

## TEACH-OUT AGREEMENT

---

This Agreement is made by and between **Career Point College**, with offices located at 4522 Fredericksburg Road, Suite A-22, San Antonio, Texas 78201-6521, and **National American University**, with offices located at 5301 S. Highway 16, Rapid City, SD 57701.

### Recitals

- A. Career Point College ("CPC") is a proprietary institution of postsecondary education accredited by the Accrediting Council for Independent Colleges and Schools ("ACICS"), with ACICS School Code #00010874. CPC offers diploma, associate and bachelor's programs.
- B. National American University ("NAU") is a proprietary institution of postsecondary education accredited by the Higher Learning Commission ("HLC"). NAU offers associate, bachelor's, master's and doctoral degree programs in traditional, online, and hybrid formats.
- C. CPC represents that it has ceased enrolling students and recently discontinued its operations.
- D. NAU has reviewed the educational programs previously offered by CPC and confirmed that certain of those programs align with NAU's educational programs, and that credits earned by students of CPC are eligible for transfer credit into NAU's related programs.
- E. NAU possesses the necessary experience and resources to provide undergraduate degree programs that are of acceptable quality and reasonably similar in content, structure, and scheduling to those programs listed on Exhibit A that have been previously provided by the CPC. NAU also possesses the necessary experience and resources to administer degree programs previously offered by CPC, but not previously offered by NAU.
- F. The objective of this Agreement is to facilitate the ability of students of CPC to complete comparable educational programs through a teach-out performed by NAU.

### Teach-Out Provisions

As used herein, the term "Teach-Out Students" includes students enrolled in good standing in programs listed in Exhibit A at CPC as of July 1, 2016, and students that withdrew from such programs at CPC before completing their educational program and whose last day of attendance occurred after October 1, 2015, except: (1) students who have enrolled but have not yet started their course of study; and (2) withdrawn students who fail notify NAU before October 1, 2017, of their desire to complete their educational programs pursuant to this Agreement.

To provide Teach-Out Students a reasonable opportunity to complete their program of study or pursue a higher degree through NAU with minimal loss of previously earned credits, the parties agree as follow:

1. **Responsibilities of CPC.** During the term of this Agreement, CPC will:
  - a. Prepare and submit to ACICS a separate teach-out plan, subject to advance review and approval by NAU, with a copy of this Agreement in accordance with ACICS requirements.
  - b. Comply with all legal, regulatory, and accreditation requirements related to this teach-out and take all actions necessary to obtain required authorizations and approvals to implement the teach-out, including, but not limited to, all required notices to and approvals by applicable state educational authorities, ACICS and the U.S. Department of Education.

- c. Provide Teach-Out Students with timely notice of the opportunity to complete their educational programs through NAU in accordance with this Agreement, including communicating with students by email, first class mail, website postings, and prompt responses to student inquiries.
  - d. Provide to NAU a list of Teach-Out Students as soon as practicable, identifying the students who are in good academic standing and meet applicable conduct standards.
  - e. Ensure that the student records of Teach-Out Students comply with any and all applicable accrediting agency, state, and federal requirements until their transmittal to NAU.
  - f. Transfer to NAU through secure methods all student records of Teach-Out Students in electronic format and hard-copy format when electronic format is not available, including but not limited to: (1) enrollment agreements, (2) academic transcripts, (3) attendance records, (4) conduct records, (5) student registrations, (6) financial aid records, and (7) student account records.
  - g. Provide all Teach-Out Students with an official transcript including communicating with students by email, first class mail, website postings, and prompt responses to student inquiries.
  - h. Inform all currently-enrolled and recently withdrawn students of CPC of the opportunity to transfer to NAU and the availability of NAU online programs and courses, including communicating with such students by email, first class mail, website postings, and prompt responses to student inquiries.
  - i. Provide to NAU contact information for all currently-enrolled and recently withdrawn students that has been appropriately designated as "directory information" under the requirements of the Family Educational Rights and Privacy Act.
- 2. Responsibilities of NAU.** During the term of this Agreement, NAU will:
- a. Transfer Teach-Out Students "en masse" and expedite the NAU enrollment process, including:
    - 1) Waiving admission, testing, and other application and admissions fees.
    - 2) Accepting all earned credits, including those credits earned at CPC and those credits awarded by CPC based on its completed evaluation of applicable credit in accordance with CPC policies.
    - 3) Accepting examination credit, dual credit, training credit, and/or prior learning credit awarded by CPC in accordance with CPC policies.
  - b. Waive the residency requirement for all Teach-Out Students.
  - c. Provide information to Teach-Out Students at their request regarding the manner and means by which NAU will accomplish the teach-out, and other information related to the teach-out.
  - d. Provide the following options to Teach-Out students:
    - 1) Offer courses at the CPC campus located at 4522 Fredericksburg Road, San Antonio, Texas, and at the NAU campus located at 13801 Burnet Road, Suite 300, Austin, Texas, of an acceptable quality and reasonably similar in content, structure, and scheduling to those previously offered by CPC to allow Teach-Out Students the opportunity to complete their programs of study within a reasonable time, subject to: (a) entering into agreements for the use of the CPC facilities, equipment, furniture, and supplies for the

sole purposes of this Agreement on terms that are mutually agreeable to the parties for a period not exceeding two years from the Effective Date of this Agreement, or graduation of the last Teach-Out Student at that campus, whichever is sooner; (b) obtaining landlord and lien holder approval for such teach-out activities at the CPC San Antonio campus, if necessary; and (c) retaining sufficient qualified faculty and staff previously employed by CPC.

- 2) Offer online courses of an acceptable quality and reasonably similar in content to those previously offered by CPC to allow Teach-Out Students the opportunity to complete the programs of study in which they were enrolled.
- e. Provide all Teach-Out Students with academic, administrative, career, and student support services, comparable to those received by NAU students, including the administration of Title IV federal financial aid for which such Teach-Out Students may be eligible.
- f. Provide information to all Teach-Out Students regarding any state tuition recovery fund, as applicable.
- g. Offer career services to graduates of CPC comparable to those received by NAU graduates.
- h. Continue to operate in a manner consistent with applicable accreditation standards and regulatory requirements, including documenting student performance in accordance with accrediting agency standards.

All credits, diplomas, and degrees awarded after admission to NAU shall be awarded by NAU. Teach-Out Students admitted to NAU pursuant to this Agreement will be subject to all NAU policies and procedures, except as stated herein.

**3. Mutual Responsibilities.** CPC and NAU will:

- a. Establish transition teams and teach-out coordinators at both institutions to quickly and effectively address inquiries and expedite program completion for Teach-Out Students pursuant to this Agreement.
- b. Provide guidance to Teach-Out Students and assist them in evaluating the opportunities available under this Agreement.
- c. Cooperate to create a smooth financial aid application process with clear timelines and communications for Teach-Out Students.
- d. Cooperate to obtain all accrediting, regulatory, and other external approvals required to implement this Agreement.
- e. Refrain from making any public statements or issuing any written materials that reference this Agreement or relationship between the parties, unless such communication is first approved by the other party.

**4. Term.** This Agreement will commence upon the date that NAU notifies CPC in writing of its determination, in the sole discretion of NAU, that the conditions precedent set forth in section 15 have been satisfied (the "Effective Date"), and the Agreement will thereafter continue until terminated by any one of the following events:

- a. When all Teach-Out Students have completed their respective educational programs through NAU, or have failed to be continuously enrolled at NAU for two years from the Effective Date of this Agreement, whichever occurs first.

- b. If on or before January 1, 2017, either party provides the other party with email notice of its intent to terminate this Agreement sent to the email address listed below the signature in this Agreement.
- c. In the event one party defaults in any provision of this Agreement and fails to cure the default within thirty (30) days after receipt of email notice from the other party sent to the email address listed below the signature in this Agreement.
- d. Immediately, if NAU fails to maintain authorizations, accreditations, or approvals, necessary to offer the programs subject to this Agreement.

Upon termination of this Agreement, each party will promptly modify all public communications, as necessary.

- 5. **Tuition and Fees.** Teach-Out Students will be subject to NAU policies and procedures related to tuition payments. Teach-Out Students will be assessed no charges for the completion of their educational program through NAU other than as established in their CPC enrollment agreement. NAU will be entitled to retain all tuition and fees collected from Teach-Out Students completing their educational programs through NAU pursuant to this Agreement.
- 6. **Financial Aid.** CPC will accelerate the processing of any required returns of Title IV federal financial aid to the U.S. Department of Education such that NAU may re-package and re-award Teach-Out Students with remaining eligible Title IV aid for the remaining courses that must be completed in their programs of study. CPC will pro-rate both the institutional charges and Title IV funds received based upon the percentage of training provided. Upon completing returns of Title IV funds to the U.S. Department of Education, CPC will use reasonable efforts to update its records in the U.S. Department of Education's Common Origination and Disbursement system within thirty (30) days of the transfer of students.
- 7. **No Waiver.** No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provision hereof (whether or not similar), nor will such waiver constitute a continuing waiver unless otherwise expressly provided.
- 8. **Severability.** In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to in this Agreement are, for any reason, held to be invalid, illegal, or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality, or unenforceability will not affect any other provision of this Agreement or any other such instrument. Upon such determination that any term or provision is prohibited by or invalid under applicable law, the parties shall negotiate in good faith to modify this Agreement so as to effectuate the original intent of the parties to the greatest extent possible.
- 9. **Assignment.** Neither party may assign this Agreement (whether voluntary, by operation of law nor otherwise) without the prior written consent of the other party. Any assignment in violation of this provision will be null and void. No such assignment shall relieve the assigning party from any liabilities or obligations under this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- 10. **Status of Parties.** CPC and NAU are separate and independent institutions of higher education. Nothing contained in this Agreement or in the resulting teach-out shall be construed in any manner to constitute a partnership, joint venture, acquisition, merger, or other similar relationship between the parties or any of their affiliates, agents, employees, or representatives.
- 11. **Change in Law.** Neither party will be liable or considered to be in default for any delay or failure in performance under this Agreement or interruption of service resulting, directly or

indirectly, from a change in applicable law, regulation, or accrediting agency standards that would reasonably render such performance to be contrary to applicable law, regulation, or accrediting agency standards, or to be reasonably impractical without a modification of the Agreement by the parties.

- 12. Headings.** The section headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.
- 13. Choice of Law.** This Agreement shall be governed in accordance with the laws of the State of South Dakota, excluding all conflicts of laws principles.
- 14. Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15. Conditions Precedent.**

Notwithstanding anything in this Agreement to the contrary, the parties acknowledge and agree that this Agreement is contingent upon NAU's determination, in its sole discretion, of the following:

- a. CPC shall have responded to all due diligence requests of NAU, including but not limited to due diligence requests concerning (i) any liabilities that CPC may owe to the U.S. Department of Education arising from its prior participation in the Title IV federal financial aid programs; and (ii) the factual circumstances whereby CPC's participation in the Title IV federal financial aid programs was limited, suspended and/or conditioned by the U.S. Department of Education preceding CPC's discontinuation of operations.
- b. The parties have received all necessary authorizations and approvals from the appropriate government agencies, courts of competent jurisdiction if needed, accrediting bodies, and other applicable authorities (including but not limited to the Texas Workforce Commission, the Texas Board of Nursing, ACICS, HLC and the U.S. Department of Education) for the performance of the teach-out and associated activities intended under this Agreement.
- c. Without limiting any of the foregoing, NAU shall have received written confirmation from the U.S. Department of Education that none of its activities to be performed under this Agreement (including but not limited to (i) entering into any agreements for the use of the CPC facilities, equipment, furniture, and supplies for the sole purposes of this Agreement, or (ii) obtaining any form of sublease, or other landlord or lien holder approval for teach-out activities at the CPC San Antonio campus) shall cause NAU to become responsible for liabilities that CPC may owe to the U.S. Department of Education arising from CPC's prior participation in the Title IV federal financial aid programs.

In the event that any of these Conditions Precedent are not satisfied on or before December 31, 2016, then this Agreement shall be null and void and any further obligations or rights of either party shall cease, unless otherwise agreed in writing between the parties.

- 16. Entire Agreement.** This Agreement, including Exhibit A, sets forth the entire agreement and understanding between the parties with respect to the subject matter and supersedes all prior oral and written agreements and understandings. This Agreement may not be amended except by a written instrument signed by both parties.

Executed on the date(s) set forth below.

CAREER POINT COLLEGE

By: 

Lawrence Earle  
President and Chief Executive Officer

Email: ldearle@aol.com

Date: 10/31/2016

NATIONAL AMERICAN UNIVERSITY

By: 

Dr. Ronald Shape  
President and Chief Executive Officer  
rshape@national.edu

Date: 10/31/16

**EXHIBIT A**  
**Programs of Study**

---

1. Accounting Diploma
  2. Associate of Applied Science in Accounting Technology
  3. Administrative Assistant Diploma
  4. Medical Billing and Coding Specialist Diploma
  5. Medical Assistant Diploma
  6. Associate of Applied Science in Medical Assistant
  7. Network Support Specialist Diploma
  8. Associate of Applied Science in Network Support Specialist
  9. Bachelor of Science in Business Administration
  10. Bachelor of Science in Health Care Administration
  11. Bachelor of Science in Information Technology - Network Administration
  12. Associate of Applied Science in Nursing – Registered Nurse
  13. Vocational Nursing Diploma
  14. Bachelor of Science in Nursing
-