submittals and approvals for all Finance Systems
   - Workflow modifications and daily support for the various systems within finance
   - Lawson Maintenance, support and monthly close activities which includes the security of finance employees, ongoing inquiries, monthly closing activities of all subsystems, system configuration, system monitoring
   - ProLease Maintenance which includes pulling and preparing monthly rent uploads, month end close process and all maintenance
   - Reporting out of all finance systems
   - Pcard uploads and support which includes pulling bi-weekly statement, preparing payment for AP and providing detail and tie out and month end close activities
   - T&E Expense management
   - Management and administration for the Square system which includes all set up, user training and configuration
   - Month end and quarter end support which includes the migration of all exports from SIS systems, imaging accruals, system updates
   - Miscellaneous support/projects/testing/interaction between finance, PR, HR and IT. Varies from month to month
   - Vendor Maintenance and support along which includes procure to pay support for requisitions
   - PO's and matching
2. State Licensing Services - $2.04/Student/Month
   - Annual Reporting Requirements
   - Annual License Renewals
   - New Licensure Applications
   - Teach Out Notifications
   - Teach Out Filing Requirements
   - Change of Ownership
   - Quarterly Reporting (including financials)
   - New Program Applications
   - Program Modifications

- Quarterly ACICS Schools Requirements to State
- Student Complaints – States
- State Research, questions, follow up
- BPC review time
- Internal grants (research)
- Catalog reviews
- Document retention
- Enrollment agreements (review, state changes)
- Program integrity
- Bonds – initial requests, distributions, cancellations
- Tuition and Fee changes
- Check requests and procurement
- Re-entry exception requests
- State Disclosures
- Catalog Review
- Mid Accreditation Review
- Mock Visits
- Self-Study Review

3. Central Student Financial Services (not CENTER) - $8.49/Student/Month

- Annual Compliance Audits
- Close out audits
- State grant audits
- VA visits and audits
- Federal reporting requirements
- Federal surveys
- Annual student consumer information updates
- Campus security and fire safety tracking and reporting
- Closed school notifications and reporting
- DUNS and SAM updates
- Federal Program Reviews (if campus selected by Department of Ed) – program reviews are by OPE ID and would include any campus associated with the OPE ID within the last 2 to 3 award years

- Federal reporting for ACICS campuses
- 90/10 annual audit requirements
- Federal Electronic applications
- BPC
- Default Management
- Perkins Liquidation - Close outs
- Perkins Liquidation - Ongoing
- Policies and procedures
- Forms
- Regular Compliance Calls - FA Specialist, VA, CFA, Student Accounting, Weekly Occurrences
- Campus Based Funding, FISAP Audits, Etc.
- Federal research, regulatory review new federal updates, state review and research
- Campus support-general questions & guidance
- Campus Monitoring Reports - ANA, Attendance
- CFPB Complaints
- Student Complaints
- IPEDS
- Fisk Reporting
- Career Services Reporting
- VA Reporting
- Accreditors Reporting
- Call Recording
- Call Analytics
- Mystery Shopping
- Training Reporting
- Internal reporting and scorecards
- Consent Judgment Reporting and Management
- Ad hoc reporting
- State Grant, Military Survey reporting
- GE Disclosure

- EFIP
- Admission Scripts
- Student Body Flow
- Online Percentage Audit
- GSM Analysis and data mapping
- Persistence and Retention
- Ai Linkage Report
- Financial Aid reporting
- Admissions data
- Directing/loading data to Data Warehouse for reporting

4. Information Technology - $51.70/Student/Month

- Data Center
- Active Directory Services
- Application Server Work
- Avaya
- Call Copy
- Change Management
- Citrix
- Core Network
- Database Services
- Domain Name Service (DNS)
- Informatica
- ITOC Monitoring
- Network
- Project Management
- Security
- Telephony
- VMWare
- A/V Studio Party Equipment
- Aerialink
- AIO Schedule (Current Schedule)

- Applied Voice Speech Technology (AVST)
- Assist
- AWS Core Infrastructure
- Bridgestreet Housing
- Calero (Call Detail Recording)
- Call Compliance System
- CampusVue Portal
- Check Point Client Encryption
- Clarity
- CMS (Interwoven)
- Content Alert
- Contract Management
- Corporate Facilities
- Course Listing
- Course Revision
- Course Scheduling System (CSS)
- DataBase Inventory
- Database Performance Monitoring
- Decision Navigator
- Direct Loan Pell Reconciliation
- DocuSign
- eBook
- EdConnect
- eLibrary
- Employee Portal
- Enterprise File Transfer
- Enterprise Mass Storage
- Enterprise Message Bus
- Estimated Financial Impact Plan (EFIP)
- ExamSoft
- EZ Proxy

- Faculty Course Import
- Faculty Session Prep
- Firewall
- Foglight
- GoToMeeting
- Holds Automation
- HP ArcSight
- HP Business Process Monitor (BPM)
- HP Business Service Management
- HP Data Protector
- HP Network Node Manager (NNM)
- HP OpenView Operations Manager (OVOW)
- HP SiteScope
- HP Systems Insight Manager
- HP Virtual User Generator (VuGen)
- HVAC
- Image Onsite
- ImageNow Upload Center
- iModules Alumni Community
- Imperva
- IP Control
- Kronos
- Load Balancer
- MHC Document Express
- MiniTab Registration
- Mobile (MCP)
- Mobile Phone
- MSBI Reports
- MyGroups
- NetQOS
- Nexpose

- Office365 - Lync Online
- Office365 - Office Pro Plus
- Office365 – OneDrive
- Office365 - Outlook Online
- OneSource
- OpenVoice
- Outlook
- Password System (Center)
- Presentation Technology
- Printers
- Program Course Management System (PCMS)
- ProofPoint
- Public Key Infrastructure (PKI)
- Rema Grad Team Application
- RIC Process
- Router
- Satellite
- Scanners
- Schedule Manager
- SecureNet (SN)
- Security Equipment
- SendWordNow
- ShareKnowledge
- ShowMgr
- SimMan
- SiteCore
- SOA
- Socrates
- Software
- Solar Winds
- State Grants

- Stipend Generator
- Student Body Flow (SBF)
- Student Course Scheduling System (Student CSS)
- Student Orientation
- Student Payment Application (SPA)
- Subversion
- Switch
- Symantec Data Loss Protection (DLP)
- Symantec Endpoint Protection
- Symantec Validation & ID Protection Service (VIP)
- System Center Configuration Manager (SCCM)
- System Galaxy
- TargetVision
- Tax Factory
- Team Foundation Server
- Telco Carrier
- Textbooks UI
- Third Party Collections UI (TPC)
- TOC (Transfer of Credits)
- Transcript Request System (STS)
- Tripwire
- UPS
- VIsix
- Vordel
- Vormetric
- Voyager / OPAC
- VPN Cisco
- WASP (Point of Sales)
- WebCTRL
- Wireless
- Wireless Controller

- Exchange
- Hyperion
- IARM
- ImageNow
- Lawson
- Lync
- Other Services
- Planview
- RightFax
- ServiceNow
- SharePoint
- Tidal
- User Access Request
- Video Conferencing
- Workstation
- Administrative Computing Services
- Altiris
- Audit
- BizTalk
- Brightspace
- Campaign Dialer
- Campus Facilities
- CampusVue
- Career Center
- Classroom Computer Services
- CRM
- Digital Application
- eCollege
- eLeads
- Enterprise Data Warehouse (EDW)
- Genesys

- Marketing Websites
- Microsoft BI Tools
- My Campus Portal
- Qlikview
- RACER
- Student Financial Planning
- Universal Content Management (UCM)
- Webspace

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ATTACHMENT K

LETTERS IN SUPPORT OF SAVING THE SCHOOL

(See Attached)

ATTACHMENT K

Anand Singh

Contact

917 Thistlegate Road
Oak Park CA 91377
310 623 8085
asinghny@gmail.com

CEO
Jai Capital Advisors
www.jaicapital.com

Co-Founder
EZ Education Connect
www.ezedconnect.com

Chairman
DSVS Education Trust India

Co-Manager
Hoerner College India
www.hoernercollege.org

Advisor to Vice Chancellor
RML Avadh University India
www.rmlau.ac.in

Advisor to Chairman
Star Film & Media Institute
www.sfmi.in

Advisor to Chairman
ICS International India
www.icscareersonline.com

To Whom It May Concern

We wish to express our firm unequivocal support for, the future, Citadel Colleges of the Arts, currently, the Art Institute of Las Vegas as an advisor, partner and patron.
We are currently working with the management of the Save the Art Institute of Las Vegas in the following manners to express our support:

- Bolster student enrollment by creating recruitment programs in India with our own colleges & institutes, and with other established entities
- Working with the Government of India to establish a private vocational university with our India based family trust in joint venture with the Citadel of the Arts Colleges
- Creating a College of Entrepreneurship in joint venture with the University of Brussels, Belgium
- Working with Media & Entertainment Industry leaders, Equipment Manufacturers and faculty to build a College of Performing Arts

In addition, we are working with management to attract investment, endowments and other forms of capital to create a new permanent educational and residential campus in Las Vegas.

We strongly feel that the institute is a much-needed educational asset for the Las Vegas area and for the State of Nevada. We further here affirm our view that based on our due diligence and review, we feel that this is a feasible and stable venture, both based on current enrollment and future potential.

We stand ready to testify to our assumption, beliefs and convictions regarding the need and future success for this institution. Please reach us with any questions or concerns. With best wishes and regards,

Sincerely,

Anand Singh

Tuesday, September 10, 2019

STUDENT LETTERS

Chase Reynolds
3001 W Warm Springs Rd, #1927
Henderson, NV, 89014

September 09, 2019

State of Nevada Commission on Postsecondary Education
8778 South Maryland Parkway, Suite 115
Las Vegas, Nevada 89123

Re: September 18, 2019 Hearing
Art Institute of Las Vegas

Dear Commissioners,

I write this letter as an individual student standing for what I whole-heartedly believe to be the right thing. However, I hope that this letter is interpreted as one of many in a student body imploring those whom have influence to stand for what provides the most utility to our community. I cannot speak to the experience of any other student, but I can speak to the profound influence, the relentless dedication, and the world class education I have received from the staff at this school. My intention is to share my experience in hopes that my narrative will encourage those whom are tasked with deciding the fate of this school to grace the current students with skill sets immensely practical to the city of Las Vegas.

I feel as though I must digress slightly in order to give a better perspective on how much this school/staff means to me. I have had trouble adjusting to society since my exit from the Marine Corps in mid 2016. I was a Force Recon Marine and was faced with a career ending injury in which I was lucky to survive. To say I struggled once reintroduced to "normal" society would be a massive understatement. For the 2 years immediately following my exit untreated depression, PTSD, and substance abuse had me convinced I would never be able to adjust. I decided to try one last time to pursue a passion of mine (cooking) and find purpose again. This is where this school came into my life.

After a google search I quickly filled out all the paperwork from the school and VA to apply, got accepted to the school. I then moved myself, my wife, and our infant son to Henderson from Colorado Springs in December of 2018. Within my first quarter at the school we were faced with the potential shutdown. Even amidst a complete shutdown I saw no change in the dedication to duty by our instructors. I saw men and women with unwavering dedication to those they serve press forward as hard as they could to stand for what they believed to be the right thing. This was something I have been looking for since I left the Marines and it earned my unwavering loyalty. It was reminiscent of my first day at 2nd Recon Bn. where my Sgt. Maj. told me "Do the right thing. Needing no reason other than the fact that it is the right thing to do, and you will likely survive. If you don't survive, it will be a certainty that you went down serving."

I am finishing my 3rd quarter at this school, and I have been more impressed by these fine men and women every quarter. I cannot deny that it has been hard attending the school knowing at times that all our work may be completely cut short, and our credits not transferred. It has been hard not ever being paid my Pell Grant funds after hastily moving my family from CO to NV. It has been hard losing our online portal in which we could check grades and keep up with assignments. It has been hard to see the teachers improvise due to not always having what they need to teach the curriculum they were used to. All while not being paid. We have been living in hardship, and I believe that the improved curriculum, the restructuring of a chain of command, and the open communication with the student body demonstrate that this school is here to stay. I believe maintaining a 3.8 GPA and learning more about cooking than I ever imagined during all this chaos demonstrates that I am here to stay as well.

We have done our work, raised support, gained structure, and stood firm. It is now on the powers at be to make the right decision. I ask that those afore mentioned powers to follow Sgt. Maj. Rabidoux's advice and "Do the right thing. For no reason other than it is the right thing to do." and allow this school to continue. Free from the corporate corruption and with a mission to better a community.

Thank you for the opportunity to share my story.

Very Respectfully,

-Chase Reynolds

September 5 , 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
State of Nevada
Commission on Postsecondary Education
8778 South Maryland Parkway Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners and Administrator Wuest,

I am currently enrolled at The Art Institute of Las Vegas. I have been in Digital Film and Video Production program for about two years. Creative colleges and universities like ours are not common. We have these huge campuses that gloss over the fine arts and creative fields because, to them they aren't important majors for our real lives. It is very unfortunate because, a small centered campus like AI does wonders. I moved to Nevada from Illinois about two and a half years ago. I moved to get a better education in a field that I wanted to study. Art based schools are underrated and virtually unseen. We have learned tons of real life skills and additional ones in our classes and from our professors. I never imagined that I would be able to learn a variety of skills from only a handful of individuals. The professionals that are here at the school now hold so much vital information and suggestions that are tailored to each student to be successful in their given fields.

Communication is the one thing all humans need to understand and practice religiously. Without good communication the students and staff will never be on the same page and will continuously be in a cycle of miscommunication. When they have good communication both parties are able to understand and process the exact information being transcribed. The Art Institute of Las Vegas and many other colleges are doing everything in their power to communicate the importance of the fine arts to the general public. The fine arts makes individuals who were once shy be more outspoken and independent. AI shows and practices individual and team growth to reach the status of professional, helps analyze and problem solve whenever something doesn't go according to plan. These are only a few of the real life skills that are learned and practiced at AI to get students ready to incorporate them into their future workplaces. To be blunt, fine art colleges are equally as important and generate the same skills as any other traditional college. The only difference is that we are just focused on whatever set major we want to be in. Which means not dealing with a lot of unnecessary classes, drama and boredom that connects with traditional colleges.

I want to personally thank two of my professors for helping me achieve my goals of becoming a producer and director in my future. It's a very long and stressful process to go through, but the end result will definitely be worth all of the hard work and sleepless nights. Josh Hudson, who is now in charge of the DFVP program, has guided me through the steps carefully for over a year. He broke down the exact way to edit, why camera angles and lighting are vital, and finally showed what a true teacher

should act like. He saw potential in me that I didn't even see myself. When I first started at AI, I use to hate editing and motion graphics due to some now resigned teachers. Josh went through each lesson and lecture slowly with massive amounts of information for us to process. He would push me to edit out of my comfort zone and the right way each week and then explained why I made each cut and what emotional connection it had with the audience. At first, I wasn't a fan of his teaching because I was so accustomed to being fed useless information from YouTube videos my teachers would display. I am thankful for Josh for taking over our once dying program and rebuilding it from the ground up. Josh also brought back one of our former teachers Ken Cioe. Ken teaches storyboarding and scene analysis which I am currently in. The last ten weeks he has shown my classmates and me the importance of not only writing, but also why each scene flows into the next. Each scene tells a certain vivid emotion and story that sways the audience and their overall thinking. It is a truly insightful class that is taught from a professional who is passionate about the course material and the students. The key to OUR success as students and future leaders in our fields is to have individuals to look up to and follow in their steps towards our always expanding and changing industry. Leaders will be made if we have the best professionals as our teachers who are willing to educate us. We traded the bad and unprofessional for the honest and professional. We have already made some big changes within the last few months that will benefit the school and students immensely. Just imagine what AI can do when we have a year or five at our disposal, the possibilities are endless as long as we keep striving forward each day.

Respectfully,

Danielle Patton DFVP Student

Pattondanielle21@gmail.com

September 5 , 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
State of Nevada
Commission on Postsecondary Education
8778 South Maryland Parkway Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners and Administrator Wuest,

Hello, my name is Demitrius Monico, I am currently a student at the Art Institute of Las Vegas. Since becoming a student in 2016, I was able to learn a lot of things thanks to the teachers who have strived to teach everyone who came to class. As for someone with a learning disability they have been very helpful so that I am not behind in class. They would go that extra mile to ensure that everyone who is in class is able to pass. I feel that these kind of teachers is what we need in a school like this.

I believe that we need a school like this in Las Vegas because it can be of great help to the community. With the programs that are available, this school can provide knowledge that is necessary to help students to get the industry jobs that they desire. That is were the passionate teacher's with the desire to teach come in. Even with the current disposition of the school there are teachers here that are still teaching us what we need to know in our programs. We have even had teachers that have taught years ago come back to teach while other teachers have left, because they believe that the students education is very important.

There are a lot of students that are eager to learn that are here and a lot more that are not because of the school's current disposition. That goes the same for the teachers that have a desire to teach us what we need to know. All the teachers, including faculty have not been paid for months and they are still here teaching and administering the students, but there are those who have left because they cannot afford to stay without being paid. So I kindly ask for your understanding and help and to do whatever you can so that we can thrive as a school of eager students wanting to learn and eager teachers that are passionate to teach.

Respectfully,

Demitrius Monico (Student)
demitrius.lamoya.monico@gmail.com

September 5, 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
State of Nevada
Commission on Postsecondary Education
8778 South Maryland Parkway Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners and Administrator Wuest,

The students need a school like ours because our fields we choose to go into are highly specialized. It is not easy to teach these fields in a more traditional way with theoretical course work it requires a more hands on approach that teaches you how to work in the field by having you actually do the work. Practicing and being able to come with solutions to new issues as they happen because that what happens in the real field. Our fields are ever changing as time and technology progress so do trends and techniques. We need to able to adapt the way the material is taught to meet these requirements as they occur.

We don't just sit in a classroom listening to lectures in every class we work with the tools of our trade. We aren't doing it alone we work together because that's how it will be once we leave here. Learning to come together as a team is an important part of our fields. We learn to work together, what we're strong at and where we need help. We find the strengths and weaknesses of each other and build teams that complement one another to work toward a common goal.

Our instructors have worked in our fields and their main goal is to prepare us for the real world. They actually care about their students and won't let us do mediocre work they push us and guide us toward the best we can be.

Respectfully,

Tristian Pete
(Name)

Student
(Student)

TristianPete@gmail.com
(Email contact)

September 5th , 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
State of Nevada
Commission on Postsecondary Education
8778 South Maryland Parkway Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners and Administrator Wuest,

My name is Jerrimeh, I am a student at the Art Institute of Las Vegas. I want the school to stay mostly because of the current instructors we have teaching. From Ken Cioe to Josh Hudson, all my current instructors have been interested in my personal growth in my particular field of study. Over the course of my years here at the school I have seen it change from a place I loved, to a place which I hated going, now however I see it again as a place in which I have the opportunity to learn about my field as well as develop my own tips and tricks to take with me in the future. I believe this school deserves to stay where it's at because I know what they have to teach here is valuable and not just useless tricks.

Respectfully,

Student

J.Salvioamigo@hotmail.com

FACULTY LETTERS

September 8, 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
Nevada Commission on Postsecondary Education
8778 South Maryland Parkway, Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners, and Administrator Wuest,

Greetings.

I am not certain if any words can adequately stress the importance a creative studies college has to offer this Community. As Las Vegas and all of Southern Nevada grow, it becomes more and more important for there to be educational opportunities which our school has to offer. There is and will continually be a growing demand for creatively and technically skilled individuals to fill positions in specific industries in this state.

As someone with 25 years' experience in the creative and multi-media industries, I can assure you that the need for skills taught in our school are still in incredible demand, not to mention that as Las Vegas continues to grow and as more highly specialized industries come to Las Vegas with more technical jobs, our educational model will be in high demand by employers and potential students. In my professional creative circle here in Southern Nevada, my colleagues are ecstatic about our plans for the new school. I have engaged in numerous conversations with local industry professionals and each one of them has expressed excitement and sincere gratitude for the monumental efforts we have taken to save the school and to have a school emerged from a horrible situation into a new stand alone local college that will inspire and develop talent ready to enter the workforce in this area.

I was an instructor at the Art Institute of Las Vegas from 2003 until 2013 in the Media Arts & Animation Departments. In 2013 I resigned my position at AILV because the teaching atmosphere was toxic and disrespectful. I was horrified by the admissions practices as well as the unbearable and oppressive corporate environment.

When I made the decision to move back to Las Vegas I heard from colleagues with whom I taught in those same years, who have returned to AILV at the request of the men who stepped up to save the school from closure, and as I learned what the plan is for the future I jumped at the chance to be part of all of it. I joined the Team in the beginning of July 2019 at the beginning of this Summer Quarter in Media Arts, Animation and Game Arts Departments to be an integral part of the new school and the new vision. The atmosphere here is forward thinking, respectful, compassionate, and intensely exciting. I consider myself incredible lucky to be part of it all.

I trust that you will work with us during this difficult transition and all along the way as we develop and grow and serve our students.

Thank you very much.

With respect,

Ken Cioe, M.F.A.
Faculty Instructor
The Art Institute of Las Vegas
kencioe@gmail.com

September 9 , 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
State of Nevada
Commission on Postsecondary Education
8778 South Maryland Parkway Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners and Administrator Wuest,

I am and have been a teacher at the Art Institute of Las Vegas for over a year now; I also was a student here from 2011-2014. This beloved school represents some of the best years of my life as I have made lifelong friends and have been able to teach some really creative students as well. I do truly believe a school such as this needs to be a large part of the community here in Las Vegas. Being a town steeped in entertainment and tourism this city needs a school that can graduate out students who can take those jobs of video production, audio production, graphic design, animation and anything else that is necessary to keep tourists coming to our city and boost the economy of our great state. I know there is no other institution like this in the state, there is nothing that can boast so many diverse programs in one location with the credibility to get graduates jobs upon completing their schooling here. We have established connections with professionals, who are already working in the fields of our programs, to set up internships that will lead to job placements because the students will be leaving here with experience that they can put on their resumes and, as some-one who has been in this business a while, I know you need experience to secure the job that you ultimately want. I know that you all will give us the full support we need to make this school as successful as it can be.

Respectfully,

Peter Sullivan, Instructor

M.A. Music Production and Sound Design

Academy of Art University

petersullivanaudio@yahoo.com

September 10 , 2019

Josh J Hudson
Lead Faculty DFVP/VEMG
Art Institute of Las Vegas
2350 Corporate Circle
Henderson, NV 89074

State of Nevada
Nevada Commission on Postsecondary Education
8778 South Maryland Parkway Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners and Administrator Wuest,

I am and have been a teacher at the Art Institute of Las Vegas for almost 10 years. I left 6 years ago due to the EDMC corporate structure not allowing faculty to best serve their students. I returned after the DCEH debacle to help usher in a new era in this once proud institution. I am happy everyday coming to work even under the hardest of circumstances because of the students I am allowed to teach.This beloved school represents some of the best years of my life as I have made lifelong friends and am able to teach really creative students a love for the film industry and art in general. I do truly believe a school such as this needs to be a large part of the community here in Las Vegas. Being a town steeped in entertainment and tourism this city needs a school that can graduate out students who can take those jobs of video production, audio production, graphic design, animation and anything else that is necessary to keep tourists coming to our city and boost the economy of our great state.

I have 3 children in CCSD that need an institution like this available to nurture their culinary and artistic skills and provide them with a career not just a job. Having been a teacher at CCSD, I understand the lack of preparation that the school district gives to students that are different or want different career paths than are generally accepted. There is no other institution like this in the state that delivers a quality education in the artistic and culinary fields that are so sorely needed in the Las Vegas Valley. We have established connections with professionals, who are already working in the fields of our programs, to set up internships that will lead to job placements because the students will be leaving here with experience that they can put on their resumes and, as some-one who has been in this business a while, I know you need experience to secure the job that you ultimately want. I know that you all will give us the full support we need to make this school as successful as it can be.

Respectfully,

Josh J Hudson, M.S.M, Lead Faculty
Art Institute of Las Vegas
DFVPVEMG@GMAIL.COM

September 10, 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
State of Nevada
Commission on Postsecondary Education
8778 South Maryland Parkway Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners and Administrator Wuest,

As an industry professional I find that having a career college is very valuable.

I manage a 25-million-dollar restaurant on the Las Vegas Strip. I am a Restaurant Industry professional and I am an alumnus of the Culinary School at the Art Institute of Las Vegas. I did very well by the Art Institute and its phenomenal chefs and faculty. Now, when I interview potential staff, I look at what they have done in the past and what schooling he or she has accomplished, precisely because I know how important the right educational path can do for you. After graduation from this AILV the I had the base knowledge and the skills to walk into any restaurant, no matter if it was front-of-the-house or in the kitchen, and get straight to work. I expect each person I hire to have basic knowledge of cooking and industry standards and get right to work. Every student I have hired from the Art Institute has displayed those characteristics and continues his or her education while working within any of my outlets. Making sure this college remains open and continues to teach industry standards is very valuable to the community and our particular very large industry. Having the school operate with local ownership will only better each student academic career by virtue of the intensely close network in the restaurant industry in Las Vegas. With a degree in hand from one of the only remaining degree bestowing Culinary Schools in Southern Nevada, will exponentially improve the success rate for finding a job in this industry. I can't stress enough on how valuable the school is to our industry. I recently accepted a position as an Adjunct Instructor in Culinary Arts at AI, I have a Bachelors Degree in Culinart Arts from AI, and I work in the Culinary world – we sorely need this school,

Respectfully,

Christian R. Clinton
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702-480-5733

STAFF LETTERS

The Art Institute of Las Vegas®
CREATE TOMORROW

9 September 2019

Ms. BJ North, Chair
State of Nevada
Commission on Postsecondary Education
8778 South Maryland Parkway, Suite 115
Las Vegas, NV 89123

Re: The Art Institute of Las Vegas Licensing Hearing

Dear Ms. North,

I am writing today to express my continued support for The Art Institute of Las Vegas, not as the Interim Campus Director but as an educator and a member of the greater Las Vegas community.

I have spent over 19 years in the for-profit educational sector. During that time, I have had the privilege of serving students, many of whom would not have had the opportunity to attend college and improve their lives had it not been for schools such as The Art Institute of Las Vegas. I have experienced watching these men and women walk across the stage at graduation with a sense of confidence that comes with earning a degree and receiving a college diploma. I have walked into various businesses and have witnessed former students, fully employed and engaged in their passion-driven industry. I have observed the changes that occurred within The Art Institute system when profit became more important than the student experience. I have experienced the rise and fall of two corporate owners and the devastation that their demise, often due to greed and mismanagement, as well as the heavy burdens that were placed on the backs of the students, faculty, and staff as a result of the court appointed receiver. Finally, I have seen the great lengths that SAVE The Art Institute of Las Vegas has gone to in their journey to keep the school open so each student has the opportunity to complete their degree, graduate and move forward in their chosen careers.

The school that I returned to in April 2019 was not the school that laid me off on October 12, 2018. Gone was the mentality of treating students like cattle, enrolling them at any cost so an unrealistic metric could be met. Gone was the corporate mentality that created so many of the problems as the corporations sought to increase shareholder value and did not truly focus on the needs of the students or allow the school to become an integral part of the greater Las Vegas community. In its place, the dedicated faculty and staff have planted the seeds of respect for the student and respect for the quality of education. Seeds that if allowed to flourish will produce an educational facility that will focus on the whole student and the student experience and not just on the bottom line. I can say without hesitation that I would not have considered returning as an employee of The Art Institute of Las Vegas if I did not fully believe is the efforts that are underway by SAVE The Art Institute of Las Vegas to fundamentally change the culture and course of the school.

Without a doubt, there are still many challenges that the school needs to overcome if they are to survive. Challenges caused by the uncertainty of whether or not the school would remain open. Challenges caused by the dishonesty of the prior corporate owners, DCEH, challenges caused by the neglect of the federally appointed receiver and finally challenges caused by the inaction of the campus leadership hired after the decimation of the entire academic staff in late September, early October 2018 with regards to maintaining licensure and meeting the standards of accreditation. Nevertheless, I believe in the vision of the future owners and leadership, the dedication of the faculty and the perseverance of the students. I know that if the school is given the opportunity and the necessary time, the school will not only correct any deficiencies caused by years of neglect at the hands of the school's corporate owners, it will meet each standard needed for both licensure and accreditation. The school will emerge from the current state of chaos as a new school, primed and ready to continue its mission of educating students and preparing them for jobs that will support the employers and citizens of the greater Las Vegas community.

Thank you for the opportunity to express my dedication to the heroic efforts associated with saving The Art Institute of Las Vegas.

With Regards,

Dr. Daniel M. Taylor
Interim Campus Director
The Art Institute of Las Vegas

September 6, 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
State of Nevada
Commission on Postsecondary Education
8778 South Maryland Parkway Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners and Administrator Wuest,

I have been with the Art Institute since July of 2007, first as an instructor and now as the Dean of the Culinary School. When I started my tenure with the school, the leadership, faculty and students created an amazing and vibrant community. I was very proud to be an instructor for this company. The school remained in that state for a few years before it began a downward spiral. At first it was small changes, but over the past several years those changes have impacted the campus community in a very negative way. Multiple layoffs, services being centralized or removed, lack of campus support and the constant boomerang of "we are closing...we are not closing...we are closing...we are...". The culinary department has had at least five program chairs since I have been employed, and through it all, I was fortunate enough to dodge the layoffs and remain as the only full-time instructor for the program.

In January, we hit rock bottom. There was nowhere else to go but up or out. The school was put into receivership, which we were initially told was a "good thing." I made the personal decision to continue teaching until they told me to stop coming. When the last notice came that the school was going to close, three individuals stood up for our campus and said, "We must save AILV". In late March, I was asked to take on the role of interim Dean of the Culinary School as part of the effort to save the school. I agreed. Already scheduled to teach classes for the Spring term, I took on the added responsibility and increased workload/hours because I believe our community needs a culinary/art school and that the students enrolled deserve to finish their education.

When the transition started, The Receiver stood in front of myself and several colleagues and told us not to worry, he was going to help transition our school to new ownership. Our own Congresswoman sat in our restaurant and also told us she was here to help. Not so. There have been others who initially said they would help, but have become obstacles for us as we try to move the school back into the right direction. We know things were messed up and we are working to get the services and programs back where they need to be. DCEH put us in a very

bad position (hind sight is always 20/20), and harmed students in a way that is unforgiveable. WE ARE NOT DCEH! I am fortunate to be part of a group of individuals that truly want the best for our students. We have vision and plans for a thriving campus that will allow our students to fulfill their dreams of careers in culinary and art related fields. I have several alumni that have achieved great things in their careers as a result of the training they received from our campus. Some are in management positions, some own their own businesses, and others are still finding their way. WE CAN make a positive difference in our students' lives if given the chance to bring this school back to what it once was. In fact, I believe we can be even better than our earlier years of success.

I am aware of the complaints that we have not been paid our full salary. As of this letter, that is true, and it has created personal strife for many staff members, myself included. While the issue of pay exists, myself, faculty and fellow administrators have continued to put forth every effort to teach our classes, run the campus, build community relationships and not obstruct the learning environment due to our financial situation. I am privileged to work alongside individuals with this much dedication and commitment to a cause we believe our community needs.

We care about the students, we care about the impact on our community, and we want the school to succeed. I personally believe in the vision of what our school can offer our community. I believe we can provide an education that turns out qualified and skilled professionals that will become leaders in our industry. I believe that once we own the school, we will be an institution that operates with integrity, respect, kindness and benefit for those who walk through the door. Teaching and being an administrator has intrinsic rewards that cannot be delivered in dollars. Watching our students reach their goals in life and being part of that journey is one of the best feelings in the world. Please allow us to continue to be part of the solution in helping students reach their goals.

Thank you for your time.

Respectfully,

Michelle Vietm

Michelle Vietmeier, MSM, CFE, HBSC
Dean of the Culinary School – The Art Institute of Las Vegas
mvietmeier@citadelartsu.org

September 6, 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
Nevada Commission on Postsecondary Education
8778 South Maryland Parkway Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners and Administrator Wuest,

I have been an employee of the Art Institutes for 9 years while working at multiple Ai campuses in various positions. During that time, I have been under the dysfunctional ownership and leadership of both EDMC and DCEH until I was finally let go in January of 2019 as the Registrar of the Ai Hollywood campus. I only agreed to come back to the Art Institutes and relocate my entire life to the Las Vegas campus from Los Angeles due to the philosophy, passion and vision of both William Turbay and Richard Rock who have been spearheading the effort to save the Art Institute of Las Vegas. They brought me out here to the Las Vegas campus on April 1, 2019 to be their Registrar and for 5 months now I have watched them put that philosophy, passion and vision to practice first-hand. Under the direst of circumstances left behind by the carnage of DCEH and the receiver, they have managed to keep this campus successfully running for 2 quarters now despite every constant hurdle thrown their way and without collecting any real revenue out of the school to speak of. In addition, they have managed to keep a staff together and focused on the operation of the school, myself included, despite the fact that no one has been paid for most of these two quarters due to the financial handcuffs of the receivership. I've watched them come to the school every morning and work tirelessly with a hands-on approach to interact with students, faculty and staff to resolve every problem that arises rather than conceal themselves in an office somewhere to avoid negative or uncomfortable situations like what I experienced under past EDMC and DCEH leadership. They have such an enormous desire to strive and make this school successful not only for its current students but its future students and the community as a whole. They are driven by a desire to provide opportunities for this community and its residents rather than the pure greed I've witnessed from previous ownership. It would be a total outrage and a complete travesty to prevent them from being able to see their vision through when so many other less respectable operations and people have been given the same chance they desire. The simple fact alone that there is a staff of employees working without pay for this long under their direction, shows the sacrifice and dedication of what this school now represents while giving a peek behind the curtain of what it could further represent for the state and the city if given the opportunity to grow in the future.

Respectfully,

Brian Neidlinger, MBA , Registrar
Art Institute of Las Vegas
brieclipse@aol.com

September 3, 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
State of Nevada
Commission on Postsecondary Education
8778 South Maryland Parkway Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners and Administrator Wuest,

I am writing this letter on behalf of Richard Rock and William Turbay in regards to keeping the doors open for the Save the Art Institute in Las Vegas, Nevada.

When William and Richard told me what was happening with the AI school and it being shut down nationwide, I felt bad for the students who were invested in the school and were now going to lose credits, time, and money invested for a trade they wanted to learn to perfect and grow into a prospective profession.

As the Save the Art Institute began its preliminary stages and started gaining momentum, I became a little more attentive and asked if I could do anything to help. Money was the first priority to fund the school in order to retain the staff, operating costs, and keep the doors open. I was not able to invest monetarily at this time so I've donated my time.

For the last 5 months I have been doing odds and ends – maintenance fixes, moving of offices, etc. as well as getting to know the students on a daily basis. I had been helping out Monday-Friday from 8am until 4pm and just recently switched to Tuesday through Thursday from 8am to 3pm.

I have been able to provide support to the administration by moving desks, accessing files in other offices, mostly just trying to make this transition easier for them.

Since the administration is not quite so stressed, the students have been able to sit back without having a cloud over their heads knowing that they can continue to learn and not worry about whether or not the school will be open the next day.

Anyone can go to college and learn to do whatever they want and STILL end up working at McDonalds. This school provides the students a realistic, practical approach to use the talents they learn in the profession that they choose. Or as I always think of it – How to make money doing what I am good at and am passionate about.

Respectfully,

Robert Schiller

September 9, 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
State of Nevada
Commission on Postsecondary Education
8778 South Maryland Parkway Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners and Administrator Wuest,

I am writing this letter in support of the SAVE The Art Institute of Las Vegas. I have been given the pleasure of working at the school as an Administrative Assistant. In the short period of time I have spent at the school I have had the opportunity to meet with students that are eager to earn their degree to have an advantage in getting hired in their chosen career. I have met students that are in their last semester before graduating. They were stressed and felt uneasy due to past rumors that the school was closing. Mr. Turbay and Mr. Rock have helped those students feel at ease with the approved court order to purchase the school, but the battle does not end there. We are still fighting to remain open for the students. It is critical not just for the graduating students for the school to remain open but also for the community. We need a career college like, SAVE The Art Institute to continue and help our local community to produce graduates with a curriculum that is needed in our town. In addition, I have met instructors that are so passionate with what they do and even though they are not getting compensated they still show up to work because they love what they do and the influence and impact they have on their students. Getting away from Receivership would be the best thing for this school in order to move forward. I saw all the challenges and the hard work each and every individual had and continue to put in to keep the school going. It has been a great honor to work at the school and with Mr. Turbay and Mr. Rock. I hope to continue working at the school and help with the future plans under the new ownership. In my opinion, the current and new students will be more engaged when this saga of closing the purchase ends. There are plans for studios for each colleges which will not only help in learning their field but would also give them an on the job training. There is a great plan for the future of this school that I hope to see. Overall, I would like to see this school flourish to its full potential and the new curriculum would be a great addition to our city.

Respectfully,

Kamille Clinton
Administrative Assistant
SAVE The Art Institute of Las Vegas, Limited
kamilleclinton@gmail.com

September 10, 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
State of Nevada
Commision on Postsecondary Education
8778 South Maryland Parkway, Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners, and Administrator Wuest:

My name is Kristin Swiderski and I have been the Academic Advisor at The Art Institute of Las Vegas for over five years. I have over 19 years of experience in higher education and 14 of those years were for traditional, private colleges that catered to traditional students. I am writing in support of SAVE The Art Institute of Las Vegas Limited.

My time at The Art Institute of Las Vegas has been rewarding because of the people I work with and the students I have the privilege of working with. I am surrounded by many first generation students who want a career that will allow them to use their artistic abilities to earn a living. While I have enjoyed my time at The Art Institute of Las Vegas, it has also been challenging and stressful. Within the first few months of being hired, there were faculty and staff that were laid off. Employees would get nervous every summer and would wonder who would be affected by the next round of layoffs. If we "survived," it typically meant that additional work would be distributed amongst those left. It was a difficult time to work at the school because the bottom line was more important than what was in the best interest of students or the employees who worked there. When the Dream Center Education Holdings, LLC took control of the system, it seemed like they wanted to make changes to improve the school. They spoke of investing in equipment and improving the services provided to students, but it was soon apparent that was not the case. There were several times I thought about searching for another job in education or even leaving the field because of the stress and the greed of the administrators. I have always held the belief that if I ever did not enjoy or believe in what I was doing that I would leave a job. Each time I contemplated leaving, I would always come back to the fact that I was helping students achieve their educational goals.

I was laid off in January 2019. When I was asked to come back, I did not take the decision lightly. My educational philosophy has been vastly influenced by working in Jesuit education. I believe in education of the whole person and servant leadership. Education is more than just the classroom but also what happens outside of it. The Art Institute of Las Vegas has provided me an opportunity to work with a diverse student population. It has been a privilege to see talented men and women enter their field of study.

I fully support SAVE The Art Institute of Las Vegas Limited and believe in the vision and the future of the school. The school and administration have faced many challenges since January, which have been a result of previous corporate ownership and being under receivership. The efforts of SAVE The Art Institute of Las Vegas Limited have been admirable and they have worked tirelessly to correct the wrongdoings. I believe with local ownership and leadership that the focus will be brought back to the students. The faculty and the staff who have remained with the school are dedicated to providing a quality education and the development of students to become future leaders in their chosen industry and the local community.

Thank you for the opportunity to advocate for SAVE The Art Institute of Las Vegas Limitedand the students who currently attend and hope to attend in the future.

Sincerely,

Kristin Swiderski
Academic Advisor
The Art Institute of Las Vegas

September 9, 2019

Ms. BJ North, Chair
Ms. Kelly Wuest, Administrator
State of Nevada
Commission on Postsecondary Education
8778 South Maryland Parkway Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas

Dear Chairwoman North, Commissioners and Administrator Wuest,

I have been with the Art Institute of Las Vegas since July 2018. My position as a Financial Aid Officer was eliminated January 2019. I returned on April 1, 2019 to assist the new leadership team to SAVE the campus. Our current and active student population were sold an educational experience that promised a rewarding future. They have spent or owe thousands of dollars believing this will all pay off in the end. I have had the privilege of getting to know many of these students on a personal level. Despite the stresses and challenges that occurred over the past 8 months, these students are still here and are eager to finish. They are owed the opportunity to complete their program. They are grateful to the staff and faculty that are still here helping them reach the finish line. These students fell victim to the corporations (Education Management Corporation and Dream Center Education Holdings).

Looking toward the future, the current administration, faculty and staff are working together to deliver a product that positively serves our community. Our current students (soon to be alumni), will be one of the first to give back.

Respectfully,

Dawn Batula

Dawn Batula - Staff

dbatula@citadelartsu.org

MAYOR PRO-TEM LETTER

OFFICE OF
MICHELE FIORE
MAYOR PRO TEM,
WARD 6

September 9, 2019

Ms. BJ North, Chair
State of Nevada
Commission on Postsecondary Education
8778 South Maryland Parkway, Suite 115
Las Vegas, Nevada 89123

Re: The Art Institute of Las Vegas
Hearing: September 18, 2019 at 9:00 in the morning

Dear Ms. North,

I am writing to you today, not only as the Mayor Pro Tem of the city of Las Vegas, but as a dedicated servant of this Nevada community at large.

My concern at this moment is the future of the Art Institute of Las Vegas, which has served this community for nearly 20 years and has been plagued by corporate greed throughout recent times. Despite the demise of the two conglomerates that bought and sold and re-sold and bankrupted and sold again, hundreds of college campuses across the country were plunged into the abyss of receivership in January 2019. At this point, it is a bittersweet saga with the loss of scores of schools and tens of thousands of students left high and dry without being able to continue their educational path to completion and graduation. But I am intensely proud of two Nevadans with a vision and with great passion who came to the fore to SAVE the Art Institute of Las Vegas, against all odds.

The Art Institute of Las Vegas is the "last man standing" surrounded by the carnage of fallen universities and colleges across the nation caused by the hand of greed with utter disregard for the education of our young people. It seems it was better to disburse corporate bonuses than to pay the students their living stipends from their own borrowed money.

I happen to know the men who came forward. I have personally delved into their philosophy of educating whole human beings while educating students in the Applied and Culinary Arts on the path to sustainable careers in Nevada. I know them very well and I am proud that Nevadans are about to embark on creating a local career college, which is so sorely needed in today's society and our state. In this process, they have systematically and purposefully divested and separated from all remnants of and connections with 'the pirates' who pillaged from hundreds of thousands of students over the years.

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OFFICE OF
MICHELE FIORE
MAYOR PRO TEM.
WARD 6

In the not too distant past, many of our local technical and career schools suffered this very same fate at the very same 'unclean hands', but there is a bright light at the end of this tunnel. A new school, a Benefit Corporation, dedicated to the benefit of our local community, is at hand.

These visionaries and their team of dedicated instructors, students, friends and a bevy of incredibly experienced and powerful advisors are ready to implode the model and philosophy of the former predator educator and reemerge as a new local schoolhouse of the future, educating students to be ready for jobs which do not yet exist. We will watch in amazement.

Several months ago, without a word to anyone, I made my way to Washington, D.C and the offices of Secretary Betsy DeVos of the U.S. Department of Education and Under Secretary Diane Auer Jones of the Department of Postsecondary Education. Together, the three of us met for one hour solely about The Art Institute of Las Vegas and these two extraordinary Nevadans. Those two powerful and very busy women expressed to me personally how amazed beyond words they are at how these two men have been able to keep the doors open, continuing to educate our students without any funding for over eight months and against all odds. The men attribute all of that to the support of many supremely dedicated faculty members whose priority is educating young people, and to students willing and courageous enough to see their way to the goal, while overlooking, hurdling over and shielding away all of the slings and arrows of rumors, lies, innuendoes, and diatribe hurled at them.

We at the city of Las Vegas want this new and vital school to move into our city. We are actively looking for a forever home in our city for them, every single day. We visit their school regularly and they include us in their discussions and preparations for adding two additional schools to the college that will also fill incredible needs for us; The School of Technical Medical Arts and The School of Performance Arts, for which they have been actively preparing curricula.

I am writing to you all today to express my sincere dedication to this new school project and to simply ask you to give them every consideration within your power. Thank you.

Sincerely,

Michele Fiore
Mayor Pro Tem
Councilwoman, Ward 6

cc: Ms. Betsy DeVos, Ms. Diane Ayer Jones

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