UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2018

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-34211

GRAND CANYON EDUCATION, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	**20-3356009**
(State or other jurisdiction of Incorporation or organization)	**(I.R.S. Employer Identification No.)**

2600 W. Camelback Road
Phoenix, Arizona 85017
(Address, including zip code, of principal executive offices)

(602) 247-4400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The total number of shares of common stock outstanding as of November 5, 2018, was 48,133,425.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

GRAND CANYON EDUCATION, INC.
Consolidated Income Statements
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except per share data)	**2018**	**2017**	**2018**	**2017**
Service revenue	$155,454	$ —	$155,454	$ —
University related revenue	—	236,209	512,499	702,716
Net revenue	155,454	236,209	667,953	702,716
Costs and expenses:				
Technology and academic services	11,101	10,494	32,476	31,095
Counseling services and support	51,116	46,100	152,701	138,382
Marketing and communication	31,546	28,130	90,168	82,865
General and administrative	10,092	8,343	23,273	21,182
University related expenses	6,569	83,450	173,735	237,784
Loss on Transaction	15,610	—	17,600	—
Total costs and expenses	126,034	176,517	489,953	511,308
Operating income	29,420	59,692	178,000	191,408
Interest income on Secured Note	13,248	—	13,248	—
Interest expense	(558)	(567)	(961)	(1,642)
Investment interest and other	371	1,445	2,919	2,186
Income before income taxes	42,481	60,570	193,206	191,952
Income tax expense	8,720	21,266	39,726	56,889
Net income	$ 33,761	$ 39,304	$153,480	$135,063
Earnings per share:				
Basic income per share	$ 0.71	$ 0.83	$ 3.22	$ 2.87
Diluted income per share	$ 0.70	$ 0.81	$ 3.17	$ 2.80
Basic weighted average shares outstanding	47,682	47,316	47,592	47,083
Diluted weighted average shares outstanding	48,422	48,292	48,429	48,197

The accompanying notes are an integral part of these consolidated financial statements.

GRAND CANYON EDUCATION, INC.
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2018**	**2017**	**2018**	**2017**
Net income	$33,761	$39,304	$153,480	$135,063
Other comprehensive income, net of tax:				
Unrealized gains (losses) on available-for-sale securities, net of taxes of $44 and $25 for the three months ended September 30, 2018 and 2017, respectively, and $6 and $257 for the nine months ended September 30, 2018 and 2017, respectively	(133)	40	(20)	416
Unrealized gains (losses) on hedging derivatives, net of taxes of $2 and $20 for the three months ended September 30, 2018 and 2017, respectively, and $81 and $65 for the nine months ended September 30, 2018 and 2017, respectively	(4)	(30)	248	(104)
Comprehensive income	$33,624	$39,314	$153,708	$135,375

The accompanying notes are an integral part of these consolidated financial statements.

GRAND CANYON EDUCATION, INC.
Consolidated Balance Sheets

	September 30, 2018 (Unaudited)	December 31, 2017
ASSETS:		
(In thousands, except par value)		
Current assets		
Cash and cash equivalents	$ 44,879	$ 153,474
Restricted cash and cash equivalents	61,667	94,534
Investments	68,754	89,271
Accounts receivable, net	65,120	10,908
Interest receivable on secured note	4,381	—
Income tax receivable	1,791	2,086
Other current assets	8,607	24,589
Total current assets	255,199	374,862
Property and equipment, net	110,908	922,284
Note receivable	882,900	—
Prepaid royalties	—	2,763
Goodwill	2,941	2,941
Other assets	743	723
Total assets	$ 1,252,691	$ 1,303,573
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities		
Accounts payable	$ 16,996	$ 29,139
Accrued compensation and benefits	17,857	23,173
Accrued liabilities	13,511	20,757
Income taxes payable	—	16,182
Student deposits	—	95,298
Deferred revenue	—	46,895
Current portion of notes payable	6,572	6,691
Total current liabilities	54,936	238,135
Other noncurrent liabilities	—	1,200
Deferred income taxes, noncurrent	4,421	18,362
Notes payable, less current portion	54,976	59,925
Total liabilities	114,333	317,622
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $0.01 par value, 10,000 shares authorized; 0 shares issued and outstanding at September 30, 2018 and December 31, 2017	—	—
Common stock, $0.01 par value, 100,000 shares authorized; 52,570 and 52,277 shares issued and 48,134 and 48,125 shares outstanding at September 30, 2018 and December 31, 2017, respectively	526	523
Treasury stock, at cost, 4,436 and 4,152 shares of common stock at September 30, 2018 and December 31, 2017, respectively	(119,982)	(100,694)
Additional paid-in capital	251,828	232,670
Accumulated other comprehensive loss	(652)	(724)
Retained earnings	1,006,638	854,176
Total stockholders' equity	1,138,358	985,951
Total liabilities and stockholders' equity	$ 1,252,691	$ 1,303,573

The accompanying notes are an integral part of these consolidated financial statements.

GRAND CANYON EDUCATION, INC.
Consolidated Statement of Stockholders' Equity
(In thousands)
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Par Value	Shares	Cost				
Balance at December 31, 2017	52,277	$ 523	4,152	$(100,694)	$232,670	$ (724)	$ 854,176	$ 985,951
Cumulative effect from the adoption of accounting pronouncements, net of taxes	—	—	—	—	—	—	(1,174)	(1,174)
Comprehensive income	—	—	—	—	—	228	153,480	153,708
Adoption impact – ASU 2018-02	—	—	—	—	—	(156)	156	—
Common stock purchased for treasury	—	—	39	(4,135)	—	—	—	(4,135)
Restricted shares forfeited	—	—	94	—	—	—	—	—
Share-based compensation	163	2	151	(15,153)	17,064	—	—	1,913
Exercise of stock options	130	1	—	—	2,094	—	—	2,095
Balance at September 30, 2018	52,570	$ 526	4,436	$(119,982)	$251,828	$ (652)	$1,006,638	$1,138,358

The accompanying notes are an integral part of these consolidated financial statements.

GRAND CANYON EDUCATION, INC.
Consolidated Statements of Cash Flows
(Unaudited)

(In thousands)	Nine Months Ended September 30, 2018	2017
Cash flows provided by operating activities:		
Net income	$ 153,480	$ 135,063
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation	17,066	9,562
Provision for bad debts	8,669	13,351
Depreciation and amortization	31,783	40,467
Deferred income taxes	(13,551)	3,813
Loss on transaction, net of costs and asset impairment	12,605	—
Other	1,411	1,751
Changes in assets and liabilities:		
Accounts receivable from GCU	(69,501)	—
Accounts receivable	(7,784)	(14,827)
Prepaid expenses and other	(555)	(3,784)
Accounts payable	(11,938)	4,007
Accrued liabilities and employee related liabilities	(8,666)	6,710
Income taxes receivable/payable	(15,887)	8,156
Deferred rent	(189)	(271)
Deferred revenue	6,881	75,699
Student deposits	(7,288)	(9,770)
Net cash provided by operating activities	96,536	269,927
Cash flows used in investing activities:		
Capital expenditures	(90,152)	(75,604)
Purchases of land and building improvements related to off-site development	(330)	(10,152)
Disposition, net of cash	(131,550)	—
Funding to GCU at closing in excess of required capital	(7,377)	—
Repayment of excess funds by GCU	7,377	—
Funding to GCU for capital expenditures	(12,803)	—
Return of equity method investment	—	685
Purchases of investments	(31,455)	(76,630)
Proceeds from sale or maturity of investments	50,561	49,617
Net cash used in investing activities	(215,729)	(112,084)
Cash flows used in financing activities:		
Principal payments on notes payable and capital lease obligations	(5,076)	(5,102)
Net borrowings from revolving line of credit	—	(25,000)
Repurchase of common shares including shares withheld in lieu of income taxes	(19,288)	(9,657)
Net proceeds from exercise of stock options	2,095	6,755
Net cash used in financing activities	(22,269)	(33,004)
Net (decrease) increase in cash and cash equivalents and restricted cash	(141,462)	124,839
Cash and cash equivalents and restricted cash, beginning of period	248,008	130,907
Cash and cash equivalents and restricted cash, end of period	$ 106,546	$ 255,746
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 738	$ 1,633
Cash paid for income taxes	$ 69,161	$ 45,413
Supplemental disclosure of non-cash investing and financing activities		
Sale transaction to GCU through Secured Note financing	$ 870,097	$ —
Purchases of property and equipment included in accounts payable	$ 924	$ 6,437
Reclassification of capitalized costs – adoption of ASC 606	$ 9,015	$ —
Reclassification of deferred revenue – adoption of ASC 606	$ 7,451	$ —
Reclassification of tax effect within accumulated other comprehensive income	$ 156	$ —

The accompanying notes are an integral part of these consolidated financial statements.

GRAND CANYON EDUCATION, INC.
Notes to Consolidated Financial Statements
(In thousands, except per share data)
(Unaudited)

1. Nature of Business

Grand Canyon Education, Inc. (together with its subsidiaries, the "Company" or "GCE") is a publicly traded education services company. GCE provides a full array of support services in the post-secondary education sector and has developed significant technological solutions, infrastructure and operational processes to provide service in these areas on a large scale. GCE currently provides services to Grand Canyon University, an Arizona non-profit corporation ("GCU"), its client, that include technology and academic services, counseling services and support, marketing and communication services, and several back office services such as accounting, reporting, tax, human resources, and procurement services. On July 1, 2018 the Company consummated a transaction that impacted the nature of our business. See Note 2 to our consolidated financial statements for a full description of this transaction. The Company's wholly-owned subsidiaries were historically used to facilitate expansion of the university campus prior to the transaction.

GCU owns and operates a comprehensive regionally accredited university (the "University") that offers over 230 graduate and undergraduate degree programs, emphases and certificates across nine colleges both online and on ground at its over 262 acre campus in Phoenix, Arizona, at leased facilities and at facilities owned by third party employers.

2. The Transaction

Asset Purchase Agreement and Related Agreements

On July 1, 2018, the Company consummated an Asset Purchase Agreement (the "Asset Purchase Agreement") with GCU (formerly known as Gazelle University). Prior to the consummation of the transactions contemplated by the Asset Purchase Agreement (the "Transaction"), the Company operated the University.

Pursuant to the Asset Purchase Agreement:

- The Company transferred to GCU the real property and improvements comprising the University campus as well as tangible and intangible academic and related operations and assets related to the University (the "Transferred Assets"), and GCU assumed liabilities related to the Transferred Assets. Accordingly, GCU now owns and operates the University. The Asset Purchase Agreement contains customary representations, warranties, covenants, agreements and indemnities.
- The final purchase price that GCU paid for the Transferred Assets at closing (and after giving effect to a post-closing adjustment as provided in the Asset Purchase Agreement) was $870,097. The final purchase price was equal to the book value of the tangible Transferred Assets as of July 1, 2018, plus $1.00 for the intangible Transferred Assets.
- GCU paid the purchase price for the Transferred Assets by issuing to the Company a senior secured note (the "Secured Note") that is governed by a credit agreement between the Company and GCU (the "Credit Agreement"). The Credit Agreement contains customary commercial credit terms, including affirmative and negative covenants applicable to GCU, and provides that the Secured Note bears interest at an annual rate of 6.0%, has a maturity date of June 30, 2025, and is secured by all of the assets of GCU. The Secured Note provides for GCU to make interest only payments during the term, with all principal and accrued and unpaid interest due at maturity and also provides that the Company will loan additional amounts to GCU to fund approved capital expenditures during the first three years of the term on the terms set forth therein.
- In connection with the closing of the Asset Purchase Agreement, the Company and GCU entered into a long-term master services agreement (the "Master Services Agreement") pursuant to which the Company provides identified technology and academic services, counseling services and support, marketing and communication services, and several back office services to GCU in return for 60% of GCU's tuition and fee revenue. The Master Services Agreement has an initial term of fifteen (15) years, subject to renewal options, although GCU has the right to terminate the Master Services Agreement early after the later of seven (7) years or the payment in full of the Secured Note. If GCU were to terminate the Master Services Agreement early, then GCU would be required to pay the Company a termination fee equal to one-hundred percent (100%) of the fees paid in the trailing twelve (12) month period. If the Master Services Agreement were not renewed after the initial fifteen (15) year term, GCU would be required to pay the Company a non-renewal fee equal to fifty percent (50%) of the fees paid in the trailing twelve (12) month period.

As a result of the Transaction, effective July 1, 2018, various aspects of the Company's operations changed in important ways. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Change in the Structure of Our Operations."

GRAND CANYON EDUCATION, INC.
Notes to Consolidated Financial Statements
(In thousands, except per share data)
(Unaudited)

Disposed Assets, previously Assets and Liabilities Held for Sale

The Company received Board approval to consummate the Transaction on June 28, 2018, and completed the Transaction on July 1, 2018. As a result, the Company determined that it had met the accounting requirements to classify the assets and liabilities to be transferred in the Transaction as assets and liabilities held for sale as of June 30, 2018. The assets and liabilities held for sale were sold as part of the Transaction on July 1, 2018. Accordingly, the following balances were transferred to GCU as of July 1, 2018:

Restricted cash and cash equivalents	$ 97,443
Accounts receivable, net of allowance for doubtful accounts of $6,093	9,780
Other assets	7,677
Property and equipment, net of accumulated depreciation of $166,066	870,097
Total assets held for sale, current	$984,997
Accrued and other liabilities	$ 5,025
Student deposits	88,010
Deferred revenue	46,325
Note payable	79
Total liabilities held for sale, current	$139,439

The Company received a Secured Note for the Transferred Assets. The Company also transferred cash equal to $34,107 representing a working capital adjustment as part of the closing. Except for identified liabilities assumed by GCU, GCE retained responsibility for all liabilities of the business arising from pre-closing operations. For the nine months ended September 30, 2018 the Company had a loss of $17,600, included in Loss on Transaction due to transaction costs of $4,995 and an asset impairment of $3,037 for the nine months ended September 30, 2018. In addition, the Company transferred to GCU cash of $9,568 to fund a deferred compensation plan for GCU employees that were formerly GCE employees (the “Transferred Employees”) and that held unvested restricted stock of GCE that was forfeited upon the Transaction. Included in the university related expenses for the three months ended September 30, 2018 is $7,880 of share-based compensation expense resulting from the modification and vesting of previously issued restricted stock grants held by Transferred Employees, employer tax expense of $191 related to the share-based compensation modification, net of reversals of employee related liabilities that were not part of the Transferred Assets for the Transaction of $1,502.

Variable Interest Entity and Related Party Considerations

ASC 810-10-15-17 provides scope exceptions to the variable interest entity analysis that include a not-for profit entity carve out. GCU is not a related party to the Company in accordance with ASC Topic 850. The following factors were considered:

- Since GCU is a non-profit corporation, the Company has no ownership interest or voting rights in GCU.
- GCU is a separate non-profit entity under the control of an independent board of trustees, none of whose members have ever served in a management or corporate board role at the Company. GCU’s board of trustees has adopted bylaws and a related conflict of interest policy that, among other things, (i) prevents any trustee of GCU from attending any meeting, or voting on any matter, as to which such trustee has a conflict of interest, (ii) establishes a special committee of independent trustees to oversee on behalf of GCU all matters related to the Master Services Agreement and GCU’s relationship with the Company, and (iii) prohibits any trustee from having any financial interest in, or role with, the Company. Accordingly, the Company’s relationship with GCU, both pursuant to the Master Services Agreement and operationally, is no longer as owner and operator, but as a third party service provider to an independent customer. While the Company believes that its relationship with GCU will remain strong, GCU’s board of trustees and management will have fiduciary and other duties that will require them to focus on the best interests of GCU and over time those interests could diverge from those of the Company.
- Mr. Brian E. Mueller has served as the Chief Executive Officer of the Company since 2008 and the Chairman of the Board of the Company since 2017 and has also served as the President of the University since 2012. In connection with the Transaction, the Board of Directors of the Company and the board of trustees of GCU each independently determined that Mr. Mueller should retain those roles. Accordingly, Mr. Mueller remains the Chairman of the Board and Chief Executive Officer of the Company and continues to serve as the President of GCU. As noted above, however, Mr. Mueller is prohibited from serving on the board of trustees of GCU. Aside from Mr. Mueller, no other employee of GCU or GCE has a dual role in both organizations. A structure has been put in place that prevents Mr. Mueller from participating in operational matters involving the Company and GCU, including with respect to the Master Services Agreement.

- The terms of the Master Services Agreement vest in GCU and its board of trustees full authority over decision making related to the day-to-day operations of GCU, including, without limitation, (i) selecting, hiring and firing its personnel, (ii) selecting and adopting academic programs and courses, (iii) establishing admission standards and admitting students, (iv) overseeing instruction, (v) setting credit and student performance requirements, (vi) determining graduation requirements, and (vii) conferring degrees. Per the terms of the MSA, GCE has no authority over GCU's day-to-day operations.
- If GCU were to default under the Credit Agreement, the Company would be able to pursue assets of GCU, which are pledged as collateral for the Secured Note. However, the Company would not become the owner or operator of GCU.
- There is no parent entity and subsidiary relationship between the Company and GCU.
- The Company and GCU both engaged their own outside corporate counsel, outside regulatory counsel, and financial advisors to represent each party's interest during the Transaction.

Second Amendment to Credit Agreement

The Company is a party to a credit agreement with Bank of America, N.A. as Administrative Agent, and other lenders, dated December 21, 2012 and amended as of January 15, 2016. Effective July 1, 2018, the Company and the lenders amended the credit agreement (the "Amendment"). Under the terms of the Amendment, (a) the lenders released the collateral securing the Company's obligations under the credit agreement in order to enable the Company to consummate the Asset Purchase Agreement described above and modified certain financial and regulatory covenants to reflect the transactions described above, including the fact that the Company no longer operates a regulated educational institution, and (b) the Company (i) provided to the Administrative Agent cash collateral securing its remaining obligations under the credit agreement until such time as the Transaction has been approved by the U.S. Department of Education (the "Department of Education"), and (ii) agreed to collaterally assign its rights under the Asset Purchase Agreement, the Secured Note and the Master Services Agreement. The amount that is considered cash collateral is included as restricted cash on the consolidated balance sheet. The credit agreement, as amended by the Amendment, contains standard covenants, including covenants that, among other things, restrict the Company's ability to incur additional debt or make certain investments and that require the Company to maintain a certain financial condition.

3. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany transactions have been eliminated in consolidation.

Unaudited Interim Financial Information

The accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles and pursuant to the rules and regulations of the United States Securities and Exchange Commission and the instructions to Form 10-Q and Article 10, consistent in all material respects with those applied in its financial statements included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2017. They do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. Such interim financial information is unaudited but reflects all adjustments that in the opinion of management are necessary for the fair presentation of the interim periods presented. Interim results are not necessarily indicative of results for a full year. These consolidated financial statements should be read in conjunction with the Company's audited financial statements and footnotes included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2017 from which the December 31, 2017 balance sheet information was derived. For purposes hereof, the term "university related revenue" refer to the Company's revenue from operations prior to the sale of the University to GCU, and the term "university related expenses" refers to the Company's expenses related to the operation of the University prior to the sale of the University to GCU and that are now the responsibility of GCU.

Restricted Cash and Cash Equivalents

A significant portion of the Company's university related revenue was received from students who participated in government financial aid and assistance programs. Prior to July 1, 2018, restricted cash and cash equivalents represented amounts received from the federal and state governments under various student aid grant and loan programs, such as Title IV. The Company received these funds subsequent to the completion of the authorization and disbursement process and held them for the benefit of the student. The Department of Education requires Title IV funds collected in advance of student billings to be restricted until the course begins. Prior to the Transaction, the Company recorded all of these amounts as a current asset in restricted cash and cash equivalents. The majority of these funds remained as restricted for an average of 60 to 90 days from the date of receipt. Restricted cash and cash equivalents at September 30, 2018 represents the cash collateral on the credit agreement.

GRAND CANYON EDUCATION, INC.
Notes to Consolidated Financial Statements
(In thousands, except per share data)
(Unaudited)

Investments

The Company considers its investments in municipal bonds, mutual funds, municipal securities, certificates of deposit and commercial paper as available-for-sale securities. Available-for-sale securities are carried at fair value, determined using Level 1 and Level 2 of the hierarchy of valuation inputs, with the use of quoted market prices and inputs other than quoted prices that are observable for the assets, with unrealized gains and losses, net of tax, reported as a separate component of other comprehensive income. Unrealized losses considered to be other-than-temporary are recognized currently in earnings. Amortization of premiums, accretion of discounts, interest and dividend income and realized gains and losses are included in interest and other income.

Derivatives and Hedging

Derivative financial instruments are recorded on the balance sheet as assets or liabilities and re-measured at fair value at each reporting date. For derivatives designated as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings.

Derivative financial instruments enable the Company to manage its exposure to interest rate risk. The Company does not engage in any derivative instrument trading activity. Credit risk associated with the Company's derivative is limited to the risk that a derivative counterparty will not perform in accordance with the terms of the contract. Exposure to counterparty credit risk is considered low because these agreements have been entered into with institutions with Aa or higher credit ratings, and they are expected to perform fully under the terms of the agreements.

On February 27, 2013, the Company entered into an interest rate corridor to manage its 30 Day LIBOR interest exposure related to its variable rate debt. The fair value of the interest rate corridor instrument as of September 30, 2018 and December 31, 2017 was $801 and $509, respectively, which is included in other assets. The fair value of the derivative instrument was determined using a hypothetical derivative transaction and Level 2 of the hierarchy of valuation inputs. This derivative instrument was originally designated as a cash flow hedge of variable rate debt obligations. The adjustment of $330 and $169 for the nine months ended September 30, 2018 and 2017, respectively, for the effective portion of the gains and losses on the derivatives is included as a component of other comprehensive income, net of taxes.

The interest rate corridor instrument reduces variable interest rate risk starting March 1, 2013 through December 20, 2019 with a notional amount of $61,667 as of September 30, 2018. The corridor instrument's terms permit the Company to hedge its interest rate risk at several thresholds; the Company pays variable interest monthly based on the 30 Day LIBOR rates until that index reaches 1.5%. If 30 Day LIBOR is equal to 1.5% through 3.0%, the Company pays 1.5%. If 30 Day LIBOR exceeds 3.0%, the Company pays actual 30 Day LIBOR less 1.5%.

As of September 30, 2018, no derivative ineffectiveness was identified. Any ineffectiveness in the Company's derivative instrument designated as a hedge is reported in interest expense in the income statement. At September 30, 2018, the Company expects to reclassify gains or losses on derivative instruments from accumulated other comprehensive income (loss) into earnings during the next 12 months as the derivative instrument expires in December 2019.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued compensation and benefits and accrued liabilities expenses approximate their fair value based on the liquidity or the short-term maturities of these instruments. The carrying value of notes receivable, non-current approximates fair value as the Secured Note resulted from the Transaction and was negotiated at fair market value. The carrying value of notes payable approximates fair value as it is based on variable rate index. Derivative financial instruments are carried at fair value, determined using Level 2 of the hierarchy of valuation inputs as defined in the FASB Accounting Standards Codification ("Codification"), with the use of inputs other than quoted prices that are observable for the asset or liability.

The fair value of investments, primarily municipal securities, was determined using Level 2 of the hierarchy of valuation inputs, with the use of inputs other than quoted prices that are observable for the assets. The unit of account used for valuation is the individual underlying security. The municipal securities are comprised of city and county bonds related to schools, water and sewer, utilities, transportation, healthcare and housing.

GRAND CANYON EDUCATION, INC.
Notes to Consolidated Financial Statements
(In thousands, except per share data)
(Unaudited)

Revenue Recognition

University related revenue – prior to July 1, 2018

On January 1, 2018, the Company adopted "Revenue from Contracts with Customers" using the modified retrospective method applied to all contracts. Prior to the Transaction on July 1, 2018, net revenues consisted primarily of tuition, net of scholarships, and fees derived from courses taught by the University online, on ground, and at facilities it leased or those of employers, as well as from related educational resources that the University provided to its students, such as access to online materials. Tuition revenue was recognized pro-rata over the applicable period of instruction. A contract was entered into with a student and covered a course or semester. Revenue recognition occurred once a student started attending a course. The Company also charged online students an upfront learning management fee, which was deferred and recognized over the initial course. The Company had no costs that were capitalized to obtain or to fulfill a contract with a customer. Ancillary revenues included housing and fee revenues that were recognized over the period the services were provided and also included revenues from sales and services such as food and beverage, merchandise, hotel, golf and arena events that were recognized as sales occurred or services were performed as these services were transferred at a point in time. For the six months ended June 30, 2018 and the nine months ended September 30, 2017, the Company's revenue was reduced by approximately $101,176 and $135,630, respectively, as a result of scholarships that the Company offered to students. Sales tax collected from students is excluded from net revenues. Collected but unremitted sales tax is included as an accrued liability in our consolidated balance sheet.

The following table presents our revenues disaggregated by the nature of transfer of services for the six months ended June 30, 2018:

Tuition revenues	$ 522,430
Ancillary revenues (housing, meals, fees, golf, hotel, arena, other)	91,245
Total revenues	613,675
Scholarships	(101,176)
Net Revenues	$ 512,499

The Company's receivables represented unconditional rights to consideration from its contracts with students; accordingly, students were not billed until they started attending a course and the revenue recognition process had commenced. Once a student had been invoiced, payment was due immediately. Included in each invoice to the student were all educational related items including tuition, net of scholarships, housing, educational materials, fees, etc. The Company did not have any contract assets. The Company's contract liabilities were reported as deferred revenue and student deposits in the consolidated balance sheets. Deferred revenue and student deposits in any period represented the excess of tuition, fees, and other student payments received as compared to amounts recognized as revenue on the consolidated income statement and were reflected as current liabilities in the accompanying consolidated balance sheets. The Company's education programs had starting and ending dates that differ from its fiscal quarters. Therefore, at the end of each fiscal quarter, a portion of revenue from these programs was not yet earned. The majority of the University's traditional ground students did not attend courses during the summer months (May through August), which affected our results for our second and third fiscal quarters.

The Company had identified a performance obligation associated with the provision of its educational instruction and other educational services, housing services, and other academic related services and used the output measure for recognition as the period of time over which the services were provided to our students. The Company had identified performance obligations related to its hotel, golf course, restaurants, sale of branded promotional items and other ancillary activities and recognized revenue at the point in time goods or services were provided to its customers. The Company maintained an institutional tuition refund policy, which provided for all or a portion of tuition to be refunded if a student withdrew during stated refund periods. Certain states in which students reside impose separate, mandatory refund policies, which overrode the Company's policy to the extent in conflict. If a student withdrew at a time when only a portion, or none of the tuition was refundable, then in accordance with its revenue recognition policy, the Company continued to recognize the tuition that was not refunded pro-rata over the applicable period of instruction. The Company did not record revenue on amounts that may be refunded. However, for students that had taken out financial aid to pay their tuition and for which a return of such money to the Department of Education under Title IV was required as a result of his or her withdrawal, the Company reassessed collectability for these students each quarter for the estimated revenue that will be returned and recognized the revenue in future periods when payment was received. The Company had elected the short-term contract exemption with respect to its performance obligations under its contracts with students as all such contracts had original terms of less than one year.

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Service revenue commenced July 1, 2018

Starting July 1, 2018, the Company generates all of its revenue through the Master Services Agreement, pursuant to which the Company provides identified technology and academic services, counseling services and support, marketing and communication services, and several back office services to GCU in return for 60% of GCU's tuition and fee revenue. Effective July 1, 2018, the Company adopted "*Revenue from Contracts with Customers*" applied to our Master Service Agreement, our only revenue-producing contract, as an education service provider.

The Company's contract with GCU has an initial 15 year term, subject to renewal options, although GCU has the right to terminate the Master Services Agreement early after the later of seven (7) years or the payment in full of the Secured Note. Refer to Note 2 for further discussion on the fees associated with early termination or non-renewal by GCU. The Company's contract has a single performance obligation, as the promises to provide the identified services are not distinct within the context of the Master Services Agreement. The single performance obligation is delivered as our client receives and consumes benefits, which occurs ratably over the service period. Service revenue is recognized over time using the output method of measuring progress towards complete satisfaction of the single performance obligation. The output method provides a faithful depiction of the performance toward complete satisfaction of the performance obligation and can be tied to the time elapsed which is consumed evenly over the month and is a direct measurement of the value provided to our client. The service fees received from our client over the term of the agreement are variable in nature in that they are dependent upon the number of students attending the University and revenues generated from those students during the service period. Due to the variable nature of the consideration over the life of the service arrangement, the Company considered forming an expectation of the variable consideration to be received over the service life of this one performance obligation. However, since the performance obligation represents a series of distinct services, the Company will recognize the variable consideration that becomes known and billable each month because these fees related to the distinct service period (month) in which the fees are earned. The Company meets the criteria in the standard and will exercise the practical expedient and not disclose the aggregate amount of the transaction price allocated to the single performance obligation that is unsatisfied as of the end of the reporting period. The Company does not disclose the value of unsatisfied performance obligations because the directly allocable variable consideration is allocated entirely to a wholly unsatisfied promise to transfer a service that forms part of a single performance obligation. The service fees are calculated and settled monthly with GCU, resulting in a settlement duration of less than one year. There are no refunds or return rights under the Master Services Agreement.

The Company's receivables represent unconditional rights to consideration from our contract with GCU. Accounts receivable, net is stated at net realizable value, and the Company utilizes the allowance method to provide for doubtful accounts based on its evaluation of the collectability of the amounts due. There are no unbilled revenue amounts included in our accounts receivable. There have been no amounts written off and no reserves established as of September 30, 2018. The Company receives service revenue payments monthly. The Company will continue to review and revise its allowance methodology based on historical collection experience.

The Company does not have any contract assets or contract liabilities as the Company calculates the service fee and bills its client on the last day of each month. The Company has no costs that are capitalized to obtain or to fulfill a contract with a customer.

Prepaid Royalty

In connection with its February 2004 acquisition of the assets of Grand Canyon University from a non-profit foundation, the Company recorded a future royalty payment obligation that was included in the Prepaid Royalty in the accompanying consolidated balance sheet, which was being amortized over a 20 year period. This asset was to be expensed over the periods that online education revenues were earned. At the completion of the Transaction on July 1, 2018, the remaining prepaid royalty assets were deemed impaired and $3,037 was expensed and included in Loss on Transaction in the consolidated income statement.

Internally Developed Technology

The Company capitalizes certain costs related to internal-use software, primarily consisting of direct labor associated with creating the software. Software development projects generally include three stages: the preliminary project stage (all costs are expensed as incurred), the application development stage (certain costs are capitalized and certain costs are expensed as incurred) and the post-implementation or operation stage (all costs are expensed as incurred). Costs capitalized in the application development stage include costs of design, coding, integration, and testing of the software developed. Capitalization of costs requires judgment in determining when a project has reached the application development stage and the period over which we expect to benefit from the use of that software. Once the software is placed in service, these costs are amortized over the estimated useful life of the software, which is generally three years. These assets are a component of our property and equipment, net in our consolidated balance sheet.

Long-Lived Assets (other than goodwill)

The Company evaluates the recoverability of its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

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Financial Statement Presentation

On July 1, 2018 the Company consummated the Transaction, which impacted the nature of its business. See Note 2 to our consolidated financial statements for a full description of the Transaction. GCE now provides services to GCU, its client, that include technology and academic services, counseling services and support, marketing and communication services, and several back office services such as accounting, reporting, tax, human resources, and procurement services. The Company made changes in its presentation of operating expenses and reclassified prior periods to conform to the current presentation. The Company determined that these changes would provide more meaningful information as this new presentation provides transparency for costs that will be incurred as a service provider and costs that will not reoccur in the future as they are related to university expenses that were transferred to GCU in the Transaction.

Technical and Academic Services

Technical and academic services (previously primarily a component of instructional costs and services) consist primarily of costs related to ongoing maintenance of educational infrastructure, including online course delivery and management, student records, assessment, customer relations management and other internal administrative systems. This also includes costs to provide support for curriculum and new program development, support for faculty training and development, technical support and assistance with state compliance. This expense category includes salaries, benefits and share-based compensation, information technology costs, curriculum and new program development costs (which are expensed as incurred) and other costs associated with these support services. This category also includes an allocation of depreciation, amortization, rent, and occupancy costs attributable to the provision of these services, primarily at the Company’s Phoenix, Arizona location.

Counseling Services and Support

Counseling services and support (previously primarily components of instructional costs and services and admissions advisory related expenses) consist primarily of costs including team-based counseling and other support to prospective and current students as well as financial aid processing. This expense category includes salaries, benefits and share-based compensation, and other costs such as dues, fees and subscriptions and travel costs. This category also includes an allocation of depreciation, amortization, rent, and occupancy costs attributable to the provision of these services, primarily at the Company’s Phoenix, Arizona location.

Marketing and Communication

Marketing and communication includes lead acquisition, digital communication strategies, brand identity advertising, media planning and strategy, video, data science and analysis, marketing to potential students and other promotional and communication services. This category was primarily from our historical captions of advertising and marketing and promotional. This expense category includes salaries, benefits and share-based compensation for marketing and communication personnel, brand advertising, marketing leads and other promotional and communication expenses. This category also includes an allocation of depreciation, amortization, rent, and occupancy costs attributable to the provision of these services, primarily at the Company’s Phoenix, Arizona location. Advertising costs are expensed as incurred.

General and Administrative

General and administrative expenses include salaries, benefits and share-based compensation of employees engaged in corporate management, finance, human resources, compliance, and other corporate functions. This category also includes an allocation of depreciation, amortization, rent, and occupancy costs attributable to the provision of these services, primarily at the Company’s Phoenix, Arizona location.

University related expenses

University related expenses (previously primarily instructional costs and services) represent the costs that were transferred to GCU in the Transaction and that are no longer incurred by the Company.

We have reclassified our operating expenses for prior periods to conform to the above disaggregation and revisions to our presentation. There were no changes to total operating expenses or operating income as a result of these reclassifications. The following table presents our operating expenses as previously reported and as reclassified on our Consolidated Income Statement for each of the quarters in 2017 and the first two quarters of 2018.

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	2017			
	First Quarter As Reported	First Quarter As Reclassified	Second Quarter As Reported	Second Quarter As Reclassified
Costs and expenses:				
Technology and academic services	—	10,381	—	10,220
Counseling services and support	—	46,312	—	45,970
Marketing and communication	—	27,309	—	27,426
General and administrative	9,941	7,033	10,058	5,806
University related expenses	—	80,543	—	73,791
Instructional costs and services	102,574	—	95,030	—
Admissions advisory and related	31,972	—	31,085	—
Advertising	24,631	—	24,776	—
Marketing and promotional	2,460	—	2,264	—
Total costs and expenses	171,578	171,578	163,213	163,213

	2017			
	Third Quarter As Reported	Third Quarter As Reclassified	Fourth Quarter As Reported	Fourth Quarter As Reclassified
Costs and expenses:				
Technology and academic services	—	10,494	—	10,739
Counseling services and support	—	46,100	—	50,213
Marketing and communication	—	28,130	—	26,227
General and administrative	12,915	8,343	10,845	5,975
University related expenses	—	83,450	—	86,356
Loss on transaction	—	—	—	562
Instructional costs and services	104,303	—	108,933	—
Admissions advisory and related	31,426	—	34,061	—
Advertising	25,523	—	23,678	—
Marketing and promotional	2,350	—	2,555	—
Total costs and expenses	176,517	176,517	180,072	180,072

	2018			
	First Quarter As Reported	First Quarter As Reclassified	Second Quarter As Reported	Second Quarter As Reclassified
Costs and expenses:				
Technology and academic services	—	10,697	—	10,678
Counseling services and support	—	50,747	—	50,838
Marketing and communication	—	28,527	—	30,095
General and administrative	11,309	7,419	11,969	5,762
University related expenses	—	87,649	—	79,517
Loss on transaction	—	550	—	1,440
Instructional costs and services	111,027	—	102,237	—
Admissions advisory and related	34,854	—	34,254	—
Advertising	25,715	—	27,602	—
Marketing and promotional	2,684	—	2,268	—
Total costs and expenses	185,589	185,589	178,330	178,330

Commitments and Contingencies

The Company accrues for contingent obligations when it is probable that a liability has been incurred and the amount is reasonably estimable. When the Company becomes aware of a claim or potential claim, the likelihood of any loss exposure is assessed. If it is probable that a loss will result and the amount of the loss is estimable, the Company records a liability for the estimated loss. If the loss is not probable or the amount of the potential loss is not estimable, the Company will disclose the claim if the likelihood of a potential loss is reasonably possible and the amount of the potential loss could be material. Estimates that are particularly sensitive to future changes include tax, legal, and other regulatory matters, which are subject to change as events evolve, and as additional information becomes available during the administrative and litigation process. The Company expenses legal fees as incurred.

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Concentration of Credit Risk

The Company believes the credit risk related to cash equivalents and investments is limited due to its adherence to an investment policy that requires investments to have a minimum BBB rating, depending on the type of security, by one major rating agency at the time of purchase. All of the Company's cash equivalents and investments as of September 30, 2018 and December 31, 2017 consist of investments rated BBB or higher by at least one rating agency. Additionally, the Company utilizes more than one financial institution to conduct initial and ongoing credit analysis on its investment portfolio to monitor and lower the potential impact of market risk associated with its cash equivalents and investment portfolio. The Company is also subject to credit risk for its accounts receivable balance. The Company has not experienced any losses on receivables to date. To manage accounts receivable risk, the Company maintains an allowance for doubtful accounts, if needed. Our dependence on one customer subjects us to the risk that declines in our customer's operations would result in a sustained reduction in revenues for the Company.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Segment Information

The Company operates as a single educational services company using a core infrastructure that serves the curriculum and educational delivery needs of its client, GCU. The Company's Chief Executive Officer manages the Company's operations as a whole and no expense or operating income information is generated or evaluated on any component level.

Accounting Pronouncements Adopted in 2018

In May 2014, the FASB issued "*Revenue from Contracts with Customers*, as amended." The standard is a comprehensive new revenue recognition model that requires revenue to be recognized in a manner to depict the transfer of goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for those goods or services. The accounting guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgements and changes in judgements and assets recognized from costs incurred to obtain or fulfill a contract. The Company adopted this new standard on January 1, 2018, using the modified retrospective method applied to all contracts. The adoption of this guidance did not have a material impact on the Company's financial condition, results of operations or statement of cash flows. The Company elected the short-term contract exemption with respect to disclosures associated with its performance obligations as all performance obligations as of the end of any reporting period have original terms of less than a year. The cumulative effect for the Company upon adoption of this new standard was $1,174, net of tax. The adoption impact resulted from the removal of $9,015 of costs that were direct and incremental previously capitalized for online students, and the removal of deferred revenue from an upfront learning fee of $7,451. These fees are no longer capitalized and amortized over the average expected term of a student. The fee is now amortized over the first course for the online student.

In January 2016, the FASB issued "*Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*." The standard addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Most prominent among the amendments is the requirement for changes in the fair value of equity investments, with certain exceptions, to be recognized through net income rather than other comprehensive income ("OCI"). This standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017, and early adoption is not permitted. Accordingly, the standard was effective for us as of January 1, 2018. The adoption of this guidance did not have a material impact on the Company's financial condition, results of operations or statement of cash flows.

In May 2017, the FASB issued "*Compensation – Stock Compensation – Scope of Modification Accounting*." This standard provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. This standard was effective for fiscal years beginning after December 15, 2017. Early adoption was permitted, including adoption in any interim period. Accordingly, the standard was adopted by us as of July 1, 2018. The vesting conditions for approximately 100 former GCE employees who became GCU employees upon the closing of the Transaction, were accelerated contingent upon the closing of the Transaction. As a result, the incremental share-based compensation expense from the modification on 82 restricted stock awards for the accelerated vesting date was $7,880 and is included in the university related expenses in the consolidated income statement.

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In February 2018, the FASB issued "*Income Statement – Reporting Comprehensive Income.*" This standard allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. Elimination of the stranded tax effects resulting from the Tax Cuts and Jobs Act and will improve the usefulness of information reported to financial statement users. This standard is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted, including adoption in any interim period. Accordingly, the standard was adopted by us as of April 1, 2018. The adoption of this guidance did not have a material impact on the Company's financial condition, results of operations or statement of cash flows.

Recent Accounting Pronouncements

In February 2016, the FASB issued "*Leases*." The standard establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU asset and a lease liability on the balance sheet for all leases with lease terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. This standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018, and early adoption is permitted. Accordingly, the standard is effective for us on January 1, 2019 using a modified retrospective transition approach. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company continues to evaluate the impact that the future adoption of this standard will have on our consolidated financial statements and we believe the adoption will slightly increase our assets and liabilities, and will increase our financial statement disclosures.

In August 2017, the FASB issued "*Targeted Improvements to Accounting for Hedging Activities*." This standard targets improvements in the hedge relationship documentation, testing and disclosures for derivatives. This standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. Early adoption is permitted for fiscal years and interim period within those years, beginning in August 2017. Accordingly, the standard is effective for us on January 1, 2019 and we are currently evaluating the impact that the standard will have on our consolidated financial statements.

The Company has determined that no other recent accounting pronouncements apply to its operations or could otherwise have a material impact on its consolidated financial statements.

4. Investments

The following is a summary of investments as of September 30, 2018 and December 31, 2017. The Company considered all investments as available for sale.

	As of September 30, 2018			
	Adjusted Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
Municipal securities	$69,192	$ —	$ (438)	$ 68,754
Total investments	$69,192	$ —	$ (438)	$ 68,754

	As of December 31, 2017			
	Adjusted Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
Municipal securities	$84,768	$ —	$ (409)	$ 84,359
Certificates of Deposit	$ 4,915	$ —	$ (3)	$ 4,912
Total investments	$89,683	$ —	$ (412)	$ 89,271

The cash flows of municipal securities are backed by the issuing municipality's credit worthiness. All municipal securities are due in one year or less as of September 30, 2018. For the nine months ended September 30, 2018, the net unrealized losses on available-for-sale securities was $329, net of taxes.

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5. Net Income Per Common Share

Basic earnings per common share is calculated by dividing net income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per common share reflects the assumed conversion of all potentially dilutive securities, consisting of stock options and restricted stock awards, for which the estimated fair value exceeds the exercise price, less shares which could have been purchased with the related proceeds, unless anti-dilutive. For employee equity awards, repurchased shares are also included for any unearned compensation adjusted for tax. The table below reflects the calculation of the weighted average number of common shares outstanding, on an as if converted basis, used in computing basic and diluted earnings per common share.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Denominator:				
Basic weighted average shares outstanding	47,682	47,316	47,592	47,083
Effect of dilutive stock options and restricted stock	740	976	837	1,114
Diluted weighted average shares outstanding	48,422	48,292	48,429	48,197

Diluted weighted average shares outstanding excludes the incremental effect of unvested restricted stock and shares that would be issued upon the assumed exercise of stock options in accordance with the treasury stock method. For the nine months ended September 30, 2018 and 2017, approximately 0 and 3, respectively, of the Company's stock options and restricted stock awards outstanding were excluded from the calculation of diluted earnings per share as their inclusion would have been anti-dilutive. These options and restricted stock awards could be dilutive in the future.

6. Allowance for Doubtful Accounts

	Balance at Beginning of Period	Charged to Expense	Deductions(1)	Transfers(2)	Balance at End of Period
Nine months ended September 30, 2018(2)	$ 5,907	8,669	(8,483)	(6,093)	$ 0
Nine months ended September 30, 2017	$ 5,918	13,351	(12,978)	—	$ 6,291

(1) Deductions represent accounts written off, net of recoveries.
(2) Allowance was transferred to GCU with other educational assets and liabilities on July 1, 2018. See Note 2.

7. Property and Equipment

Property and equipment consist of the following:

	September 30, 2018	December 31, 2017
Land	$ 5,579	$ 160,126
Land improvements	2,242	25,630
Buildings	51,409	595,384
Buildings and leasehold improvements	9,564	117,460
Equipment under capital leases	—	5,937
Computer equipment	82,974	116,477
Furniture, fixtures and equipment	4,874	63,470
Internally developed software	37,933	36,173
Other	—	1,176
Construction in progress	2,695	32,390
	197,270	1,154,223
Less accumulated depreciation and amortization	(86,362)	(231,939)
Property and equipment, net	$ 110,908	$ 922,284

8. Commitments and Contingencies

Legal Matters

From time to time, the Company is a party to various lawsuits, claims, and other legal proceedings that arise in the ordinary course of business, some of which are covered by insurance. When the Company is aware of a claim or potential claim, it assesses the likelihood of any loss or exposure. If it is probable that a loss will result and the amount of the loss can be reasonably estimated, the

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Company records a liability for the loss. If the loss is not probable or the amount of the loss cannot be reasonably estimated, the Company discloses the nature of the specific claim if the likelihood of a potential loss is reasonably possible and the amount involved could be material. With respect to the majority of pending litigation matters, the Company's ultimate legal and financial responsibility, if any, cannot be estimated with certainty and, in most cases, any potential losses related to those matters are not considered probable.

Upon resolution of any pending legal matters, the Company may incur charges in excess of presently established reserves. Management does not believe that any such charges would, individually or in the aggregate, have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Tax Reserves, Non-Income Tax Related

From time to time the Company has exposure to various non-income tax related matters that arise in the ordinary course of business. The Company reserve is not material for tax matters where its ultimate exposure is considered probable and the potential loss can be reasonably estimated.

9. Income Taxes

The Company has deferred tax assets and liabilities that reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. As a result of the Transaction, discussed in Note 2, significant changes were recorded with respect to deferred tax assets and liabilities.

Significant components of the Company's deferred income tax assets and liabilities, included in Deferred income taxes, non-current on the consolidated balance sheets are as follows:

	As of September 30, 2018	As of December 31, 2017
Deferred tax assets:		
Share-based compensation	$ 2,729	$ 4,201
Employee compensation	758	950
Allowance for doubtful accounts	155	1,685
Deferred tuition revenue	147	1,294
Deferred scholarship	—	618
Intangibles	—	590
State taxes	713	985
Other	204	526
Deferred tax assets	4,706	10,849
Deferred tax liability:		
Property and equipment	(8,335)	(28,028)
Goodwill	(762)	(762)
Other	(30)	(421)
Deferred tax liability	(9,127)	(29,211)
Net deferred tax liability	$ (4,421)	$ (18,362)

The net deferred tax liability on the accompanying consolidated balance sheet is comprised of the following:

	As of September 30, 2018	As of December 31, 2017
Deferred income taxes, current	$ 1,744	$ 5,214
Deferred income taxes, non-current	(6,165)	(23,576)
Net deferred tax liability	$ (4,421)	$ (18,362)

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10. Share-Based Compensation

Incentive Plan

Prior to June 2017, the Company made grants of restricted stock and stock options under its 2008 Equity Incentive Plan (the "2008 Plan"). In January 2017, the Board of Directors of the Company approved, and at the Company's 2017 annual meeting of stockholders held on June 14, 2017, the Company's stockholders adopted a 2017 Equity Incentive Plan (the "2017 Plan") under which a maximum of 3,000 shares may be granted. As of September 30, 2018, 1,910 shares were available for grants under the 2017 Plan. All grants of equity incentives made after June 2017 will be made from the 2017 Plan.

Restricted Stock

During the nine months ended September 30, 2018, the Company granted 160 shares of common stock with a service vesting condition to certain of its executives, officers, faculty and employees. The restricted shares have voting rights and vest in five annual installments of 20%, with this first installment vesting in March of the calendar year following the date of grant (the "first vesting date") and on each of the four anniversaries of the first vesting date. Upon vesting, shares will be held in lieu of taxes equivalent to the minimum statutory tax withholding required to be paid when the restricted stock vests. During the nine months ended September 30, 2018, the Company withheld 151 shares of common stock in lieu of taxes at a cost of $15,153 on the restricted stock vesting dates. In June 2018, following the annual stockholders meeting, the Company granted 3 shares of common stock under the 2017 Plan to the non-employee members of the Company's Board of Directors. The restricted shares granted to these directors have voting rights and vest on the earlier of (a) the one year anniversary of the date of grant or (b) immediately prior to the following year's annual stockholders' meeting. In conjunction with the Transaction, the Compensation Committee of the Company's Board of Directors decided to modify the vesting condition for certain restricted stock awards for approximately 100 Transferred Employees who transferred employment from GCE to GCU, with the acceleration being contingent upon the closing of the Transaction on July 1, 2018. Refer to Note 2 for further discussion on the Transaction. As a result, the incremental share-based compensation expense from the modification on 82 restricted stock awards for the accelerated vesting date was $7,880 and is included in the university related expenses in the consolidated income statement. Additionally, the Company transferred cash to GCU totaling $9,568 to fund a deferred compensation plan in an amount equal to the value of the 86 shares forfeited by the Transferred Employees at the closing of the Transaction. This amount is included in the loss on transaction in the consolidated income statement.

A summary of the activity related to restricted stock granted under the Company's Incentive Plan since December 31, 2017 is as follows:

	Total Shares	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2017	776	$ 49.16
Granted	163	$ 92.34
Vested	(384)	$ 65.57
Forfeited, canceled or expired	(94)	$ 71.68
Outstanding as of September 30, 2018	461	$ 63.27

Stock Options

During the nine months ended September 30, 2018, no options were granted. A summary of the activity since December 31, 2017 related to stock options granted under the Company's Incentive Plan is as follows:

	Summary of Stock Options Outstanding			
	Total Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value ($)(1)
Outstanding as of December 31, 2017	694	$ 17.31		
Granted	—	$ —		
Exercised	(130)	$ 16.07		
Forfeited, canceled or expired	—	$ —		
Outstanding as of September 30, 2018	564	$ 17.60	2.03	$ 53,657
Exercisable as of September 30, 2018	564	$ 17.60	2.03	$ 53,657

(1) Aggregate intrinsic value represents the value of the Company's closing stock price on September 28, 2018 ($112.80) in excess of the exercise price multiplied by the number of shares underlying options outstanding or exercisable, as applicable.

GRAND CANYON EDUCATION, INC.
Notes to Consolidated Financial Statements
(In thousands, except per share data)
(Unaudited)

Share-based Compensation Expense

The table below outlines share-based compensation expense for the nine months ended September 30, 2018 and 2017 related to restricted stock and stock options granted:

	2018	2017
Technical and academic services	$ 1,195	$ 1,160
Counseling support and services	3,707	3,566
Marketing and communication	40	19
General and administrative	2,530	2,535
University related expenses	9,594	2,282
Share-based compensation expense included in operating expenses	17,066	9,562
Tax effect of share-based compensation	(4,267)	(3,825)
Share-based compensation expense, net of tax	$12,799	$ 5,737

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and related notes that appear elsewhere in this report.

Forward-Looking Statements

This Quarterly Report on Form 10-Q, including Item 2, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, contains certain "forward-looking statements" within the meaning of Section 27A of Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include, without limitation, statements regarding: the Transaction; proposed new programs; statements as to whether regulatory developments or other matters may or may not have a material adverse effect on our financial position, results of operations, or liquidity; statements concerning projections, predictions, expectations, estimates, or forecasts as to our business, financial and operational results, and future economic performance; and statements of management's goals and objectives and other similar expressions concerning matters that are not historical facts. Words such as "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar expressions, as well as statements in future tense, identify forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- the failure of the Company to operate successfully as a third party service provider to GCU, and GCU's failure to operate the University as successfully as it was previously operated by the Company;
- the occurrence of any event, change or other circumstance that could give rise to the termination of any of the key Transaction agreements;
- our failure to comply with the extensive regulatory framework applicable to us either directly as a third party service provider or indirectly through our university client, including Title IV of the Higher Education Act and the regulations thereunder, state laws and regulatory requirements, and accrediting commission requirements;
- the ability of our university client's students to obtain federal Title IV funds, state financial aid, and private financing;
- potential damage to our reputation or other adverse effects as a result of negative publicity in the media, in the industry or in connection with governmental reports or investigations or otherwise, affecting us or other companies in the education services sector;
- risks associated with changes in applicable federal and state laws and regulations and accrediting commission standards, including pending rulemaking by ED applicable to us directly or indirectly through our university client;
- competition from other education service companies in our geographic region and market sector, including competition for students, qualified executives and other personnel;
- our ability to properly manage risks and challenges associated with strategic initiatives, including potential acquisitions or divestitures of, or investments in, new businesses, acquisitions of new properties and new university clients, and expansion of services provided to our existing university client;
- our expected tax payments and tax rate, including the effect of the Tax Cuts and Jobs Act of 2017;
- our ability to hire and train new, and develop and train existing, employees;
- the pace of growth of our university client's enrollment and its effect on the pace of our own growth;
- our ability to, on behalf of our university client, convert prospective students to enrolled students and to retain active students to graduation;
- our success in updating and expanding the content of existing programs and developing new programs in a cost-effective manner or on a timely basis for our university client;
- risks associated with the competitive environment for marketing the programs of our university client;
- failure on our part to keep up with advances in technology that could enhance the experience for our university client's students;
- the extent to which obligations under our credit agreement, including the need to comply with restrictive and financial covenants and to pay principal and interest payments, limits our ability to conduct our operations or seek new business opportunities;
- our ability to manage future growth effectively; and
- general adverse economic conditions or other developments that affect the job prospects of our university client's students.

Additional factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, those described in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as updated in our subsequent reports filed with the Securities and Exchange Commission ("SEC"), including any updates found in Part II, Item 1A of this Quarterly Report on Form 10-Q or our other reports on Form 10-Q. You should not put undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date the statements are made and we assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

Explanatory Note

On July 1, 2018, the Company consummated the Transaction with GCU. See Note 2 to consolidated financial statement for a full description of the Transaction.

Prior to July 1, 2018, the Company owned and operated the University. Accordingly, the results of operations discussed herein reflect the Company's operations prior to July 1, 2018 which was made up exclusively of the operations of the University. Commencing July 1, 2018, the results of operations do not include the operations of GCU but rather reflect the operations of the Company as a service/technology provider as described below.

Overview of Results. End-of-period enrollment at our client, GCU increased 8.2% between September 30, 2018 and September 30, 2017 to 98,715 from 91,230. The Company attributes the growth in our client's enrollment between years to the increasing brand recognition and the value proposition that it affords to traditional-aged students and their parents and to working adult students. Our client's net revenues increased over the first nine months of the prior year primarily due to the enrollment growth and due to an increase in ancillary revenues resulting from the increased traditional student enrollment at GCU (e.g. housing, food, etc.). Although our client's online enrollment continues to grow, as the proportion of traditional colleges and universities providing alternative learning modalities increases, the Company and our client will face increasing competition for working adult students from such institutions, including those with well-established reputations for excellence. Our client's revenue per student increased in the nine months ended September 30, 2018 compared to the same period in 2017 primarily due to a shift in the timing of GCU's start dates for its ground traditional students resulting in one more revenue producing day in 2018 as compared to 2017 and an increase in residential students as a percentage of ground enrollment. Residential students generate greater revenue per student when factoring in room, board and fees, than our working adult students. Our client, GCU, has not raised its tuition for its traditional ground programs in ten years and tuition increases for working adult programs have averaged 1% or less.

Critical Accounting Policies and Use of Estimates

Our critical accounting policies are disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. During the nine months ended September 30, 2018, there have been no significant changes in our critical accounting policies other than the change in revenue recognition related to our becoming an education service provider as of July 1, 2018, as discussed in Note 3 to the consolidated financial statements in Part I, Item 1 of this report.

Change in the Structure of Our Operations.

As a result of the Transaction, various aspects of the Company's operations have changed in important ways. These changes include, but are not limited to, the following:

- The Company no longer owns and operates a regulated institution of higher education, but instead provides a bundle of services in support of GCU's operations. See Note 2 to Consolidated Financial Statements for a full description of the services provided under the Master Services Agreement. While, prior to July 1, 2018, the Company had never operated as a third party service provider regulated by the Department of Education, all of the services that it provides to GCU under the Master Services Agreement are services that it had always provided internally in support of the University's academic operations prior to the Transaction. As a result, while the Company has limited to no experience operating as a service provider to third parties, it believes that its significant investment in technological solutions, infrastructure and processes to provide superior service to students, its experience and expertise in these services areas, its experience providing such services at the scale required for GCU to continue to operate in a manner consistent with past practices, and the fact that it retained all of the assets and employees involved in the delivery of such services enables it to perform in the manner and to the service levels required under the Master Services Agreement and also positions the Company to engage additional university customers in the future.
- GCU is a separate non-profit entity under the control of an independent board of trustees, none of whose members have ever served in a management or corporate board role at the Company. GCU's board of trustees has adopted bylaws and a related conflict of interest policy that, among other things, (i) prevents any trustee of GCU from attending any meeting, or voting on any matter, as to which such trustee has a conflict of interest, (ii) establishes a special committee of independent trustees to oversee on behalf of GCU all matters related to the Master Services Agreement and GCU's relationship with the Company, and (iii) prohibits any trustee from having any financial interest in, or role with, the Company. Accordingly, the Company's relationship with GCU, both pursuant to the Master Services Agreement and operationally, is no longer as owner and operator, but as a third party service provider to an independent customer. While the Company believes that its relationship with GCU will remain strong, GCU's board of trustees and management has fiduciary and other duties that require them to focus on the best interests of GCU and over time those interests could diverge from those of the Company.
- Mr. Brian E. Mueller has served as the Chief Executive Officer of the Company since 2008 and the Chairman of the Board of the Company since 2017 and has also served as the President of the University since 2012. In connection with the Transaction, the Board of Directors of the Company and the board of trustees of GCU each independently determined that Mr. Mueller should retain those roles. Accordingly, Mr. Mueller remains the Chairman of the Board and Chief Executive Officer of the Company and continues to serve as the President of GCU. As noted above, however, Mr. Mueller is prohibited from serving on the board of trustees of GCU. Aside from Mr. Mueller, no other employee of GCU or GCE has a dual role in both organizations. A structure has been put in place that prevents Mr. Mueller from participating in operational matters involving the Company and GCU, including with respect to the Master Services Agreement.
- As a result of the change in the structure of our operations, the risks associated with our business have changed. See Part II. Other Information – Item 1A. Risk Factors" in our Quarterly Report on Form 10-Q filed for the quarter ended June 30, 2018 for a description of these risks.

Results of Operations

The following table sets forth certain income statement data as a percentage of net revenue for each of the periods indicated. University related expenses and the loss on Transaction have been excluded from the table below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Operating expenses				
Technology and academic services	7.1%	4.4%	4.9%	4.4%
Counseling services and support	32.9	19.5	22.9	19.7
Marketing and communication	20.3	11.9	13.5	11.8
General and administrative	6.5	3.5	3.5	3.0

As reflected in the table above, the income statement data as a percentage of revenue is not comparable between periods. This is a result of a reduction in revenues associated with the Company transitioning to an education service provider as of July 1, 2018. As a result, the Company has also provided two additional tables to enhance comparability between periods by showing, on a comparable basis, the types of levels of operating expenses the Company currently incurs as compared to prior to the Transaction. The Company has calculated 60% of university related revenues for periods prior to July 1, 2018, as adjusted "Non-GAAP" net revenue, which is the percentage of GCU's tuition and fee revenue to which the Company is entitled under the Master Services Agreement. The percentages set forth below for periods prior to July 1, 2018 have been derived by dividing the indicated expense by adjusted "Non-GAAP" net revenue. University related expenses and the loss on Transaction have been excluded from the table below:

Adjusted "Non-GAAP" net revenue	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Service revenue	$155,454	$ —	$155,454	$ —
University related revenue	—	236,209	512,499	702,716
Net revenue	155,454	236,209	667,953	702,716
60% of university related revenue	—	141,725	307,499	421,630
Adjusted "Non-GAAP" net revenue	$155,454	$141,725	$462,953	$421,630

Non- GAAP %	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Operating expenses				
Technology and academic services	7.1%	7.4%	7.0%	7.4%
Counseling services and support	32.9	32.5	33.0	32.8
Marketing and communication	20.3	19.8	19.5	19.7
General and administrative	6.5	5.9	5.0	5.0

Three Months Ended September 30, 2018 Compared to Three Months Ended September 30, 2017

Service revenue and University related revenue. Our service revenue for the three months ended September 30, 2018 was $155.5 million compared to university related revenue of $236.2 million for the three months ended September 30, 2017. Commencing July 1, 2018, the results of our operations no longer include the operations of the University but rather reflect the operations of the Company as a service/technology provider. As a service provider to GCU, the Company receives, as service revenue, 60% of GCU's tuition and fee revenue and no longer has university related revenue, thus resulting in the decrease from the prior period. 60% of university related revenue for the three months ended September 30, 2017 was $141.7 million. The 9.7% increase year over year in comparable service fee revenue was primarily due to an increase in GCU's enrollment and, to a lesser extent, an increase in GCU's ancillary revenues (e.g. from housing, food, etc.) resulting from the increased traditional student enrollment, partially offset by an increase in institutional scholarships. End-of-period enrollment at our client, GCU increased 8.2% between September 30, 2018 and September 30, 2017 to 98,715 from 91,230.

Technology and academic services. Our technology and academic services expenses for the three months ended September 30, 2018 were $11.1 million, an increase of $0.6 million, or 5.8%, as compared to technology and academic services expenses of $10.5 million for the three months ended September 30, 2017. This increase was primarily due to increases in employee compensation and related expenses including share based compensation of $0.6 million. The increase in employee compensation and related expenses are primarily due to the increase in the number of staff needed to support our client, GCU, and their increased enrollment growth, tenure based salary adjustments and an increase in benefit costs between years. Our technical and academic services as a percentage of net revenues decreased 0.3% to 7.1% for the three months ended September 30, 2018, from 7.4% for the three months ended September, 2017 primarily due to our ability to leverage our technical and academic services personnel across an increasing revenue base partially offset by the planned reinvestment of a portion of our lower tax rate in increased employee compensation and benefit costs.

Counseling services and support. Our counseling services and support expenses for the three months ended September 30, 2018 were $51.1 million, an increase of $5.0 million, or 10.9%, as compared to counseling services and support expenses of $46.1 million for the three months ended September 30, 2017. This increase is primarily the result of increases in employee compensation and related expenses including share based compensation, depreciation and amortization and occupancy costs, and other counseling

services and support related expenses of $4.2 million, $0.4 million, and $0.4 million, respectively. The increase in employee compensation and related expenses is primarily due to increased headcount to support our client, GCU, and its increased enrollment growth, tenure based salary adjustments and an increase in benefit costs between years. The increase in depreciation and amortization and occupancy costs is the result of our placing into service an administrative building in close proximity to our client's campus. Our counseling services and support expenses as a percentage of revenue increased 0.4% to 32.9% for the three months ended September 30, 2018, from 32.5% for the three months ended September 30, 2017 primarily due to the planned reinvestment of a portion of our lower tax rate in increased employee compensation and benefit costs.

Marketing and communication. Our marketing and communication expenses for the three months ended September 30, 2018 were $31.5 million, an increase of $3.4 million, or 12.1%, as compared to marketing and communication expenses of $28.1 million for the three months ended September 30, 2017. This increase is primarily the result of increased national brand and other advertising of $3.2 million, and other communication expenses of $0.2 million. Our marketing and communication expenses as a percentage of net revenue increased by 0.5% to 20.3% for the three months ended September 30, 2018, from 19.8% for the three months ended September 30, 2017 primarily due to timing of the advertising spend. Marketing and communication costs as a percentage of net revenue is down slightly during the first nine months of 2018 as compared to the first nine months of 2017.

General and administrative. Our general and administrative expenses for the three months ended September 30, 2018 was $10.1 million, an increase of $1.8 million, or 21.0%, as compared to general and administrative expenses of $8.3 million for the three months ended September 30, 2017. This increase was primarily due to increases in contributions made in lieu of state income taxes to school sponsoring organizations from $2.0 million for the three months ended September 30, 2017 to $3.7 million for the three months ended September 30, 2018 and a $0.1 million increase in employee compensation. Our general and administrative expenses as a percentage of net revenue increased by 0.6% to 6.5% for the three months ended September 30, 2018, from 5.9% for the three months ended September 30, 2017 due to the increase in contributions made in lieu of state income taxes to school sponsoring organizations as a percentage of revenue.

Loss on transaction. The loss on transaction for the three months ended September 30, 2018 was $15.6 million due to transaction costs of $3.0 million and an asset impairment of $3.0 million for the three months ended September 30, 2018. In addition, the Company transferred to GCU cash of $9.6 million to fund a deferred compensation plan for GCU employees that were formerly GCE employees and that held unvested restricted stock of GCE that was forfeited upon the Transaction.

University related expenses. Our university related expenses for the three months ended September 30, 2018 were $6.6 million, a decrease of $76.8 million, or 92.1%, as compared to university related expenses of $83.4 million for the three months ended September 30, 2017. The expenses included in the three months ended September 30, 2018 are primarily due to the Company's Board of Directors modifying the vesting condition for certain restricted stock awards for personnel that would be transferred to GCU, which resulted in $7.9 million of share-based compensation expense, and employer taxes of $0.2 million on such modification. This amount was partially offset by reversals of employee related liabilities of $1.5 million for employees that transferred to GCU that were not part of the transferred assets for the Transaction. The expenses included in the three months ended September 30, 2017 represent university related expenses for activities that have now transferred to our client, GCU, and are not related to our current business activities as a service provider for educational institutions.

Interest income on Secured Note. Interest income on Secured Note for the three months ended September 30, 2018 was $13.2 million, an increase of $13.2 million, as compared to interest income of nil for the three months ended September 30, 2017. As a result of the Transaction with GCU on July 1, 2018, the Company recognizes interest income on its Secured Note with GCU, earning interest at 6%, with monthly interest payments.

Interest expense. Interest expense for the three months ended September 30, 2018 was $0.6 million for both of the three months ended September 30, 2018 and 2017. Although the interest rate on our credit facility increased, debt balances are lower during the past year, and we experienced a decrease in the revolving line of credit fees, which we elected not to renew when the revolver expired in December 2017.

Investment interest and other. Investment interest and other for the three months ended September 30, 2018 was $0.4 million, a decrease of $1.0 million, as compared to $1.4 million in the three months ended September 30, 2017. This decrease was primarily due to lower investment balances as a result of the cash transferred in conjunction with the Transaction consummated on July 1, 2018 as compared to investment balances in the prior year.

Income tax expense. Income tax expense for the three months ended September 30, 2018 was $8.7 million, a decrease of $12.6 million, or 59.0%, as compared to income tax expense of $21.3 million for the three months ended September 30, 2017. This decrease is the result of a decrease in our effective tax rate and a decrease in our taxable income between periods. Our effective tax rate was 20.5% during the third quarter of 2018 compared to 35.1% during the third quarter of 2017. The lower effective tax rate year over

year is a result of the Tax Cuts and Jobs Act (the "Act") which was signed into law on December 22, 2017. The Act reduces the corporate federal tax rate from a maximum of 35% to a flat 21% rate effective January 1, 2018. Our contributions made in lieu of state income taxes to school sponsoring organizations increased from $2.0 million for the three months ended September 30, 2017 to $3.7 million for the three months ended September 30, 2018. The effective tax rates for both periods were lower than our annual rates due to these contributions. The decrease in our taxable income between periods is attributable to the loss on transaction expenses of $15.6 million and university related expenses of $6.6 million incurred in the third quarter of 2018.

Net income. Our net income for the three months ended September 30, 2018 was $33.8 million, a decrease of $5.5 million, as compared to $39.3 million for the three months ended September 30, 2017, due to the factors discussed above.

Nine Months Ended September 30, 2018 Compared to Nine Months Ended September 30, 2017

Service revenue and University related revenue. Our service revenue and university related revenue for the nine months ended September 30, 2018 was $155.5 million, and $512.5 million, respectively, as compared to university related revenues of $702.7 million for the nine months ended September 30, 2017. Commencing July 1, 2018, the results of our operations no longer include the operations of the University but rather reflect the operations of the Company as a service/technology provider. As a service provider to GCU, the Company receives, as service revenue, 60% of GCU's tuition and fee revenue and no longer has university related revenue, thus resulting in the decrease from the prior period. 60% of university related revenues for the nine months ended September 30, 2017 was $421.6 million. The sum of service revenue for the three months ended September 30, 2018 of $155.5 million and 60% of university related revenue for the six months ended June 30, 2018 of $307.5 million, totals $463.0 million. The 9.8% increase year over year in comparable service fee revenue was primarily due to an increase in GCU's enrollment and, to a lesser extent, an increase in GCU's ancillary revenues (e.g. from housing, food, etc.) resulting from the increased traditional student enrollment, partially offset by an increase in institutional scholarships. End-of-period enrollment at our client, GCU increased 8.2% between September 30, 2018 and September 30, 2017 to 98,715 from 91,230.

Technology and academic services. Our technology and academic services expenses for the nine months ended September 30, 2018 were $32.5 million, an increase of $1.4 million, or 4.4%, as compared to technology and academic services expenses of $31.1 million for the nine months ended September 30, 2017. This increase was primarily due to increases in employee compensation and related expenses including share based compensation, depreciation and amortization and occupancy expense, and other expenses of $0.9 million, $0.3 million, and $0.2 million, respectively. The increase in employee compensation and related expenses are primarily due to the increase in the number of staff needed to support our client, GCU, and their increased enrollment growth, tenure based salary adjustments and an increase in benefit costs between years. The increase in depreciation and amortization and occupancy costs is the result of our placing into service an administrative building in close proximity to our client's campus. Our technical and academic services as a percentage of net revenues decreased 0.4% to 7.0% for the nine months ended September 30, 2018, from 7.4% for the nine months ended September 30, 2017 primarily due to our ability to leverage our technical and academic services expenses across an increasing revenue base partially offset by the planned reinvestment of a portion of our lower tax rate in increased employee compensation and benefit costs.

Counseling services and support. Our counseling services and support expenses for the nine months ended September 30, 2018 were $152.7 million, an increase of $14.3 million, or 10.3%, as compared to counseling services and support expenses of $138.4 million for the nine months ended September 30, 2017. This increase is primarily the result of increases in employee compensation and related expenses including share based compensation, other counseling services and support related expenses, and depreciation and amortization and occupancy expense of $12.5 million, $1.3 million, and $0.5 million, respectively. The increase in employee compensation and related expenses is primarily due to increased headcount, tenure based salary adjustments and an increase in benefit costs between years. The increase in other expenses is primarily related to dues, fees and subscription, and travel expenses. The increase in depreciation and amortization and occupancy costs is the result of our placing into service an administrative building in close proximity to our client's campus. Our counseling services and support expenses as a percentage of revenue increased 0.2% to 33.0% for the nine months ended September 30, 2018, from 32.8% for the nine months ended September 30, 2017 primarily due to increased employee compensation and benefit costs between years primarily due to the planned reinvestment of a portion of our lower tax rate in increased employee compensation and benefit costs.

Marketing and communication. Our marketing and communication expenses for the nine months ended September 30, 2018 were $90.2 million, an increase of $7.3 million, or 8.8%, as compared to marketing and communication expenses of $82.9 million for the nine months ended September 30, 2017. This increase is primarily the result of increased national brand and other advertising of $7.1 million, and other communication expenses of $0.2 million. Our marketing and communication expenses as a percentage of net revenue decreased by 0.2% to 19.5% for the nine months ended September 30, 2018, from 19.7% for the nine months ended September 30, 2017.

General and administrative. Our general and administrative expenses for the nine months ended September 30, 2018 was $23.3 million, an increase of $2.1 million, or 9.9%, as compared to general and administrative expenses of $21.2 million for the nine months ended September 30, 2017. This increase was primarily due to increases in employee compensation and related expenses including share-based compensation of $0.6 million, and increases in contributions made in lieu of state income taxes to school sponsoring organizations from $2.0 million for the nine months ended September 30, 2017 to $3.7 million for the nine months ended September 30, 2018, partially offset by slight decrease on other general and administrative activities of $0.2 million. The increase in employee compensation and related expenses is primarily due to an increase in benefit costs between years. Our general and administrative expenses as a percentage of net revenue stayed flat at 5.0% for both the nine months ended September 30, 2018 and 2017 primarily due to an increase in contributions made in lieu of state income taxes to school sponsoring organizations and increased benefit costs, partially offset by our ability to leverage our general and administrative expenses across an increasing revenue base.

Loss on Transaction. Our loss on transaction expenses for the nine months ended September 30, 2018 was $17.6 million due to transaction costs of $5.0 million and an asset impairment of $3.0 million for the nine months ended September 30, 2018. In addition, the Company transferred to GCU cash of $9.6 million to fund a deferred compensation plan for GCU employees that were formerly GCE employees and that held unvested restricted stock of GCE that was forfeited upon the Transaction.

University related expenses. Our university related expenses for the nine months ended September 30, 2018 were $173.7 million, a decrease of $64.1 million, or 26.9%, as compared to university related expenses of $237.8 million for the nine months ended September 30, 2017. These expenses represent the costs transferred to the university for the six months ended June 30, 2018 and in the three months ended September 30, 2018 are primarily due to the Company's Board of Directors modifying the vesting condition for certain restricted stock awards for personnel that would be transferred to GCU, which resulted in $7.9 million of share-based compensation expense, and employer taxes of $0.2 million on such modification. This amount was partially offset by reversals of employee related liabilities totaling $1.5 million that were not part of the transferred assets for the Transaction. The expenses included in the nine months ended September 30, 2017 represent university related expenses for activities that have now transferred to our client, GCU, and are not related to our current business activities as a service provider for educational institutions.

Interest income on Secured Note. Interest income on Secured Note for the nine months ended September 30, 2018 was $13.2 million, an increase of $13.2 million, as compared to interest income of nil for the nine months ended September 30, 2017. As a result of the Transaction with GCU on July 1, 2018, the Company recognizes interest income from its Secured Senior Note with GCU, earning interest at 6%, with monthly interest payments.

Interest expense. Interest expense for the nine months ended September 30, 2018 was $1.0 million, a decrease of $0.6 million, as compared to interest expense of $1.6 million for the nine months ended September 30, 2017. This decrease was primarily due to increased capitalized interest during the first six months of 2018 due to our increase in capital spending during this period as compared to the prior year, lower debt balances and a decrease in the revolving line of credit fees, which we elected not to renew when the revolver expired in December 2017, partially offset by a higher interest rate on our borrowings.

Investment interest and other. Investment interest and other for the nine months ended September 30, 2018 was $2.9 million, an increase of $0.7 million, as compared to $2.2 million in the nine months ended September 30, 2017. This decrease was primarily due to lower investment balances as a result of the cash transferred in conjunction with the Transaction consummated on July 1, 2018 as compared to investment balances in the prior year.

Income tax expense. Income tax expense for the nine months ended September 30, 2018 was $39.7 million, a decrease of $17.2 million, or 30.2%, as compared to income tax expense of $56.9 million for the nine months ended September 30, 2017. This decrease is the result of a decrease in our effective tax rate, partially offset by a slight increase in our taxable income between periods. Our effective tax rate was 20.6% during the nine months ended September 30, 2018 compared to 29.6% during the nine months ended September 30, 2017. The lower effective tax rate year over year is a result of the Act. The contributions in lieu of state income taxes to school sponsoring organizations contributed to the lower effective tax rate as our contributions increased from $2.0 million in the nine months ended September 30, 2017 to $3.7 million in the nine months ended September 30, 2018. Additionally, the Company continues to receive the benefit from our adoption of the share-based compensation standard. This standard required us to recognize excess tax benefits from share-based compensation awards that vested or settled in the consolidated income statement. The favorable impact from excess tax benefits was $7.9 million and $15.4 million in the nine months ended September 30, 2018, and 2017, respectively. The inclusion of excess tax benefits and deficiencies as a component of our income tax expense will increase volatility within our provision for income taxes as the amount of excess tax benefits or deficiencies from share-based compensation awards are dependent on our stock price at the date the restricted awards vest, our stock price on the date an option is exercised, and the quantity of options exercised. Our restricted stock vests in March each year so the favorable benefit will primarily impact the first quarter each year.

Net income. Our net income for the nine months ended September 30, 2018 was $153.5 million, an increase of $18.4 million, as compared to $135.1 million for the nine months ended September 30, 2017, due to the factors discussed above.

Seasonality

Our net revenue and operating results normally fluctuate as a result of seasonal variations in our business, principally due to changes in our client, GCU's enrollment. GCU's enrollment varies as a result of new enrollments, graduations, and student attrition. The majority of GCU's traditional ground students do not attend courses during the summer months (May through August), which historically has affected our results for our second and third fiscal quarters. Since a significant amount of GCU's costs are fixed, the lower revenue resulting from the decreased ground student enrollment has historically contributed to lower operating margins during those periods. To the extent the relative proportion of GCU's students that are ground traditional students increases, we expect this summer effect as it relates to GCU to become more pronounced in future years. Partially offsetting this summer effect on GCU in the third quarter has been the sequential quarterly increase in enrollments that has occurred as a result of the traditional fall school start. This increase in enrollments also has occurred in the first quarter, corresponding to calendar year matriculation. In addition, GCU has historically experienced higher net revenue in the fourth quarter due to its overlap with the semester encompassing the traditional fall school start and in the first quarter due to its overlap with the first semester of the calendar year. A portion of our expenses do not vary proportionately with these fluctuations in net revenue, resulting in higher operating income in the first and fourth quarters relative to other quarters. We expect quarterly fluctuation in operating results to continue as a result of these seasonal patterns at GCU. However, given that fixed costs to operate the university such as depreciation and occupancy expenses will no longer be included in our operating results, the seasonality effect will not be as significant going forward.

Liquidity and Capital Resources

Liquidity. We financed our operating activities and capital expenditures during the nine months ended September 30, 2018 and 2017 primarily through cash provided by operating activities. Our unrestricted cash and cash equivalents and investments were $113.6 million and $242.7 million at September 30, 2018 and December 31, 2017, respectively. Our restricted cash and cash equivalents at September 30, 2018 were $61.7 million. On July 1, 2018, we amended our credit agreement, which resulted in no change to our term loan maturity date of December 2019. Indebtedness under the term loan is now secured by our remaining assets after giving effect to the Transaction, as well as cash collateral until such time as the Transaction has been approved by the Department of Education, and we agreed to collaterally assign our rights under the Asset Purchase Agreement, the Secured Note and the Master Services Agreement. Our lenders released their lien on the real estate collateral previously securing our obligations under the credit agreement in order to enable us to consummate the Asset Purchase Agreement.

On July 1, 2018, in conjunction with the Asset Purchase Agreement, we received a Secured Note from GCU for the purchase of the Transferred Assets for $870.1 million. The Secured Note contains customary commercial credit terms, including affirmative and negative covenants applicable to GCU, and provides that the Secured Note bears interest at an annual rate of 6.0%, has a maturity date of June 30, 2025, and is secured by all of the assets of GCU. The Secured Note provides for GCU to make interest only payments during the term, with all principal and accrued and unpaid interest due at maturity and also provides that we will loan additional amounts to GCU to fund approved capital expenditures during the first three years of the term. Funding expectations for future capital expenditures for GCU are $30 million for the three months ended December 31, 2018, and $100 million for the year ended December 31, 2019.

Based on our current level of operations and anticipated growth, we believe that our cash flow from operations and other sources of liquidity, including cash and cash equivalents and our revolving line of credit, will provide adequate funds for ongoing operations, planned capital expenditures, and working capital requirements for at least the next 24 months.

Share Repurchase Program

Our Board of Directors has authorized the Company to repurchase up to an aggregate of $175.0 million of our common stock, from time to time, depending on market conditions and other considerations. The current expiration date on the repurchase authorization by our Board of Directors is December 31, 2019. Repurchases occur at the Company's discretion.

Under our share purchase authorization, we may purchase shares in the open market or in privately negotiated transactions, pursuant to the applicable Securities and Exchange Commission rules. The amount and timing of future share repurchases, if any, will be made as market and business conditions warrant.

Since the inception of our share repurchase program, the Company has purchased 3.5 million shares of common stock at an aggregate cost of $81.4 million. During the nine months ended September 30, 2018, 38,518 shares of common stock were repurchased by the University. At September 30, 2018, there remains $93.6 million available under our share repurchase authorization.

Cash Flows

Operating Activities. Net cash provided by operating activities for the nine months ended September 30, 2018 was $96.5 million as compared to $269.9 million for the nine months ended September 30, 2017. The decrease in cash generated from operating activities between the nine months ended September 30, 2017 and the nine months ended September 30, 2018 is primarily due to the timing of income tax related payments as well as changes in other working capital such as receivables from our client, GCU, partially offset by increased net income. Previously, when we operated the University we experienced significant positive operating cash flows in the third quarter due to the funds received at the start of the ground traditional academic year. Now as a service provider, we receive our monthly service fee approximately fifteen days into each subsequent month.

Investing Activities. Net cash used in investing activities was $215.7 million and $112.1 million for the nine months ended September 30, 2018 and 2017, respectively. Cash used in investing activities for the nine months ended September 30, 2018 was primarily related to the Transaction, the purchase of short-term investments and capital expenditures. The disposition for the working capital adjustment and for restricted cash held at the transaction date of $131.6 million represents cash transferred to GCU related to the Transaction on July 1, 2018. Funding to GCU for capital expenditures during the third quarter of 2018 totaled $12.8 million. Proceeds from investment, net of purchases of short term investments was $19.1 million for the nine months ended September 30, 2018. Purchases of short-term investments net of proceeds of these investments was $27.0 million during the nine months ended September 30, 2017. Capital expenditures were $90.2 million and $75.6 million for the nine months ended September 30, 2018 and 2017, respectively. During the nine-month period for 2018, capital expenditures primarily consisted of ground campus building projects incurred through the transaction date such as the construction of two additional residence halls, an additional classroom building and parking garage to support our growing traditional student enrollment, as well as purchases of computer equipment, other internal use software projects and furniture and equipment to support our increasing employee headcount. Included in off-site development for 2018 is $0.3 million we spent on the student services building that is in close proximity to GCU's ground traditional campus. The increase in capital expenditures between June 30, 2018 and September 30, 2018 is primarily due to the payment of amounts that were accrued for construction services provided prior to June 30, 2018 but were not paid until the third quarter of 2018. Approximately $5.1 million was Company-related capital expenditures incurred in the third quarter of 2018. During the nine-month period for 2017, capital expenditures primarily consisted of ground campus building projects such as the construction of an additional dormitory to support our growing traditional student enrollment, land acquisitions adjacent to our campus, as well as purchases of computer equipment, other internal use software projects and furniture and equipment to support our increasing employee headcount. Included in off-site development for 2017 is $10.2 million the Company spent to finish the building and parking garage in close proximity to our ground traditional campus.

Financing Activities. Net cash used in financing activities was $22.3 million and $33.0 million for the nine months ended September 30, 2018 and 2017, respectively. During the nine-month period for 2018, $15.2 million was used to purchase common shares withheld in lieu of income taxes resulting from the vesting of restricted share awards and $4.1 million was used to purchase treasury stock in accordance with the Company's share repurchase program. Principal payments on notes payable and capital leases totaled $5.1 million, partially offset by proceeds from the exercise of stock options of $2.1 million. During the nine-month period for 2017, $25.0 million was used to repay a revolving line of credit, $9.7 million was used to purchase common shares withheld in lieu of income taxes resulting from restricted share awards and principal payments on notes payable and capital leases totaled $5.1 million, which amounts were partially offset by proceeds from the exercise of stock options of $6.8 million.

Contractual Obligations

The following table sets forth, as of September 30, 2018, the aggregate amounts of GCE's significant contractual obligations and commitments with definitive payment terms due in each of the periods presented (in millions). Contractual obligations assumed by GCU in connection with the Asset Purchase Agreement were excluded from the following table.

		Payments Due by Period			
	Total	Less than 1 Year (1)	2-3 Years	4-5 Years	More than 5 Years
Long term notes payable	$ 61.5	$ 1.6	$ 59.9	$ 0.0	$ 0.0
Purchase obligations (2)	12.2	2.8	8.8	0.6	0.0
Total contractual obligations	$ 73.7	$ 4.4	$ 68.7	$ 0.6	$ 0.0

(1) Payments due in less than one year represent expected expenditures for GCE from October 1, 2018 through December 31, 2018.
(2) The purchase obligation amounts include expected spending by period under contracts for GCE that were in effect at September 30, 2018.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have had or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Impact of inflation. We believe that inflation has not had a material impact on our results of operations for the nine months ended September 30, 2018 or 2017. There can be no assurance that future inflation will not have an adverse impact on our operating results and financial condition.

Market risk. On February 27, 2013, we entered into an interest rate corridor to manage our 30 Day LIBOR interest exposure from the variable rate debt, which debt matures in December 2019. The corridor instrument, which hedges variable interest rate risk starting March 1, 2013 through December 20, 2019 with a notional amount of $61.7 million as of September 30, 2018, permits us to hedge our interest rate risk at several thresholds. Under this arrangement, in addition to the credit spread we will pay variable interest rates based on the 30 Day LIBOR rates monthly until that index reaches 1.5%. If 30 Day LIBOR is equal to 1.5% through 3.0%, we will continue to pay 1.5%. If 30 Day LIBOR exceeds 3.0%, we will pay actual 30 Day LIBOR less 1.5%.

Except with respect to the foregoing, we have no derivative financial instruments or derivative commodity instruments. We invest cash in excess of current operating requirements in short-term certificates of deposit and money market instruments in multiple financial institutions.

Interest rate risk. We manage interest rate risk through the instruments noted above and by investing excess funds in cash equivalents, such as municipal mutual funds tied to various market indices, commercial paper rated at A1 or higher, certificates of deposit, and municipal bonds with a BBB rating or higher bearing variable interest rates, or individual bond coupon rates. Our future interest income may fall short of expectations due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities that have declined in market value due to changes in interest rates. At September 30, 2018, a 10% increase or decrease in interest rates would not have a material impact on our future earnings, fair values, or cash flows. For information regarding our variable rate debt, see “Market risk” above.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective, as of September 30, 2018, in ensuring that material information relating to us required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in reports it files or submits under the Exchange Act is accumulated and communicated to management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting.

Based on an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (who is our principal executive officer) and our Chief Financial Officer (who is our principal financial officer), there were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Through June 30, 2018, we were the owner and operator of a for-profit university and the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2017 set forth the risks associated with that business. Upon the consummation of the Transaction with GCU on July 1, 2018 (as discussed in "Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations – Change in the Structure of our Operations"), we became a third party provider of education services to GCU, our only university client. Accordingly, we updated our risks disclosed in the "Risk Factors" section of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 to reflect those factors now applicable to our new business operations. There have been no other material changes to the risk factors disclosed above.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Our Board of Directors has authorized the Company to repurchase up to an aggregate of $175.0 million of common stock, from time to time, depending on market conditions and other considerations. The current expiration date on the repurchase authorization is December 31, 2019. Repurchases occur at the Company's discretion. Repurchases may be made in the open market or in privately negotiated transactions, pursuant to the applicable Securities and Exchange Commission rules. The amount and timing of future share repurchases, if any, will be made as market and business conditions warrant. During the three months ended September 30, 2018, we repurchased 23,139 shares of common stock. At September 30, 2018, there remains $93.6 million available under our share repurchase authorization.

The following table sets forth our share repurchases of common stock and our share repurchases in lieu of taxes, which are not included in the repurchase plan totals as they were approved in conjunction with the restricted share awards, during each period in the third quarter of fiscal 2018:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Program
Share Repurchases				
July 1, 2018 – July 31, 2018	200	$ 117.06	200	$ 96,100,000
August 1, 2018 – August 31, 2018	5,000	$ 114.47	5,000	$ 95,600,000
September 1, 2018 – September 30, 2018	17,939	$ 111.49	17,939	$ 93,600,000
Total	23,139	$ 112.18	23,139	$ 93,600,000
Tax Withholdings				
July 1, 2018 – July 31, 2018	32,513	$ 111.61	—	$ —
August 1, 2018 – August 31, 2018	—	$ —	—	$ —
September 1, 2018 – September 30, 2018	—	$ —	—	$ —
Total	32,513	$ 111.61	—	$ —

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

We have a policy governing transaction in our securities by directors, officers, employees and others which permits these individuals to enter into trading plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. We have been advised that Brian Mueller, our Chief Executive Officer and Chairman; Dr. W. Stan Meyer, our Chief Operating Officer; Dan Bachus, our Chief Financial Officer and Principal Accounting Officer; and Joseph Mildenhall, our Chief Information Officer, each entered into trading plans on September 10, 2018, each of which was in accordance with Rule 10b5-1 and our policy governing transactions in our securities. Generally, under these trading plans, the individual relinquishes control over the transactions once the trading plan is put into place. Accordingly, sales under these plans may occur at any time, including possibly before, simultaneously with, or immediately after significant events involving our company.

We anticipate that, as permitted by Rule 10b5-1 and our policy governing transactions in our securities, some or all of our directors, officers and employees may establish or terminate trading plans in the future. We intend to disclose the names of executive officers and directors who establish or terminate a trading plan in compliance with Rule 10b5-1 and the requirements of our policy governing transactions in our securities in our future quarterly and annual reports on Form 10-Q and 10-K filed with the Securities and Exchange Commission. We undertake no obligation, however, to update or review the information provided herein, including for revision or termination of an established trading plan, other than in such quarterly and annual reports.

Item 6. Exhibits

(a) Exhibits

Number	Description	Method of Filing
2.1	Asset Purchase Agreement, dated July 1, 2018, by and between Grand Canyon Education, Inc. and Grand Canyon University (formerly known as Gazelle University)#	Filed herewith.
3.1	Amended and Restated Certificate of Incorporation.	Incorporated by reference to Exhibit 3.1 to Amendment No. 6 to the University's Registration Statement on Form S-1 filed with the SEC on November 12, 2008.
3.1.1	Certificate of Amendment of Amended and Restated Certificate of Incorporation.	Incorporated by reference to Appendix A to the University's Proxy Statement for its 2016 Annual Meeting of Stockholders, filed with the SEC on April 29, 2016.
3.2	Third Amended and Restated Bylaws.	Incorporated by reference to Exhibit 3.1 to the University's Current Report on Form 8-K filed with the SEC on October 29, 2014.
4.1	Specimen of Stock Certificate.	Incorporated by reference to Exhibit 4.1 to Amendment No. 2 to the University's Registration Statement on Form S-1 filed with the SEC on September 29, 2008.
10.1	Second Amended and Restated Executive Employment Agreement, dated July 1, 2018, by and between Grand Canyon Education, Inc. and Brian E. Mueller†	Filed herewith.
10.2	Second Amended and Restated Executive Employment Agreement, dated July 1, 2018, by and between Grand Canyon Education, Inc. and W. Stan Meyer†	Filed herewith.
10.3	Second Amended and Restated Executive Employment Agreement, dated July 1, 2018, by and between Grand Canyon Education, Inc. and Daniel E. Bachus†	Filed herewith.
10.4	Second Amended and Restated Executive Employment Agreement, dated July 1, 2018, by and between Grand Canyon Education, Inc. and Joseph N. Mildenhall†	Filed herewith.

10.5	First Amended and Restated Executive Employment Agreement, dated July 1, 2018, by and between Grand Canyon Education, Inc. and Dilek Marsh†	Filed herewith.
10.6	Second Amendment dated July 1, 2018, to Credit Agreement, dated December 21, 2012, by and among Grand Canyon Education, Inc., Bank of America, N.A., and the other parties named therein.†	Filed herewith.
10.7	Credit Agreement, dated July 1, 2018, by and between Grand Canyon Education, Inc. and Grand Canyon University (formerly known as Gazelle University)	Filed herewith.
10.8	Master Services Agreement, dated July 1, 2018, by and between Grand Canyon Education, Inc. and Grand Canyon University (formerly known as Gazelle University)##	Filed herewith.
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ††	Filed herewith.
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ††	Filed herewith.
101.INS	XBRL Instance Document	Filed herewith.
101.SCH	XBRL Taxonomy Extension Schema	Filed herewith.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	Filed herewith.
101.DEF	XBRL Taxonomy Extension Definition Linkbase	Filed herewith.
101.LAB	XBRL Taxonomy Extension Label Linkbase	Filed herewith.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Filed herewith.

† Indicates a management contract or any compensatory plan, contract or arrangement.

Schedules and similar attachments have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company will furnish supplementally a copy of any omitted schedule or similar attachment to the Securities and Exchange Commission upon request.

Portions of this exhibit, as indicated by asterisks, have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

†† This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Exchange Act, and is not to be incorporated by reference into any filings of the University, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRAND CANYON EDUCATION, INC.

Date: November 8, 2018

By: /s/ Daniel E. Bachus
Daniel E. Bachus
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 2.1

Execution Version

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

GAZELLE UNIVERSITY (to be renamed GRAND CANYON UNIVERSITY)
an Arizona nonprofit corporation ("*Buyer*")

and

GRAND CANYON EDUCATION, INC.,
a Delaware corporation ("*Seller*")

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ANNEXES, SCHEDULES AND EXHIBITS:

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "***Agreement***") is made and entered into as of July 1, 2018 (the "***Effective Date***"), by and between GAZELLE UNIVERSITY (to be renamed GRAND CANYON UNIVERSITY), an Arizona nonprofit corporation ("***Buyer***"), and GRAND CANYON EDUCATION, INC., a Delaware corporation ("***Seller***"). Buyer and Seller may each be individually referred to herein as a "***Party***" or collectively as the "***Parties***."

RECITALS

A. Seller, directly and through the Acquired Subsidiaries, owns and operates Grand Canyon University, a regionally accredited institution of higher education located at 3300 West Camelback Road, Phoenix, Arizona 85017 and with the OPE ID number 001074 00 (the "***University***"), and, related thereto, provides various services that support the educational operations of the University (such services, the "***Services***" and the business of providing such Services, the "***Services Business***").

B. Buyer desires to buy from Seller, and Seller desires to sell to Buyer, those tangible and intangible assets that relate to, or are otherwise required to be owned for accreditation purposes in connection with, the operations of the University as a regionally accredited institution of higher learning, which assets are defined in Section 2.1 below (as so defined, "***School Assets***").

C. Contemporaneously with this Agreement, Buyer and Seller will execute and deliver a master services agreement in substantially the form attached hereto as Exhibit A (the "***Master Services Agreement***"), pursuant to which, following the closing of the transactions described above, Seller will provide the Services to Buyer.

D. Following the purchase and sale of the School Assets, Buyer would own the School Assets and operate the University and Seller will continue to own those tangible and intangible assets that relate to the Services, which assets are defined in Section 2.2 below (as so defined, the "***Services Assets***"), and continue to operate the Services Business.

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

1. DEFINITIONS.

1.1 Definitions. Certain terms in this Agreement are defined in this Agreement where first used. The following terms in this Agreement have the meanings set forth in this Section 1.1: "***Accrediting Body***" means any governmental or non-governmental entity, including, without limitation, any institutional and/or specialized accrediting agency, that engages 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 Higher Learning Commission.

"***Acquired Subsidiaries***" means each of the subsidiaries of Seller listed on Schedule 2.1(o).

"***Acquired Subsidiary Assets***" means all assets and rights owned or held by an Acquired Subsidiary in which any Acquired Subsidiary has any interest, tangible or intangible.

"***Action***" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"***Additional Cash Amount***" means an amount in cash equal to $9,576,808.

"***Affiliate***" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified. For the foregoing purposes, "***control***" means the ownership of more than 50% of the securities entitled to elect the board of directors or other managing or governing body of such Person.

"***Agreement***" has the meaning set forth for such term in the Preamble to this Agreement.

"***Appurtenances***" mean the rights, privileges and easements appurtenant to the Real Property, including, without limitation, all minerals, oil, gas and other hydrocarbon substances on and under the Real Property, as well as all development rights, air rights, water, water rights, riparian rights and water stock relating to the Real Property and any rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Real Property and all of Seller's right, title and interest in and to all roads and alleys adjoining or servicing the Real Property.

"***Base Purchase Price***" means an amount equal to (a) $853,068,386.00, plus (b) $1.00.

"***Business Day***" means each day of the week except Saturdays, Sundays and days on which banks in Phoenix, Arizona are authorized by Law to close.

"***Buyer***" has the meaning set forth for such term in the Preamble to this Agreement.

"***Buyer Expenses***" means the premium for the Owner's Title Policy obtained by Buyer in connection with the transactions contemplated hereby.

"***Campus Intangible Property***" means any intangible personal property that is (a) owned by Seller directly, or indirectly through an Acquired Subsidiary, and (b) used or useful in or necessary for the operation of the University as currently conducted, including, without limitation, any and all contracts, agreements (including, without limitation, any agreements relating to the occupancy of the residential facilities located on the Real Property), guaranties, certificates, warranties, indemnities, licenses, permits, plans, specifications, architectural proposals and renderings, certificates of occupancy, development rights and approvals, engineering, soils, pest control and any other reports, and similar documents and rights to the extent assignable, but excluding any intangible personal property specifically identified as a Services Asset.

"***Campus Property***" means the Real Property, the Appurtenances and the Improvements (but not the Campus Intangible Property or the Retained Property), including without limitation, all as listed or described on Schedule 5.1(o)(i).

"***CERCLA***" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

"***Closing***" has the meaning set forth for such term in Section 4.1 hereof.

"***Code***" has the Internal Revenue Code of 1986, as amended.

"*Compliance Date*" means January 1, 2015.

"***Consents***" means all consents, permits, or approvals of, or notices to, Governmental Authorities, Educational Agencies, and other third parties necessary to permit the transactions contemplated by this Agreement and the Related Agreements to be consummated lawfully in accordance with this Agreement, without forfeiture or impairment of any Contract or any Educational Approval or other Permit.

"***Contract***" means any written agreement, contract, instrument, commitment, lease, purchase order, guaranty, indenture, license, sublicense, covenant or other enforceable arrangement or understanding (and all amendments, side letters, modifications and supplements thereto).

"***Credit Agreement***" means that certain Credit Agreement in substantially the form attached as Exhibit B, to be executed and delivered contemporaneously with this Agreement by Buyer, as borrower, and Seller, as lender, at Closing, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"***Current Assets***" means (a) accounts receivable and prepaid expenses of Seller as of the Closing relating to the operation of the University and that either are reflected on Seller's most recent Financial Statements or arose in the ordinary course of business consistent with past practice since the date of the most recent Financial Statements, plus (b) cash and cash equivalents of Seller in an amount necessary such that Current Assets less Current Liabilities is equal to $1.00.

"***Current Liabilities***" means student deposits, deferred revenue and certain other current Liabilities of Seller as of the Closing relating to the operation of the University and that either are reflected on Seller's most recent Financial Statements or arose in the ordinary course of business consistent with past practice since the date of the most recent Financial Statements.

"***Deed***" means a special warranty deed with respect to the Campus Property substantially in the form of Exhibit C;

"***Deed of Trust***" means that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing in substantially the form attached to the Credit Agreement, executed and delivered by Buyer contemporaneously with this Agreement in favor

of Seller as security for the Loan and encumbering the Campus Property, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"***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 for institutions for postsecondary educational purposes in accordance with standards relating to the performance, operation, financial condition, or academic standards of such institutions, including the DOE, any Accrediting Body, or any State Educational Agency.

"***Educational Approval***" means, with respect to any Person, any license, permit, authorization, certification, accreditation, or similar approval, issued or required to be issued by an Educational Agency to such Person, or with respect to its locations, courses or programs, including any such approval for such Person to participate in any Student Financial Assistance Program offered by an Educational Agency pursuant to which student financial assistance, grants, or loans are provided to or on behalf of such Person's students by such Educational Agency.

"***Educational Law***" means any federal, state, municipal, foreign or other law, regulation, order, Accrediting Body standard or other requirement applicable thereto, including, without limitation, the provisions of Title IV of the HEA and any regulations or written guidance implementing or relating thereto, issued or administered by, or related to, any Educational Agency.

"***Effective Date***" has the meaning set forth for such term in the Preamble to this Agreement.

"***Environmental Claim***" means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

"***Environmental Law***" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Entity: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term "Environmental Law" includes, without limitation, the following (including their implementing regulations and any state analogs): CERCLA; the Solid Waste Disposal Act,

as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

"***Environmental Notice***" means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

"***Environmental Permit***" means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"***ERISA Affiliate***" means all employers (whether or not incorporated) that would be treated together with the Seller or any of its Affiliates as a "single employer" within the meaning of Section 414 of the Code.

"***GAAP***" means accounting principles generally accepted in the United States, as in effect on the Effective Date.

"***Governmental Entity***" means any governmental authority or entity, including any agency, branch, board, bureau, commission, court, department, subdivision or instrumentality thereof, or any arbitrator or arbitration panel, including any Educational Agency.

"***Governmental Order***" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Entity.

"***Hazardous Materials***" means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

"***HEA***" means the Higher Education Act of 1965, 20 U.S.C. § 1001 et seq., as amended, or successor statutes thereto.

"***HSR Act***" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder, as amended.

"***Improvements***" means all improvements and fixtures located on the Real Property, including, without limitation, all buildings and structures presently located on the Real Property,

all apparatus, affixed equipment and appliances used in connection with the operation or occupancy of the Real Property, such as heating and air conditioning systems and facilities used to provide any utility, refrigeration, ventilation, garbage disposal, or other services on the Real Property, and all on-site parking.

"***Intellectual Property***" means any and all technology, inventions, processes, know-how, designs, works of authorship, and any other technical subject matter related thereto. The term "Intellectual Property" also includes all intellectual property rights or similar proprietary rights related to or protecting the foregoing, including (a) all inventions, all improvements thereto and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations in part, revisions, extensions, and reexaminations thereof, (b) all registered and unregistered trademarks, service marks, trade dress, logos, trade names, domain names, and corporate names, including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights and all applications, registrations and renewals in connection therewith, including all rights in curricula, program materials, and compilations, (d) all trade secrets, customer lists, supplier lists, pricing and cost information, business and marketing plans and other confidential business information (including, without limitation, ideas, formulas, compositions, know-how, techniques, research and development information, drawings, specifications, designs, plans, proposals, and technical data), (e) all computer programs and related software, including source code and object code thereof, data, data tapes, databases and related manuals, notes, and documentation and (f) all copies and tangible embodiments thereof;

"***Intellectual Property Agreements***" means all written licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, waivers, releases, permissions and other Contracts relating to any Intellectual Property that is used or useful in or necessary for the conduct of the University as currently conducted to which the Seller is a party, beneficiary or otherwise bound.

"***Intellectual Property Assets***" means all Intellectual Property that is (a) owned by Seller directly, or indirectly through an Acquired Subsidiary, and (b) used in or necessary for the operation of the University as currently conducted, excluding, however, any Intellectual Property specifically identified as a Services Asset.

"***Intellectual Property Registrations***" means all Intellectual Property Assets that are subject to any issuance, registration, application or other filing by, to or with any Governmental Entity or authorized private registrar in any jurisdiction, including registered trademarks, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing.

"***Invested Amount***" means the lesser of (a) the amount invested by Seller in property, plant and equipment associated with the Campus Property (other than the Retained Property) from May 1, 2018 through the Closing, or (b) the fair market value of such property, plant and equipment.

"***Law***" means any requirement arising under any constitution, law, statute, code, treaty, decree, rule, ordinance or regulation of any Governmental Entity, including any Educational

Law, any Environmental Law and any of the foregoing that relate to data use, privacy or protection.

"Liabilities" means liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

"***Loan***" means the loan made by Seller to Buyer as contemplated in Section 3.2 of this Agreement and as further described in the Credit Agreement.

"***Loan Documents***" means, collectively, those certain instruments and documents executed in connection with, and which evidence, secure or govern, as applicable, the Loan, including the Credit Agreement, the Senior Secured Note, the Deed of Trust, and any and all other documents, agreements or certificates executed and/or delivered in connection with the Loan, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"***Losses***" means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

"***Material Adverse Effect***" means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the University, (b) the value of the School Assets, or (c) the ability of the applicable Party to consummate the transactions contemplated hereby on a timely basis; *provided, however,* that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the University operates; (iii) any changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement; (vi) any changes in applicable Laws or accounting rules; or (vii) the public announcement, pendency or completion of the transactions contemplated by this Agreement; *provided further, however,* that any event, occurrence, fact, condition or change referred to in clauses (i) through (iv) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the University compared to other participants in the industries in which the University operates.

"***Party***" and "***Parties***" have the meaning set forth for such term in the Preamble to this Agreement.

"***Permitted Encumbrances***" means (a) liens for Taxes and other governmental charges and assessments which are not yet delinquent or are being contested in good faith and by appropriate proceedings, (b) liens of landlords and liens of carriers, warehousemen, mechanics and materialmen

and other like liens arising in the ordinary course of business for sums not yet due and payable, (c) any exceptions to the Deed approved in writing by Buyer and attached as an exhibit to the Deed, and (d) any liens, security interests, or other encumbrances arising as a result of the Closing.

"***Person***" means an individual, a partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Entity.

"***Personal Property***" means any personal property that is (a) owned by Seller directly, or indirectly through an Acquired Subsidiary, and (b) used in or necessary for the operation of the University as currently conducted by Seller directly (or indirectly through any Acquired Subsidiary), including office supplies, machinery, office equipment, furniture, furnishings, fixtures, tools, instruments and other tangible personal property, including any personal property used solely in connection with the ownership, use, and operation of the Real Property and Improvements (but excluding any personal property specifically identified as a Services Asset), including without limitation, all as listed or described on Schedule 2.1(b);.

"***PPA***" means a Program Participation Agreement issued to the University by the DOE, and countersigned by or on behalf of the Secretary of the DOE, evidencing the DOE's certification of the University to participate in the Title IV Programs, but expressly excluding a TPPPA.

"***PPPA***" means a Provisional PPA issued to the University by the DOE following the Closing and countersigned by or on behalf of the Secretary of the DOE, evidencing the DOE's certification of the University to continue its Title IV Program participation following consummation of the transactions contemplated hereby, but expressly excluding a TPPPA.

"Private Educational Loan" means any student loan provided by a lender that is not made, insured or guaranteed under Title IV and is issued expressly for postsecondary educational expenses, including any loan made by the University, the Seller, or a private third-party lender whether on recourse or non-recourse basis.

"***Purchase Price***" has the meaning set forth for such term in Section 3.1.

"***Real Property***" means that certain real property commonly known as the Grand Canyon University campus located at 3300 West Camelback Road in the City of Phoenix, County of Maricopa, State of Arizona, and being more particularly described in Annex I attached hereto and incorporated herein by this reference.

"***Related Agreements***" means, without limitation, the Loan Documents, the Master Services Agreement, and the other agreements, instruments, and documents required to be delivered at the Closing.

"***Release***" means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

"***Representative***" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"***Required Cash Amount***" means the amount of cash and cash equivalents to be transferred by Seller to Buyer, which shall be equal to the sum of (a) the amount needed so that Current Assets less Current Liabilities is equal to $1.00, and (b) the Additional Cash Amount.

"***Retained Property***" means the real property, improvements and appurtenances located at 2600 West Camelback Road, Phoenix, Arizona 85017 (assessor parcel number 153-27-003C) and 5115 North 27th Avenue, Phoenix, Arizona 85017 (assessor parcel number 153-27-012).

"***Schedules***" means the schedules to this Agreement.

"***Seller***" has the meaning set forth for such term in the Preamble to this Agreement.

"***Seller's knowledge***" means with respect to the persons listed on Schedule 1.1(a), the actual knowledge of any such person.

"***Senior Secured Note***" means that certain Senior Secured Note in the form attached to the Credit Agreement, in the initial principal amount equal to the Base Purchase Price, to be made and delivered contemporaneously with this Agreement by Buyer, as borrower, to the order of Seller, as lender, as the same may be amended, restated, replaced, supplemented, extended or otherwise modified from time to time, including pursuant to Section 3.4 hereof.

"***Student Financial Assistance Programs***" means the Title IV Programs and any other funding program authorized by the HEA and administered by the DOE, as well as any other student assistance grant or loan programs or other government-sponsored student assistance programs that provided more than $1,500,000 in assistance to University students in the fiscal year ended December 31, 2017, including, but not limited to, the tuition assistance programs provided by the U.S. Department of Veterans' Affairs and the U.S. Department of Defense.

"***Subsidiary***" means, which respect to any Person, any entity, whether incorporated or unincorporated, of which at least a majority of the securities or ownership interests having by their terms ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is directly or indirectly owned or controlled by such Person or by one or more of such Person's respective Subsidiaries.

"***Substantial Control***" means the ability or power to direct or cause the direction of the management or policies of an institution of higher education, by contract, ownership interest or otherwise, or has the meaning ascribed to it in 34 C.F.R. § 668.174(c)(3).

"***Tax***" or "***Taxes***" means (a) any and all Taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to Tax and additional amounts imposed with respect thereto) imposed by any Governmental Entity, including income Tax and other Taxes and charges on or regarding franchises, windfall or other profits, escheat, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers' compensation, unemployment compensation, or net worth, Taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value added, or gains

Taxes, license, registration and documentation fees, customs' duties, tariffs, and similar charges, and (b) liability for the payment of any amounts of the type described in clause (a) as a result of being or having been a member of an affiliated, consolidated, combined or unitary group, as successor or transferee, by contract or otherwise.

"***Tax Return***" means any return, information report or filing made with a Taxing Authority, including any schedules attached thereto and including any amendment thereof.

"***Taxing Authority***" means a Governmental Entity responsible for the imposition of any Tax.

"***Title IV***" means Title IV of the HEA, and any amendments or successor statutes thereto.

"***Title IV Program***" means any program of student financial assistance administered pursuant to Title IV as set forth at 34 C.F.R. § 668.1(c).

"***Title Company***" means Fidelity National Title Agency, having its office at 2720 E. Camelback Rd., Suite 100, Phoenix, AZ 85016.

"***TPPPA***" means a Temporary Provisional Program Participation Agreement issued to the University by the DOE following the Closing and countersigned by or on behalf of the Secretary of the DOE continuing the University's certification to participate in the Title IV Programs on an interim basis following consummation of the transactions contemplated hereby.

"***University***" has the meaning set forth for such term in the Preamble to this Agreement.

1.2 Other Definitional Provisions. Where specific language is used to clarify by example a general statement contained herein (such as by using the word "including"), such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The words "include" and "including," and other words of similar import when used herein, shall not be deemed to be terms of limitation but rather shall be deemed to be followed in each case by the words "without limitation." The word "if" and other words of similar import when used herein shall be deemed in each case to be followed by the phrase "and only if." The words "herein," "hereto" and "hereby," and other words of similar import in this Agreement, shall be deemed in each case to refer to this Agreement as a whole and not to any particular Article, Section or other subdivision of this Agreement. Any reference herein to "dollars" or "$" shall mean United States dollars. The words "as of the date of this Agreement" and words of similar import shall be deemed in each case to refer to the date upon which this Agreement was first signed by all Parties hereto. The term "or" shall be deemed to mean "and/or." Any reference to any particular Code section or any other Law will be interpreted to include any revision of or successor to that section regardless of how it is numbered or classified and any reference herein to a Governmental Entity shall be deemed to include reference to any successor thereto. As used in this Agreement, accounting terms not defined in this Agreement, and accounting terms partly defined to the extent not defined, will have the respective meanings

given to them under the GAAP. Words of the masculine gender include the feminine or neuter genders, and vice versa, where applicable. Words of the singular number include the plural number, and vice versa, where applicable.

2. PURCHASE OF SCHOOL ASSETS; SERVICES ASSETS; ASSUMPTION OF LIABILITIES.

2.1 Purchase of the School Assets. On the terms and subject to the conditions of this Agreement and in reliance upon the representations, warranties and agreements contained herein, on the Effective Date, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase, acquire, accept and pay for, all of the right, title (marketable, insurable and fee simple in the case of the Real Property) and interest of Seller in and to the School Assets in each case free and clear of all liens, deeds of trusts, mortgages, or other encumbrances other than Permitted Encumbrances. The School Assets shall include:

(a) the Campus Property;

(b) the Personal Property;

(c) all rights of Seller directly, or indirectly through an Acquired Subsidiary, under the Contracts (including Intellectual Property Agreements) that are expressly listed on Schedule 2.1(c) (collectively, the "***Assumed Contracts***");

(d) all syllabi and resource material and content for those academic courses offered as part of the graduate degree programs, undergraduate degree programs, certificate programs, professional studies programs or other educational programs offered by University from time to time, including concepts, materials, resources and text requirements, self-study materials, case studies, curricula and such other items or materials, in all forms and media, as has been developed by or for the University from time to time relating to the programs or as is otherwise used by the University in connection with the offering and delivery of the programs (collectively, the "***Course Materials***");

(e) the Intellectual Property embodied in the Course Materials and the right to sue for or assert claims against and remedies against past, present or future infringements of any or all rights in or to the Intellectual Property embodied in the Course Materials and rights of priority and protection of interests therein and to retain any and all amounts therefrom;

(f) certain of the Intellectual Property of Seller used in the operation of and relating to the University, including (i) the name "Grand Canyon University", (ii) the Intellectual Property Registrations, website domain names, URLs, and trade names used in the operation of the University, (iii) Seller's rights, if any, to the telephone and facsimile numbers used by the University, and (iv) other Intellectual Property Assets, including software, that are not registered but that are material to the operation of the University, all as listed on Schedule 2.1(f) attached hereto;

(g) the Campus Intangible Property;

(h) all of Seller's records pertaining to the School Assets, including all student records, ledgers, financial statements and records, operating data, correspondence, employment records, placement records, marketing materials, prospect lists, information and data, mailing

lists and copies of all documents and other information and data filed by Seller with any Governmental Entity or any guaranty or accrediting agency, whether on computer disk, in paper form or otherwise;

(i) Current Assets;

(j) rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and fees relating to the School Assets and not otherwise included in Current Assets;

(k) all rights of the University in and to the permits, franchises, licenses, certifications, permits, approvals and other authorizations by or of Governmental Entities, Educational Agencies or other third parties which are held by Seller and required for the operation of the University as currently operated or for the ownership or use of the School Assets, to the extent transferable, all as listed on Schedule 2.1(k) (collectively, the "***Permits***");

(l) all Actions of every kind and character solely pertaining to the School Assets;

(m) all insurance, warranty, condemnation and indemnification claim proceeds received after the Effective Date with respect to damage, destruction or loss of or to any School Assets;

(n) all advertising, marketing and promotional materials, and all other printed, written or electronic materials used by the University;

(o) all equity interests in the Acquired Subsidiaries; and

(p) the Additional Cash Amount.

2.2 Services Assets. The School Assets do not include the Services Assets, which are the following assets of Seller:

(a) the assets of Seller not listed or described in Section 2.1 or the related Schedules thereto;

(b) the Retained Property;

(c) all cash and cash equivalents of Seller, except as set forth in Section 2.1(p);

(d) all Contracts other than the Assumed Contracts;

(e) the corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organization of Seller;

(f) the Old Plans (as defined hereinafter) and assets attributable thereto;

(g) all rights of Seller arising under this Agreement and the Related Agreements; and

(h) the assets of Seller specifically listed or described on Schedule 2.2(h).

2.3 Liabilities Assumed by Buyer. Subject to the terms and conditions set forth herein, Buyer agrees, effective at the time of the Closing, to assume and to pay, perform and discharge when due, only the following Liabilities of Seller (collectively, the "Assumed Liabilities") and no others:

(a) all Liabilities of Seller under the Assumed Contracts from and after the Closing to the extent, and only to the extent, such obligations first accrue and are required to be performed subsequent to the Closing (provided that such obligations did not arise as a result of a breach by Seller of any Assumed Contract prior to the Closing or a breach of Seller's representations, warranties, covenants and agreements under this Agreement);

(b) all Liabilities of Seller with respect to the Campus Property (including any Permitted Encumbrances) from and after the Closing to the extent, and only to the extent, such obligations first accrue and are required to be performed subsequent to the Closing (provided that such obligations did not arise as a result of a breach of Seller's representations, warranties, covenants and agreements under this Agreement);

(c) Current Liabilities; and

(d) all other Liabilities specifically listed on Schedule 2.3.

2.4 Liabilities Not Assumed. Anything in this Agreement to the contrary notwithstanding, it is expressly agreed that, except for the Assumed Liabilities, Buyer shall not assume any Liabilities of Seller of any kind, character or description (whether known, unknown, accrued, absolute, contingent or otherwise) (collectively, the "***Excluded Liabilities***"). The Excluded Liabilities include, without limitation, the following:

(a) any Liabilities relating to or arising out of the Services Assets;

(b) any Liabilities, including Liabilities arising under Educational Laws, related to or based on the operation of the University prior to the Closing, except to the extent specifically assumed as Assumed Liabilities under Section 2.3;

(c) subject to the terms of Section 6.3 below, any Liabilities of Seller with respect to current or former employees, officers, directors, retirees, independent contractors, or consultants of Seller relating to or arising out of their employment or engagement by Seller prior to the Closing or the cessation or termination thereof, including, without limitation, any Liabilities associated with any claims for wages or other benefits, bonuses, accrued vacation, workers' compensation, severance, retention, termination, or other payments;

(d) any indebtedness of Seller for borrowed money;

(e) any Liabilities for (i) Taxes relating to the School Assets or the Assumed Liabilities for any taxable period ending prior to the Closing, (ii) any other Taxes of Seller for any taxable period, and (iii) any Liabilities of Seller for the unpaid Taxes of any Person, whether as a joint and several liability with another Person, as a transferee or successor, by contract, or otherwise;

(f) any Liabilities of Seller arising under or in connection with any Old Plan providing benefits to any present or former employee of Seller;

(g) any Liabilities of Seller with respect to Actions that are pending or threatened as of the Closing and that relate to the operations of the University prior to the Closing; and

(h) any Liabilities of Seller arising or incurred in connection with the negotiation, preparation, investigation and performance of this Agreement, the other Related Agreements and the transactions contemplated hereby and thereby, including, without limitation, fees and expenses of counsel, accountants, consultants, advisers and others.

3. PURCHASE PRICE; PAYMENT; PRORATIONS; ALLOCATIONS.

3.1 Purchase Price. In full consideration of the sale and transfer of the School Assets, Buyer shall assume the Assumed Liabilities and pay and deliver to Seller an amount equal to (a) the Base Purchase Price, plus (b) the Invested Amount. The Base Purchase Price, adjusted as provided above and in accordance with the procedures set forth in Section 3.4 below, is referred to herein as the "***Purchase Price***."

3.2 Payment of Purchase Price; Loan. At the Closing, Buyer shall pay to Seller the Base Purchase Price by delivery of the duly executed and acknowledged Senior Secured Note and the Credit Agreement.

3.3 Prorations and Apportionments. In connection with the foregoing (and except to the extent otherwise provided in this Agreement):

(a) all sales Taxes, transaction privilege Taxes, personal property Taxes and assessments which are due or past due upon any of the School Assets as of the Effective Date, or which are due or past due in connection with the operation of the University on or before the Effective Date, will be paid by Seller at the Closing, together with any penalty or interest thereon.

(b) all transfer Taxes incurred in connection with transactions contemplated by this Agreement shall be borne by Seller, and Seller will file all necessary Tax Returns and other documentation with respect to all such transfer Taxes and fees, and the costs and expenses associated with the preparation and filing of such Tax Returns shall be borne by Seller. Buyer shall cooperate in good faith (i) in connection with the filing of any Tax Returns or other documentation with respect to such transfer Taxes, and (ii) to minimize transfer Taxes incurred in connection with transactions contemplated by this Agreement.

(c) all sales Taxes, transaction privilege Taxes, personal property Taxes and assessments upon any of the School Assets or in connection with the operation of the University which become due solely by reason of the transactions contemplated by this Agreement and which relate to periods prior to the Closing shall be the responsibility of Seller.

(d) current personal property Taxes will be prorated and adjusted between Buyer and Seller as of the Effective Date on a due date basis, taking into account any exemption or reduction in personal property Taxes that might result from Buyer's status as an organization described in Section 501(c)(3) of the Code that is qualified to operate an educational organization described in Code Section 170(b)(1)(A)(ii). If current Tax bills are unavailable at the Effective Date, the prior year's Tax bills will be used for proration purposes and Taxes will be re-prorated between Buyer and Seller when the current year's Tax bills are received. Any amounts owed by Seller, on the one hand, or Buyer, on the other hand, with respect to such re-proration will be paid to the other Party within ten (10) days after the determination of such re-proration.

(e) general real estate Taxes for all prior years, if any, shall be paid by Seller, and any general real estate Taxes, if any, for the tax year of the Closing shall be prorated by Seller and Buyer as of the Effective Date.

(f) any bonds or special assessments against the Campus Property, including interest payable therewith, including any bonds or special assessments (or any installment payments due in regard to such bonds or special assessments), that may be incurred after the Effective Date as a result of or in relation to the construction or operation of Improvements that took place prior to the Effective Date shall be borne by the Seller.

(g) Seller shall be responsible for all operating expenses of the University for the period prior to Closing, and Buyer shall be responsible for such expenses incurred on and after the Closing Date.

(h) Except as otherwise provided herein, any update to any surveys of the Campus Property delivered by Seller, the premium for the Owner's and Lender's Title Policy and any endorsements, and prepayment or satisfaction of any loan or bond secured by the Campus Property including, without limitation, any prepayment fees, penalties or charges, shall be paid by the Seller, and any escrow fees, recording fees and all other costs and charges of any escrow for the sale of the Campus Property not otherwise provided for in this Subparagraph 3.3(h) or elsewhere in the Agreement shared equally by Buyer and Seller.

3.4 Post-Closing Adjustment to Purchase Price and Note Balance. As soon as reasonably practicable following the Closing Date, but in no event later than sixty (60) days thereafter, Seller and Buyer shall jointly prepare a certificate signed by a financial officer of each Party setting forth Seller's calculations of (a) the final Purchase Price (computed as the Base Purchase Price paid at Closing plus the Invested Amount, provided that the final Purchase Price shall not exceed the fair market value of the School Assets as of June 30, 2018), and (b) the amount, if any, by which the cash and cash equivalents transferred by Seller to Buyer at Closing exceeded, or was less than, as applicable, the Required Cash Amount, together with such schedules and data as may be appropriate to support such calculation. Within ten (10) days

following the execution of such certificate, (i) Buyer shall execute and deliver to Seller an amended Senior Secured Note (effective as of the Closing Date) reflecting a principal amount equal to the final Purchase Price plus the Buyer Expenses, and (ii) Buyer and Seller shall pay to or receive from the other, as applicable, cash in an amount necessary such that the amount of cash and cash equivalents transferred by Seller to Buyer at Closing is equal to the Required Cash Amount.

3.5 Allocations. The Purchase Price and any Assumed Liabilities, costs and other items included in "consideration" for purposes of Code Section 1060 (the "***Section 1060 Consideration***") shall be allocated among the School Assets, the Assumed Liabilities and any other items of consideration based on the fair market values thereof as of the Effective Date determined and allocated in accordance with Code Section 1060 and the Treasury Regulations thereunder (provided, that only $1.00 shall be attributable to the purchase of the intangible School Assets). Within ninety (90) days after the Closing Date, Buyer shall prepare (or cause to be prepared) and submit for Seller's review a schedule allocating the Section 1060 Consideration (the "***Allocation***"). Seller shall timely deliver all such documents and other information as Buyer may reasonably request in preparing the Allocation. If within thirty (30) days following receipt of the Allocation, Seller has not notified the Purchaser in writing of its disagreement with such allocation, such allocation shall be final and binding. If within such 30-day period Seller so notifies Buyer, the parties shall endeavor to resolve such disagreement and, upon doing so, shall make such revisions to the Allocation to reflect such resolution, which shall be final and binding. Thereafter, Buyer shall prepare, or cause to be prepared and delivered to Seller Form 8594 and any required exhibits thereto, and any similar forms required under applicable state, local or foreign Tax law, which shall conform to the Allocation, and Buyer and Seller shall each timely file (a) the applicable Form(s) 8594 with the Internal Revenue Service in accordance with the requirements of Code Section 1060; and (b) such other forms with the applicable Governmental Entities in accordance with the requirements of the applicable Tax law. The Parties agree that they will not take, nor will they permit any of their respective Affiliates to take, for Tax purposes, any position (whether in audits, Tax Returns or otherwise) that is inconsistent with such allocations unless required to do so by applicable Law.

4. CLOSING; CLOSING DELIVERIES.

4.1 Closing. Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated by this Agreement and the Related Agreements, (the "***Closing***"), will occur at the offices of DLA Piper LLP, 2525 East Camelback Road, Suite 1000, Phoenix, Arizona 85016 at 9:00 a.m., Arizona time, on the Effective Date. The Closing shall be deemed to have occurred as of 12:01 a.m. on the Effective Date, and possession of the Campus Property shall be delivered to Buyer as of the Closing.

4.2 Closing Deliveries of Seller. At the Closing, Seller shall deliver, or cause to be delivered, to Buyer or Title Company (in its capacity as escrow holder with respect to the transfer of the Campus Property), all duly executed and acknowledged (where applicable):

(a) an executed counterpart signature page and acknowledgement (as applicable) with respect to each Loan Document to be executed by Seller, including without limitation the following:

(i) Credit Agreement;

(ii) Senior Secured Note;

(iii) Deed of Trust; and

(iv) Assignment of Rents and Leases.

(b) the Deed, executed and acknowledged;

(c) a bill of sale and assignment transferring to Buyer good and marketable title in and to the School Assets other than the Campus Property in the form of the bill of sale and assignment attached hereto as Exhibit D (the "***Bill of Sale***");

(d) an assignment and assumption agreement in the form of the assignment and assumption agreement attached hereto as Exhibit E (the "***Assignment and Assumption Agreement***");

(e) an intellectual property assignment agreement or agreements assigning Seller's entire right, title and interest in the Intellectual Property Registrations to Buyer, duly executed by Seller;

(f) counterpart signature pages to the Master Services Agreement and any other Related Agreement to be entered into at the Closing;

(g) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Seller certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Seller authorizing the execution, delivery and performance of this Agreement and the Related Agreements and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(h) a good standing certificate for Seller from the State of Delaware;

(i) a counterpart signature page to an Affidavit of Property Value in the form of Exhibit F attached hereto and incorporated herein by this reference (the "***Affidavit of Property Value***");

(j) an executed counterpart of the closing statement with respect to the Campus Property in the form attached hereto as Exhibit G (the "***Closing Statement***");

(k) assignments of Seller's Permits in forms reasonably acceptable to Buyer;

(l) the Consents listed on Schedule 4.2(l) (the "***Required Consents***"), which shall include all Permits of any Educational Agency or Accrediting Body which must be obtained prior to the Closing in order for the University to operate as it is currently operated and for the University to participate in all of the Student Financial Assistance Programs, including

the Title IV Programs, under the ownership of Buyer (collectively, the "***Pre-Acquisition Education Consents***", identified as such in Schedule 4.2(l));

(m) written evidence, in form satisfactory to Buyer, that all liens, claims and encumbrances relating to the School Assets have been released in full, other than Permitted Encumbrances;

(n) evidence of the termination or expiration of the requisite waiting period under the HSR Act.

(o) an affidavit pursuant to Section 1445(b)(2) of the Code, and on which Buyer is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Code, in the form of Exhibit H attached hereto and incorporated herein by this reference;

(p) instruments assigning equity of Acquired Subsidiaries to Buyer;

(q) an executed counterpart signature page to a waiver of potential conflicts involving certain Transferred Employees involved in the legal function of Seller prior to Closing, as mutually agreed between parties; and

(r) such other documents or instruments as Buyer or Title Company may reasonably request.

4.3 Closing Deliveries of Buyer. At the Closing, Buyer shall deliver, or cause to be delivered, to Seller, all duly executed and acknowledged (where applicable):

(a) an executed counterpart signature page and acknowledgement (as applicable) with respect to each Loan Document to be executed by Buyer, including without limitation the following:

(i) Credit Agreement;

(ii) Senior Secured Note;

(iii) Deed of Trust; and

(iv) Assignment of Rents and Leases.

(b) a counterpart signature page to the Bill of Sale;

(c) a counterpart signature page to the Assignment and Assumption Agreement;

(d) a counterpart signature pages to the Master Services Agreement and any other Related Agreement to be signed at the Closing;

(e) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Buyer certifying that attached thereto are true and complete copies of all resolutions

adopted by the board of directors of Buyer authorizing the execution, delivery and performance of this Agreement and the Related Agreements and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(f) a good standing certificate for Buyer from the State of Arizona;

(g) a counterpart signature page to the Affidavit of Property Value;

(h) an executed counterpart of the Closing Statement;

(i) an executed counterpart signature page to a waiver of potential conflicts involving certain Transferred Employees involved in the legal function of Seller prior to Closing, as mutually agreed between parties; and

(j) such other documents or instruments as Seller or Title Company may reasonably request.

4.4 Title and Escrow.

(a) Contemporaneously with the execution of this Agreement, the parties hereto shall deposit an executed counterpart of this Agreement with Title Company and this Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the purchase and sale of the Campus Property contemplated hereby. Seller and Buyer agree to execute such additional escrow instructions as may be appropriate to enable the Title Company, as escrow holder, to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

(b) Title Company has prepared the Closing Statement with respect to the Campus Property and Buyer and Seller have had sufficient opportunity to review the Closing Statement prior to the Effective Date.

(c) Title Company agrees be bound by the terms of this Agreement as they relate to the duties of Title Company. However, such agreement does not constitute Title Company as a party to this Agreement and no consent or approval from Title Company shall be required to amend, extend, supplement, cancel or otherwise modify this Agreement except to the extent any such action increases the duties of Title Company or exposes Title Company to increased liability, in which such action shall not be binding on Title Company unless Title Company has consented to the same in writing.

(d) Title Company agrees to be the designated “reporting person” under §6045(e) of the U.S. Internal Revenue Code of 1986 as amended (with respect to the real estate transaction described in this Agreement) and to prepare, file and deliver such information, returns and statements as the U.S. Treasury Department may require by regulations or forms in connection with such requirements, including Form 1099-B.

5. REPRESENTATIONS AND WARRANTIES.

5.1 Seller's Representations and Warranties. For purposes of Sections 5.1(i), (k), (l), (m), (n), (p), (q), and (r), "Seller" shall mean Seller and all of the Acquired Subsidiaries, as may be applicable. Seller represents and warrants to Buyer as of the Effective Date as follows:

(a) Organization. Seller and each Acquired Subsidiary is a corporation or limited liability company, as applicable, duly organized, validly existing, and in good standing under the laws of its respective state of incorporation or formation. Seller and each Acquired Subsidiary has full power and lawful authority to (i) own and operate its assets, properties and business, (ii) carry on its businesses as currently being conducted, and (iii) in the case of Seller only, enter into this Agreement and all Related Agreements, and consummate the transactions contemplated hereby and thereby. Seller and each Acquired Subsidiary is duly licensed or qualified to do business and is in good standing in each jurisdiction in which its ownership of School Assets or the operation of the University as currently conducted makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing would not have a Material Adverse Effect. No party other than Seller has any right, title or interest in any Acquired Subsidiary. Each Acquired Subsidiary is governed by that certain Operating Agreement as set forth on Schedule 2.1(o).

(b) Due Authorization; Enforceability; No Conflicts. The execution, delivery and performance of this Agreement and the Related Agreements have each been duly authorized by all necessary corporate or other action on the part of Seller. This Agreement and each Related Agreement (i) have been duly executed and delivered by the Seller, (ii) constitute the legal, valid and binding obligation of Seller, enforceable against it in accordance with their terms, subject to the effect of bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance or other similar Laws affecting creditors generally, and (iii) are sufficient to convey title (if they purport to do so). Except as set forth on Schedule 5.1(b), Seller's execution, delivery and performance of this Agreement and each Related Agreement to which it is party do not (i) constitute a breach or violation of Seller's certificate of incorporation or bylaws, (ii) constitute a breach or violation of any Law, or a violation of any Governmental Order by which Seller or any of the School Assets are bound or affected, (iii) result in the creation of any lien, claim or charge on the School Assets (other than Permitted Encumbrances), (iv) result in the acceleration of any material debt owed by Seller; or (v) result in a violation or breach of, conflict with, or constitute a default under any of the terms, conditions or provisions of, any agreement, instrument or obligation to which Seller or any Acquired Subsidiary is a party, or by which it or any of the School Assets are bound; except in the case of clauses (ii), (iv) and (v) for any such breach or violation that would not have a Material Adverse Effect.

(c) Title; Ownership. Except as set forth on Schedule 5.1(c), Seller has good and marketable title to the School Assets, with full right to convey the same, and at the Closing Buyer will receive, good and marketable title to the School Assets, free and clear of all liens and encumbrances other than the Permitted Encumbrances. Except as set forth on Schedule 5.1(c), each Acquired Subsidiary has good and marketable title to its respective Acquired Subsidiary Assets, free and clear of all liens and encumbrances other than the Permitted Encumbrances. The tangible School Assets and the Acquired Subsidiary Assets are in a good state of repair and

operating condition, ordinary wear and tear excepted. Following the Closing, Seller will not have any continuing right, title or interest in such School Assets.

(d) Litigation; Orders. Except as set forth on Schedule 5.1(d), there are no Actions pending or, to Seller's knowledge, threatened in writing against or by Seller or any Affiliate of Seller that (i) challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement, or (ii) if determined adversely to Seller or any such Affiliate, would impact Buyer or the operation of the University following the Closing. There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against, relating to or affecting the University.

(e) Assumed Contracts; Acquired Subsidiary Contracts. A correct and complete copy of each Assumed Contract (including all material amendments, modifications, extensions, renewals, schedules, exhibits or ancillary agreements with respect thereto) has been provided or made available to Buyer. Each Assumed Contract is in full force and effect and is valid, binding and enforceable against the Seller, and, to Seller's knowledge, each other party thereto in accordance with its terms, except to the extent that any failure to be in full force and effect or to be valid, binding and enforceable would not have a Material Adverse Effect. Neither the Seller, nor, to the Seller's knowledge, any other party thereto, is in breach or violation of, or default under, any Assumed Contract, and no event has occurred that with notice or lapse of time or both would constitute a violation, breach or default under any Assumed Contract. A correct and complete copy of each Contract (each, an "**Acquired Subsidiary Contract**") to which an Acquired Subsidiary is a party (including all material amendments, modifications, extensions, renewals, schedules, exhibits or ancillary agreements with respect thereto) has been provided or made available to Buyer. Each Acquired Subsidiary Contract is in full force and effect and is valid, binding and enforceable against the applicable Acquired Subsidiary, and, to Seller's knowledge, each other party thereto in accordance with its terms, except to the extent that any failure to be in full force and effect or to be valid, binding and enforceable would not have a Material Adverse Effect. Neither the Seller, nor, to the Seller's knowledge, any other party thereto, is in breach or violation of, or default under, any Acquired Subsidiary Contract, and no event has occurred that with notice or lapse of time or both would constitute a violation, breach or default under any Acquired Subsidiary Contract.

(f) Employees. Except as set forth on Schedule 5.1(f), none of the Transferred Employees or any employee of any Acquired Subsidiary (each, an "**Acquired Subsidiary Employee**") has any employment or similar Contract (written or otherwise) with Seller or any Acquired Subsidiary. None of Seller or any Acquired Subsidiary has any collective bargaining or union Contracts and there is no union campaign presently being conducted to solicit employees to authorize a union to request a National Labor Relations Board certification election with respect to any of the Transferred Employees. Each of Seller and the Acquired Subsidiaries is in compliance, in all material respects, with all applicable Laws relating to labor, employment, termination of employment or similar matters, including laws relating to disability, labor relations, discrimination, hours of work, payment of wages and overtime wages, employee classification, pay equity, immigration, workers compensation, working conditions, employee scheduling, occupational safety and health, family and medical leave, and employee terminations, and has not engaged in any unfair labor practices or similar prohibited practices, and there are no pending, or to the Seller's knowledge threatened, charges or complaints by any

current or former employees of Seller or the Acquired Subsidiaries or any Governmental Entity alleging a violation of any such law.

(g) Financial Statements. Seller has made available to Buyer true and complete copies of the audited balance sheets of Seller at December 31, 2017 and 2016 and the related audited statements of earnings, stockholders' equity and cash flows for the years ended December 31, 2017, 2016 and 2015, with a report thereon from an independent auditor (the "***Financial Statements***"). Such Financial Statements were included in Seller's annual report on Form 10-K, as filed with the Securities and Exchange Commission on February 21, 2018 (the "***2017 Form 10-K***") The Financial Statements have been prepared in accordance with GAAP consistently applied and maintained throughout the periods indicated and present fairly, in all material respects, the financial condition and results of operations of Seller reflected therein as of the indicated dates and for the indicated periods and are consistent with the books and records of Seller. The books and accounts of Seller as they relate to the University and the School Assets are complete and correct in all material respects and fairly reflect all of the transactions, items of income and expense and all assets and Liabilities of the University as they relate to the School Assets. Seller has made available to Buyer the audited balance sheets and related statements of earnings, stockholders' equity and cash flows of Seller as filed with the DOE for each of the periods referenced above.

(h) Intellectual Property Rights. For the purposes of this Section 5.1(h), "School Assets" shall be deemed to also include the Acquired Subsidiary Assets of the Acquired Subsidiary.

(i) Schedule 2.1(f) lists all (A) Intellectual Property Registrations included within the School Assets, and (B) Intellectual Property Assets, including software, that are not registered but that are included within the School Assets and are material to the operation of the University. All required filings and fees related to the Intellectual Property Registrations have been timely filed with and paid to the relevant Governmental Entities and authorized registrars, and all Intellectual Property Registrations are otherwise in good standing.

(ii) Seller, or, as applicable, an Acquired Subsidiary, is the sole and exclusive legal and beneficial, and with respect to the Intellectual Property Registrations, record, owner of all right, title and interest in and to the Intellectual Property Assets, and has the valid right to use all other Intellectual Property used in or necessary for the operation of the University as currently operated, in each case, free and clear of all liens, claims, and encumbrances other than Permitted Encumbrances. Without limiting the generality of the foregoing, Seller, or, as applicable, an Acquired Subsidiary, has taken reasonable measures to cause current and former employees and independent contractors of Seller or such Acquired Subsidiary, to assign to Seller or such Acquired Subsidiary, any ownership interest and right they may have in the Intellectual Property Assets and acknowledge Seller's, or such Acquired Subsidiary's, exclusive ownership of all Intellectual Property Assets.

(iii) The Intellectual Property Assets and Intellectual Property licensed under the Intellectual Property Agreements that are included within the School Assets, together with the Intellectual Property owned or licensed by Seller and any Acquired Subsidiaries and included within the Services Assets, are all of the Intellectual Property necessary to operate the

University as presently operated. Except as set forth on Schedule 5.1(h)(iii), the consummation of the transactions contemplated hereunder will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, the Buyer's right to own, use or hold for use any Intellectual Property being acquired by Buyer hereunder. Without limiting the generality of the foregoing, following the consummation of the transactions contemplated hereunder, Buyer will either own directly (or indirectly through an Acquired Subsidiary) or, pursuant to the Master Services Agreement, receive the benefit of all Intellectual Property Assets currently used in the operation of the University without necessitating payment of any royalties, license fees, or other amounts other than the Services Fees as defined in the Master Services Agreement.

(iv) Seller's and the Acquired Subsidiaries' rights in the Intellectual Property Assets are valid, subsisting and enforceable. Seller and the Acquired Subsidiaries have taken reasonable measures to protect the confidentiality of trade secrets related to the University that are owned or used by Seller and the Acquired Subsidiaries, and to Seller's knowledge, such trade secrets have not been used or disclosed by any Person except pursuant to a nondisclosure and/or license agreement that has not been breached.

(v) Except as otherwise indicated on Schedule 5.1(h)(v), since the Compliance Date, to Seller's knowledge, (A) the operation of the University as currently and formerly conducted, and the Intellectual Property Assets and Intellectual Property licensed under the Intellectual Property Agreements as currently or formerly owned, licensed or used by Seller or the Acquired Subsidiaries, do not infringe, misappropriate, dilute or otherwise violate, and have not infringed, misappropriated, diluted or otherwise violated, the Intellectual Property or other rights of any Person; and (B) no Person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Intellectual Property Assets.

(vi) There are no legal proceedings (including any oppositions, interferences or re-examinations) pending or, to the knowledge of Seller, threatened (including in the form of offers to obtain a license): (A) alleging any infringement, misappropriation, dilution or violation of the Intellectual Property of any Person by Seller or any Acquired Subsidiary in connection with the operation of the University; (B) challenging the validity, enforceability, registrability or ownership of any Intellectual Property Assets or Seller's or an Acquired Subsidiaries' rights with respect to any Intellectual Property Assets; or (C) by Seller or any other Person alleging any infringement, misappropriation, dilution or violation by any Person of any Intellectual Property Assets. None of Seller or any Acquired Subsidiary is subject to any outstanding or prospective Governmental Order (including any motion or petition therefor) that does or would restrict or impair the use of any Intellectual Property Assets.

(i) Tax Matters. Except as set forth on Schedule 5.1(i):

(i) Seller has timely filed all Tax Returns required to be filed by Seller and such Tax Returns were correct and complete in all material respects and prepared in compliance, in all material respects, with applicable Law. Seller has timely paid all Taxes shown on such Tax Returns as due and owing (taking into account any and all extensions granted by any applicable Taxing Authority for the making of such filings and payments). Seller is not

currently the beneficiary of any extension of time within which to file any material Tax Return other than extensions of time to file Tax Returns obtained in the ordinary course of business. Seller is not a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2.

(ii) Seller has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party, and all Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(iii) No material Actions, disputes, claims, or issues have been raised or are currently pending by any Taxing Authority in connection with any of the Tax Returns with respect to the School Assets or the Assumed Liabilities. No waivers of statutes of limitation with respect to the Tax Returns have been given by or requested from Seller with respect to the School Assets or the Assumed Liabilities. There are no agreements or arrangements (whether or not written) existing at any time at or before the Closing, binding Seller, that provides for the allocation, apportionment, sharing or assignment of any Tax Liability or benefit, for the principal purpose of determining any other Person's Tax Liability in effect with respect to the School Assets or the Assumed Liabilities. None of the School Assets is "tax exempt use property" (within the meaning of Section 168(h) of the Code). None of the School Assets is a lease made pursuant to Section 168(f)(8) of the Code. Except as set forth on Schedule 5.1(i), the School Assets do not include any shares of corporate stock, partnership or limited liability company interests or any other equity interests in any Person.

(iv) Seller has timely paid, or caused to be paid, prior to the Effective Date, all Taxes required to be paid prior to the Closing, the non-payment of which would result in a lien or encumbrance on any School Asset. Seller has established, or caused to be established, in accordance with GAAP applied on a basis consistent with that of preceding periods, adequate reserves for the payment of all Taxes which arise from or with respect to the School Assets and are incurred in or attributable to any period prior to the Closing (irrespective of whether such period ends prior to the Effective Date or straddles the Effective Date), the non-payment of which would result in a lien or encumbrance on any School Asset.

(v) No jurisdiction in which Seller has not filed Tax Returns has asserted in writing that Seller is liable for income or franchise Taxes related to the School Assets due to a "nexus" with such jurisdiction.

(vi) None of Seller's Tax Returns are currently the subject of audit.

(vii) Seller is not a party to any agreement, contract, arrangement or plan that, as a result of or in connection with the transactions contemplated hereby, could result, separately or in the aggregate, in the payment of (A) any "excess parachute payment" within the meaning of Section 280G of the Code (or any corresponding provision of state, local or non-U.S. Tax law) or (B) any amount that will not be fully deductible as a result of Section 162(m) of the Code (or any corresponding provision of state, local or non-U.S. Tax Law).

(viii) Seller has not been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which was

Seller) nor does Seller have any liability for the Taxes of any Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or non-U.S. law), as a transferee or successor, by contract or otherwise.

(ix) Seller will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing as a result of any of the following: (A) a change in a method of accounting for a taxable period ending prior to the Effective Date under Section 481(c) of the Code (or any corresponding or similar provision of state, local or non-U.S. income Tax law); (B) the use of an improper method of accounting for a taxable period ending prior to the Effective Date; (C) a "closing agreement," as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or non-U.S. income Tax law) executed prior to the Effective Date; (D) intercompany transactions or an excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or Non-U.S .income Tax law); (E) an installment sale or open transaction disposition made prior to the Effective Date; (F) prepaid amounts received prior to the Effective Date; or (G) an election under Section108(i) of the Code.

(x) Within the past three years, Seller has not distributed the stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 or Section 361 of the Code.

(xi) Seller is not or has not been a party to any "listed transaction," as defined in Section 6707A(c)(2) of the Code and Treasury Regulations Section 1.6011-4(b)(2).

(j) Insurance. Seller maintains for itself and the Acquired Subsidiaries insurance policies that are customary for companies of similar size in the industries in which it operates, and all material and currently effective insurance policies maintained by Seller are with reputable insurance carriers and provide adequate coverage for all normal risks incidental to Seller's business and its respective properties and assets. With respect to the Improvements, Seller maintains or causes to be maintained a policy or policies of insurance in amounts equal to the full replacement value of the Improvements, insuring against all insurable risks, including, without limitation, fire, vandalism, malicious mischief, lightning, windstorm, water, earthquake and other perils customarily covered by casualty insurance and the costs of demolition and debris removal. Complete and correct copies of each such insurance policy have been made available to Buyer. With respect to each such insurance policy, (i) such insurance policy is in full force and effect and premiums due thereon have been paid, (ii) none of Seller and any Acquired Subsidiary is in breach or default under, or has taken any action or failed to take any action that would constitute a breach or default (or an action or inaction that with notice or lapse of time or both would become a default) under, any such insurance policy that would result in a Material Adverse Effect, (iii) to Seller's knowledge, no insurer on any such insurance policy has been declared insolvent or placed in receivership, conservatorship or liquidation and (iv) no notice of cancellation or termination has been received by Seller or any Acquired Subsidiary with respect to any such insurance policy.

(k) Compliance with Laws and Educational Laws.

(i) Since the Compliance Date, Seller and the University have qualified for and maintained all Permits, including all Educational Approvals from Educational Agencies, necessary to the conduct of the business and operations of the University, including to own or lease its property and offer all of its educational programs and operate all of its campus locations. Without limiting the forgoing, the University is a party to, and is in compliance in all material respects with, a valid and effective PPA with DOE and the University has a current and materially accurate Eligibility and Certification Approval Report ("***ECAR***") issued by DOE. Schedule 5.1(k) contains a complete listing of all Educational Approvals (including Educational Approvals pertinent to distance education programs) currently in effect.

(ii) Since the Compliance Date, the University has maintained all state authorizations and other forms of Educational Approvals material to the conduct of its distance education programs and has complied, in all material respects with all requirements of 34 C.F.R. § 600.9 with regard to its physical locations.

(iii) Since the Compliance Date, Seller has conducted the operations of the University in compliance, in all material respects, with all applicable Laws, including Educational Laws.

(iv) The University is, and since the Compliance Date has been, duly qualified as, and in compliance in all material respects with, with the DOE definition of, a "proprietary institution of higher education" as defined in 34 C.F.R. § 600.5.

(v) Neither Seller nor the University has received written notice that any of its Educational Approvals will not be renewed. To the knowledge of the Seller, there are no proceedings pending to revoke, withdraw, suspend, limit, condition, restrict, place on reporting or place on probation any Educational Approval, or to require the University to show cause why any Educational Approval should not be revoked; and, to the knowledge of Seller, there are no facts, circumstances or omissions concerning Seller or the University that could reasonably result in any such proceeding.

(vi) In addition, and without limiting the foregoing:

(A) Since the Compliance Date, the University has not received greater than ninety percent (90%) of its revenues from the Title IV Program during any completed fiscal year or for the ten month period ended October 31, 2017, as such percentage is required to be calculated under 34 C.F.R. §§ 668.14 and 668.28. Schedule 5.1(k)(vi)(A) sets forth the audited percentages of revenue that the University received from Title IV Programs for the fiscal years ended December 31, 2016 and 2015, as such percentages are required to be calculated under 34 C.F.R. §§ 668.14 and 668.28.

(B) Since the Compliance Date, each educational program offered by the University is, and since the Compliance Date has been, an eligible program in compliance with the requirements of 34 C.F.R. § 668.8.

(C) Schedule 5.1(k)(vi)(C) contains a listing of all Student Financial Assistance Programs offered by the University since the Compliance Date, including a notation to identify those Student Financial Assistance Programs that are currently available to students of the University.

(D) Since the Compliance Date, Seller and the University have been in compliance, in all material respects, with all applicable rules, regulations and requirements pertaining to the University's participation in any Student Financial Assistance Program.

(E) Since the Compliance Date, Seller and the University have complied, with the requirements set forth at 20 U.S.C. § 1094(a)(20) and 34 C.F.R. § 668.14(b)(22) regarding the payment of commissions, bonuses, or other payments based directly or indirectly on success in securing enrollments or awarding Title IV Program funds to any Person responsible for any student recruiting or admission activities or engaged in or responsible for decisions regarding the awarding of Title IV Program funds for or on behalf of Seller or the University.

(F) Since the Compliance Date, the University has calculated and paid refunds and calculated dates of withdrawal and leaves of absence in compliance, in all material respects, with all applicable Educational Laws.

(G) To the knowledge of Seller, since the Compliance Date, the University has not provided any portion of an education program by correspondence, or admitted students who were incarcerated or had neither a high school diploma nor the recognized equivalent of a high school diploma.

(H) Since the Compliance Date, the University has had a financial responsibility "composite score" of at least 1.5 for each completed fiscal year, as calculated in accordance with the DOE's formula at 34 C.F.R. § 668.172.

(I) Schedule 5.1(k)(vi)(I) sets forth a list of the University's official cohort default rates for loans administered under the Title IV Programs, as calculated by DOE pursuant to 34 C.F.R. Part 668 Subparts M and N, for the three most recently completed federal fiscal years for which such official rates have been published.

(J) Since the Compliance Date, no Educational Agency has required the University to post a letter of credit or bond or other form of surety for any reason, including any request for a letter of credit based on late refunds pursuant to 34 C.F.R. § 668.173, or required or requested that the University process its Title IV Program funding under the reimbursement or heightened cash monitoring-level 2 procedures set forth at 34 C.F.R. § 668.162(d) or (e)(2).

(K) Since the Compliance Date, the University has in all material respects timely applied for and received the necessary Educational Approvals for the addition of any new educational programs or locations.

(L) Since the Compliance Date, the University has complied, in all material respects, with the disclosure, reporting and certification requirements related to gainful employment, as set forth at 34 C.F.R. § 668.6 or 34 C.F.R. § 668.401, et. seq., as applicable to the University for the relevant periods. Except as set forth on Schedule 5.1(k)(vi)(L), no University program has received a final debt-to-earnings rate that is failing or in the "zone."

(M) Since the Compliance Date, the University has complied, in all material respects, with all Law applicable to the recruitment of students. Since the Compliance Date, neither Seller nor the University has contracted with any outside organization to provide marketing or student recruiting services to the University.

(N) Schedule 5.1(k)(vi)(N) sets forth a list of all compliance audits (including site visits or other compliance reviews) conducted by any Educational Agency since the Compliance Date, including any entity that administers any Student Financial Assistance Program, with respect to Seller or the University (each, a "***Compliance Review***"). The University has complied with, and resolved all of the findings and conditions arising from, any Compliance Review.

(O) Neither Seller nor the University has provided any educational instruction on behalf of any other institution or organization, and no other institution or organization has provided any educational instruction on behalf of the University.

(P) Since the Compliance Date, Seller and the University have complied, in all material respects, with Educational Law regarding misrepresentations, including 34 C.F.R. Part 668 Subpart F.

(Q) Since the Compliance Date, the University has complied, in all material respects, with Laws and Educational Laws governing preferred lender relationships and Private Educational Loans, including, but not limited to, the Truth in Lending Act, the Equal Credit Opportunity Act, and Fair Credit Reporting Act.

(R) With respect to any location or facility that has closed or at which the University has ceased operating educational programs since the Compliance Date, or any program that it has ceased offering since the Compliance Date, the University has complied, in all material respects, with all Educational Laws related to the closure or cessation of instruction at such location or facility, or with respect to any discontinued program, including, without limitation, requirements for teaching out students from such location, facility, or program.

(S) Since the Compliance Date, the Seller and the University have been in compliance, in all material respects, with all Laws, as well as their own policies, relating to privacy, data security and the management and use of personal information.

(vii) Neither Seller, nor any Person that exercises Substantial Control over Seller or the University (as the term "Substantial Control" is used in 34 C.F.R. §668.174(b)

and (c)) ("***Substantial Control***"), nor any member of such Person's family (as the term "family" is defined in 34 C.F.R. §600.21(f)), either alone or together, (A) exercises or exercised Substantial Control over an institution other than the University or over a third-party servicer (as that term is defined in 34 C.F.R. §668.2) that owes a liability for a violation of a Title IV Program or other HEA program requirement, or (B) owes a liability for a Title IV Program or other HEA program violation.

(viii) At no time has Seller or the University, nor any Person that exercises Substantial Control over any of them, filed for relief in bankruptcy or had entered against it an order for relief in bankruptcy. None of Seller or the University, nor any Person that exercises Substantial Control over any of them, has pled guilty to, has pled nolo contendere to, or has been found guilty of a crime involving the acquisition, use, or expenditure of funds under the Title IV Programs or has been judicially determined to have committed fraud involving funds under the Title IV Programs.

(ix) To Seller's knowledge, neither Seller nor the University currently employs, or since the Compliance Date has employed, any individual or entity in a capacity that involves the administration or receipt of funds under the Title IV Programs, or contracted with any institution or third-party servicer, which has been terminated under the Title IV Programs for a reason involving the acquisition, use, or expenditure of federal, state or local government funds, or has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use or expenditure of federal, state, or local government funds, or has been administratively or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds.

(l) Conduct in the Ordinary Course of Business. Since the ending date of the Financial Statements, Seller has operated its business in the ordinary course consistent with past practices.

(m) Suppliers. Seller has provided to Buyer a complete and accurate list of the names and addresses of suppliers of items related to the University or the School Assets as of the date hereof. Since the date of the Financial Statements, there has not been any material change in the terms and conditions of sale of, supplies or other products or services supplied to Seller by any Significant Suppliers, and Seller has no knowledge that there will be such a change. To Seller's knowledge, there is no dispute with any Significant Supplier that would reasonably be expected to jeopardize Seller's relationship or, following the Closing, Buyer's relationship with that Significant Supplier, as the case may be. For the purposes of this Agreement, "***Significant Supplier***" shall mean the top 20 suppliers, by dollar volume of Seller for each of the two most recent fiscal years.

(n) Undisclosed Liabilities. Seller has no Liabilities with respect to the University, except (a) those which are adequately reflected or reserved against in the Financial Statements to the extent required by GAAP, and (b) those which have been incurred in the ordinary course of business consistent with past practice since the date of the most recent Financial Statements and which are not, individually or in the aggregate, material in amount.

(o) Campus Property.

(i) Schedule 5.1(o)(i) sets forth each parcel of Real Property that is (i) owned by Seller or any Acquired Subsidiary (whether directly or indirectly), and (ii) not specifically identified as a Services Asset, including with respect to each property, the legal description, the address location (if applicable) and use. Seller or such Acquired Subsidiary has delivered to Buyer copies of the deeds and other instruments (as recorded) by which Seller or such Acquired Subsidiary acquired such parcel of Real Property, and copies of all title insurance policies, opinions, abstracts and surveys in the possession of Seller with respect to such parcel. With respect to the Campus Property, except as set forth on Schedule 5.1(o)(i):

(A) Seller or the applicable Acquired Subsidiary has good and marketable fee simple title, free and clear of all liens, claims, and encumbrances, except Permitted Encumbrances;

(B) neither Seller nor the applicable Acquired Subsidiary has leased or otherwise granted to any Person the right to use or occupy its Campus Property or any portion thereof; and

(C) there are no unrecorded outstanding options, rights of first offer or rights of first refusal to purchase the Campus Property or any portion thereof or interest therein.

(ii) Except as set forth on Schedule 5.1(o)(ii):

(A) neither Seller nor any Acquired Subsidiary leases any Campus Property from any Person; and,

(B) to Seller's knowledge, there are no written or oral leases or rights of occupancy in force relating to the Campus Property, and no person has any right of possession or occupancy in any part of the Campus Property.

(iii) Neither Seller nor any Acquired Subsidiary has received any written notice of (i) material violations of building codes and/or zoning ordinances or other governmental or regulatory Laws affecting the Campus Property, (ii) existing, pending or threatened condemnation proceedings affecting the Campus Property, or (iii) existing, pending or threatened zoning, building code or other moratorium proceedings, or similar matters which could reasonably be expected to materially and adversely affect the ability to operate the Campus Property as currently operated. Neither the whole nor any material portion of any Campus Property has been damaged or destroyed by fire or other casualty.

(iv) To Seller's knowledge, water, sewer, and electrical lines are presently installed to the property line of the Campus Property, are available and adequate for intended use at the Campus Property, and are in good working order.

(v) The Campus Property is sufficient for the continued operation of the University after the Closing in the manner contemplated by the transactions contemplated hereby.

(p) Accounts Receivable. The accounts receivable included among the School Assets (i) have arisen from bona fide transactions entered into by Seller involving the sale of goods or the rendering of services in the ordinary course of business consistent with past practice; and (ii) subject to Seller's reserve for doubtful accounts, constitute valid claims of Seller not subject to known claims of set-off or other defenses or counterclaims other than normal cash discounts accrued in the ordinary course of business consistent with past practice.

(q) Environmental Matters.

(i) Except as would not have a Material Adverse Effect:

(A) The operations of Seller with respect to the University and the School Assets, and the University and the School Assets themselves, are currently and have been in compliance with all Environmental Laws. Seller has not received from any Person, with respect to the University or the School Assets, any: (A) Environmental Notice or Environmental Claim; or (B) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Effective Date.

(B) Seller has obtained and is in compliance with all Environmental Permits (each of which is disclosed in Schedule 5.1(q)(i)) necessary for the operation of the University as currently conducted or the ownership, lease, operation or use of the School Assets and all such Environmental Permits are in full force and effect in accordance with Environmental Law

(C) Neither the University nor the School Assets is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

(D) There has been no Release of Hazardous Materials in contravention of Environmental Law with respect to the University or the School Assets, and Seller has not received an Environmental Notice that either the University or any of the School Assets (including soils, groundwater, surface water, buildings and other structure located thereon) has been contaminated with any Hazardous Material which could reasonably be expected to result in an Environmental Claim against, or a violation of Environmental Law or term of any Environmental Permit by, Seller.

(E) Seller has not retained or assumed, by contract or operation of Law, any Liabilities or obligations of third parties under Environmental Law.

(F) Neither the University nor the School Assets contains, or has previously contained, any Hazardous Materials at, on or under such property in amounts or concentrations that constitute or constituted a violation of, or could give rise to liability under, Environmental Laws.

(G) Seller has not received any written notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability arising under Environmental Laws with regard

to the University or the School Assets, nor does Seller have knowledge or reason to believe that any such notice will be received or is being threatened.

(H) Hazardous Materials have not been transported or disposed of from the University or the School Assets, or generated, treated, stored or disposed of at, on or under any portion of the University or the School Assets or any other location, in each case by or on behalf of the Seller or any Subsidiary in violation of, or in a manner that would be reasonably likely to give rise to liability under, any applicable Environmental Laws.

(I) No judicial proceeding or governmental or administrative action is pending or, to Seller's knowledge, threatened in writing, under any Environmental Laws to which the Seller or any Subsidiary is or, to Seller's knowledge, will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Laws with respect to the Seller, any Subsidiary, or the University or the School Assets.

(ii) Seller has provided or otherwise made available to Buyer any and all environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the University or the School Assets which are in the possession or control of Seller related to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or the Release of Hazardous Materials.

(r) Employee Benefits.

(i) Seller has made available to Buyer a true and correct list of each benefit, retirement, compensation, employment, consulting, incentive, bonus, performance award, stock or stock-based, change in control, retention, severance, vacation, paid time off, welfare, fringe-benefit and/or other similar agreements, plans, policies, program or arrangements (and any amendments thereto) which is or has been maintained, sponsored, contributed to, or required to be contributed to by Seller for the benefit of any current or former employee, officer, director, retiree, independent contractor or consultant or any spouse or dependent of such individual, or under which Seller or any of its ERISA Affiliates has or may have any Liability (each, a "***Benefit Plan***").

(ii) Seller has established, administered and maintained its Benefit Plans in accordance with their terms and in compliance, in all material respects, with all applicable Laws (including ERISA and the Code).

(iii) No Benefit Plan: (A) is subject to the minimum funding standards of Section 302 of ERISA or Section 412 of the Code; or (B) is a "multi-employer plan" (as defined in Section 3(37) of ERISA). Except as would not have a Material Adverse Effect, Seller has not: (x) withdrawn from any pension plan under circumstances resulting (or expected to result) in liability; or (y) engaged in any transaction which would give rise to a liability under Section 4069 or Section 4212(c) of ERISA.

(iv) No facts or circumstances exist with respect to the Benefit Plans that, with or without notice or lapse of time or both, would impose upon Buyer any Liability for any Benefit Plan or otherwise have a Material Adverse Effect.

(s) Broker. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission payable by Buyer in connection with the transactions contemplated by this Agreement or any of the Related Agreements based upon arrangements made by or on behalf of, or executed by, Seller.

(t) Not a Foreign Person. Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Code.

(u) No Other Representations or Warranties. Except for the representations and warranties contained in Section 5.2 or any Related Agreement, Seller acknowledges that (i) neither Buyer nor any other Person on behalf of Buyer makes any other express or implied representation or warranty with respect to Buyer or with respect to any other information provided to Seller in connection with the transactions contemplated by this Agreement or the Related Agreements, and (ii) except in the case of fraud or intentional misrepresentation, neither Buyer nor any other Person will have or be subject to any Liability or indemnification obligation to Seller or any other Person resulting from the distribution to Seller, or Seller's use of, any such information, including any information, documents, projections, forecasts or other material made available to Seller in certain "data rooms" or management presentations or in any other form in expectation of, or in connection with, the transactions contemplated by this Agreement, including in management presentations, "data rooms" or via any Representative or other Person.

(v) Scope of Representations and Warranties. EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT OR THE RELATED AGREEMENTS, SELLER IS NOT MAKING ANY REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY.

5.2 Buyer's Representations and Warranties. Buyer represents and warrants to Seller as of the Effective Date as follows:

(a) Organization. Buyer is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Arizona and has the power and authority to (i) enter into this Agreement and the Related Agreements, and (ii) consummate the transaction contemplated by this Agreement and the Related Agreements.

(b) Due Authorization; Enforceability; No Conflicts. The execution, delivery and performance of this Agreement and each Related Agreement by Buyer have each been duly authorized by all necessary action on the part of Buyer; provided that Buyer is a nonprofit corporation and does not have outstanding capital stock and, accordingly, no vote or consent of the holders of any class or series of capital stock of Buyer is necessary to approve this Agreement or the Related Agreements or the transactions contemplated hereby. This Agreement and each Related Agreement (i) have been duly executed and delivered by Buyer and (ii) constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their terms, subject to the effect of bankruptcy, insolvency, reorganization,

arrangement, moratorium, fraudulent conveyance or other similar laws affecting creditors generally. Buyer's execution, delivery and performance of this Agreement and the Related Agreements do not (i) constitute a breach or violation of Buyer's articles of incorporation or bylaws, (ii) constitute a breach or violation of any law, rule, regulation, material agreement, indenture, deed of trust, mortgage, loan agreement or any material instrument to which Buyer is a party or by which Buyer is bound or affected, or (iii) constitute a violation of any order, judgment or decree by which Buyer is bound or affected, except in each case for any such breach or violation that would not impair Buyer's ability to timely perform its obligations under this Agreement or the Related Agreements or to consummate the transactions contemplated hereby or thereby.

(c) Legal Proceedings. There are no Actions pending or, to Buyer's knowledge, threatened against or by Buyer or any Affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

(d) Broker. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission payable by Seller in connection with the transactions contemplated by this Agreement or any of the Related Agreements based upon arrangements made by or on behalf of, or executed by, Buyer.

(e) No Other Representations or Warranties. Except for the representations and warranties contained in Section 5.1, Buyer acknowledges that (i) Buyer accepts the Campus Property "as is where is" with no representation or warranty of Seller as to the condition thereof, (ii) neither Seller nor any other Person on behalf of Seller makes any other express or implied representation or warranty with respect to Seller, the University or the School Assets or with respect to any other information provided to Buyer in connection with the transactions contemplated by this Agreement or the Related Agreements, and (iii) except in the case of fraud or intentional misrepresentation, neither Seller nor any other Person will have or be subject to any liability or indemnification obligation to Buyer or any other Person resulting from the distribution to Buyer, or Buyer's use of, any such information, including any information, documents, projections, forecasts or other material made available to Buyer in certain "data rooms" or management presentations or in any other form in expectation of, or in connection with, the transactions contemplated by this Agreement, including in management presentations, "data rooms" or via any Representative or other Person.

(f) Tax Matters. Buyer is an organization described in Section 501(c)(3) of the Code and is qualified to operate an educational organization described in Code Section 170(b)(1)(A)(ii). Buyer has provided a determination letter from the Internal Revenue Service confirming the same.

(g) Compliance with Laws; Education Consents. None of Buyer, any Person that exercises Substantial Control over Buyer, or member of such Person's family (as the term "family" is defined in 34 C.F.R. §600.21(f)), alone or together, (i) exercises or exercised Substantial Control over any institution or over a third-party servicer (as that term is defined in 34 C.F.R. §668.2) that owes a liability for a violation of a Title IV Program or other HEA program requirement, or (ii) owes a liability for a Title IV Program or other HEA program violation. At no time has Buyer, or any Affiliate of Buyer, or any Person that exercises

Substantial Control over any of them, filed for relief in bankruptcy or had entered against it an order for relief in bankruptcy. Neither Buyer, nor any Person that exercises Substantial Control over Buyer, has pled guilty to, has pled nolo contendere to, or has been found guilty of a crime involving the acquisition, use, or expenditure of funds under the Title IV Programs or has been judicially determined to have committed fraud involving funds under the Title IV Programs. To Buyer's knowledge, Buyer does not currently employ any individual or entity in a capacity that involves the administration or receipt of funds under the Title IV Programs, or contracted with any institution or third-party servicer, which has been terminated under the Title IV Programs for a reason involving the acquisition, use, or expenditure of federal, state or local government funds, or has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use or expenditure of federal, state, or local government funds, or has been administratively or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds.

(h) Scope of Representations and Warranties. EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT OR THE RELATED AGREEMENTS, BUYER IS NOT MAKING ANY REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY.

6. POST-CLOSING COVENANTS.

6.1 Access to Business and Records; Inspection.

(a) Upon Seller's request, Buyer will provide to Seller, at no cost to Seller, copies of all final feasibility studies, reports and surveys prepared by third-party consultants on behalf of Buyer in connection with its investigations, inspections, and reviews of the Campus Property (the "***Buyer Materials***") with respect to the transactions contemplated by this Agreement. Buyer does not warrant or represent to Seller the accuracy, sufficiency or completeness of the matters contained or depicted in any Buyer Materials. To the extent Buyer has or will engage any third party preparer of Buyer Materials, Buyer has obtained, or will obtain, the consent of each such third party preparer to enable Buyer to supply such Buyer Materials to Seller and enable Seller to rely on such Buyer Materials (or have such Buyer Materials issued jointly to Seller and Buyer); Buyer shall not, however, be obligated to incur any additional cost to obtain such consents or joint issuance.

(b) On and after the Effective Date, Seller will afford promptly to Buyer and its representatives reasonable access to Seller's books of account, financial and other records, information, employees and auditors in connection with any audit, investigation, dispute or litigation or any other reasonable business purpose relating to the University, the School Assets or the Assumed Liabilities.

6.2 Post-Closing Regulatory Matters and Approvals.

(a) Buyer and Seller will cooperate with each other and will take all commercially reasonable steps, and proceed diligently and in good faith, jointly and promptly, to submit and make all applications, notices and submissions (or amendments to any of the foregoing previously submitted) with the DOE and other Educational Agencies in order for

Buyer to obtain all Permits of any Educational Agency which must be obtained after the Closing, as required, in order for the University to operate as it is currently operated and for the University to participate in all of the Student Financial Assistance Programs, including the Title IV Programs, under the ownership of Buyer (collectively, the "***Post-Acquisition Education Consents***", identified as such in Schedule 6.2(a)); provided, however, that Buyer shall not file any application, notice or other submission to the DOE, any Educational Agency or any Accrediting Body without providing Seller a reasonable opportunity to review such application, notice or other submission and without obtaining the consent of Seller (which consent shall not be unreasonably withheld or delayed).

(b) Each Party shall (and shall cause its Affiliates to) use commercially reasonable best efforts to take or cause to be taken all actions reasonably necessary consistent with this Section 6.2, including to comply promptly and fully with any inquiries or requests for information from Governmental Entities and to obtain any post-Closing clearance, waiver, approval or authorization required with respect to the DOE, any Educational Agency and any Accrediting Body, and any other applicable Laws after the Closing.

(c) Each Party shall, subject to applicable Law, (i) promptly notify the other Parties of any communication to that Party from any Governmental Entity and any Educational Agency with respect to this Agreement and the Related Agreements and the transactions contemplated hereby and permit the other Parties to review in advance any proposed written communication to any such Governmental Entity, (ii) not agree to participate in any meeting (whether in-person or by telephone or similar means) with any such Governmental Entity in respect of any filings, investigation or other inquiry with respect to this Agreement, the Related Agreements, and the transactions contemplated hereby unless it consults with the other Party in advance and, to the extent permitted by such Governmental Entity, gives the other Party the reasonable opportunity to attend and participate thereat, (iii) furnish the other Party with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between it and its Affiliates and representatives, on the one hand, and any such Governmental Entity or members of its staff on the other hand, with respect to this Agreement, the Related Agreements and the transactions contemplated hereby and thereby (excluding documents and communications which are subject to preexisting confidentiality agreements and to the attorney-client privilege or work product doctrine, provided, that the Parties shall use reasonable best efforts to minimize the scope of this parenthetical by entering into reasonable joint defense arrangements) and (iv) furnish the other Party with such information and assistance as the other Party and its Affiliates may reasonably request in connection with their preparation of necessary filings, registrations, or submissions of information to any such Governmental Entity in connection with this Agreement and the transactions contemplated hereby.

6.3 Transferred Employees.

(a) Schedule 6.3(a)-1 identifies all of the current employees of Seller to whom Buyer will make offers of employment at Closing (the "***Transferred Employees***"), Schedule 6.3(a)-2 identifies all of the current employees of Seller who will remain as employees of Seller following the Closing, and Schedule 6.3(a)-3 identifies each of the current employees of Seller who will be jointly employed by Seller and Buyer following the Closing, in each case noting the applicable employee's name, title and organizational department. Effective as of the Closing,

Buyer agrees to offer employment to, all Transferred Employees. For at least the first year following the Effective Date (the "***Benefit Continuation Period***"), and except as otherwise required by Applicable Law, Buyer shall provide for each Transferred Employee who is employed by Buyer compensation and benefits that are no less favorable in the aggregate than those provided immediately prior to the Effective Date by Seller to such Transferred Employees pursuant to Seller's employee compensation and benefit plans. In addition, with respect to any Transferred Employees who, prior to the Effective Date, had received equity incentives granted by Seller as part of their overall compensation, Buyer shall provide such additional non-equity incentives as may be necessary, as reasonably determined by Buyer, to compensate for the loss of eligibility to receive equity incentives from Seller following the Effective Date. Without limiting the generality of the foregoing, for all Transferred Employees, Buyer shall recognize all service of such employees with Seller for purposes of Buyer's applicable employee benefit plans.

(b) For purposes of determining eligibility to participate, vesting and entitlement to benefits, where length of service is relevant under any benefit plan or arrangement of Buyer providing benefits to any Transferred Employee after the Effective Date (collectively, the "***New Plans***"), the Transferred Employees shall receive service credit for service with Seller to the same extent such service credit was granted under Seller's employee benefit plans, except to the extent any such service credit would result in the duplication of benefits. In addition and without limiting the generality of the foregoing: (i) each Transferred Employee shall be immediately eligible to participate, without any waiting time or satisfaction of any other eligibility requirements, in any and all New Plans to the extent that (A) coverage under such New Plan replaces coverage under an employee benefit plan of Seller in which such Transferred Employee participated immediately before the Effective Date (collectively, the "***Old Plans***") and (B) such Transferred Employee has satisfied all waiting time and other eligibility requirements under the Old Plan being replaced by the New Plan and (ii) for purposes of each New Plan providing medical, dental, pharmaceutical and/or vision benefits to any Transferred Employee, Buyer shall cause (A) all pre-existing condition exclusions and actively-at-work requirements of such New Plan to be waived for such Transferred Employee and his or her covered dependents to the extent such conditions were inapplicable or waived under the comparable Old Plan and (B) any expenses incurred by any Transferred Employee and his or her covered dependents during the portion of the plan year of the Old Plan ending on the date such Transferred Employee's participation in the corresponding New Plan begins to be taken into account under such New Plan for purposes of satisfying all deductible, coinsurance and maximum out-of-pocket requirements applicable to such Transferred Employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with such New Plan.

(c) Nothing contained in this Agreement is intended (i) to require Buyer to employ any employee who cannot establish legal eligibility to work in the United States, who does not provide routine intake records and forms, or who otherwise does not satisfactorily pass a screening protocol substantially similar to that customarily used by Seller, (ii) to prevent Buyer from, in its sole and absolute discretion, terminating any employee at any time, with or without cause, (iii) to require Buyer or Seller or any of their respective Affiliates to establish or maintain any specific employee benefit plan or arrangement for any length of time except as specifically set forth in this Section 6.3, or (iv) to create or amend any employee benefit plan or arrangement except as specifically contemplated in this Section 6.3. This Section 6.3 is included for the sole benefit of the Parties and their respective transferees and permitted assigns and does not and

shall not create any right in any Person, including any Transferred Employee or any other participant in any employee benefit plan or arrangement that may be established or maintained by Buyer or Seller or any of their respective Affiliates following Effective Date, or any beneficiary or trustee thereof. Furthermore, nothing contained in this Agreement, express or implied, is intended to confer upon any Person, any right to employment or continued employment for any period of time, or any right to a particular term or condition of employment.

(d) Notwithstanding anything to the contrary contained in this Agreement:

(i) Seller shall be solely responsible, and Buyer shall have no obligations whatsoever for, any compensation or other amounts payable to any Transferred Employee or other current or former employee, officer, director, independent contractor or consultant of Seller, including, without limitation, hourly pay, commission, bonus, salary, accrued vacation, fringe, pension or profit sharing benefits or severance pay, for any period relating to their service with Seller at any time prior to the Effective Date, and Seller shall pay all such amounts to all entitled persons as and when due;

(ii) Seller shall remain solely responsible for the satisfaction of all claims for medical, dental, life insurance, health accident or disability benefits brought by or in respect of any Transferred Employee or other current or former employee, officer, director, independent contractor or consultant of Seller or any spouse, dependent or beneficiary thereof, which claims relate to events occurring prior to the Effective Date, and Seller shall pay, or cause to be paid, all such amounts to the appropriate persons as and when due; and

(iii) Seller also shall remain solely responsible for all worker's compensation claims of any Transferred Employee and any current or former employee, officers, director, independent contractor or consultant of Seller which relate to events occurring prior to the Effective Date, and Seller shall pay, or cause to be paid, all such amounts to the appropriate persons as and when due.

(e) Seller and Buyer agree to utilize, or cause their respective Affiliates to utilize, the alternate procedure set forth in Revenue Procedure 2004-53 with respect to wage reporting.

6.4 Accounts Receivable. Effective at the Effective Date, Seller hereby constitutes and appoints Buyer, and Buyer's successors and assigns, its true and lawful attorney at Buyer's sole cost and expense (subject to the terms of this Agreement), in the name of Seller to institute and prosecute all reasonable proceedings which Buyer may deem proper in order to collect, assert or enforce any claim, right or title the accounts receivable related to the University and included within the School Assets.

6.5 Further Assurances. Each Party will execute and deliver any further instruments or documents, and cooperate with and take all further action reasonably requested by the other Party to carry out the transactions contemplated by this Agreement and the Related Agreements. In particular, following the Closing, Seller will take all reasonable steps to transfer to Buyer, without additional consideration, any Seller assets not otherwise transferred to Buyer under this Agreement that are either intended by the Parties to be included among the School Assets or

required by any applicable Educational Agency to be owned by Buyer for accreditation purposes in connection with the operation of the University as a regionally accredited institution of higher education.

6.6 Insurance Matters. Seller and Buyer agree that (a) all claims with respect to insured events relating to Seller, the University or the School Assets occurring prior to the Closing will be administered in accordance with the terms of Seller's policies and coverage applicable to such claims (the "***Pre-Closing Insurance***"), (b) Buyer will receive the benefit of such policies and an assignment of all proceeds with respect to such claims to the extent losses occurring prior to the Closing are related to the University or the School Assets and are covered notwithstanding the consummation of the transactions contemplated by this Agreement, (c) Buyer may make claims under such policies and programs to the extent such policies and programs are related to the University and the School Assets and are available and Seller shall cooperate with Buyer and shall take such actions as may reasonably be requested by Buyer in connection with the tendering of such claims to the applicable insurers under such Pre-Closing Insurance and to provide Buyer with the net proceeds it realizes with respect to such claims and (d) Seller shall not take any action or omit to take any action for the purpose of limiting Buyer's ability to make all claims and recover proceeds in respect hereof.

6.7 Third Party Assignments. To the extent that any Assumed Contract or Permit that this Agreement contemplates is to be assigned to Buyer is not assignable without the consent or approval of a third party (for purposes of this Section 6.7, collectively, the "***Special Agreements and Rights***"), then neither this Agreement nor any agreement, document or instrument delivered pursuant to this Agreement shall constitute an assignment or an attempted assignment of any such Special Agreement and Right if such consent or approval is not obtained. If such consent or approval has not been obtained prior to Closing, the Buyer, on the one hand, and Seller, on the other hand, shall use all commercially reasonable efforts to obtain any such consent or approval after the Closing until either such consent or approval has been obtained or the Parties determine in good faith that such consent or approval cannot reasonably be obtained. To the extent that any Assumed Contract or Permit may not be assigned without the consent or approval of any third party, and such consent or approval is not obtained prior to the Closing, Seller shall use all commercially reasonable efforts to provide Buyer with the same benefits (and Buyer shall be responsible for all corresponding obligations) arising under such Assumed Contract or Permit, including performance by Seller (or Buyer, if applicable) as agent, if legally permissible and commercially feasible; provided, however, that Buyer (or Seller, if applicable) shall provide the Seller (or Buyer, if applicable) with such access to the premises, books and records and personnel as is reasonably necessary to enable Seller (or Buyer, if applicable) to perform its obligations under such Assumed Contracts or Permits and Buyer shall pay or satisfy the corresponding liabilities for the enjoyment of such benefits to the extent Buyer would have been responsible therefor if such consent or approval had been obtained. Seller shall not be in default of this Agreement for failure to obtain such necessary consent to assignment of any Special Agreements and Rights so long as Seller has used commercially reasonable efforts to obtain such consent. For the avoidance of doubt, and unless expressly waived in writing by Buyer, nothing in this Section 6.7 shall be construed to waive Seller's delivery at Closing of all Required Consents as required by Section 4.2(l), including, without limitation, Required Consents relating to Special Agreements and Rights.

6.8 Public Announcements. Unless otherwise required by applicable Law or stock exchange requirements (based upon the reasonable advice of counsel), no Party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed), and the Parties shall cooperate as to the timing and contents of any such announcement.

7. SURVIVAL AND INDEMNIFICATION.

7.1 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is 12 months after from the Effective Date; *provided*, *that* the representations and warranties in (i) Section 5.1(a) (Organization), Section 5.1(b) (Due Authorization; Enforceability; No Conflicts), Section 5.1(c) (Title; Ownership), Section 5.1(s) (Broker), Section 5.2(a) (Organization), Section 5.2(b) (Due Authorization; Enforceability; No Conflicts), and Section 5.1(d) (Broker) shall survive indefinitely, (ii) Section 5.1(k) (Compliance with Laws and Educational Laws) shall survive for a period of 24 months after the Closing, and (iii) Section 5.1(i) (Tax Matters), Section 5.1(q) (Environmental Matters), and Section 5.1(r) (Employee Benefits) shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus 60 days (the representations and warranties in the sections enumerated in the foregoing sentence are referred to below as the "***Fundamental Representations***"). All covenants and agreements of the parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

7.2 Indemnification By Seller. Subject to the other terms and conditions of this Section 7, Seller shall indemnify and defend each of Buyer, and Buyer's trustees, officers and employees (collectively, the "***Buyer Indemnitees***") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Buyer Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement, the Related Agreements or in any certificate or instrument delivered by or on behalf of Seller pursuant to this Agreement or the Related Agreements (provided, that for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement, the Related Agreements or any certificate or instrument delivered by or on behalf of Seller pursuant to this Agreement;

(c) any Services Assets; or

(d) any Excluded Liability.

7.3 Indemnification By Buyer. Subject to the other terms and conditions of this Section 7, Buyer shall indemnify and defend each of Seller, and Seller's directors, officers and employees (collectively, the "***Seller Indemnitees***") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Seller Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement, the Related Agreements or in any certificate or instrument delivered by or on behalf of Buyer pursuant to this Agreement or the Related Agreements (provided that for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement, the Related Agreements or any certificate or instrument delivered by or on behalf of Seller pursuant to this Agreement; or

(c) any Assumed Liability.

7.4 Certain Limitations. The party making a claim under this Section 7 is referred to as the "***Indemnified Party***", and the party against whom such claims are asserted under this Section 7 is referred to as the "***Indemnifying Party***". The indemnification provided for in Section 7.2 and Section 7.3 shall be subject to the following limitations:

(a) No Indemnifying Parties, individually or collectively, shall be obligated to indemnify any Indemnified Parties, individually or collectively, under Section 7.2(a) or Section 7.3(a) with respect to any claim which is not brought prior to the expiration of the corresponding survival period set forth in Section 7.1. In addition, the aggregate amount of all Losses for which an Indemnifying Party shall be liable pursuant to Section 7.2(a) or Section 7.3(a), as the case may be, shall not exceed ten percent (10%) of the Purchase Price. Notwithstanding the foregoing, the limitations set forth in this Section 7.4(a) shall not apply to indemnification claims under Section 7.2(a) or Section 7.3(a) arising out of any inaccuracy in or breach of any of the Fundamental Representations or as a result of fraud or intentional misrepresentation by the Indemnifying Party.

(b) Payments by an Indemnifying Party pursuant to Section 7.2 or Section 7.3 in respect of any Loss shall be limited to the amount of any Loss that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment received or reasonably expected to be received by the Indemnified Party in respect of any such claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses prior to seeking indemnification under this Agreement.

(c) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple.

(d) Each Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

7.5 Indemnification Procedures.

(a) *Third Party Claims*. If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "***Third Party Claim***") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) calendar days after receipt of such notice of such Third Party Claim (or not later than ten (10) days after the receipt of any such written notice in the event such written notice is in the form of a formal complaint filed with a court of competent jurisdiction and served on the Indemnified Party). The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses, or otherwise suffers any material prejudice or material harm, with respect to such claim by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense. In the event that the Indemnifying Party assumes the defense of any Third Party Claim, subject to Section 7.5(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim at its own cost and expense and with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof; provided, that if in the reasonable opinion of counsel to the Indemnified Party, (A) there are legal defenses available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party; or (B) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of a single counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, the

Indemnified Party may, subject to Section 7.5(b), pay, compromise, or defend such Third Party Claim using its reasonable business judgment and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. Seller and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available (subject to the provisions of Section 8.10) records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(b) *Settlement of Third Party Claims*. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party, except as provided in this Section 7.5(b). If a firm offer is made to settle a Third Party Claim without leading to Liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten (10) days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defense pursuant to Section 7.5(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(c) *Direct Claims*. Any Action by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (a "***Direct Claim***") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses, or otherwise suffers any material prejudice or material harm, with respect to such claim by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Indemnified Party's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such thirty (30) day period, the Indemnifying Party shall be deemed to

have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

7.6 Effect of Investigation. The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any closing delivery set forth in Section 4.

7.7 Exclusive Remedies. Except as otherwise expressly provided in this Agreement, the Parties acknowledge and agree that, following the Closing, their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud, criminal activity or willful misconduct on the part of a Party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this Section 7. In furtherance of the foregoing, each party hereby waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this Section 7. Nothing in this Section 7.7 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy in connection with the Master Services Agreement (subject to the provisions thereof) or on account of any party's fraudulent, criminal or intentional misconduct.

8. MISCELLANEOUS.

8.1 No Waiver. No waiver of any breach of any provision of this Agreement will be deemed a waiver of any other breach of this Agreement. No extension of time for performance of any act will be deemed an extension of the time for performance of any other act.

8.2 Severability. The provisions of this Agreement will be deemed severable, and if any provision of this Agreement is held illegal, void or invalid under applicable Law, such provision may be changed to the extent reasonably necessary to make the provision legal, valid and binding. If any provision of this Agreement is held illegal, void or invalid in its entirety, the remaining provisions of this Agreement will not be affected but will remain binding in accordance with their terms.

8.3 Entire Agreement; Amendment; Severability. This Agreement, the Related Agreements and any schedules, exhibits or attachments to such agreements (subject to Section 8.10), contain the entire agreement of the Parties with respect to the purchase and sale of the School Assets and the other transactions contemplated by such agreements. This Agreement may be amended only by an instrument in writing signed by the Parties. The headings in this

Agreement are solely for convenience of reference and will not affect the interpretation of any provision of this Agreement.

8.4 Applicable Law. This Agreement will be construed in accordance with and governed by the laws of the State of Delaware.

8.5 Time is of the Essence. The Parties acknowledge and agree that time is of the essence with respect to the consummation of the transaction contemplated by this Agreement and each Related Agreement.

8.6 Binding Agreement, Assignment. The terms and provisions of this Agreement will bind the Parties and their respective permitted successors and assigns. Seller may collaterally assign its rights under this Agreement and any Related Agreement to a lender to Seller without the consent of Buyer. Except as set forth in the preceding sentence, however, Seller may not assign this Agreement nor any Related Agreement without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed. Any such assignment or transfer without such consent shall be absolutely null and void. Buyer may collaterally assign its rights under this Agreement and any Related Agreement to a lender to Buyer without the consent of Seller. Except as set forth in the preceding sentence, however, Buyer may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed. Any such assignment or transfer without such consent shall be absolutely null and void.

8.7 Expenses. Except as otherwise agreed among the parties, each Party will pay all of its expenses, including attorneys' and accountants' fees, in connection with the negotiation of this Agreement or any Related Agreement, the performance of its obligations hereunder or thereunder, and the consummation of the transaction contemplated by this Agreement or any Related Agreement.

8.8 Notices. All notices, demands or other communications shall be in writing and shall be deemed to have been received (a) when personally delivered, delivered by facsimile or delivered by other telecommunication mechanism, including electronic mail (provided there is no error or failure in transmission), (b) the next day, if sent by recognized overnight courier, or (c) five (5) days after deposit in the United States mail, postage prepaid, properly addressed and return receipt requested, in each case to the applicable address set forth below:

To Seller:	Grand Canyon Education, Inc. 2600 West Camelback Road Phoenix, Arizona 85017 Attn: Daniel E. Bachus, Chief Financial Officer Email: dan.bachus@gce.com
With copy to:	DLA Piper LLP (US) Attn: David P. Lewis, Esq. 2525 East Camelback Road, Suite 1100 Phoenix, AZ 85016 Email: david.lewis@dlapiper.com

To Buyer:	Gazelle University (to be renamed Grand Canyon University) 3300 West Camelback Road Phoenix, Arizona 85017 Attn: Brian M. Roberts, Chief Administrative Officer Email: brian.roberts@gcu.edu
With copy to:	Gallagher & Kennedy, P.A. Attn: Terence W. Thompson, Esq. 2575 East Camelback Road, Suite 1100 Phoenix, Arizona 85016 Email: twt@gknet.com

or such other address as either Party may from time to time specify in writing to the other.

8.9 Counterparts. This Agreement may be executed by facsimile or other electronic signature, in counterparts, which, when taken together, shall constitute one and the same original. The electronic facsimile transmission of any signed original counterpart of this Agreement shall be deemed to be the delivery of an original counterpart of this Agreement.

8.10 Confidentiality. Seller and Buyer will, prior to and after the Closing, keep all non-public information regarding the financial terms of this transaction strictly confidential, except as may be required by applicable Law or otherwise permitted under Section 6.8.

8.11 Arm's Length Negotiations. Buyer, on the one hand, and Seller, on the other hand expressly represent and warrant to the other that (a) before executing this Agreement, such Party has fully informed itself of the terms, contents, conditions and effects of this Agreement; (b) such Party has relied solely and completely upon its own judgment in executing this Agreement; (c) such Party has had the opportunity to seek and has obtained the advice of counsel before executing this Agreement; (d) such Party has acted voluntarily and of its own free will in executing this Agreement; (e) such Party is not acting under duress, whether economic or physical, in executing this Agreement; and (f) this Agreement is the result of arm's length negotiations conducted by and among the Parties and their respective counsel.

8.12 Consent to Jurisdiction. Each Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Arizona state court, or federal court of the United States of America, sitting in the District of Arizona, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement and any Related Agreements or the transactions contemplated hereby or thereby or for recognition or enforcement of any judgment relating thereto, and each Party hereto hereby irrevocably and unconditionally (a) agrees not to commence any such action or proceeding except in such courts; (b) agrees that any claim in respect of any such action or proceeding may be heard and determined in such Arizona state court or, to the extent permitted by law, in such federal court; (c) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in any such Arizona state or federal court; and (d) waives, to the fullest extent permitted by Law,

the defense of an inconvenient forum to the maintenance of such action or proceeding in any such Arizona state or federal court. Both Parties agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Both Parties irrevocably consent to service of process in the manner provided for notices in Section 8.8. Nothing in this Agreement will affect the right of either Party to serve process in any other manner permitted by Law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

BUYER:

GAZELLE UNIVERSITY (to be renamed GRAND CANYON UNIVERSITY), an Arizona nonprofit corporation

By: /s/ Will Gonzalez
Name: Will Gonzalez
Title: Chairman of the Board of Trustees

SELLER:

GRAND CANYON EDUCATION, INC., a Delaware corporation

By: /s/ Daniel E. Bachus
Name: Daniel E. Bachus
Title: Chief Financial Officer

SECOND AMENDED AND RESTATED
EXECUTIVE EMPLOYMENT AGREEMENT
(Chief Executive Officer)

This Second Amended and Restated Executive Employment Agreement (the "Agreement") is entered into on July 1, 2018 and is effective as of July 1, 2018 (the "Effective Date"), by and between Grand Canyon Education, Inc., a Delaware corporation (the "Company"), and Brian E. Mueller ("Executive").

WHEREAS, the Company and Executive are parties to an amended and restated employment agreement dated July 30, 2012 and effective July 1, 2012 (as amended, the "Original Agreement");

WHEREAS, Executive has agreed to become the President of Grand Canyon University, an Arizona nonprofit corporation formerly known as Gazelle University (the "University"), and the Company has consented to such employment; and

WHEREAS, the Company and Executive desire to amend and restate the Original Agreement through the execution and delivery of this Agreement to reflect Executive's simultaneous employment by both the Company and the University;

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

1. Employment. The Company desires to continue to employ Executive, and Executive desires to continue such employment, upon the terms and conditions set forth herein.

2. Duties.

2.1 Position. Executive is employed as Chief Executive Officer and shall have the duties and responsibilities reasonably assigned to Executive from time to time by the Company's Board of Directors (the "Board"). Executive shall perform faithfully and diligently all duties assigned to Executive. The Company reserves the right to modify Executive's position and duties at any time in its sole and absolute discretion, except that any material diminution in Executive's duties shall be subject to Section 7.3(ii).

2.2 Best Efforts/Dual Employment.

(a) Executive will expend Executive's best efforts on behalf of the Company in the performance of duties assigned to Executive under this Agreement, and will abide by all policies and decisions made by the Company, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in the best interest of the Company at all times in the performance of duties assigned to Executive under this Agreement.

(b) The parties acknowledge that Executive, with the Company's consent, is or will be employed in an executive capacity by the University. The parties anticipate that Executive will be able to satisfactorily perform the duties assigned to Executive under this Agreement notwithstanding Executive's simultaneous employment by the University. Executive represents and warrants that Executive shall devote not less than fifty percent (50%) of Executive's business time and efforts over the course of any reasonably representative time

period (but not less than one week) to the performance of duties assigned to Executive under this Agreement. Executive shall not engage in any other paid work, other than his simultaneous employment by the University, unless Executive notifies the Board or its designee in advance of Executive's intent to engage in other paid work and receives the express written consent of the Board or its designee to do so.

(c) Notwithstanding the foregoing, Executive will be permitted to serve as an outside director on the board of directors for corporate, civic, nonprofit or charitable entities, so long as Executive obtains the consent of the Board and provided such entities are not competitive with the Company and subject to the provisions of Section 9.

2.3 Work Location. Executive's principal place of work shall be located in Phoenix, Arizona, or such other location as the Company may direct from time to time.

3. Term.

3.1 Initial Term. The employment relationship pursuant to this Agreement shall be for an initial term commencing on the Effective Date and continuing for a period of five (5) years following such date (the "Initial Term"), unless sooner terminated in accordance with Section 7.

3.2 Renewal. Upon expiration of the Initial Term and each Renewal Term, this Agreement will automatically renew for subsequent one (1) year terms (each a "Renewal Term") unless either party provides ninety (90) days' advance written notice to the other that the Company or Executive does not wish to renew the Agreement for a subsequent Renewal Term. In the event either party gives notice of nonrenewal pursuant to this Section 3.2, this Agreement will expire at the end of the then current term. The Initial Term and each subsequent Renewal Term are referred to collectively as the "Term".

4. Compensation.

4.1 Base Salary. As compensation for Executive's performance of Executive's duties hereunder, effective beginning on the Effective Date the Company shall pay to Executive an initial Base Salary at the rate of Three-Hundred Twenty-One Thousand Dollars ($321,000.00) per year, payable in accordance with the normal payroll practices of the Company, less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions. Executive's Base Salary will be reviewed annually by the Compensation Committee of the Board (the "Compensation Committee") and adjustments, if any, will be made at that time. In the event Executive's employment under this Agreement is terminated by either party, for any reason, Executive will earn the Base Salary prorated to the date of termination, except as otherwise set forth herein.

4.2 Incentive Compensation. Executive will be eligible to earn incentive compensation in the form of an annual bonus for each fiscal year of the Company, to be awarded under the Company's annual cash incentive plan as then in effect, with a target amount equal to one hundred percent (100%) of Executive's Base Salary (the "Target Bonus"). Executive's Target Bonus will be reviewed annually by the Compensation Committee and adjustments, if any, will be made at that time. The Compensation Committee will determine the actual amount of the bonus earned by Executive for any year, which may be more or less than the Target Bonus, and will base such determination upon both the Company's achievement of overall performance metrics for the year and Executive's achievement of individual performance metrics as agreed upon by

the Compensation Committee and Executive. Earned bonus amounts, if any, shall be paid within two and one-half months following the end of the applicable Company fiscal year.

4.3 Equity Awards. Executive will be eligible to receive stock, option or other equity awards (each, an "Equity Award") under the Company's applicable equity incentive plan as then in effect (the "Plan"), as determined by the Compensation Committee. Any such Equity Award will be subject to the terms and conditions of the Plan and an applicable form of agreement for such Equity Award specified by the Compensation Committee, which Executive will be required to sign as a condition of retaining the Equity Award.

5. Customary Fringe Benefits. Executive will be eligible for all customary and usual fringe benefits generally available to senior management of the Company, subject to the terms and conditions of the Company's benefit plan documents. The Company reserves the right to change or eliminate fringe benefits on a prospective basis, at any time, effective upon notice to Executive.

6. Business Expenses. Executive will be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of the Company. To obtain reimbursement, expenses must be submitted promptly with appropriate supporting documentation and will be reimbursed in accordance with the Company's policies. Any reimbursement Executive is entitled to receive shall (a) be paid no later than the last day of Executive's tax year following the tax year in which the expense was incurred, (b) not affect or be affected by any other expenses that are eligible for reimbursement in any other tax year of Executive, and (c) not be subject to liquidation or exchange for another benefit.

7. Termination of Executive's Employment.

7.1 Termination for Cause by Company. Although the Company anticipates the continuation of a mutually rewarding employment relationship with Executive, the Company may terminate Executive's employment immediately at any time for Cause. For purposes of this Agreement, "Cause" is defined as: (a) acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of Executive with respect to Executive's obligations or otherwise relating to the business of the Company; (b) Executive's material breach of this Agreement, including, without limitation, any breach of Section 8, Section 9 or Section 11; (c) Executive's breach of the Company's Employee Nondisclosure and Assignment Agreement (a signed copy of which was delivered to the Company with the Original Agreement) (the "Nondisclosure Agreement"); (d) Executive's conviction or entry of a plea of *nolo contendere* for fraud, misappropriation or embezzlement, or any felony or crime of moral turpitude; (e) Executive's inability to perform the essential functions of Executive's position, with or without reasonable accommodation, due to a mental or physical disability; (f) Executive's willful neglect of duties as determined in the sole and exclusive discretion of the Board, provided that Executive has received written notice of the action or omission giving rise to such determination and has failed to remedy such situation to the satisfaction of the Board within thirty (30) days following receipt of such written notice, unless Executive's action or omission is not subject to cure, in which case no such notice shall be required, or (g) Executive's death. In the event Executive's employment is terminated in accordance with this Section 7.1, Executive shall be entitled to receive only Executive's Base Salary then in effect, prorated to the date of Executive's termination of employment with the Company (the "Termination Date"), and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished as of the Termination Date, but will be subject to the surviving provisions

of this Agreement set forth in Section 14.8. Executive will not be entitled to receive the Severance Package described in Section 7.2. Any termination pursuant to this Section 7.1 shall be evidenced by a resolution or written consent of the Board, and the Company shall provide Executive with a copy of such resolution or written consent, certified by the Secretary of the Company, upon Executive's written request.

7.2 Termination Without Cause by Company. The Company may terminate Executive's employment under this Agreement without Cause at any time upon written notice to Executive. In the event of such termination, Executive will receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive a "Severance Package" that shall consist of:

(a) severance in an amount equal to the sum of (i) twelve (12) months of Executive's Base Salary then in effect on the Termination Date, and (ii) 100% of Executive's Target Bonus for the fiscal year in which the Termination Date occurs, with the total of such amounts to be payable over twelve (12) months in equal installments in accordance with the Company's regular payroll cycle, commencing with the first payroll date occurring on or after the 60th day following the Termination Date;

(b) payment by the Company of the premiums required to continue Executive's group health care coverage under the applicable provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for a period (the "COBRA Payment Period") ending on the earlier of (i) twelve (12) months following the Termination Date or (ii) the date on which Executive becomes eligible for health coverage through another employer, provided in any event that Executive timely elects to continue and remains eligible for these benefits under COBRA; and

(c) acceleration of the vesting of any outstanding time-based Equity Awards to the extent that such Equity Awards would have vested in accordance with their terms had Executive's employment with the Company continued uninterrupted until the first anniversary of the Termination Date.

Notwithstanding Section 7.2(b), if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay Executive on the first day of each month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "Special Severance Payment," which shall be treated as part of the Severance Package), for the remainder of the COBRA Payment Period. Executive may, but is not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. All other Company obligations to Executive will be automatically terminated and completely extinguished, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

7.3 Voluntary Resignation by Executive for Good Reason. Executive may voluntarily resign Executive's position with the Company for Good Reason at any time on thirty (30) days' advance written notice to the Company. In the event of Executive's resignation for

Good Reason, Executive will be entitled to receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive the Severance Package described in Section 7.2. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8. Executive will be deemed to have resigned for Good Reason if Executive voluntarily terminates Executive's employment with the Company within ninety (90) days following the first occurrence of a condition constituting Good Reason. "Good Reason" means the occurrence of any of the following conditions without Executive's written consent, which condition(s) remain(s) in effect thirty (30) days after Executive provides written notice to the Company of such condition(s): (i) a material reduction in Executive's Base Salary as then in effect prior to such reduction, other than as part of a salary reduction program among similar management employees, (ii) a material diminution in Executive's authority, duties or responsibilities as an employee of the Company as they existed prior to such change, or (iii) a relocation of Executive's principal place of work which increases Executive's one-way commute distance by more than fifty (50) miles. Executive will be deemed to have given consent to any condition(s) described in this Section 7.3 if Executive does not provide written notice to the Company of Executive's intent to exercise Executive's rights pursuant to this Section within thirty (30) days following the first occurrence of such condition(s).

7.4 Voluntary Resignation by Executive Without Good Reason. Executive may voluntarily resign Executive's position with the Company without Good Reason at any time on thirty (30) days' advance written notice to the Company. In the event of Executive's resignation without Good Reason, Executive will be entitled to receive only Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished. Executive will not be entitled to receive the Severance Package described in Section 7.2, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

7.5 Termination After a Change in Control.

(a) Severance Payment; Equity Award Acceleration. If, upon or within twelve (12) months after a Change in Control (as that term is defined below), Executive's employment is terminated by the Company other than for Cause (as defined in Section 7.1) or Executive resigns for Good Reason (as defined in Section 7.3), then Executive shall be entitled to receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive (i) the Severance Package described in Section 7.2 and (ii) to the extent not yet vested, but subject to the terms of any agreement governing any such Equity Award, any outstanding Equity Awards granted to Executive by the Company shall vest in full as of the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished as of the Termination Date, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

(b) Parachute Payments.

(i) Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit Executive would receive pursuant to this Agreement or

otherwise (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code, and, but for this sentence, would be subject to the excise tax imposed by Section 4999 of the Code or any similar or successor provision (the "Excise Tax"), then the aggregate amount of the Payments will be either (i) the largest portion of the Payments that would result in no portion of the Payments (after reduction) being subject to the Excise Tax or (ii) the entire Payments, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive's receipt, on an after-tax basis, of the greatest amount of the Payments. Any reduction in the Payments required by this Section will be made in the following order: (A) reduction of cash payments; (B) reduction of accelerated vesting of Equity Awards other than stock options; (C) reduction of accelerated vesting of stock options; and (D) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of Equity Awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of such Equity Awards. If two or more Equity Awards are granted on the same date, the accelerated vesting of each award will be reduced on a pro-rata basis.

(ii) The professional firm engaged by the Company for general tax purposes as of the day prior to the date of the event that might reasonably be anticipated to result in Payments that would otherwise be subject to the Excise Tax will perform the foregoing calculations. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section. The Company will bear all expenses with respect to the determinations by the tax firm required to be made by this Section. The Company and Executive shall furnish the tax firm such information and documents as the tax firm may reasonably request in order to make its required determination. The tax firm will provide its calculations, together with detailed supporting documentation, to the Company and Executive as soon as practicable following its engagement. Any good faith determinations of the tax firm made hereunder will be final, binding and conclusive upon the Company and Executive.

(c) Change in Control. A Change in Control is defined as any one of the following occurrences:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), becomes the "beneficial owner" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total fair market value or total combined voting power of the Company's then-outstanding securities entitled to vote generally in the election of directors; provided, however, that a Change in Control shall not be deemed to have occurred if such degree of beneficial ownership results from any of the following: (A) an acquisition of securities by any person who on the Effective Date is the beneficial owner of more than fifty percent (50%) of such voting power, (B) any acquisition of securities directly from the Company, including, without limitation, pursuant to or in connection with a public offering of securities, (C) any acquisition of securities by the Company, (D) any acquisition of securities by a trustee or other fiduciary under an employee benefit plan of the Company, or (E) any acquisition of securities by an entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the voting securities of the Company; or

(ii) the sale or disposition of all or substantially all of the Company's assets (other than a sale or disposition to one or more subsidiaries of the Company), or any transaction having similar effect is consummated; or

(iii) the Company is party to a merger or consolidation that results in the holders of voting securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(iv) the dissolution or liquidation of the Company.

7.6 Termination of Employment Upon Nonrenewal. In the event either party decides not to renew this Agreement for a subsequent term in accordance with Section 3.2, this Agreement will expire automatically upon completion of the then effective Term, and Executive's employment with the Company will thereupon terminate. Executive will be entitled to receive only Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished. Executive will not be entitled to receive the Severance Package described in Section 7.2, but will be subject to the surviving provisions of this Agreement as set forth in Section 14.8.

7.7 Conditions to Severance Package. Executive will only be entitled to receive the Severance Package if, on or before the 60th day following the Termination Date, Executive executes a full general release, releasing all claims, known or unknown, that Executive may have against the Company and its officers, directors, employees and affiliated companies arising out of or any way related to Executive's employment or termination of employment with the Company, and the period for revocation, if any, of such release has lapsed without the release having been revoked. In the event that Executive breaches any of the covenants contained in Sections 9 ("Other Covenants"), 10 ("Confidentiality and Proprietary Rights") or 11 ("Non-Competition; Nonsolicitation of Company Employees"), the Company shall have the right to (a) terminate further provision of any portion of the Severance Package not yet paid or provided, (b) seek reimbursement from Executive for any and all portions of the Severance Package previously paid or provided to Executive, (c) recover from Executive all shares of Company stock acquired by Executive pursuant to Equity Awards the vesting of which was accelerated by reason of the Severance Package (or the proceeds therefrom, reduced by any exercise or pursuant price paid to acquire such shares), and (d) immediately cancel all portions of Equity Awards the vesting of which was accelerated by reason of the Severance Package.

7.8 Resignation of Board or Other Positions. Executive agrees that should Executive's employment terminate for any reason, Executive will immediately resign all other positions (including board membership) Executive may hold on behalf of the Company.

7.9 Application of Section 409A.

(a) Notwithstanding anything set forth in this Agreement to the contrary, no amount payable pursuant to this Agreement on account of Executive's termination of employment with the Company which constitutes a "deferral of compensation" within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code (the "Section 409A

Regulations") shall be paid unless and until Executive has incurred a "separation from service" within the meaning of the Section 409A Regulations. Furthermore, if Executive is a "specified employee" within the meaning of the Section 409A Regulations as of the date of Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive's separation from service shall be paid to Executive before the date (the "Delayed Payment Date") which is first day of the seventh month after the date of Executive's separation from service or, if earlier, the date of Executive's death following such separation from service. All such amounts that would, but for this Section 7.9(a), become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

(b) It is the intent of the Company and Executive that any right of Executive to receive installment payments hereunder shall, for all purposes of Section 409A of the Code, be treated as a right to a series of separate payments.

(c) The Company intends that income provided to Executive pursuant to this Agreement will not be subject to taxation under Section 409A of the Code. The provisions of this Agreement shall be interpreted and construed in favor of satisfying any applicable requirements of Section 409A of the Code. **However, the Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement.** In any event, except for the Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, the Company shall not be responsible for the payment of any applicable taxes incurred by Executive on compensation paid or provided to Executive pursuant to this Agreement.

8. No Violation of Rights of Third Parties. Executive represents and warrants to the Company that Executive is not currently a party, and will not become a party, to any other agreement that is in conflict with, or will prevent Executive from complying with, this Agreement. Executive further represents and warrants to the Company that Executive's performance of all of the terms of this Agreement as an employee of the Company does not and will not breach any agreement to keep in confidence any proprietary information, knowledge, or data acquired by Executive in confidence or trust prior to Executive's employment with the Company. Executive acknowledges and agrees that the representations and warranties in this Section 8 are a material part of this Agreement.

9. Other Covenants. Executive hereby makes the following covenants, each of which Executive acknowledges and agrees are a material part of this Agreement:

9.1 During the Term, Executive will not (a) breach any agreement to keep in confidence any confidential or proprietary information, knowledge or data acquired by Executive prior to Executive's employment with Company, or (b) disclose to the Company, or use or induce the Company to use, any confidential or proprietary information or material belonging to any previous employer or any other third party, including University. Executive acknowledges that the Company has specifically instructed Executive not to breach any such agreement or make any such disclosures to the Company.

9.2 During the Term, Executive will not engage in any work or activity, paid or unpaid, that creates an actual conflict of interest with the Company. Such work shall include, but is not limited to, directly or indirectly competing with the Company in any way, or acting as an officer, director, employee, consultant, stockholder, volunteer, lender, or agent of any business enterprise of the same nature as, or which is in direct competition with, the business in which the Company is now engaged or in which the Company becomes engaged during the Term, as may

be determined by the Company in its sole discretion. If the Company believes such a conflict exists during the Term, the Company may ask Executive to choose to discontinue the other work or activity or resign employment with the Company. The parties acknowledge and agree that Executive's simultaneous employment by University shall not be deemed to be a conflict of interest for purposes of this Section 9.2.

9.3 During the Term and after the termination thereof, neither Executive nor the Company will disparage each other, or the Company's products, services, agents or employees.

9.4 During the Term and after the termination thereof, at the Company's expense and upon its reasonable request, Executive will cooperate and assist the Company in its defense or prosecution of any disputes, differences, grievances, claims, charges, or complaints between the Company and any third party, which assistance will include testifying on the Company's behalf in connection with any such matter or performing any other task reasonably requested by the Company in connection therewith.

10. Confidentiality and Proprietary Rights. Executive agrees to continue to abide by the Nondisclosure Agreement, which is incorporated herein by reference.

11. Non-Competition; Nonsolicitation of Company's Employees. Executive acknowledges that in the course of his employment with the Company he will serve as a member of the Company's senior management and will become familiar with the Company's trade secrets and with other confidential and proprietary information and that his services will be of special, unique and extraordinary value to the Company. Executive further acknowledges that the Company's business is national in scope and that the Company, in the course of such business, and competes with other companies located throughout the United States. Therefore, in consideration of the foregoing, Executive agrees that, during the Term, and during the twelve-month (12) month period following the Term, Executive shall not directly or indirectly anywhere within the United States of America (a) own (except ownership of less than 2% of any class of securities which are listed for trading on any securities exchange or which are traded in the over-the-counter market), manage, control, participate in, consult with, render services for, be employed by, or in any manner engage in the operation of (i) a post-secondary education institution (other than the University), (ii) any business that develops or administers services to degree-granting institutions of higher education, or (iii) any other business of the Company in which Executive had significant involvement prior to Executive's separation; (b) solicit funds on behalf of, or for the benefit of, any post-secondary education institution (other than the University) or any other entity that competes with the Company; (c) induce or attempt to induce any employee of the Company to leave the employ of the Company, or in any way interfere with the relationship between the Company and any employee thereof, or (d) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company to cease doing business with, or modify its business relationship with, the Company, or in any way interfere with or hinder the relationship between any such customer, supplier, licensee or business relation and the Company; provided, however, that Company acknowledges that Executive will serve simultaneously as the President of the University, and that this section of this Agreement shall not apply to or restrict Executive's performance of any of Executive's duties in that role with the University.

12. Injunctive Relief. Executive acknowledges that Executive's breach of the covenants contained in Sections 9, 10 and 11 hereof (collectively "Covenants") would cause irreparable injury to the Company and agrees that in the event of any such breach, the Company

shall be entitled to seek temporary, preliminary and permanent injunctive relief without the necessity of proving actual damages or posting any bond or other security in addition to any other relief to which the Company may be entitled and other remedies Company may exercise under this Agreement or otherwise.

13. Insurance; Indemnification.

13.1 During the Term, Executive will be covered by the Company's director and officer insurance policy to the same extent as all other directors and senior executive officers of the Company.

13.2 Following the execution of this Agreement, the director and officer indemnification agreement executed by the Company and Executive will continue in effect in accordance with its terms.

14. General Provisions.

14.1 Successors and Assigns. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement.

14.2 Waiver. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

14.3 Attorneys' Fees. In the event of a dispute involving the interpretation or enforcement of this Agreement, a court shall award attorneys' fees and costs to the prevailing party.

14.4 Severability. In the event any provision of this Agreement is found to be unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

14.5 Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

14.6 Governing Law; Forum. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of Arizona. Each party consents to the jurisdiction and venue of the state or federal courts in Phoenix, Arizona, if applicable, in any action, suit, or proceeding arising out of or relating to this Agreement, and agrees that the state

or federal courts in Phoenix, Arizona shall have exclusive jurisdiction over any dispute arising between the parties related to this Agreement or Executive's employment with the Company.

14.7 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth under the signatures below, or such other address as either party may specify in writing.

14.8 Survival. Sections 9 ("Other Covenants"), 10 ("Confidentiality and Proprietary Rights"), 11 ("Non-Competition; Nonsolicitation of Company's Employees"), 12 ("Injunctive Relief"), 14 ("General Provisions") and 15 ("Entire Agreement") of this Agreement shall survive termination of Executive's employment with the Company.

15. Entire Agreement. This Agreement, including the Nondisclosure Agreement incorporated herein by reference, constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Executive and the Board. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

EXECUTIVE

Dated: July 1, 2018

By: /s/ Brian E. Mueller
Name: Brian E. Mueller
Address:

COMPANY

Grand Canyon Education, Inc.

Dated: July 1, 2018

By: /s/ Daniel E. Bachus
Name: Daniel E. Bachus
Title: Chief Financial Officer

Address: 2600 West Camelback Road
Phoenix, Arizona 85017

SECOND AMENDED AND RESTATED
EXECUTIVE EMPLOYMENT AGREEMENT
(Chief Operating Officer)

This Second Amended and Restated Executive Employment Agreement (the "Agreement") is entered into on July 1, 2018 and is effective as of July 1, 2018 (the "Effective Date"), by and between Grand Canyon Education, Inc., a Delaware corporation (the "Company"), and W. Stan Meyer ("Executive").

WHEREAS, the Company and Executive are parties to an amended and restated employment agreement dated July 30, 2012 and effective July 1, 2012 (as amended, the "Original Agreement"), and Executive has been employed with the Company since that time; and

WHEREAS, the Company and Executive desire to amend and restate the Original Agreement through the execution and delivery of this Agreement;

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

1. Employment. The Company desires to continue to employ Executive, and Executive desires to continue such employment, upon the terms and conditions set forth herein.

2. Duties.

2.1 Position. Executive is employed as Chief Operating Officer and shall have the duties and responsibilities reasonably assigned to Executive from time to time by the Company's Chief Executive Officer ("CEO") or Board of Directors (the "Board"). Executive shall perform faithfully and diligently all duties assigned to Executive. The Company reserves the right to modify Executive's position and duties at any time in its sole and absolute discretion, except that any material diminution in Executive's duties shall be subject to Section 7.3(ii).

2.2 Best Efforts/Full-time. Executive will expend Executive's best efforts on behalf of the Company in the performance of duties assigned to Executive under this Agreement, and will abide by all policies and decisions made by the Company, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in the best interest of the Company at all times in the performance of duties assigned to Executive under this Agreement. Executive shall devote Executive's full business time and efforts to the performance of Executive's assigned duties for the Company, unless Executive notifies the Board and CEO in advance of Executive's intent to engage in other paid work and receives the Board's and CEO's express written consent to do so. Notwithstanding the foregoing, Executive will be permitted to serve as an outside director on the board of directors for corporate, civic, nonprofit or charitable entities, so long as Executive obtains the consent of the Board and provided such entities are not competitive with the Company and subject to the provisions of Section 9.

2.3 Work Location. Executive's principal place of work shall be located in Phoenix, Arizona, or such other location as the Company may direct from time to time.

3. Term.

3.1 Initial Term. The employment relationship pursuant to this Agreement shall be for an initial term commencing on the Effective Date and continuing for a period of five (5) years following such date (the "Initial Term"), unless sooner terminated in accordance with Section 7.

3.2 Renewal. Upon expiration of the Initial Term and each Renewal Term, this Agreement will automatically renew for subsequent one (1) year terms (each a "Renewal Term") unless either party provides ninety (90) days' advance written notice to the other that the Company or Executive does not wish to renew the Agreement for a subsequent Renewal Term. In the event either party gives notice of nonrenewal pursuant to this Section 3.2, this Agreement will expire at the end of the then current term. The Initial Term and each subsequent Renewal Term are referred to collectively as the "Term".

4. Compensation.

4.1 Base Salary. As compensation for Executive's performance of Executive's duties hereunder, effective beginning on the Effective Date the Company shall pay to Executive an initial Base Salary at the rate of Three-Hundred Ninety Thousand Dollars ($390,000.00) per year, payable in accordance with the normal payroll practices of the Company, less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions. Executive's Base Salary shall be reviewed annually by the Compensation Committee of the Board (the "Compensation Committee") and adjustments, if any, will be made at that time. In the event Executive's employment under this Agreement is terminated by either party, for any reason, Executive will earn the Base Salary prorated to the date of termination, except as otherwise set forth herein.

4.2 Incentive Compensation. Executive will be eligible to earn incentive compensation in the form of an annual bonus for each fiscal year of the Company, to be awarded under the Company's annual cash incentive plan as then in effect, with a target amount equal to seventy-five percent (75%) of Executive's Base Salary (the "Target Bonus"). Executive's Target Bonus shall be reviewed annually by the Compensation Committee and adjustments, if any, will be made at that time The Compensation Committee will determine the actual amount of the bonus earned by Executive for any year, which may be more or less than the Target Bonus, and will base such determination upon both the Company's achievement of overall performance metrics for the year and Executive's achievement of individual performance metrics as agreed upon by the Compensation Committee and Executive. Earned bonus amounts, if any, shall be paid within two and one-half months following the end of the applicable Company fiscal year.

4.3 Equity Awards. Executive will be eligible to receive stock, option or other equity awards (each, an "Equity Award") under the Company's applicable equity incentive plan as then in effect (the "Plan"), as determined by the Compensation Committee. Any such Equity Award will be subject to the terms and conditions of the Plan and an applicable form of agreement for such Equity Award specified by the Compensation Committee, which Executive will be required to sign as a condition of retaining the Equity Award.

5. Customary Fringe Benefits. Executive will be eligible for all customary and usual fringe benefits generally available to senior management of the Company, subject to the terms and conditions of the Company's benefit plan documents. The Company reserves the right to change or eliminate fringe benefits on a prospective basis, at any time, effective upon notice to Executive.

6. Business Expenses. Executive will be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of the Company. To obtain reimbursement, expenses must be submitted promptly with appropriate supporting documentation and will be reimbursed in accordance with the Company's policies. Any reimbursement Executive is entitled to receive shall (a) be paid no later than the last day of Executive's tax year following the tax year in which the expense was incurred, (b) not affect or be affected by any other expenses that are eligible for reimbursement in any other tax year of Executive, and (c) not be subject to liquidation or exchange for another benefit.

7. Termination of Executive's Employment.

7.1 Termination for Cause by Company. Although the Company anticipates the continuation of a mutually rewarding employment relationship with Executive, the Company may terminate Executive's employment immediately at any time for Cause. For purposes of this Agreement, "Cause" is defined as: (a) acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of Executive with respect to Executive's obligations or otherwise relating to the business of the Company; (b) Executive's material breach of this Agreement, including, without limitation, any breach of Section 8, Section 9 or Section 11; (c) Executive's breach of the Company's Employee Nondisclosure and Assignment Agreement (a signed copy of which was delivered to the Company with the Original Agreement) (the "Nondisclosure Agreement"); (d) Executive's conviction or entry of a plea of *nolo contendere* for fraud, misappropriation or embezzlement, or any felony or crime of moral turpitude; (e) Executive's inability to perform the essential functions of Executive's position, with or without reasonable accommodation, due to a mental or physical disability; (f) Executive's willful neglect of duties as determined in the sole and exclusive discretion of the Board, provided that Executive has received written notice of the action or omission giving rise to such determination and has failed to remedy such situation to the satisfaction of the Board within thirty (30) days following receipt of such written notice, unless Executive's action or omission is not subject to cure, in which case no such notice shall be required, or (g) Executive's death. In the event Executive's employment is terminated in accordance with this Section 7.1, Executive shall be entitled to receive only Executive's Base Salary then in effect, prorated to the date of Executive's termination of employment with the Company (the "Termination Date"), and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished as of the Termination Date, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8. Executive will not be entitled to receive the Severance Package described in Section 7.2. Any termination pursuant to this Section 7.1 shall be evidenced by a resolution or written consent of the Board, and the Company shall provide Executive with a copy of such resolution or written consent, certified by the Secretary of the Company, upon Executive's written request.

7.2 Termination Without Cause by Company. The Company may terminate Executive's employment under this Agreement without Cause at any time upon written notice to Executive. In the event of such termination, Executive will receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive a "Severance Package" that shall consist of:

(a) severance in an amount equal to the sum of (i) twelve (12) months of Executive's Base Salary then in effect on the Termination Date, and (ii) 100% of Executive's Target Bonus for the fiscal year in which the Termination Date occurs, with the total of such

amounts to be payable over twelve (12) months in equal installments in accordance with the Company's regular payroll cycle, commencing with the first payroll date occurring on or after the 60th day following the Termination Date;

(b) payment by the Company of the premiums required to continue Executive's group health care coverage under the applicable provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for a period (the "COBRA Payment Period") ending on the earlier of (i) twelve (12) months following the Termination Date or (ii) the date on which Executive becomes eligible for health coverage through another employer, provided in any event that Executive timely elects to continue and remains eligible for these benefits under COBRA; and

(c) acceleration of the vesting of any outstanding time-based Equity Awards to the extent that such Equity Awards would have vested in accordance with their terms had Executive's employment with the Company continued uninterrupted until the first anniversary of the Termination Date.

Notwithstanding Section 7.2(b), if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay Executive on the first day of each month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "Special Severance Payment," which shall be treated as part of the Severance Package), for the remainder of the COBRA Payment Period. Executive may, but is not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. All other Company obligations to Executive will be automatically terminated and completely extinguished, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

7.3 Voluntary Resignation by Executive for Good Reason. Executive may voluntarily resign Executive's position with the Company for Good Reason at any time on thirty (30) days' advance written notice to the Company. In the event of Executive's resignation for Good Reason, Executive will be entitled to receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive the Severance Package described in Section 7.2. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8. Executive will be deemed to have resigned for Good Reason if Executive voluntarily terminates Executive's employment with the Company within ninety (90) days following the first occurrence of a condition constituting Good Reason. "Good Reason" means the occurrence of any of the following conditions without Executive's written consent, which condition(s) remain(s) in effect thirty (30) days after Executive provides written notice to the Company of such condition(s): (i) a material reduction in Executive's Base Salary as then in effect prior to such reduction, other than as part of a salary reduction program among similar management employees, (ii) a material diminution in Executive's authority, duties or responsibilities as an employee of the Company as they existed prior to such change, or (iii) a relocation of Executive's principal place of work which increases Executive's one-way commute

distance by more than fifty (50) miles. Executive will be deemed to have given consent to any condition(s) described in this Section 7.3 if Executive does not provide written notice to the Company of Executive's intent to exercise Executive's rights pursuant to this Section within thirty (30) days following the first occurrence of such condition(s).

7.4 Voluntary Resignation by Executive Without Good Reason. Executive may voluntarily resign Executive's position with the Company without Good Reason at any time on thirty (30) days' advance written notice to the Company. In the event of Executive's resignation without Good Reason, Executive will be entitled to receive only Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished. Executive will not be entitled to receive the Severance Package described in Section 7.2, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

7.5 Termination After a Change in Control.

(a) Severance Payment; Equity Award Acceleration. If, upon or within twelve (12) months after a Change in Control (as that term is defined below), Executive's employment is terminated by the Company other than for Cause (as defined in Section 7.1) or Executive resigns for Good Reason (as defined in Section 7.3), then Executive shall be entitled to receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive (i) the Severance Package described in Section 7.2 and (ii) to the extent not yet vested, but subject to the terms of any agreement governing any such Equity Award, any outstanding Equity Awards granted to Executive by the Company shall vest in full as of the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished as of the Termination Date, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

(b) Parachute Payments.

(i) Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit Executive would receive pursuant to this Agreement or otherwise (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code, and, but for this sentence, would be subject to the excise tax imposed by Section 4999 of the Code or any similar or successor provision (the "Excise Tax"), then the aggregate amount of the Payments will be either (i) the largest portion of the Payments that would result in no portion of the Payments (after reduction) being subject to the Excise Tax or (ii) the entire Payments, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive's receipt, on an after-tax basis, of the greatest amount of the Payments. Any reduction in the Payments required by this Section will be made in the following order: (A) reduction of cash payments; (B) reduction of accelerated vesting of Equity Awards other than stock options; (C) reduction of accelerated vesting of stock options; and (D) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of Equity Awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of such Equity Awards. If two or more

Equity Awards are granted on the same date, the accelerated vesting of each award will be reduced on a pro-rata basis.

(ii) The professional firm engaged by the Company for general tax purposes as of the day prior to the date of the event that might reasonably be anticipated to result in Payments that would otherwise be subject to the Excise Tax will perform the foregoing calculations. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section. The Company will bear all expenses with respect to the determinations by the tax firm required to be made by this Section. The Company and Executive shall furnish the tax firm such information and documents as the tax firm may reasonably request in order to make its required determination. The tax firm will provide its calculations, together with detailed supporting documentation, to the Company and Executive as soon as practicable following its engagement. Any good faith determinations of the tax firm made hereunder will be final, binding and conclusive upon the Company and Executive.

(c) Change in Control. A Change in Control is defined as any one of the following occurrences:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), becomes the "beneficial owner" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total fair market value or total combined voting power of the Company's then-outstanding securities entitled to vote generally in the election of directors; provided, however, that a Change in Control shall not be deemed to have occurred if such degree of beneficial ownership results from any of the following: (A) an acquisition of securities by any person who on the Effective Date is the beneficial owner of more than fifty percent (50%) of such voting power, (B) any acquisition of securities directly from the Company, including, without limitation, pursuant to or in connection with a public offering of securities, (C) any acquisition of securities by the Company, (D) any acquisition of securities by a trustee or other fiduciary under an employee benefit plan of the Company, or (E) any acquisition of securities by an entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the voting securities of the Company; or

(ii) the sale or disposition of all or substantially all of the Company's assets (other than a sale or disposition to one or more subsidiaries of the Company), or any transaction having similar effect is consummated; or

(iii) the Company is party to a merger or consolidation that results in the holders of voting securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(iv) the dissolution or liquidation of the Company.

7.6 Termination of Employment Upon Nonrenewal. In the event either party decides not to renew this Agreement for a subsequent term in accordance with Section 3.2, this Agreement will expire automatically upon completion of the then effective Term, and Executive's

employment with the Company will thereupon terminate. Executive will be entitled to receive only Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished. Executive will not be entitled to receive the Severance Package described in Section 7.2, but will be subject to the surviving provisions of this Agreement as set forth in Section 14.8.

7.7 Conditions to Severance Package. Executive will only be entitled to receive the Severance Package if, on or before the 60th day following the Termination Date, Executive executes a full general release, releasing all claims, known or unknown, that Executive may have against the Company and its officers, directors, employees and affiliated companies arising out of or any way related to Executive's employment or termination of employment with the Company, and the period for revocation, if any, of such release has lapsed without the release having been revoked. In the event that Executive breaches any of the covenants contained in Sections 9 ("Other Covenants"), 10 ("Confidentiality and Proprietary Rights") or 11 ("Non-Competition; Nonsolicitation of Company Employees"), the Company shall have the right to (a) terminate further provision of any portion of the Severance Package not yet paid or provided, (b) seek reimbursement from Executive for any and all portions of the Severance Package previously paid or provided to Executive, (c) recover from Executive all shares of Company stock acquired by Executive pursuant to Equity Awards the vesting of which was accelerated by reason of the Severance Package (or the proceeds therefrom, reduced by any exercise or pursuant price paid to acquire such shares), and (d) immediately cancel all portions of Equity Awards the vesting of which was accelerated by reason of the Severance Package.

7.8 Resignation of Board or Other Positions. Executive agrees that should Executive's employment terminate for any reason, Executive will immediately resign all other positions (including board membership) Executive may hold on behalf of the Company.

7.9 Application of Section 409A.

(a) Notwithstanding anything set forth in this Agreement to the contrary, no amount payable pursuant to this Agreement on account of Executive's termination of employment with the Company which constitutes a "deferral of compensation" within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code (the "Section 409A Regulations") shall be paid unless and until Executive has incurred a "separation from service" within the meaning of the Section 409A Regulations. Furthermore, if Executive is a "specified employee" within the meaning of the Section 409A Regulations as of the date of Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive's separation from service shall be paid to Executive before the date (the "Delayed Payment Date") which is first day of the seventh month after the date of Executive's separation from service or, if earlier, the date of Executive's death following such separation from service. All such amounts that would, but for this Section 7.9(a), become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

(b) It is the intent of the Company and Executive that any right of Executive to receive installment payments hereunder shall, for all purposes of Section 409A of the Code, be treated as a right to a series of separate payments.

(c) The Company intends that income provided to Executive pursuant to this Agreement will not be subject to taxation under Section 409A of the Code. The provisions

of this Agreement shall be interpreted and construed in favor of satisfying any applicable requirements of Section 409A of the Code. **However, the Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement.** In any event, except for the Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, the Company shall not be responsible for the payment of any applicable taxes incurred by Executive on compensation paid or provided to Executive pursuant to this Agreement.

8. No Violation of Rights of Third Parties. Executive represents and warrants to the Company that Executive is not currently a party, and will not become a party, to any other agreement that is in conflict with, or will prevent Executive from complying with, this Agreement. Executive further represents and warrants to the Company that Executive's performance of all of the terms of this Agreement as an employee of the Company does not and will not breach any agreement to keep in confidence any proprietary information, knowledge, or data acquired by Executive in confidence or trust prior to Executive's employment with the Company. Executive acknowledges and agrees that the representations and warranties in this Section 8 are a material part of this Agreement.

9. Other Covenants. Executive hereby makes the following covenants, each of which Executive acknowledges and agrees are a material part of this Agreement:

9.1 During the Term, Executive will not (a) breach any agreement to keep in confidence any confidential or proprietary information, knowledge or data acquired by Executive prior to Executive's employment with Company, or (b) disclose to the Company, or use or induce the Company to use, any confidential or proprietary information or material belonging to any previous employer or any other third party. Executive acknowledges that the Company has specifically instructed Executive not to breach any such agreement or make any such disclosures to the Company.

9.2 During the Term, Executive will not engage in any work or activity, paid or unpaid, that creates an actual conflict of interest with the Company. Such work shall include, but is not limited to, directly or indirectly competing with the Company in any way, or acting as an officer, director, employee, consultant, stockholder, volunteer, lender, or agent of any business enterprise of the same nature as, or which is in direct competition with, the business in which the Company is now engaged or in which the Company becomes engaged during the Term, as may be determined by the Company in its sole discretion. If the Company believes such a conflict exists during the Term, the Company may ask Executive to choose to discontinue the other work or activity or resign employment with the Company.

9.3 During the Term and after the termination thereof, neither Executive nor the Company will disparage each other, or the Company's products, services, agents or employees.

9.4 During the Term and after the termination thereof, at the Company's expense and upon its reasonable request, Executive will cooperate and assist the Company in its defense or prosecution of any disputes, differences, grievances, claims, charges, or complaints between the Company and any third party, which assistance will include testifying on the Company's behalf in connection with any such matter or performing any other task reasonably requested by the Company in connection therewith.

10. Confidentiality and Proprietary Rights. Executive agrees to continue to abide by the Nondisclosure Agreement, which is incorporated herein by reference.

11. Non-Competition; Nonsolicitation of Company's Employees. Executive acknowledges that in the course of his employment with the Company he will serve as a member of the Company's senior management and will become familiar with the Company's trade secrets and with other confidential and proprietary information and that his services will be of special, unique and extraordinary value to the Company. Executive further acknowledges that the Company's business is national in scope and that the Company, in the course of such business competes with other companies located throughout the United States. Therefore, in consideration of the foregoing, Executive agrees that, during the Term, and during the twelve-month (12) month period following the Term, Executive shall not directly or indirectly anywhere within the United States of America (a) own (except ownership of less than 1% of any class of securities which are listed for trading on any securities exchange or which are traded in the over-the-counter market), manage, control, participate in, consult with, render services for, be employed by, or in any manner engage in the operation of (i) a post-secondary education institution, (ii) any business that develops or administers services to degree-granting institutions of higher education, or (iii) any other business of the Company in which Executive had significant involvement prior to Executive's separation; (b) solicit funds on behalf of, or for the benefit of, any for-profit, post-secondary education institution (other than the Company) or any other entity that competes with the Company; (c) induce or attempt to induce any employee of the Company to leave the employ of the Company, or in any way interfere with the relationship between the Company and any employee thereof, or (d) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company to cease doing business with, or modify its business relationship with, the Company, or in any way interfere with or hinder the relationship between any such student, customer, supplier, licensee or business relation and the Company.

12. Injunctive Relief. Executive acknowledges that Executive's breach of the covenants contained in Sections 9, 10 and 11 hereof (collectively "Covenants") would cause irreparable injury to the Company and agrees that in the event of any such breach, the Company shall be entitled to seek temporary, preliminary and permanent injunctive relief without the necessity of proving actual damages or posting any bond or other security in addition to any other relief to which the Company may be entitled and other remedies Company may exercise under this Agreement or otherwise.

13. Insurance; Indemnification.

13.1 During the Term, Executive will be covered by the Company's director and officer insurance policy to the same extent as all other senior executive officers of the Company.

13.2 Following the execution of this Agreement, the director and officer indemnification agreement executed by the Company and Executive will continue in effect in accordance with its terms.

14. General Provisions.

14.1 Successors and Assigns. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement.

14.2 Waiver. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

14.3 Attorneys' Fees. In the event of a dispute involving the interpretation or enforcement of this Agreement, a court shall award attorneys' fees and costs to the prevailing party.

14.4 Severability. In the event any provision of this Agreement is found to be unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

14.5 Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

14.6 Governing Law; Forum. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of Arizona. Each party consents to the jurisdiction and venue of the state or federal courts in Phoenix, Arizona, if applicable, in any action, suit, or proceeding arising out of or relating to this Agreement, and agrees that the state or federal courts in Phoenix, Arizona shall have exclusive jurisdiction over any dispute arising between the parties related to this Agreement or Executive's employment with the Company.

14.7 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth under the signatures below, or such other address as either party may specify in writing.

14.8 Survival. Sections 9 ("Other Covenants"), 10 ("Confidentiality and Proprietary Rights"), 11 ("Non-Competition; Nonsolicitation of Company's Employees"), 12 ("Injunctive Relief"), 14 ("General Provisions") and 15 ("Entire Agreement") of this Agreement shall survive termination of Executive's employment with the Company.

15. Entire Agreement. This Agreement, including the Nondisclosure Agreement incorporated herein by reference, constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Executive and the Board. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

EXECUTIVE

Dated: July 1, 2018

By: /s/ W. Stan Meyer
Name: W. Stan Meyer
Address:

GRAND CANYON EDUCATION, INC.

Dated: July 1, 2018

By: /s/ Brian E. Mueller
Name: Brian E. Mueller
Title: Chairman and CEO

Address: 2600 West Camelback Road
Phoenix, Arizona 85017

SECOND AMENDED AND RESTATED
EXECUTIVE EMPLOYMENT AGREEMENT
(Chief Financial Officer)

This Second Amended and Restated Executive Employment Agreement (the "Agreement") is entered into on July 1, 2018 and is effective as of July 1, 2018 (the "Effective Date"), by and between Grand Canyon Education, Inc., a Delaware corporation (the "Company"), and Daniel E. Bachus ("Executive").

WHEREAS, the Company and Executive are parties to an amended and restated employment agreement dated July 30, 2012 and effective July 1, 2012 (as amended, the "Original Agreement"), and Executive has been employed with the Company since that time; and

WHEREAS, the Company and Executive desire to amend and restate the Original Agreement through the execution and delivery of this Agreement;

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

1. Employment. The Company desires to continue to employ Executive, and Executive desires to continue such employment, upon the terms and conditions set forth herein.

2. Duties.

2.1 Position. Executive is employed as Chief Financial Officer and shall have the duties and responsibilities reasonably assigned to Executive from time to time by the Company's Chief Executive Officer ("CEO") or Board of Directors (the "Board"). Executive shall perform faithfully and diligently all duties assigned to Executive. The Company reserves the right to modify Executive's position and duties at any time in its sole and absolute discretion, except that any material diminution in Executive's duties shall be subject to Section 7.3(ii).

2.2 Best Efforts/Full-time. Executive will expend Executive's best efforts on behalf of the Company in the performance of duties assigned to Executive under this Agreement, and will abide by all policies and decisions made by the Company, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in the best interest of the Company at all times in the performance of duties assigned to Executive under this Agreement. Executive shall devote Executive's full business time and efforts to the performance of Executive's assigned duties for the Company, unless Executive notifies the Board and CEO in advance of Executive's intent to engage in other paid work and receives the Board's and CEO's express written consent to do so. Notwithstanding the foregoing, Executive will be permitted to serve as an outside director on the board of directors for corporate, civic, nonprofit or charitable entities, so long as Executive obtains the consent of the Board and provided such entities are not competitive with the Company and subject to the provisions of Section 9.

2.3 Work Location. Executive's principal place of work shall be located in Phoenix, Arizona, or such other location as the Company may direct from time to time.

3. Term.

3.1 Initial Term. The employment relationship pursuant to this Agreement shall be for an initial term commencing on the Effective Date and continuing for a period of five (5) years following such date (the "Initial Term"), unless sooner terminated in accordance with Section 7.

3.2 Renewal. Upon expiration of the Initial Term and each Renewal Term, this Agreement will automatically renew for subsequent one (1) year terms (each a "Renewal Term") unless either party provides ninety (90) days' advance written notice to the other that the Company or Executive does not wish to renew the Agreement for a subsequent Renewal Term. In the event either party gives notice of nonrenewal pursuant to this Section 3.2, this Agreement will expire at the end of the then current term. The Initial Term and each subsequent Renewal Term are referred to collectively as the "Term".

4. Compensation.

4.1 Base Salary. As compensation for Executive's performance of Executive's duties hereunder, effective beginning on the Effective Date the Company shall pay to Executive an initial Base Salary at the rate of Three-Hundred Ninety Thousand Dollars ($390,000.00) per year, payable in accordance with the normal payroll practices of the Company, less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions. Executive's Base Salary shall be reviewed annually by the Compensation Committee of the Board (the "Compensation Committee") and adjustments, if any, will be made at that time. In the event Executive's employment under this Agreement is terminated by either party, for any reason, Executive will earn the Base Salary prorated to the date of termination, except as otherwise set forth herein.

4.2 Incentive Compensation. Executive will be eligible to earn incentive compensation in the form of an annual bonus for each fiscal year of the Company, to be awarded under the Company's annual cash incentive plan as then in effect, with a target amount equal to seventy-five percent (75%) of Executive's Base Salary (the "Target Bonus"). Executive's Target Bonus shall be reviewed annually by the Compensation Committee and adjustments, if any, will be made at that time The Compensation Committee will determine the actual amount of the bonus earned by Executive for any year, which may be more or less than the Target Bonus, and will base such determination upon both the Company's achievement of overall performance metrics for the year and Executive's achievement of individual performance metrics as agreed upon by the Compensation Committee and Executive. Earned bonus amounts, if any, shall be paid within two and one-half months following the end of the applicable Company fiscal year.

4.3 Equity Awards. Executive will be eligible to receive stock, option or other equity awards (each, an "Equity Award") under the Company's applicable equity incentive plan as then in effect (the "Plan"), as determined by the Compensation Committee. Any such Equity Award will be subject to the terms and conditions of the Plan and an applicable form of agreement for such Equity Award specified by the Compensation Committee, which Executive will be required to sign as a condition of retaining the Equity Award.

5. Customary Fringe Benefits. Executive will be eligible for all customary and usual fringe benefits generally available to senior management of the Company, subject to the terms and conditions of the Company's benefit plan documents. The Company reserves the right to change or eliminate fringe benefits on a prospective basis, at any time, effective upon notice to Executive.

6. Business Expenses. Executive will be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of the Company. To obtain reimbursement, expenses must be submitted promptly with appropriate supporting documentation and will be reimbursed in accordance with the Company's policies. Any reimbursement Executive is entitled to receive shall (a) be paid no later than the last day of Executive's tax year following the tax year in which the expense was incurred, (b) not affect or be affected by any other expenses that are eligible for reimbursement in any other tax year of Executive, and (c) not be subject to liquidation or exchange for another benefit.

7. Termination of Executive's Employment.

7.1 Termination for Cause by Company. Although the Company anticipates the continuation of a mutually rewarding employment relationship with Executive, the Company may terminate Executive's employment immediately at any time for Cause. For purposes of this Agreement, "Cause" is defined as: (a) acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of Executive with respect to Executive's obligations or otherwise relating to the business of the Company; (b) Executive's material breach of this Agreement, including, without limitation, any breach of Section 8, Section 9 or Section 11; (c) Executive's breach of the Company's Employee Nondisclosure and Assignment Agreement (a signed copy of which was delivered to the Company with the Original Agreement) (the "Nondisclosure Agreement"); (d) Executive's conviction or entry of a plea of *nolo contendere* for fraud, misappropriation or embezzlement, or any felony or crime of moral turpitude; (e) Executive's inability to perform the essential functions of Executive's position, with or without reasonable accommodation, due to a mental or physical disability; (f) Executive's willful neglect of duties as determined in the sole and exclusive discretion of the Board, provided that Executive has received written notice of the action or omission giving rise to such determination and has failed to remedy such situation to the satisfaction of the Board within thirty (30) days following receipt of such written notice, unless Executive's action or omission is not subject to cure, in which case no such notice shall be required, or (g) Executive's death. In the event Executive's employment is terminated in accordance with this Section 7.1, Executive shall be entitled to receive only Executive's Base Salary then in effect, prorated to the date of Executive's termination of employment with the Company (the "Termination Date"), and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished as of the Termination Date, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8. Executive will not be entitled to receive the Severance Package described in Section 7.2. Any termination pursuant to this Section 7.1 shall be evidenced by a resolution or written consent of the Board, and the Company shall provide Executive with a copy of such resolution or written consent, certified by the Secretary of the Company, upon Executive's written request.

7.2 Termination Without Cause by Company. The Company may terminate Executive's employment under this Agreement without Cause at any time upon written notice to Executive. In the event of such termination, Executive will receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive a "Severance Package" that shall consist of:

(a) severance in an amount equal to the sum of (i) twelve (12) months of Executive's Base Salary then in effect on the Termination Date, and (ii) 100% of Executive's Target Bonus for the fiscal year in which the Termination Date occurs, with the total of such

amounts to be payable over twelve (12) months in equal installments in accordance with the Company's regular payroll cycle, commencing with the first payroll date occurring on or after the 60th day following the Termination Date;

(b) payment by the Company of the premiums required to continue Executive's group health care coverage under the applicable provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for a period (the "COBRA Payment Period") ending on the earlier of (i) twelve (12) months following the Termination Date or (ii) the date on which Executive becomes eligible for health coverage through another employer, provided in any event that Executive timely elects to continue and remains eligible for these benefits under COBRA; and

(c) acceleration of the vesting of any outstanding time-based Equity Awards to the extent that such Equity Awards would have vested in accordance with their terms had Executive's employment with the Company continued uninterrupted until the first anniversary of the Termination Date.

Notwithstanding Section 7.2(b), if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay Executive on the first day of each month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "Special Severance Payment," which shall be treated as part of the Severance Package), for the remainder of the COBRA Payment Period. Executive may, but is not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. All other Company obligations to Executive will be automatically terminated and completely extinguished, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

7.3 Voluntary Resignation by Executive for Good Reason. Executive may voluntarily resign Executive's position with the Company for Good Reason at any time on thirty (30) days' advance written notice to the Company. In the event of Executive's resignation for Good Reason, Executive will be entitled to receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive the Severance Package described in Section 7.2. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8. Executive will be deemed to have resigned for Good Reason if Executive voluntarily terminates Executive's employment with the Company within ninety (90) days following the first occurrence of a condition constituting Good Reason. "Good Reason" means the occurrence of any of the following conditions without Executive's written consent, which condition(s) remain(s) in effect thirty (30) days after Executive provides written notice to the Company of such condition(s): (i) a material reduction in Executive's Base Salary as then in effect prior to such reduction, other than as part of a salary reduction program among similar management employees, (ii) a material diminution in Executive's authority, duties or responsibilities as an employee of the Company as they existed prior to such change, or (iii) a relocation of Executive's principal place of work which increases Executive's one-way commute

distance by more than fifty (50) miles. Executive will be deemed to have given consent to any condition(s) described in this Section 7.3 if Executive does not provide written notice to the Company of Executive's intent to exercise Executive's rights pursuant to this Section within thirty (30) days following the first occurrence of such condition(s).

7.4 Voluntary Resignation by Executive Without Good Reason. Executive may voluntarily resign Executive's position with the Company without Good Reason at any time on thirty (30) days' advance written notice to the Company. In the event of Executive's resignation without Good Reason, Executive will be entitled to receive only Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished. Executive will not be entitled to receive the Severance Package described in Section 7.2, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

7.5 Termination After a Change in Control.

(a) Severance Payment; Equity Award Acceleration. If, upon or within twelve (12) months after a Change in Control (as that term is defined below), Executive's employment is terminated by the Company other than for Cause (as defined in Section 7.1) or Executive resigns for Good Reason (as defined in Section 7.3), then Executive shall be entitled to receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive (i) the Severance Package described in Section 7.2 and (ii) to the extent not yet vested, but subject to the terms of any agreement governing any such Equity Award, any outstanding Equity Awards granted to Executive by the Company shall vest in full as of the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished as of the Termination Date, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

(b) Parachute Payments.

(i) Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit Executive would receive pursuant to this Agreement or otherwise (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code, and, but for this sentence, would be subject to the excise tax imposed by Section 4999 of the Code or any similar or successor provision (the "Excise Tax"), then the aggregate amount of the Payments will be either (i) the largest portion of the Payments that would result in no portion of the Payments (after reduction) being subject to the Excise Tax or (ii) the entire Payments, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive's receipt, on an after-tax basis, of the greatest amount of the Payments. Any reduction in the Payments required by this Section will be made in the following order: (A) reduction of cash payments; (B) reduction of accelerated vesting of Equity Awards other than stock options; (C) reduction of accelerated vesting of stock options; and (D) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of Equity Awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of such Equity Awards. If two or more

Equity Awards are granted on the same date, the accelerated vesting of each award will be reduced on a pro-rata basis.

(ii) The professional firm engaged by the Company for general tax purposes as of the day prior to the date of the event that might reasonably be anticipated to result in Payments that would otherwise be subject to the Excise Tax will perform the foregoing calculations. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section. The Company will bear all expenses with respect to the determinations by the tax firm required to be made by this Section. The Company and Executive shall furnish the tax firm such information and documents as the tax firm may reasonably request in order to make its required determination. The tax firm will provide its calculations, together with detailed supporting documentation, to the Company and Executive as soon as practicable following its engagement. Any good faith determinations of the tax firm made hereunder will be final, binding and conclusive upon the Company and Executive.

(c) Change in Control. A Change in Control is defined as any one of the following occurrences:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), becomes the "beneficial owner" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total fair market value or total combined voting power of the Company's then-outstanding securities entitled to vote generally in the election of directors; provided, however, that a Change in Control shall not be deemed to have occurred if such degree of beneficial ownership results from any of the following: (A) an acquisition of securities by any person who on the Effective Date is the beneficial owner of more than fifty percent (50%) of such voting power, (B) any acquisition of securities directly from the Company, including, without limitation, pursuant to or in connection with a public offering of securities, (C) any acquisition of securities by the Company, (D) any acquisition of securities by a trustee or other fiduciary under an employee benefit plan of the Company, or (E) any acquisition of securities by an entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the voting securities of the Company; or

(ii) the sale or disposition of all or substantially all of the Company's assets (other than a sale or disposition to one or more subsidiaries of the Company), or any transaction having similar effect is consummated; or

(iii) the Company is party to a merger or consolidation that results in the holders of voting securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(iv) the dissolution or liquidation of the Company.

7.6 Termination of Employment Upon Nonrenewal. In the event either party decides not to renew this Agreement for a subsequent term in accordance with Section 3.2, this Agreement will expire automatically upon completion of the then effective Term, and Executive's

employment with the Company will thereupon terminate. Executive will be entitled to receive only Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished. Executive will not be entitled to receive the Severance Package described in Section 7.2, but will be subject to the surviving provisions of this Agreement as set forth in Section 14.8.

7.7 Conditions to Severance Package. Executive will only be entitled to receive the Severance Package if, on or before the 60th day following the Termination Date, Executive executes a full general release, releasing all claims, known or unknown, that Executive may have against the Company and its officers, directors, employees and affiliated companies arising out of or any way related to Executive's employment or termination of employment with the Company, and the period for revocation, if any, of such release has lapsed without the release having been revoked. In the event that Executive breaches any of the covenants contained in Sections 9 ("Other Covenants"), 10 ("Confidentiality and Proprietary Rights") or 11 ("Non-Competition; Nonsolicitation of Company Employees"), the Company shall have the right to (a) terminate further provision of any portion of the Severance Package not yet paid or provided, (b) seek reimbursement from Executive for any and all portions of the Severance Package previously paid or provided to Executive, (c) recover from Executive all shares of Company stock acquired by Executive pursuant to Equity Awards the vesting of which was accelerated by reason of the Severance Package (or the proceeds therefrom, reduced by any exercise or pursuant price paid to acquire such shares), and (d) immediately cancel all portions of Equity Awards the vesting of which was accelerated by reason of the Severance Package.

7.8 Resignation of Board or Other Positions. Executive agrees that should Executive's employment terminate for any reason, Executive will immediately resign all other positions (including board membership) Executive may hold on behalf of the Company.

7.9 Application of Section 409A.

(a) Notwithstanding anything set forth in this Agreement to the contrary, no amount payable pursuant to this Agreement on account of Executive's termination of employment with the Company which constitutes a "deferral of compensation" within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code (the "Section 409A Regulations") shall be paid unless and until Executive has incurred a "separation from service" within the meaning of the Section 409A Regulations. Furthermore, if Executive is a "specified employee" within the meaning of the Section 409A Regulations as of the date of Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive's separation from service shall be paid to Executive before the date (the "Delayed Payment Date") which is first day of the seventh month after the date of Executive's separation from service or, if earlier, the date of Executive's death following such separation from service. All such amounts that would, but for this Section 7.9(a), become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

(b) It is the intent of the Company and Executive that any right of Executive to receive installment payments hereunder shall, for all purposes of Section 409A of the Code, be treated as a right to a series of separate payments.

(c) The Company intends that income provided to Executive pursuant to this Agreement will not be subject to taxation under Section 409A of the Code. The provisions

of this Agreement shall be interpreted and construed in favor of satisfying any applicable requirements of Section 409A of the Code. **However, the Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement.** In any event, except for the Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, the Company shall not be responsible for the payment of any applicable taxes incurred by Executive on compensation paid or provided to Executive pursuant to this Agreement.

8. No Violation of Rights of Third Parties. Executive represents and warrants to the Company that Executive is not currently a party, and will not become a party, to any other agreement that is in conflict with, or will prevent Executive from complying with, this Agreement. Executive further represents and warrants to the Company that Executive's performance of all of the terms of this Agreement as an employee of the Company does not and will not breach any agreement to keep in confidence any proprietary information, knowledge, or data acquired by Executive in confidence or trust prior to Executive's employment with the Company. Executive acknowledges and agrees that the representations and warranties in this Section 8 are a material part of this Agreement.

9. Other Covenants. Executive hereby makes the following covenants, each of which Executive acknowledges and agrees are a material part of this Agreement:

9.1 During the Term, Executive will not (a) breach any agreement to keep in confidence any confidential or proprietary information, knowledge or data acquired by Executive prior to Executive's employment with Company, or (b) disclose to the Company, or use or induce the Company to use, any confidential or proprietary information or material belonging to any previous employer or any other third party. Executive acknowledges that the Company has specifically instructed Executive not to breach any such agreement or make any such disclosures to the Company.

9.2 During the Term, Executive will not engage in any work or activity, paid or unpaid, that creates an actual conflict of interest with the Company. Such work shall include, but is not limited to, directly or indirectly competing with the Company in any way, or acting as an officer, director, employee, consultant, stockholder, volunteer, lender, or agent of any business enterprise of the same nature as, or which is in direct competition with, the business in which the Company is now engaged or in which the Company becomes engaged during the Term, as may be determined by the Company in its sole discretion. If the Company believes such a conflict exists during the Term, the Company may ask Executive to choose to discontinue the other work or activity or resign employment with the Company.

9.3 During the Term and after the termination thereof, neither Executive nor the Company will disparage each other, or the Company's products, services, agents or employees.

9.4 During the Term and after the termination thereof, at the Company's expense and upon its reasonable request, Executive will cooperate and assist the Company in its defense or prosecution of any disputes, differences, grievances, claims, charges, or complaints between the Company and any third party, which assistance will include testifying on the Company's behalf in connection with any such matter or performing any other task reasonably requested by the Company in connection therewith.

10. Confidentiality and Proprietary Rights. Executive agrees to continue to abide by the Nondisclosure Agreement, which is incorporated herein by reference.

11. Non-Competition; Nonsolicitation of Company's Employees. Executive acknowledges that in the course of his employment with the Company he will serve as a member of the Company's senior management and will become familiar with the Company's trade secrets and with other confidential and proprietary information and that his services will be of special, unique and extraordinary value to the Company. Executive further acknowledges that the Company's business is national in scope and that the Company, in the course of such business competes with other companies located throughout the United States. Therefore, in consideration of the foregoing, Executive agrees that, during the Term, and during the twelve-month (12) month period following the Term, Executive shall not directly or indirectly anywhere within the United States of America (a) own (except ownership of less than 1% of any class of securities which are listed for trading on any securities exchange or which are traded in the over-the-counter market), manage, control, participate in, consult with, render services for, be employed by, or in any manner engage in the operation of (i) a post-secondary education institution, (ii) any business that develops or administers services to degree-granting institutions of higher education, or (iii) any other business of the Company in which Executive had significant involvement prior to Executive's separation; (b) solicit funds on behalf of, or for the benefit of, any for-profit, post-secondary education institution (other than the Company) or any other entity that competes with the Company; (c) induce or attempt to induce any employee of the Company to leave the employ of the Company, or in any way interfere with the relationship between the Company and any employee thereof, or (d) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company to cease doing business with, or modify its business relationship with, the Company, or in any way interfere with or hinder the relationship between any such student, customer, supplier, licensee or business relation and the Company.

12. Injunctive Relief. Executive acknowledges that Executive's breach of the covenants contained in Sections 9, 10 and 11 hereof (collectively "Covenants") would cause irreparable injury to the Company and agrees that in the event of any such breach, the Company shall be entitled to seek temporary, preliminary and permanent injunctive relief without the necessity of proving actual damages or posting any bond or other security in addition to any other relief to which the Company may be entitled and other remedies Company may exercise under this Agreement or otherwise.

13. Insurance; Indemnification.

13.1 During the Term, Executive will be covered by the Company's director and officer insurance policy to the same extent as all other senior executive officers of the Company.

13.2 Following the execution of this Agreement, the director and officer indemnification agreement executed by the Company and Executive will continue in effect in accordance with its terms.

14. General Provisions.

14.1 Successors and Assigns. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement.

14.2 Waiver. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

14.3 Attorneys' Fees. In the event of a dispute involving the interpretation or enforcement of this Agreement, a court shall award attorneys' fees and costs to the prevailing party.

14.4 Severability. In the event any provision of this Agreement is found to be unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

14.5 Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

14.6 Governing Law; Forum. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of Arizona. Each party consents to the jurisdiction and venue of the state or federal courts in Phoenix, Arizona, if applicable, in any action, suit, or proceeding arising out of or relating to this Agreement, and agrees that the state or federal courts in Phoenix, Arizona shall have exclusive jurisdiction over any dispute arising between the parties related to this Agreement or Executive's employment with the Company.

14.7 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth under the signatures below, or such other address as either party may specify in writing.

14.8 Survival. Sections 9 ("Other Covenants"), 10 ("Confidentiality and Proprietary Rights"), 11 ("Non-Competition; Nonsolicitation of Company's Employees"), 12 ("Injunctive Relief"), 14 ("General Provisions") and 15 ("Entire Agreement") of this Agreement shall survive termination of Executive's employment with the Company.

15. Entire Agreement. This Agreement, including the Nondisclosure Agreement incorporated herein by reference, constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Executive and the Board. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

EXECUTIVE

Dated: July 1, 2018

By: /s/ Daniel E. Bachus
Name: Daniel E. Bachus
Address:

GRAND CANYON EDUCATION, INC.

Dated: July 1, 2018

By: /s/ Brian E. Mueller
Name: Brian E. Mueller
Title: Chairman and CEO

Address: 2600 West Camelback Road
Phoenix, Arizona 85017

SECOND AMENDED AND RESTATED
EXECUTIVE EMPLOYMENT AGREEMENT
(Chief Information Officer)

This Second Amended and Restated Executive Employment Agreement (the "Agreement") is entered into on July 1, 2018 and is effective as of July 1, 2018 (the "Effective Date"), by and between Grand Canyon Education, Inc., a Delaware corporation (the "Company"), and Joseph N. Mildenhall ("Executive").

WHEREAS, the Company and Executive are parties to an amended and restated employment agreement dated July 30, 2012 and effective July 1, 2012 (as amended, the "Original Agreement"), and Executive has been employed with the Company since that time; and

WHEREAS, the Company and Executive desire to amend and restate the Original Agreement through the execution and delivery of this Agreement;

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

1. Employment. The Company desires to continue to employ Executive, and Executive desires to continue such employment, upon the terms and conditions set forth herein.

2. Duties.

2.1 Position. Executive is employed as Chief Information Officer and shall have the duties and responsibilities reasonably assigned to Executive from time to time by the Company's Chief Executive Officer ("CEO") or Board of Directors (the "Board"). Executive shall perform faithfully and diligently all duties assigned to Executive. The Company reserves the right to modify Executive's position and duties at any time in its sole and absolute discretion, except that any material diminution in Executive's duties shall be subject to Section 7.3(ii).

2.2 Best Efforts/Full-time. Executive will expend Executive's best efforts on behalf of the Company in the performance of duties assigned to Executive under this Agreement, and will abide by all policies and decisions made by the Company, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in the best interest of the Company at all times in the performance of duties assigned to Executive under this Agreement. Executive shall devote Executive's full business time and efforts to the performance of Executive's assigned duties for the Company, unless Executive notifies the Board and CEO in advance of Executive's intent to engage in other paid work and receives the Board's and CEO's express written consent to do so. Notwithstanding the foregoing, Executive will be permitted to serve as an outside director on the board of directors for corporate, civic, nonprofit or charitable entities, so long as Executive obtains the consent of the Board and provided such entities are not competitive with the Company and subject to the provisions of Section 9.

2.3 Work Location. Executive's principal place of work shall be located in Phoenix, Arizona, or such other location as the Company may direct from time to time.

3. Term.

3.1 Initial Term. The employment relationship pursuant to this Agreement shall be for an initial term commencing on the Effective Date and continuing for a period of five (5) years following such date (the "Initial Term"), unless sooner terminated in accordance with Section 7.

3.2 Renewal. Upon expiration of the Initial Term and each Renewal Term, this Agreement will automatically renew for subsequent one (1) year terms (each a "Renewal Term") unless either party provides ninety (90) days' advance written notice to the other that the Company or Executive does not wish to renew the Agreement for a subsequent Renewal Term. In the event either party gives notice of nonrenewal pursuant to this Section 3.2, this Agreement will expire at the end of the then current term. The Initial Term and each subsequent Renewal Term are referred to collectively as the "Term".

4. Compensation.

4.1 Base Salary. As compensation for Executive's performance of Executive's duties hereunder, effective beginning on the Effective Date the Company shall pay to Executive an initial Base Salary at the rate of Three-Hundred Forty Thousand Dollars ($340,000.00) per year, payable in accordance with the normal payroll practices of the Company, less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions. Executive's Base Salary shall be reviewed annually by the Compensation Committee of the Board (the "Compensation Committee") and adjustments, if any, will be made at that time. In the event Executive's employment under this Agreement is terminated by either party, for any reason, Executive will earn the Base Salary prorated to the date of termination, except as otherwise set forth herein.

4.2 Incentive Compensation. Executive will be eligible to earn incentive compensation in the form of an annual bonus for each fiscal year of the Company, to be awarded under the Company's annual cash incentive plan as then in effect, with a target amount equal to fifty percent (50%) of Executive's Base Salary (the "Target Bonus"). Executive's Target Bonus shall be reviewed annually by the Compensation Committee and adjustments, if any, will be made at that time The Compensation Committee will determine the actual amount of the bonus earned by Executive for any year, which may be more or less than the Target Bonus, and will base such determination upon both the Company's achievement of overall performance metrics for the year and Executive's achievement of individual performance metrics as agreed upon by the Compensation Committee and Executive. Earned bonus amounts, if any, shall be paid within two and one-half months following the end of the applicable Company fiscal year.

4.3 Equity Awards. Executive will be eligible to receive stock, option or other equity awards (each, an "Equity Award") under the Company's applicable equity incentive plan as then in effect (the "Plan"), as determined by the Compensation Committee. Any such Equity Award will be subject to the terms and conditions of the Plan and an applicable form of agreement for such Equity Award specified by the Compensation Committee, which Executive will be required to sign as a condition of retaining the Equity Award.

5. Customary Fringe Benefits. Executive will be eligible for all customary and usual fringe benefits generally available to senior management of the Company, subject to the terms and conditions of the Company's benefit plan documents. The Company reserves the right to change or eliminate fringe benefits on a prospective basis, at any time, effective upon notice to Executive.

6. Business Expenses. Executive will be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of the Company. To obtain reimbursement, expenses must be submitted promptly with appropriate supporting documentation and will be reimbursed in accordance with the Company's policies. Any reimbursement Executive is entitled to receive shall (a) be paid no later than the last day of Executive's tax year following the tax year in which the expense was incurred, (b) not affect or be affected by any other expenses that are eligible for reimbursement in any other tax year of Executive, and (c) not be subject to liquidation or exchange for another benefit.

7. Termination of Executive's Employment.

7.1 Termination for Cause by Company. Although the Company anticipates the continuation of a mutually rewarding employment relationship with Executive, the Company may terminate Executive's employment immediately at any time for Cause. For purposes of this Agreement, "Cause" is defined as: (a) acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of Executive with respect to Executive's obligations or otherwise relating to the business of the Company; (b) Executive's material breach of this Agreement, including, without limitation, any breach of Section 8, Section 9 or Section 11; (c) Executive's breach of the Company's Employee Nondisclosure and Assignment Agreement (a signed copy of which was delivered to the Company with the Original Agreement) (the "Nondisclosure Agreement"); (d) Executive's conviction or entry of a plea of *nolo contendere* for fraud, misappropriation or embezzlement, or any felony or crime of moral turpitude; (e) Executive's inability to perform the essential functions of Executive's position, with or without reasonable accommodation, due to a mental or physical disability; (f) Executive's willful neglect of duties as determined in the sole and exclusive discretion of the Board, provided that Executive has received written notice of the action or omission giving rise to such determination and has failed to remedy such situation to the satisfaction of the Board within thirty (30) days following receipt of such written notice, unless Executive's action or omission is not subject to cure, in which case no such notice shall be required, or (g) Executive's death. In the event Executive's employment is terminated in accordance with this Section 7.1, Executive shall be entitled to receive only Executive's Base Salary then in effect, prorated to the date of Executive's termination of employment with the Company (the "Termination Date"), and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished as of the Termination Date, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8. Executive will not be entitled to receive the Severance Package described in Section 7.2. Any termination pursuant to this Section 7.1 shall be evidenced by a resolution or written consent of the Board, and the Company shall provide Executive with a copy of such resolution or written consent, certified by the Secretary of the Company, upon Executive's written request.

7.2 Termination Without Cause by Company. The Company may terminate Executive's employment under this Agreement without Cause at any time upon written notice to Executive. In the event of such termination, Executive will receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive a "Severance Package" that shall consist of:

(a) severance in an amount equal to the sum of (i) twelve (12) months of Executive's Base Salary then in effect on the Termination Date, and (ii) 100% of Executive's Target Bonus for the fiscal year in which the Termination Date occurs, with the total of such

amounts to be payable over twelve (12) months in equal installments in accordance with the Company's regular payroll cycle, commencing with the first payroll date occurring on or after the 60th day following the Termination Date;

(b) payment by the Company of the premiums required to continue Executive's group health care coverage under the applicable provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for a period (the "COBRA Payment Period") ending on the earlier of (i) twelve (12) months following the Termination Date or (ii) the date on which Executive becomes eligible for health coverage through another employer, provided in any event that Executive timely elects to continue and remains eligible for these benefits under COBRA; and

(c) acceleration of the vesting of any outstanding time-based Equity Awards to the extent that such Equity Awards would have vested in accordance with their terms had Executive's employment with the Company continued uninterrupted until the first anniversary of the Termination Date.

Notwithstanding Section 7.2(b), if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay Executive on the first day of each month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "Special Severance Payment," which shall be treated as part of the Severance Package), for the remainder of the COBRA Payment Period. Executive may, but is not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. All other Company obligations to Executive will be automatically terminated and completely extinguished, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

7.3 Voluntary Resignation by Executive for Good Reason. Executive may voluntarily resign Executive's position with the Company for Good Reason at any time on thirty (30) days' advance written notice to the Company. In the event of Executive's resignation for Good Reason, Executive will be entitled to receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive the Severance Package described in Section 7.2. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8. Executive will be deemed to have resigned for Good Reason if Executive voluntarily terminates Executive's employment with the Company within ninety (90) days following the first occurrence of a condition constituting Good Reason. "Good Reason" means the occurrence of any of the following conditions without Executive's written consent, which condition(s) remain(s) in effect thirty (30) days after Executive provides written notice to the Company of such condition(s): (i) a material reduction in Executive's Base Salary as then in effect prior to such reduction, other than as part of a salary reduction program among similar management employees, (ii) a material diminution in Executive's authority, duties or responsibilities as an employee of the Company as they existed prior to such change, or (iii) a relocation of Executive's principal place of work which increases Executive's one-way commute

distance by more than fifty (50) miles. Executive will be deemed to have given consent to any condition(s) described in this Section 7.3 if Executive does not provide written notice to the Company of Executive's intent to exercise Executive's rights pursuant to this Section within thirty (30) days following the first occurrence of such condition(s).

7.4 Voluntary Resignation by Executive Without Good Reason. Executive may voluntarily resign Executive's position with the Company without Good Reason at any time on thirty (30) days' advance written notice to the Company. In the event of Executive's resignation without Good Reason, Executive will be entitled to receive only Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished. Executive will not be entitled to receive the Severance Package described in Section 7.2, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

7.5 Termination After a Change in Control.

(a) Severance Payment; Equity Award Acceleration. If, upon or within twelve (12) months after a Change in Control (as that term is defined below), Executive's employment is terminated by the Company other than for Cause (as defined in Section 7.1) or Executive resigns for Good Reason (as defined in Section 7.3), then Executive shall be entitled to receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive (i) the Severance Package described in Section 7.2 and (ii) to the extent not yet vested, but subject to the terms of any agreement governing any such Equity Award, any outstanding Equity Awards granted to Executive by the Company shall vest in full as of the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished as of the Termination Date, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

(b) Parachute Payments.

(i) Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit Executive would receive pursuant to this Agreement or otherwise (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code, and, but for this sentence, would be subject to the excise tax imposed by Section 4999 of the Code or any similar or successor provision (the "Excise Tax"), then the aggregate amount of the Payments will be either (i) the largest portion of the Payments that would result in no portion of the Payments (after reduction) being subject to the Excise Tax or (ii) the entire Payments, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive's receipt, on an after-tax basis, of the greatest amount of the Payments. Any reduction in the Payments required by this Section will be made in the following order: (A) reduction of cash payments; (B) reduction of accelerated vesting of Equity Awards other than stock options; (C) reduction of accelerated vesting of stock options; and (D) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of Equity Awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of such Equity Awards. If two or more

Equity Awards are granted on the same date, the accelerated vesting of each award will be reduced on a pro-rata basis.

(ii) The professional firm engaged by the Company for general tax purposes as of the day prior to the date of the event that might reasonably be anticipated to result in Payments that would otherwise be subject to the Excise Tax will perform the foregoing calculations. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section. The Company will bear all expenses with respect to the determinations by the tax firm required to be made by this Section. The Company and Executive shall furnish the tax firm such information and documents as the tax firm may reasonably request in order to make its required determination. The tax firm will provide its calculations, together with detailed supporting documentation, to the Company and Executive as soon as practicable following its engagement. Any good faith determinations of the tax firm made hereunder will be final, binding and conclusive upon the Company and Executive.

(c) Change in Control. A Change in Control is defined as any one of the following occurrences:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), becomes the "beneficial owner" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total fair market value or total combined voting power of the Company's then-outstanding securities entitled to vote generally in the election of directors; provided, however, that a Change in Control shall not be deemed to have occurred if such degree of beneficial ownership results from any of the following: (A) an acquisition of securities by any person who on the Effective Date is the beneficial owner of more than fifty percent (50%) of such voting power, (B) any acquisition of securities directly from the Company, including, without limitation, pursuant to or in connection with a public offering of securities, (C) any acquisition of securities by the Company, (D) any acquisition of securities by a trustee or other fiduciary under an employee benefit plan of the Company, or (E) any acquisition of securities by an entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the voting securities of the Company; or

(ii) the sale or disposition of all or substantially all of the Company's assets (other than a sale or disposition to one or more subsidiaries of the Company), or any transaction having similar effect is consummated; or

(iii) the Company is party to a merger or consolidation that results in the holders of voting securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(iv) the dissolution or liquidation of the Company.

7.6 Termination of Employment Upon Nonrenewal. In the event either party decides not to renew this Agreement for a subsequent term in accordance with Section 3.2, this Agreement will expire automatically upon completion of the then effective Term, and Executive's

employment with the Company will thereupon terminate. Executive will be entitled to receive only Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished. Executive will not be entitled to receive the Severance Package described in Section 7.2, but will be subject to the surviving provisions of this Agreement as set forth in Section 14.8.

7.7 Conditions to Severance Package. Executive will only be entitled to receive the Severance Package if, on or before the 60th day following the Termination Date, Executive executes a full general release, releasing all claims, known or unknown, that Executive may have against the Company and its officers, directors, employees and affiliated companies arising out of or any way related to Executive's employment or termination of employment with the Company, and the period for revocation, if any, of such release has lapsed without the release having been revoked. In the event that Executive breaches any of the covenants contained in Sections 9 ("Other Covenants"), 10 ("Confidentiality and Proprietary Rights") or 11 ("Non-Competition; Nonsolicitation of Company Employees"), the Company shall have the right to (a) terminate further provision of any portion of the Severance Package not yet paid or provided, (b) seek reimbursement from Executive for any and all portions of the Severance Package previously paid or provided to Executive, (c) recover from Executive all shares of Company stock acquired by Executive pursuant to Equity Awards the vesting of which was accelerated by reason of the Severance Package (or the proceeds therefrom, reduced by any exercise or pursuant price paid to acquire such shares), and (d) immediately cancel all portions of Equity Awards the vesting of which was accelerated by reason of the Severance Package.

7.8 Resignation of Board or Other Positions. Executive agrees that should Executive's employment terminate for any reason, Executive will immediately resign all other positions (including board membership) Executive may hold on behalf of the Company.

7.9 Application of Section 409A.

(a) Notwithstanding anything set forth in this Agreement to the contrary, no amount payable pursuant to this Agreement on account of Executive's termination of employment with the Company which constitutes a "deferral of compensation" within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code (the "Section 409A Regulations") shall be paid unless and until Executive has incurred a "separation from service" within the meaning of the Section 409A Regulations. Furthermore, if Executive is a "specified employee" within the meaning of the Section 409A Regulations as of the date of Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive's separation from service shall be paid to Executive before the date (the "Delayed Payment Date") which is first day of the seventh month after the date of Executive's separation from service or, if earlier, the date of Executive's death following such separation from service. All such amounts that would, but for this Section 7.9(a), become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

(b) It is the intent of the Company and Executive that any right of Executive to receive installment payments hereunder shall, for all purposes of Section 409A of the Code, be treated as a right to a series of separate payments.

(c) The Company intends that income provided to Executive pursuant to this Agreement will not be subject to taxation under Section 409A of the Code. The provisions

of this Agreement shall be interpreted and construed in favor of satisfying any applicable requirements of Section 409A of the Code. **However, the Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement.** In any event, except for the Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, the Company shall not be responsible for the payment of any applicable taxes incurred by Executive on compensation paid or provided to Executive pursuant to this Agreement.

8. No Violation of Rights of Third Parties. Executive represents and warrants to the Company that Executive is not currently a party, and will not become a party, to any other agreement that is in conflict with, or will prevent Executive from complying with, this Agreement. Executive further represents and warrants to the Company that Executive's performance of all of the terms of this Agreement as an employee of the Company does not and will not breach any agreement to keep in confidence any proprietary information, knowledge, or data acquired by Executive in confidence or trust prior to Executive's employment with the Company. Executive acknowledges and agrees that the representations and warranties in this Section 8 are a material part of this Agreement.

9. Other Covenants. Executive hereby makes the following covenants, each of which Executive acknowledges and agrees are a material part of this Agreement:

9.1 During the Term, Executive will not (a) breach any agreement to keep in confidence any confidential or proprietary information, knowledge or data acquired by Executive prior to Executive's employment with Company, or (b) disclose to the Company, or use or induce the Company to use, any confidential or proprietary information or material belonging to any previous employer or any other third party. Executive acknowledges that the Company has specifically instructed Executive not to breach any such agreement or make any such disclosures to the Company.

9.2 During the Term, Executive will not engage in any work or activity, paid or unpaid, that creates an actual conflict of interest with the Company. Such work shall include, but is not limited to, directly or indirectly competing with the Company in any way, or acting as an officer, director, employee, consultant, stockholder, volunteer, lender, or agent of any business enterprise of the same nature as, or which is in direct competition with, the business in which the Company is now engaged or in which the Company becomes engaged during the Term, as may be determined by the Company in its sole discretion. If the Company believes such a conflict exists during the Term, the Company may ask Executive to choose to discontinue the other work or activity or resign employment with the Company.

9.3 During the Term and after the termination thereof, neither Executive nor the Company will disparage each other, or the Company's products, services, agents or employees.

9.4 During the Term and after the termination thereof, at the Company's expense and upon its reasonable request, Executive will cooperate and assist the Company in its defense or prosecution of any disputes, differences, grievances, claims, charges, or complaints between the Company and any third party, which assistance will include testifying on the Company's behalf in connection with any such matter or performing any other task reasonably requested by the Company in connection therewith.

10. Confidentiality and Proprietary Rights. Executive agrees to continue to abide by the Nondisclosure Agreement, which is incorporated herein by reference.

11. Non-Competition; Nonsolicitation of Company's Employees. Executive acknowledges that in the course of his employment with the Company he will serve as a member of the Company's senior management and will become familiar with the Company's trade secrets and with other confidential and proprietary information and that his services will be of special, unique and extraordinary value to the Company. Executive further acknowledges that the Company's business is national in scope and that the Company, in the course of such business competes with other companies located throughout the United States. Therefore, in consideration of the foregoing, Executive agrees that, during the Term, and during the twelve-month (12) month period following the Term, Executive shall not directly or indirectly anywhere within the United States of America (a) own (except ownership of less than 1% of any class of securities which are listed for trading on any securities exchange or which are traded in the over-the-counter market), manage, control, participate in, consult with, render services for, be employed by, or in any manner engage in the operation of (i) a post-secondary education institution, (ii) any business that develops or administers services to degree-granting institutions of higher education, or (iii) any other business of the Company in which Executive had significant involvement prior to Executive's separation; (b) solicit funds on behalf of, or for the benefit of, any for-profit, post-secondary education institution (other than the Company) or any other entity that competes with the Company; (c) induce or attempt to induce any employee of the Company to leave the employ of the Company, or in any way interfere with the relationship between the Company and any employee thereof, or (d) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company to cease doing business with, or modify its business relationship with, the Company, or in any way interfere with or hinder the relationship between any such student, customer, supplier, licensee or business relation and the Company.

12. Injunctive Relief. Executive acknowledges that Executive's breach of the covenants contained in Sections 9, 10 and 11 hereof (collectively "Covenants") would cause irreparable injury to the Company and agrees that in the event of any such breach, the Company shall be entitled to seek temporary, preliminary and permanent injunctive relief without the necessity of proving actual damages or posting any bond or other security in addition to any other relief to which the Company may be entitled and other remedies Company may exercise under this Agreement or otherwise.

13. Insurance; Indemnification.

13.1 During the Term, Executive will be covered by the Company's director and officer insurance policy to the same extent as all other senior executive officers of the Company.

13.2 Following the execution of this Agreement, the director and officer indemnification agreement executed by the Company and Executive will continue in effect in accordance with its terms.

14. General Provisions.

14.1 Successors and Assigns. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement.

14.2 Waiver. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

14.3 Attorneys' Fees. In the event of a dispute involving the interpretation or enforcement of this Agreement, a court shall award attorneys' fees and costs to the prevailing party.

14.4 Severability. In the event any provision of this Agreement is found to be unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

14.5 Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

14.6 Governing Law; Forum. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of Arizona. Each party consents to the jurisdiction and venue of the state or federal courts in Phoenix, Arizona, if applicable, in any action, suit, or proceeding arising out of or relating to this Agreement, and agrees that the state or federal courts in Phoenix, Arizona shall have exclusive jurisdiction over any dispute arising between the parties related to this Agreement or Executive's employment with the Company.

14.7 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth under the signatures below, or such other address as either party may specify in writing.

14.8 Survival. Sections 9 ("Other Covenants"), 10 ("Confidentiality and Proprietary Rights"), 11 ("Non-Competition; Nonsolicitation of Company's Employees"), 12 ("Injunctive Relief"), 14 ("General Provisions") and 15 ("Entire Agreement") of this Agreement shall survive termination of Executive's employment with the Company.

15. Entire Agreement. This Agreement, including the Nondisclosure Agreement incorporated herein by reference, constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Executive and the Board. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

EXECUTIVE

Dated: July 1, 2018

By: /s/ Joseph N. Mildenhall
Name: Joseph N. Mildenhall
Address:

GRAND CANYON EDUCATION, INC.

Dated: July 1, 2018

By: /s/ Brian E. Mueller
Name: Brian E. Mueller
Title: Chairman and CEO

Address: 2600 West Camelback Road
Phoenix, Arizona 85017

FIRST AMENDED AND RESTATED
EXECUTIVE EMPLOYMENT AGREEMENT
(Chief Data Officer)

This First Amended and Restated Executive Employment Agreement (the "Agreement") is entered into on July 1, 2018 and is effective as of July 1, 2018 (the "Effective Date"), by and between Grand Canyon Education, Inc., a Delaware corporation (the "Company"), and Dilek Marsh ("Executive").

WHEREAS, the Company and Executive are parties to an employment agreement dated August 16, 2012 and effective July 30, 2012 (as amended, the "Original Agreement"), and Executive has been employed with the Company since that time; and

WHEREAS, the Company and Executive desire to amend and restate the Original Agreement through the execution and delivery of this Agreement;

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

1. Employment. The Company desires to continue to employ Executive, and Executive desires to continue such employment, upon the terms and conditions set forth herein.

2. Duties.

2.1 Position. Executive is employed as Chief Data Officer and shall have the duties and responsibilities reasonably assigned to Executive from time to time by the Company's Chief Executive Officer ("CEO") or Board of Directors (the "Board"). Executive shall perform faithfully and diligently all duties assigned to Executive. The Company reserves the right to modify Executive's position and duties at any time in its sole and absolute discretion, except that any material diminution in Executive's duties shall be subject to Section 7.3(ii).

2.2 Best Efforts/Full-time. Executive will expend Executive's best efforts on behalf of the Company in the performance of duties assigned to Executive under this Agreement, and will abide by all policies and decisions made by the Company, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in the best interest of the Company at all times in the performance of duties assigned to Executive under this Agreement. Executive shall devote Executive's full business time and efforts to the performance of Executive's assigned duties for the Company, unless Executive notifies the Board and CEO in advance of Executive's intent to engage in other paid work and receives the Board's and CEO's express written consent to do so. Notwithstanding the foregoing, Executive will be permitted to serve as an outside director on the board of directors for corporate, civic, nonprofit or charitable entities, so long as Executive obtains the consent of the Board and provided such entities are not competitive with the Company and subject to the provisions of Section 9.

2.3 Work Location. Executive's principal place of work shall be located in Phoenix, Arizona, or such other location as the Company may direct from time to time.

3. Term.

3.1 Initial Term. The employment relationship pursuant to this Agreement shall be for an initial term commencing on the Effective Date and continuing for a period of five (5) years following such date (the "Initial Term"), unless sooner terminated in accordance with Section 7.

3.2 Renewal. Upon expiration of the Initial Term and each Renewal Term, this Agreement will automatically renew for subsequent one (1) year terms (each a "Renewal Term") unless either party provides ninety (90) days' advance written notice to the other that the Company or Executive does not wish to renew the Agreement for a subsequent Renewal Term. In the event either party gives notice of nonrenewal pursuant to this Section 3.2, this Agreement will expire at the end of the then current term. The Initial Term and each subsequent Renewal Term are referred to collectively as the "Term".

4. Compensation.

4.1 Base Salary. As compensation for Executive's performance of Executive's duties hereunder, effective beginning on the Effective Date the Company shall pay to Executive an initial Base Salary at the rate of Two-Hundred Fifty-Three Thousand One Hundred Eight-Five and 48/100 Dollars ($253,185.48) per year, payable in accordance with the normal payroll practices of the Company, less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions. Executive's Base Salary shall be reviewed annually by the Compensation Committee of the Board (the "Compensation Committee") and adjustments, if any, will be made at that time. In the event Executive's employment under this Agreement is terminated by either party, for any reason, Executive will earn the Base Salary prorated to the date of termination, except as otherwise set forth herein..

4.2 Incentive Compensation. Executive will be eligible to earn incentive compensation in the form of an annual bonus for each fiscal year of the Company, to be awarded under the Company's annual cash incentive plan as then in effect, with a target amount equal to Ninety Thousand Dollars ($90,000.00) of Executive's Base Salary (the "Target Bonus"). Executive's Target Bonus shall be reviewed annually by the Compensation Committee and adjustments, if any, will be made at that time The Compensation Committee will determine the actual amount of the bonus earned by Executive for any year, which may be more or less than the Target Bonus, and will base such determination upon both the Company's achievement of overall performance metrics for the year and Executive's achievement of individual performance metrics as agreed upon by the Compensation Committee and Executive. Earned bonus amounts, if any, shall be paid within two and one-half months following the end of the applicable Company fiscal year.

4.3 Equity Awards. Executive will be eligible to receive stock, option or other equity awards (each, an "Equity Award") under the Company's applicable equity incentive plan as then in effect (the "Plan"), as determined by the Compensation Committee. Any such Equity Award will be subject to the terms and conditions of the Plan and an applicable form of agreement for such Equity Award specified by the Compensation Committee, which Executive will be required to sign as a condition of retaining the Equity Award.

5. Customary Fringe Benefits. Executive will be eligible for all customary and usual fringe benefits generally available to senior management of the Company, subject to the terms and conditions of the Company's benefit plan documents. The Company reserves the right to

change or eliminate fringe benefits on a prospective basis, at any time, effective upon notice to Executive.

6. Business Expenses. Executive will be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of the Company. To obtain reimbursement, expenses must be submitted promptly with appropriate supporting documentation and will be reimbursed in accordance with the Company's policies. Any reimbursement Executive is entitled to receive shall (a) be paid no later than the last day of Executive's tax year following the tax year in which the expense was incurred, (b) not affect or be affected by any other expenses that are eligible for reimbursement in any other tax year of Executive, and (c) not be subject to liquidation or exchange for another benefit.

7. Termination of Executive's Employment.

7.1 Termination for Cause by Company. Although the Company anticipates the continuation of a mutually rewarding employment relationship with Executive, the Company may terminate Executive's employment immediately at any time for Cause. For purposes of this Agreement, "Cause" is defined as: (a) acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of Executive with respect to Executive's obligations or otherwise relating to the business of the Company; (b) Executive's material breach of this Agreement, including, without limitation, any breach of Section 8, Section 9 or Section 11; (c) Executive's breach of the Company's Employee Nondisclosure and Assignment Agreement (a signed copy of which was delivered to the Company with the Original Agreement) (the "Nondisclosure Agreement"); (d) Executive's conviction or entry of a plea of *nolo contendere* for fraud, misappropriation or embezzlement, or any felony or crime of moral turpitude; (e) Executive's inability to perform the essential functions of Executive's position, with or without reasonable accommodation, due to a mental or physical disability; (f) Executive's willful neglect of duties as determined in the sole and exclusive discretion of the Board, provided that Executive has received written notice of the action or omission giving rise to such determination and has failed to remedy such situation to the satisfaction of the Board within thirty (30) days following receipt of such written notice, unless Executive's action or omission is not subject to cure, in which case no such notice shall be required, or (g) Executive's death. In the event Executive's employment is terminated in accordance with this Section 7.1, Executive shall be entitled to receive only Executive's Base Salary then in effect, prorated to the date of Executive's termination of employment with the Company (the "Termination Date"), and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished as of the Termination Date, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8. Executive will not be entitled to receive the Severance Package described in Section 7.2. Any termination pursuant to this Section 7.1 shall be evidenced by a resolution or written consent of the Board, and the Company shall provide Executive with a copy of such resolution or written consent, certified by the Secretary of the Company, upon Executive's written request.

7.2 Termination Without Cause by Company. The Company may terminate Executive's employment under this Agreement without Cause at any time upon written notice to Executive. In the event of such termination, Executive will receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive a "Severance Package" that shall consist of:

(a) severance in an amount equal to the sum of (i) twelve (12) months of Executive's Base Salary then in effect on the Termination Date, and (ii) 100% of Executive's Target Bonus for the fiscal year in which the Termination Date occurs, with the total of such amounts to be payable over twelve (12) months in equal installments in accordance with the Company's regular payroll cycle, commencing with the first payroll date occurring on or after the 60th day following the Termination Date;

(b) payment by the Company of the premiums required to continue Executive's group health care coverage under the applicable provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for a period (the "COBRA Payment Period") ending on the earlier of (i) twelve (12) months following the Termination Date or (ii) the date on which Executive becomes eligible for health coverage through another employer, provided in any event that Executive timely elects to continue and remains eligible for these benefits under COBRA; and

(c) acceleration of the vesting of any outstanding time-based Equity Awards to the extent that such Equity Awards would have vested in accordance with their terms had Executive's employment with the Company continued uninterrupted until the first anniversary of the Termination Date.

Notwithstanding Section 7.2(b), if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay Executive on the first day of each month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "Special Severance Payment," which shall be treated as part of the Severance Package), for the remainder of the COBRA Payment Period. Executive may, but is not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. All other Company obligations to Executive will be automatically terminated and completely extinguished, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

7.3 Voluntary Resignation by Executive for Good Reason. Executive may voluntarily resign Executive's position with the Company for Good Reason at any time on thirty (30) days' advance written notice to the Company. In the event of Executive's resignation for Good Reason, Executive will be entitled to receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive the Severance Package described in Section 7.2. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8. Executive will be deemed to have resigned for Good Reason if Executive voluntarily terminates Executive's employment with the Company within ninety (90) days following the first occurrence of a condition constituting Good Reason. "Good Reason" means the occurrence of any of the following conditions without Executive's written consent, which condition(s) remain(s) in effect thirty (30) days after Executive provides written notice to the Company of such condition(s): (i) a material reduction in Executive's Base Salary as then in effect prior to such reduction, other than as part of a salary reduction program among similar

management employees, (ii) a material diminution in Executive's authority, duties or responsibilities as an employee of the Company as they existed prior to such change, or (iii) a relocation of Executive's principal place of work which increases Executive's one-way commute distance by more than fifty (50) miles. Executive will be deemed to have given consent to any condition(s) described in this Section 7.3 if Executive does not provide written notice to the Company of Executive's intent to exercise Executive's rights pursuant to this Section within thirty (30) days following the first occurrence of such condition(s).

7.4 Voluntary Resignation by Executive Without Good Reason. Executive may voluntarily resign Executive's position with the Company without Good Reason at any time on thirty (30) days' advance written notice to the Company. In the event of Executive's resignation without Good Reason, Executive will be entitled to receive only Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished. Executive will not be entitled to receive the Severance Package described in Section 7.2, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

7.5 Termination After a Change in Control.

(a) Severance Payment; Equity Award Acceleration. If, upon or within twelve (12) months after a Change in Control (as that term is defined below), Executive's employment is terminated by the Company other than for Cause (as defined in Section 7.1) or Executive resigns for Good Reason (as defined in Section 7.3), then Executive shall be entitled to receive Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. In addition, subject to Sections 7.7 and 7.9, Executive will be entitled to receive (i) the Severance Package described in Section 7.2 and (ii) to the extent not yet vested, but subject to the terms of any agreement governing any such Equity Award, any outstanding Equity Awards granted to Executive by the Company shall vest in full as of the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished as of the Termination Date, but will be subject to the surviving provisions of this Agreement set forth in Section 14.8.

(b) Parachute Payments.

(i) Notwithstanding any provision of this Agreement to the contrary, if any payment or benefit Executive would receive pursuant to this Agreement or otherwise (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code, and, but for this sentence, would be subject to the excise tax imposed by Section 4999 of the Code or any similar or successor provision (the "Excise Tax"), then the aggregate amount of the Payments will be either (i) the largest portion of the Payments that would result in no portion of the Payments (after reduction) being subject to the Excise Tax or (ii) the entire Payments, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive's receipt, on an after-tax basis, of the greatest amount of the Payments. Any reduction in the Payments required by this Section will be made in the following order: (A) reduction of cash payments; (B) reduction of accelerated vesting of Equity Awards other than stock options; (C) reduction of accelerated vesting of stock options; and (D) reduction of other benefits paid or provided to Executive. In the

event that acceleration of vesting of Equity Awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of such Equity Awards. If two or more Equity Awards are granted on the same date, the accelerated vesting of each award will be reduced on a pro-rata basis.

(ii) The professional firm engaged by the Company for general tax purposes as of the day prior to the date of the event that might reasonably be anticipated to result in Payments that would otherwise be subject to the Excise Tax will perform the foregoing calculations. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section. The Company will bear all expenses with respect to the determinations by the tax firm required to be made by this Section. The Company and Executive shall furnish the tax firm such information and documents as the tax firm may reasonably request in order to make its required determination. The tax firm will provide its calculations, together with detailed supporting documentation, to the Company and Executive as soon as practicable following its engagement. Any good faith determinations of the tax firm made hereunder will be final, binding and conclusive upon the Company and Executive.

(c) Change in Control. A Change in Control is defined as any one of the following occurrences:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), becomes the "beneficial owner" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total fair market value or total combined voting power of the Company's then-outstanding securities entitled to vote generally in the election of directors; provided, however, that a Change in Control shall not be deemed to have occurred if such degree of beneficial ownership results from any of the following: (A) an acquisition of securities by any person who on the Effective Date is the beneficial owner of more than fifty percent (50%) of such voting power, (B) any acquisition of securities directly from the Company, including, without limitation, pursuant to or in connection with a public offering of securities, (C) any acquisition of securities by the Company, (D) any acquisition of securities by a trustee or other fiduciary under an employee benefit plan of the Company, or (E) any acquisition of securities by an entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the voting securities of the Company; or

(ii) the sale or disposition of all or substantially all of the Company's assets (other than a sale or disposition to one or more subsidiaries of the Company), or any transaction having similar effect is consummated; or

(iii) the Company is party to a merger or consolidation that results in the holders of voting securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(iv) the dissolution or liquidation of the Company.

7.6 Termination of Employment Upon Nonrenewal. In the event either party decides not to renew this Agreement for a subsequent term in accordance with Section 3.2, this Agreement will expire automatically upon completion of the then effective Term, and Executive's employment with the Company will thereupon terminate. Executive will be entitled to receive only Executive's Base Salary then in effect, prorated to the Termination Date, and all amounts and benefits earned or incurred pursuant to Sections 5 and 6 through the Termination Date. All other Company obligations to Executive pursuant to this Agreement will be automatically terminated and completely extinguished. Executive will not be entitled to receive the Severance Package described in Section 7.2, but will be subject to the surviving provisions of this Agreement as set forth in Section 14.8.

7.7 Conditions to Severance Package. Executive will only be entitled to receive the Severance Package if, on or before the 60th day following the Termination Date, Executive executes a full general release, releasing all claims, known or unknown, that Executive may have against the Company and its officers, directors, employees and affiliated companies arising out of or any way related to Executive's employment or termination of employment with the Company, and the period for revocation, if any, of such release has lapsed without the release having been revoked. In the event that Executive breaches any of the covenants contained in Sections 9 ("Other Covenants"), 10 ("Confidentiality and Proprietary Rights") or 11 ("Non-Competition; Nonsolicitation of Company Employees"), the Company shall have the right to (a) terminate further provision of any portion of the Severance Package not yet paid or provided, (b) seek reimbursement from Executive for any and all portions of the Severance Package previously paid or provided to Executive, (c) recover from Executive all shares of Company stock acquired by Executive pursuant to Equity Awards the vesting of which was accelerated by reason of the Severance Package (or the proceeds therefrom, reduced by any exercise or pursuant price paid to acquire such shares), and (d) immediately cancel all portions of Equity Awards the vesting of which was accelerated by reason of the Severance Package.

7.8 Resignation of Board or Other Positions. Executive agrees that should Executive's employment terminate for any reason, Executive will immediately resign all other positions (including board membership) Executive may hold on behalf of the Company.

7.9 Application of Section 409A.

(a) Notwithstanding anything set forth in this Agreement to the contrary, no amount payable pursuant to this Agreement on account of Executive's termination of employment with the Company which constitutes a "deferral of compensation" within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code (the "Section 409A Regulations") shall be paid unless and until Executive has incurred a "separation from service" within the meaning of the Section 409A Regulations. Furthermore, if Executive is a "specified employee" within the meaning of the Section 409A Regulations as of the date of Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive's separation from service shall be paid to Executive before the date (the "Delayed Payment Date") which is first day of the seventh month after the date of Executive's separation from service or, if earlier, the date of Executive's death following such separation from service. All such amounts that would, but for this Section 7.9(a), become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

(b) It is the intent of the Company and Executive that any right of Executive to receive installment payments hereunder shall, for all purposes of Section 409A of the Code, be treated as a right to a series of separate payments.

(c) The Company intends that income provided to Executive pursuant to this Agreement will not be subject to taxation under Section 409A of the Code. The provisions of this Agreement shall be interpreted and construed in favor of satisfying any applicable requirements of Section 409A of the Code. **However, the Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement.** In any event, except for the Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, the Company shall not be responsible for the payment of any applicable taxes incurred by Executive on compensation paid or provided to Executive pursuant to this Agreement.

8. No Violation of Rights of Third Parties. Executive represents and warrants to the Company that Executive is not currently a party, and will not become a party, to any other agreement that is in conflict with, or will prevent Executive from complying with, this Agreement. Executive further represents and warrants to the Company that Executive's performance of all of the terms of this Agreement as an employee of the Company does not and will not breach any agreement to keep in confidence any proprietary information, knowledge, or data acquired by Executive in confidence or trust prior to Executive's employment with the Company. Executive acknowledges and agrees that the representations and warranties in this Section 8 are a material part of this Agreement.

9. Other Covenants. Executive hereby makes the following covenants, each of which Executive acknowledges and agrees are a material part of this Agreement:

9.1 During the Term, Executive will not (a) breach any agreement to keep in confidence any confidential or proprietary information, knowledge or data acquired by Executive prior to Executive's employment with Company, or (b) disclose to the Company, or use or induce the Company to use, any confidential or proprietary information or material belonging to any previous employer or any other third party. Executive acknowledges that the Company has specifically instructed Executive not to breach any such agreement or make any such disclosures to the Company.

9.2 During the Term, Executive will not engage in any work or activity, paid or unpaid, that creates an actual conflict of interest with the Company. Such work shall include, but is not limited to, directly or indirectly competing with the Company in any way, or acting as an officer, director, employee, consultant, stockholder, volunteer, lender, or agent of any business enterprise of the same nature as, or which is in direct competition with, the business in which the Company is now engaged or in which the Company becomes engaged during the Term, as may be determined by the Company in its sole discretion. If the Company believes such a conflict exists during the Term, the Company may ask Executive to choose to discontinue the other work or activity or resign employment with the Company.

9.3 During the Term and after the termination thereof, neither Executive nor the Company will disparage each other, or the Company's products, services, agents or employees.

9.4 During the Term and after the termination thereof, at the Company's expense and upon its reasonable request, Executive will cooperate and assist the Company in its defense or prosecution of any disputes, differences, grievances, claims, charges, or complaints between the Company and any third party, which assistance will include testifying on the Company's behalf in connection with any such matter or performing any other task reasonably requested by the Company in connection therewith.

10. Confidentiality and Proprietary Rights. Executive agrees to continue to abide by the Nondisclosure Agreement, which is incorporated herein by reference.

11. Non-Competition; Nonsolicitation of Company's Employees. Executive acknowledges that in the course of his employment with the Company he will serve as a member of the Company's senior management and will become familiar with the Company's trade secrets and with other confidential and proprietary information and that his services will be of special, unique and extraordinary value to the Company. Executive further acknowledges that the Company's business is national in scope and that the Company, in the course of such business competes with other companies located throughout the United States. Therefore, in consideration of the foregoing, Executive agrees that, during the Term, and during the twelve-month (12) month period following the Term, Executive shall not directly or indirectly anywhere within the United States of America (a) own (except ownership of less than 1% of any class of securities which are listed for trading on any securities exchange or which are traded in the over-the-counter market), manage, control, participate in, consult with, render services for, be employed by, or in any manner engage in the operation of (i) a post-secondary education institution, (ii) any business that develops or administers services to degree-granting institutions of higher education, or (iii) any other business of the Company in which Executive had significant involvement prior to Executive's separation; (b) solicit funds on behalf of, or for the benefit of, any for-profit, post-secondary education institution (other than the Company) or any other entity that competes with the Company; (c) induce or attempt to induce any employee of the Company to leave the employ of the Company, or in any way interfere with the relationship between the Company and any employee thereof, or (d) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company to cease doing business with, or modify its business relationship with, the Company, or in any way interfere with or hinder the relationship between any such student, customer, supplier, licensee or business relation and the Company.

12. Injunctive Relief. Executive acknowledges that Executive's breach of the covenants contained in Sections 9, 10 and 11 hereof (collectively "Covenants") would cause irreparable injury to the Company and agrees that in the event of any such breach, the Company shall be entitled to seek temporary, preliminary and permanent injunctive relief without the necessity of proving actual damages or posting any bond or other security in addition to any other relief to which the Company may be entitled and other remedies Company may exercise under this Agreement or otherwise.

13. Insurance; Indemnification.

13.1 During the Term, Executive will be covered by the Company's director and officer insurance policy to the same extent as all other senior executive officers of the Company.

13.2 Following the execution of this Agreement, the director and officer indemnification agreement executed by the Company and Executive will continue in effect in accordance with its terms.

14. General Provisions.

14.1 Successors and Assigns. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement.

14.2 Waiver. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

14.3 Attorneys' Fees. In the event of a dispute involving the interpretation or enforcement of this Agreement, a court shall award attorneys' fees and costs to the prevailing party.

14.4 Severability. In the event any provision of this Agreement is found to be unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

14.5 Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

14.6 Governing Law; Forum. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of Arizona. Each party consents to the jurisdiction and venue of the state or federal courts in Phoenix, Arizona, if applicable, in any action, suit, or proceeding arising out of or relating to this Agreement, and agrees that the state or federal courts in Phoenix, Arizona shall have exclusive jurisdiction over any dispute arising between the parties related to this Agreement or Executive's employment with the Company.

14.7 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth under the signatures below, or such other address as either party may specify in writing.

14.8 Survival. Sections 9 ("Other Covenants"), 10 ("Confidentiality and Proprietary Rights"), 11 ("Non-Competition; Nonsolicitation of Company's Employees"), 12 ("Injunctive Relief"), 14 ("General Provisions") and 15 ("Entire Agreement") of this Agreement shall survive termination of Executive's employment with the Company.

15. Entire Agreement. This Agreement, including the Nondisclosure Agreement incorporated herein by reference, constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Executive and the Board. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

EXECUTIVE

Dated: July 1, 2018

By: /s/ Dilek Marsh
Name: Dilek Marsh
Address:

GRAND CANYON EDUCATION, INC.

Dated: July 1, 2018

By: /s/ Brian E. Mueller
Name: Brian E. Mueller
Title: Chairman and CEO

Address: 2600 West Camelback Road
Phoenix, Arizona 85017

Exhibit 10.6

SECOND AMENDMENT

THIS SECOND AMENDMENT (this "Amendment") dated as of July 1, 2018 to the Credit Agreement referenced below is by and among Grand Canyon Education, Inc., a Delaware corporation (the "Borrower"), the Guarantors identified on the signature pages hereto, the Lenders identified on the signature pages hereto and Bank of America, N.A., in its capacity as Administrative Agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H

WHEREAS, revolving credit and term loan facilities have been extended to the Borrower pursuant to the Credit Agreement (as amended, modified, supplemented, increased, and extended from time to time, the "Credit Agreement") dated as of December 21, 2012 by and among the Borrower, the Guarantors identified therein, the Lenders identified therein and the Administrative Agent;

WHEREAS, the Borrower intends to transfer (the "School Disposition") to Gazelle University, an Arizona nonprofit corporation (the "School Buyer"), the assets (the "School Assets") specified in the Asset Purchase Agreement dated as of the date hereof between the Borrower and the School Buyer on the terms and conditions set forth therein;

WHEREAS, in connection with the School Disposition the Borrower has requested certain modifications to the Credit Agreement and the other Loan Documents; and

WHEREAS, the Lenders have agreed to the requested modifications on the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement, as amended.

2. Consent to School Disposition and Release of Liens on School Assets.

(a) In consideration of the delivery of the Cash Collateral (defined below), (a) the Lenders consent to the School Disposition notwithstanding any restriction or limitation in the Credit Agreement and the other Loan Documents to the contrary and (b) the Lenders authorize the Administrative Agent to release the Liens on the School Assets securing the Obligations concurrent with the School Disposition. The Administrative Agent agrees, at the Borrower's sole cost and expense, to promptly execute and deliver any lien releases, mortgage releases, discharges of security interests or other similar discharge or release documents as are necessary to evidence the termination and release of the Liens on the School Assets securing the Obligations concurrent with the School Disposition.

(b) The Administrative Agent shall release the Liens on the Cash Collateral, at the Borrower's sole cost and expense, upon satisfaction of the following conditions: (a) receipt by the School Buyer of a PPPA from the DOE and (b) approval of the Required Lenders.

3. Release of Certain Guarantors from the Guaranty. The Lenders release each of La Sonrisa de Siena, L.L.C., an Arizona limited liability company, and Tierra Vista Inversiones, LLC, a Delaware limited liability company (together, the "Released Guarantors"), from their obligations as Guarantors under the Credit Agreement and the other Loan Documents concurrent with the School Disposition.

4. Release of Liens on Assets of Released Guarantors. The Lenders authorize the Administrative Agent to release the Liens on the assets of the Released Guarantors securing the Obligations concurrent with the School Disposition. The Administrative Agent agrees to promptly execute and deliver any lien releases, discharges of security interests or other similar discharge or release documents as are necessary to evidence the termination and release of such Liens.

5. Amendments to Credit Agreement. The Credit Agreement is amended by this Amendment to read in the form attached as Exhibit A hereto.

6. Conditions Precedent. This Amendment shall become effective as of the date hereof upon satisfaction of each of the following conditions precedent:

(a) Documentation. Receipt by the Administrative Agent of counterparts of this Amendment executed by the Borrower, the Guarantors, each Lender and the Administrative Agent.

(b) Authorization. Receipt by the Administrative Agent of a certificate of the Borrower signed by a Responsible Officer of the Borrower certifying and attaching resolutions adopted by the board of directors (or equivalent governing body) of the Borrower approving this Amendment and the transactions contemplated hereby, in form and substance satisfactory to the Administrative Agent.

(c) School Loan Documents. Receipt by the Administrative Agent of the original School Loan Documents (as defined in the Credit Agreement as amended hereby), together with an endorsement satisfactory to the Administrative Agent.

(d) Master Services Agreement. Receipt by the Administrative Agent of a copy of the Master Services Agreement (as defined in the Credit Agreement as amended hereby), in form and substance satisfactory to the Administrative Agent and Lenders.

(e) Cash Collateral. Receipt by the Administrative Agent of (i) evidence that the Borrower shall have deposited into a segregated deposit account at Bank of America of cash in an amount equal to at least the outstanding principal amount of the Term Loan (the "Cash Collateral") and (ii) a deposit account security agreement executed by the Borrower in which the Borrower pledges the Cash Collateral to the Administrative Agent to secure the Obligations and control is granted to the Administrative Agent, in form and substance satisfactory to the Administrative Agent.

(f) Beneficial Owner Form. To the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation (as defined in the Credit Agreement as amended hereby), receipt by each Lender that so requests of a Beneficial Ownership Certification.

Each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the Second Amendment Effective Date specifying its objection thereto.

8. FATCA. For purposes of determining withholding Taxes imposed under FATCA, from and after the effective date of the Amendment, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loan as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

9. Amendment is a "Loan Document". This Amendment is a Loan Document and all references to a "Loan Document" in the Credit Agreement and the other Loan Documents (including, without limitation, all such references in the representations and warranties in the Credit Agreement and the other Loan Documents) shall be deemed to include this Amendment.

10. Reaffirmation of Representations and Warranties. The Borrower represents and warrants to the Administrative Agent and each Lender that each of the representations and warranties set forth in the Loan Documents is true and correct in all material respects as of the date hereof (except those that expressly relate to an earlier period in which case such representations and warranties shall be true and correct as of such earlier date).

11. Reaffirmation of Obligations. The Borrower (a) acknowledges and consents to all of the terms and conditions of this Amendment, (b) affirms all of its obligations under the Loan Documents and (c) agrees that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents.

12. Reaffirmation of Security Interests. The Borrower (a) affirms that each of the Liens granted in or pursuant to the Loan Documents are valid and subsisting and (b) agrees that this Amendment shall in no manner impair or otherwise adversely affect any of the Liens granted by it in or pursuant to the Loan Documents (other than any release of Liens in the School Assets by the Administrative Agent pursuant to Section 2 above).

13. No Other Changes. Except as modified hereby, all of the terms and provisions of the Loan Documents shall remain in full force and effect.

14. Counterparts; Delivery. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of this Amendment by facsimile or other electronic imaging means shall be effective as an original.

15. Governing Law. This Amendment shall be deemed to be a contract made under, and for all purposes shall be construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be duly executed as of the date first above written.

BORROWER: GRAND CANYON EDUCATION, INC., a Delaware corporation

By: /s/ Daniel Bachus
Name: Daniel Bachus
Title: Chief Financial Officer

[SIGNATURE PAGES FOLLOW]

GUARANTORS:

LA SONRISA DE SIENA, L.L.C., an Arizona limited liability company

By: /s/ Daniel Bachus
Name: Daniel Bachus
Title: Chief Financial Officer

TIERRA VISTA INVERSIONES, LLC, a Delaware limited liability company

By: /s/ Daniel Bachus
Name: Daniel Bachus
Title: Chief Financial Officer

[SIGNATURE PAGES FOLLOW]

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Linda Lov
Name: Linda Lov
Title: Assistant Vice President

LENDERS:

BANK OF AMERICA, N.A.,
as a Lender, L/C Issuer and Swing Line Lender

By: /s/ Alain Pelanne
Name: Alain Pelanne
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Douglas Jorgensen
Name: Douglas Jorgensen
Title: Senior Vice President

BOKF, NA d/b/a BANK OF ARIZONA

By: /s/ Stephen Luttrell
Name: Stephen Luttrell
Title: Senior Vice President

NATIONAL BANK OF ARIZONA, a national banking association

By: /s/ Sabina Aaronson
Name: Sabina Aaronson
Title: Vice President

EXHIBIT A
TO
SECOND AMENDMENT TO CREDIT AGREEMENT

CREDIT AGREEMENT

Dated as of December 21, 2012

among

GRAND CANYON EDUCATION, INC.,
as the Borrower,

THE SUBSIDIARIES OF THE BORROWER IDENTIFIED HEREIN,
as the Guarantors,

BANK OF AMERICA, N.A.,
as Administrative Agent, Swing Line Lender and L/C Issuer,

and

THE OTHER LENDERS PARTY HERETO

Arranged By:

BANK OF AMERICA MERRILL LYNCH,
as Sole Lead Arranger and Sole Bookrunner

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SCHEDULES

EXHIBITS

CREDIT AGREEMENT

This CREDIT AGREEMENT is entered into as of December 21, 2012 among GRAND CANYON EDUCATION, INC., a Delaware corporation (the "Borrower"), the Guarantors (defined herein), the Lenders (defined herein) and BANK OF AMERICA, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer.

The Borrower has requested that the Lenders provide $150 million in credit facilities for the purposes set forth herein, and the Lenders are willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms.

As used in this Agreement, the following terms shall have the meanings set forth below:

"Acquisition" means, with respect to any Person, the acquisition by such Person, in a single transaction or in a series of related transactions, of either (a) all or any substantial portion of the property of, or a line of business, division or operating group of, another Person or (b) at least a majority of the Equity Interests of another Person entitled to vote for members of the board of directors or equivalent governing body of such Person, in each case whether or not involving a merger or consolidation with such other Person.

"Administrative Agent" means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 11.02 or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in substantially the form of Exhibit F-2 or any other form approved by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. For the avoidance of doubt, the Borrower and the School Buyer shall not be deemed Affiliates for purposes of this Agreement.

"Aggregate Revolving Commitments" means the Revolving Commitments of all the Lenders. The amount of the Aggregate Revolving Commitments in effect on the Second Amendment Effective Date is ZERO DOLLARS ($0). For the avoidance of doubt, the Aggregate Revolving Commitments expired on December 21, 2017.

"Agreement" means this Credit Agreement.

"Applicable Percentage" means with respect to any Lender at any time, (a) with respect to such Lender's Revolving Commitment at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Revolving Commitments represented by such Lender's Revolving Commitment at such time, subject to adjustment as provided in Section 2.15; provided that if the commitment of each Lender to make Revolving Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 9.02 or if the Aggregate Revolving Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments and (b) with respect to such Lender's portion of the outstanding Term Loan at any time, the percentage (carried out to the ninth decimal place) of the outstanding principal amount of the Term Loan held by such Lender at such time subject to adjustment as provided in Section 2.15. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto.

"Applicable Rate" means (a) with respect to Eurodollar Rate Loans, 1.75% per annum, and (b) with respect to Base Rate Loans, 0.75% per annum.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger" means Merrill Lynch, Pierce, Fenner & Smith Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation's or any of its subsidiaries' investment banking, commercial lending services or related businesses may be transferred following the date of this Agreement), in its capacity as sole lead arranger and sole bookrunner.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit F-1 or any other form (including electronic documentation generated by MarkitClear or other electronic platform) approved by the Administrative Agent and the Borrower.

"Attributable Indebtedness" means, with respect to any Person on any date, (a) in respect of any capital lease, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease, (c) in respect of any Securitization Transaction, the outstanding principal amount of such financing, after taking into account reserve accounts and making appropriate adjustments, determined by the Administrative Agent in its reasonable judgment and (d) in respect of any Sale and Leaseback Transaction, the present value (discounted in accordance with GAAP at the debt rate implied in the applicable lease) of the obligations of the lessee for rental payments during the term of such lease).

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries as of December 31, 2011 and the related consolidated statements of income or operations, stockholders' equity and cash flows of the Borrower and its Subsidiaries for such fiscal year, including the notes thereto.

"Availability Period" means, with respect to the Revolving Commitments, the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Revolving Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 9.02.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bank of America" means Bank of America, N.A. and its successors.

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1.0%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate" and (c) the Eurodollar Rate plus 1.00%; provided, that if the Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation, which certification shall be substantially similar in form and substance to the form of Certification Regarding Beneficial Owners of Legal Entity Customers published jointly, in May 2018, by the Loan Syndications and Trading Association and Securities Industry and Financial Markets Association.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Internal Revenue Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Internal Revenue Code) the assets of any such "employee benefit plan" or "plan".

"Borrower" has the meaning specified in the introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 7.02.

"Borrowing" means a Revolving Loan, a Term Loan, or a Swing Line Loan, as the context may require.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

"Businesses" has the meaning specified in Section 6.09(a).

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the L/C Issuer or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Administrative Agent and the L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and the L/C Issuer. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalents" means Investments permitted under the Borrower's Investment Policy as in effect on the Closing Date, a copy of which is attached hereto as Schedule 1.01, and any changes thereto that are approved by the Administrative Agent.

"Cash Management Agreement" means any agreement that is not prohibited by the terms hereof to provide treasury or cash management services, including deposit accounts, overnight draft, credit cards, debit cards, p cards (including, purchasing cards and commercial cards), e-payables, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

"Cash Management Bank" means any Person in its capacity as a party to a Cash Management Agreement with the Borrower or any Subsidiary provided that (a) at the time such Person enters into such Cash Management Agreement, such Person is a Lender or an Affiliate of a Lender, or (b) such Cash Management Agreement exists on the Closing Date and such Person is a Lender or an Affiliate of a Lender on the Closing Date.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all Equity Interests that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of thirty-five percent (35%) or more of the Equity Interests of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or

(b) during any period of 24 consecutive months, a majority of the members of the board of directors of the Borrower cease to be composed of individuals (i) who were members of the board of directors on the first day of such period, (ii) whose election or nomination to the board of directors was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of the board of directors or (iii) whose election or nomination to the board of directors was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of the board of directors.

"Closing Date" means the date hereof.

"Collateral" means a collective reference to all property with respect to which Liens in favor of the Administrative Agent, for the benefit of itself and the other holders of the Obligations, are purported to be granted pursuant to and in accordance with the terms of the Collateral Documents.

"Collateral Documents" means a collective reference to the Security Agreement, the Treasury Management Services Security and Control Agreement and the other security documents as may be executed and delivered by any Loan Party pursuant to the terms of Section 7.13.

"Commitment" means, as to each Lender, the Revolving Commitment of such Lender and/or the Term Loan Commitment of such Lender.

"Commitment Fee" has the meaning specified in Section 2.09(a).

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*).

"Compliance Certificate" means a certificate substantially in the form of Exhibit D.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Cash Flow" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to the sum of (a) Consolidated EBITDA for such period minus (b) depreciation and amortization expense for such period minus (c) income taxes paid in cash during such period (excluding, for the avoidance of doubt, any taxes paid in connection with the School Disposition).

"Consolidated EBITDA" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to the sum of (a) Consolidated Net Income for such period plus (b) the following to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Charges for such period, (ii) the provision for federal, state, local and foreign income taxes payable for such period, (iii) depreciation and amortization expense for such period, (iv) non-cash stock based compensation expense and (v) fees and expenses incurred in connection with the consummation of the School Disposition; provided that for purposes of calculating Consolidated EBITDA:

(i) as of the end of the fiscal quarter ended September 30, 2018, Consolidated EBITDA shall be deemed to be the amount of Consolidated EBITDA for the period of one fiscal quarter then ended multiplied by four (4);

(ii) as of the end of the fiscal quarter ending December 31, 2018, Consolidated EBITDA shall be the amount of Consolidated EBITDA for the period of two fiscal quarters then ended multiplied by two (2); and

(iii) as of the end of the fiscal quarter ending March 31, 2019, Consolidated EBITDA shall be the amount of Consolidated EBITDA Payments for the period of three fiscal quarters then ended multiplied by one and one-third (1 1/3).

In connection with the calculation of the financial covenants in Section 8.11 on a Pro Forma Basis pursuant to clause (d) of the definition of Permitted Acquisitions, clauses (f) and (h) of Section 8.03 and clause (c) of Section 8.06 prior to the date the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b) for the fiscal quarter ended September 30, 2018, Consolidated EBITDA shall be deemed to be $271,000,000.

"Consolidated Fixed Charge Coverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Cash Flow for the period of the four fiscal quarters most recently ended to (b) Consolidated Fixed Charges for the period of the four fiscal quarters most recently ended.

"Consolidated Fixed Charges" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to the sum of (a) Consolidated Interest Charges for such period plus (b) Consolidated Scheduled Funded Debt Payments for such period plus (c) dividends and other distributions (whether in cash, securities or other property) paid by the Borrower on its Equity Interests for such period (and not including repurchases of Equity Interests as permitted under Section 8.06).

"Consolidated Funded Indebtedness" means Funded Indebtedness of the Borrower and its Subsidiaries on a consolidated basis.

"Consolidated Interest Charges" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, plus (b) the portion of rent expense with respect to such period under capital leases that is treated as interest in accordance with GAAP plus (c) the implied interest component of Synthetic Lease Obligations with respect to such period.

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness as of such date to (b) Consolidated EBITDA for the period of the four fiscal quarters most recently ended.

"Consolidated Net Income" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, net income (or loss) for such period; provided that Consolidated Net Income shall exclude (a) extraordinary gains and extraordinary losses for such period, (b) the net income of any Subsidiary during such period to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such income is not permitted by operation of the terms of its Organization Documents or any agreement, instrument or Law applicable to such Subsidiary during such period, except that the Borrower's equity in any net loss of any such Subsidiary for such period shall be included in determining Consolidated Net Income, (c) any income (or loss) for such period of any Person if such Person is not a Subsidiary, except that the Borrower's equity in the net income of any such Person for such period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Borrower or a Subsidiary as a dividend or other distribution (and in the case of a dividend or other distribution to a Subsidiary, such Subsidiary is not precluded from further distributing such amount to the Borrower as described in clause (b) of this proviso) and (d) interest income for such period.

"Consolidated Scheduled Funded Debt Payments" means for any period for the Borrower and its Subsidiaries on a consolidated basis, the sum of all scheduled payments of principal on Consolidated Funded Indebtedness. For purposes of this definition, "scheduled payments of principal" (a) shall be determined without giving effect to any reduction of such scheduled payments resulting from the application of any voluntary or mandatory prepayments made during the applicable period, (b) shall be deemed to include the Attributable Indebtedness and (c) shall not include any voluntary or mandatory prepayments.

"Consolidated Tangible Net Worth" means, as of any date of determination, for the Borrower and its Subsidiaries on a consolidated basis, (a) stockholders' equity of the Borrower and its Subsidiaries on that date minus (b) the Intangible Assets of the Borrower and its Subsidiaries on that date.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any written agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote 10% or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent. For the avoidance of doubt, the Borrower shall not be deemed to Control the School Buyer for purposes of this Agreement.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Debt Issuance" means the issuance by the Borrower or any Subsidiary of any Indebtedness other than Indebtedness permitted under Section 8.03.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate for Revolving Loans that are Eurodollar Rate Loans plus 2% per annum.

"Defaulting Lender" means, subject to Section 2.15(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of

its participation in Letters of Credit or Swing Line Loans) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, the L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, the L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition of any property by the Borrower or any Subsidiary, including any Sale and Leaseback Transaction and any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding (a) the disposition of inventory in the ordinary course of business; (b) the disposition of machinery and equipment no longer used or useful in the conduct of business of the Borrower and its Subsidiaries in the ordinary course of business; (c) the disposition of property to the Borrower or any Subsidiary; provided, that if the transferor of such property is a Loan Party then the transferee thereof must be a Loan Party; (d) the disposition of accounts receivable in connection with the collection or compromise thereof; (e) licenses, sublicenses, leases or subleases granted to others not interfering in any material respect with the business of the Borrower and its Subsidiaries; (f) the sale or disposition of Cash Equivalents for fair market value; (g) any Recovery Event; (h) the disposition of personal property (other than personal property constituting Excluded Fixed Assets) to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such disposition are promptly applied to the purchase price of such replacement property; (h) to the extent constituting a Disposition, transactions permitted by Section 8.04 and Section 8.06 and Liens permitted by Section 8.01; and (j) the disposition of the Investments described on Schedule 8.02.

"DOE" means the United States Department of Education and any successor agency administering student financial assistance under Title IV of the Higher Education Act of 1965.

"Dollar" and "$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any state of the United States or the District of Columbia.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Sections 11.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 11.06(b)(iii)).

"Environmental Laws" means any applicable Law relating to (i) the release of, and the investigation and remediation of, hazardous substances (which are not naturally occurring) released into the environment (including, without limitation, air, water vapor, surface water, groundwater, drinking water supply, surface land, subsurface land), and (ii) the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release or disposal of Hazardous Materials.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any Contractual Obligation pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

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

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with a Loan Party within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of a Loan Party or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Loan Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Internal Revenue Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any ERISA Affiliate.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurodollar Rate" means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the London Interbank Offered Rate ("LIBOR") or a comparable or successor rate, which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) (in such case, the "LIBOR Rate") at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and

(b) for any interest rate calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the LIBOR Rate, at approximately 11:00 a.m., London time determined two Business Days prior to such date for Dollar deposits with a term of one month commencing that day;

provided that (i) to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied as otherwise reasonably determined by the Administrative Agent and (ii) if the Eurodollar Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Eurodollar Rate Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of "Eurodollar Rate."

"Event of Default" has the meaning specified in Section 9.01.

"Excluded Fixed Assets" means Excluded Real Property and equipment and fixtures located on Excluded Real Property.

"Excluded Personal Property" means, collectively, the following personal property:

(a) equipment and fixtures located on Excluded Real Property;

(b) the Equity Interests of each Subsidiary to the extent not required to be pledged to the Administrative Agent pursuant to Section 7.13(a);

(c) [reserved];

(d) unless requested by the Administrative Agent or the Required Lenders, any IP Rights for which a perfected Lien thereon is not effected either by filing of a Uniform Commercial Code financing statement or by appropriate evidence of such Lien being filed in either the United States Copyright Office or the United States Patent and Trademark Office;

(e) unless requested by the Administrative Agent or the Required Lenders, any personal property (other than personal property described in clause (d) above) for which the attachment or perfection of a Lien thereon is not governed by the Uniform Commercial Code;

(f) any property which, subject to the terms of Section 8.09, is subject to a Lien of the type described in Section 8.01(i) pursuant to documents which prohibit the applicable Loan Party from granting any other Liens in such property;

(g) any lease, license, contract or other agreement if the grant of a security interest in such lease, license, contract or other agreement is prohibited under the terms of such lease, license, contract or other agreement or under applicable Law or would result in default thereunder, the termination thereof or give the other parties thereto the right to terminate, accelerate or otherwise alter the applicable Loan Party's rights, titles and interests thereunder (including upon the giving of notice or the lapse of time or both); provided that (i) such prohibition could not be rendered ineffective pursuant to the Uniform Commercial Code or any other applicable Law (including Debtor Relief Laws) or principles of equity and (ii) if such prohibition is terminated or waived, such lease, license, contract or other agreement shall no longer be Excluded Personal Property;

(g) any cash and Cash Equivalents which, subject to the terms of Section 8.09, is subject to a Lien of the type described in Section 8.01(e) or Section 8.01(f) pursuant to documents which prohibit the applicable Loan Party from granting any other Liens in such cash and Cash Equivalents; and

(h) any other property if the Administrative Agent and the Borrower agree in writing that the cost, burden or consequences of obtaining or perfecting a security interest in such property is excessive in relation to the value of such property as Collateral.

"Excluded Real Property" means all fee and leasehold interests in real property of the Borrower and its Subsidiaries.

"Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Guarantor of, or the grant under a Loan Document by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act (or the application or official interpretation thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 10.08 and any and all guarantees

of such Guarantor's Swap Obligations by other Loan Parties) at the time the Guaranty of such Guarantor, or grant by such Guarantor of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one Swap Contract, such exclusion shall apply to only the portion of such Swap Obligation that is attributable to Swap Contracts for which such Guaranty or security interest is or becomes illegal.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 11.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii), (a)(iii) or (c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Existing Indebtedness" has the meaning specified in Section 5.01.

"Facilities" has the meaning specified in Section 6.09(a).

"FASB ASC" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent and (c) if the Federal Funds Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Fee Letter" means the letter agreement dated August 16, 2012 among the Borrower, the Administrative Agent and the Arranger.

"First Amendment Effective Date" means the effective date of the First Amendment to this Agreement.

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the Laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"Funded Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all purchase money indebtedness;

(c) the maximum amount available to be drawn under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;

(d) all obligations in respect of the deferred purchase price of property or services (including earn-out payment obligations but excluding trade accounts payable in the ordinary course of business);

(e) the Attributable Indebtedness of capital leases, Synthetic Lease Obligations, Sale and Leaseback Transactions and Securitization Transactions;

(f) without duplication, all Guarantees with respect to outstanding Funded Indebtedness of the types specified in clauses (a) through (e) above of another Person; and

(g) all Funded Indebtedness of the types referred to in clauses (a) through (f) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, except to the extent that Funded Indebtedness is expressly made non-recourse to such Person.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantors" means, collectively, (a) each Person identified as a "Guarantor" on the signature pages hereto, (b) each Person that joins as a Guarantor pursuant to Section 7.12 or otherwise, (c) with respect to (i) Obligations under any Secured Hedge Agreement, (ii) Obligations under any Secured Cash Management Agreement and (iii) any Swap Obligation of a Specified Loan Party (determined before giving effect to Sections 4.01 and 4.08) under the Guaranty, the Borrower and (d) the successors and permitted assigns of the foregoing.

"Guaranty" means the Guaranty made by the Guarantors in favor of the Administrative Agent, the Lenders and the other holders of the Obligations pursuant to Article IV.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedge Bank" means any Person in its capacity as a party to a Swap Contract with the Borrower or any Subsidiary provided that (a) at the time such Person enters into such Swap Contract, such Person is a Lender or an Affiliate of a Lender, or (b) such Swap Contract exists on the Closing Date and such Person is a Lender or an Affiliate of a Lender on the Closing Date.

"HMT" has the meaning specified in the definition of "Sanctions" in this Section 1.01.

"Honor Date" has the meaning set forth in Section 2.03(c).

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all purchase money indebtedness;

(c) the maximum amount available to be drawn under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;

(d) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);

(e) the Attributable Indebtedness of capital leases, Synthetic Lease Obligations, Sale and Leaseback Transactions and Securitization Transactions;

(f) the Swap Termination Value of any Swap Contract;

(g) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(h) all obligations to purchase, redeem, retire, defease or otherwise make any payment prior to the Maturity Date in respect of any Equity Interests, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends;

(i) without duplication, all Guarantees with respect to Indebtedness of the types specified in clauses (a) through (h) above of another Person; and

(j) all Indebtedness of the types referred to in clauses (a) through (i) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, except to the extent that such Indebtedness is expressly made non-recourse to such Person.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitees" has the meaning specified in Section 11.04(b).

"Information" has the meaning specified in Section 11.07.

"Intangible Assets" means assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges, unamortized debt discount and capitalized research and development costs.

"Intercompany Indebtedness" means Indebtedness owing by a Loan Party to another Loan Party.

"Intercreditor Agreements" means any subordination or intercreditor agreement entered into by the Administrative Agent in connection with any Subordinated Indebtedness.

"Interest Payment Date" means the first day of each calendar month, commencing on the first such day occurring after the Closing Date, and the Maturity Date.

"Interest Period" means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two, three or six months thereafter (in each case, subject to availability), as selected by the Borrower in its Loan Notice, or such other period that is twelve months or less requested by the Borrower and consented to by all the Lenders; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date.

"Interim Financial Statements" means the unaudited consolidated financial statements of the Borrower and its Subsidiaries for the fiscal quarter ended September 30, 2012 including balance sheets and statements of income or operations, stockholders' equity and cash flows.

"Internal Revenue Code" means the Internal Revenue Code of 1986.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, or (c) an Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"IP Rights" has the meaning specified in Section 6.17.

"IRS" means the United States Internal Revenue Service.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"Issuer Documents" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to such Letter of Credit.

"Joinder Agreement" means a joinder agreement substantially in the form of Exhibit E executed and delivered by a Domestic Subsidiary in accordance with the provisions of Section 7.12 or any other documents as the Administrative Agent shall deem appropriate for such purpose.

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"L/C Advance" means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing of Revolving Loans.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Issuer" means Bank of America in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

"L/C Obligations" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"Lenders" means each of the Persons identified as a "Lender" on the signature pages hereto, each other Person that becomes a "Lender" in accordance with this Agreement and their successors and assigns and, unless the context requires otherwise, the Swing Line Lender.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent, which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such affiliate. Unless the context otherwise requires each references to a Lender shall include its applicable Lending Office.

"Letter of Credit" means any standby letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

"Letter of Credit Fee" has the meaning specified in Section 2.03(h).

"Letter of Credit Sublimit" means an amount equal to $0. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

"LIBOR Screen Rate" means the LIBOR quote on the applicable screen page the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

"LIBOR Successor Rate" has the meaning specified in Section 3.07.

"LIBOR Successor Rate Conforming Changes" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Base Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption of such LIBOR Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent determines in consultation with the Borrower).

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Liquidity" means, as of any date of determination, the sum of (a) all cash and Cash Equivalents of the Loan Parties on such date that (i) do not appear (or would not be required to appear) as "restricted" on a consolidated balance sheet of the Borrower and (ii) are not subject to a Lien (other than Liens of the type described in Sections 8.01(m) and (n)) plus (b) the availability under the Aggregate Revolving Commitments.

"Loan" means an extension of credit by a Lender to the Borrower under Article II in the form of a Revolving Loan, Swing Line Loan or the Term Loan.

"Loan Documents" means this Agreement, each Note, each Issuer Document, each Joinder Agreement, the Collateral Documents, any Intercreditor Agreements, any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.14 and the Fee Letter.

"Loan Notice" means a notice of (a) a Borrowing of Revolving Loans or the Term Loan, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, in each case pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit A or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent) appropriately completed and signed by a Responsible Officer of the Borrower.

"Loan Parties" means, collectively, the Borrower and each Guarantor.

"Loan to Value Ratio" means the ratio of (a) the aggregate principal amount of the Term Loan advanced on the Closing Date to (b) the Appraised Value of all real property constituting Collateral on the Closing Date.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document to which it is a party; (c) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; or (d) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

"Material Indebtedness" means any Indebtedness (other than Indebtedness arising under the Loan Documents and Indebtedness arising under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount.

"Maturity Date" means (a) as to the Revolving Loans, Swing Line Loans and Letters of Credit (and the related L/C Obligations), December 21, 2017 and (b) as to the Term Loan, December 21, 2019; provided, however, that, in each case, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Material Domestic Subsidiary" means any Domestic Subsidiary that has (a) total assets with a fair market value in excess of $100,000 or (b) total revenues in excess of $100,000 for the most recently ended period of four fiscal quarters for which the Borrower was required to deliver financial statements pursuant to Section 7.01(a) or (b); provided that if a Domestic Subsidiary would be a Material Domestic Subsidiary under clause (a) of this definition solely by virtue of such Domestic Subsidiary either (x) receiving an Investment from the Borrower or any Subsidiary the proceeds of which will be used by such Domestic Subsidiary solely to acquire real property or (y) acquiring real property, such Domestic Subsidiary shall be deemed a Material Domestic Subsidiary only if such Domestic Subsidiary holds such Investment or owns such real estate for more than sixty (60) days.

"Material Foreign Subsidiary" means any Foreign Subsidiary that has (a) total assets with a fair market value in excess of $100,000 or (b) total revenues in excess of $100,000 for the most recently ended period of four fiscal quarters for which the Borrower was required to deliver financial statements pursuant to Section 7.01(a) or (b); provided that if a Foreign Subsidiary would be a Material Foreign Subsidiary under clause (a) of this definition solely by virtue of such Foreign Subsidiary either (x) receiving an Investment from the Borrower or any Subsidiary the proceeds of which will be used by such Foreign Subsidiary solely to acquire real property or (y) acquiring real property, such Foreign Subsidiary shall be deemed a Material Foreign Subsidiary only if such Foreign Subsidiary holds such Investment or owns such real estate for more than sixty (60) days.

"Minimum Collateral Amount" means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 100% of the Fronting Exposure of the L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (ii) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.14(a)(i), (a)(ii) or (a)(iii), an amount equal to 100% of the Outstanding Amount of all LC Obligations, and (iii) otherwise, an amount determined by the Administrative Agent and the L/C Issuer in their sole discretion.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including any Loan Party or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Cash Proceeds" means the aggregate cash or Cash Equivalents proceeds received by the Borrower or any Subsidiary in respect of any Disposition, Recovery Event or Debt Issuance net of (a) direct costs incurred in connection therewith (including legal, accounting and investment banking fees, and sales commissions), (b) taxes paid or payable as a result thereof and (c) in the case of any Disposition or any Recovery Event, the amount necessary to retire any Indebtedness secured by a Permitted Lien (ranking senior to any Lien of the Administrative Agent) on the related property; it being understood that "Net Cash Proceeds" shall include any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received by the Borrower or any Subsidiary in any Disposition, Recovery Event or Debt Issuance; provided, however, that "Net Cash Proceeds" shall not include amounts resulting from any Dispositions and Recovery Events until such amounts aggregate $1,000,000 in any fiscal year.

"NMTC" means a new market tax credit as defined in Section 45D of the Internal Revenue Code of 1986.

"NMTC Documents" means any credit, loan or finance agreement and any other document, agreement or instrument governing or otherwise relating to any NMTC Indebtedness.

"NMTC Indebtedness" means any loan incurred by the Borrower or any Subsidiary in connection with NMTC financing the proceeds of which are used by the Borrower or any Subsidiary to acquire real property or to construct improvements on real property in each case after the Closing Date (but are not used to renovate any real property owned by the Borrower or any Subsidiary).

"NMTC Intercompany Investment" has the meaning specified in Section 8.02(i).

"NMTC Intercompany Loan" has the meaning specified in Section 8.02(j).

"NMTC Property" means any fixed assets which are acquired, renovated or improved with the proceeds of NMTC Indebtedness.

"NMTC Subsidiary" means a Domestic Subsidiary.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 11.01 and (b) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Note" has the meaning specified in Section 2.11(a).

"Notice of Loan Prepayment" means a notice of prepayment with respect to a Loan, which shall be substantially in the form of Exhibit H or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, Letter of Credit, Secured Cash Management Agreement or Secured Hedge Agreement, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided, however, that the "Obligations" of a Loan Party shall exclude any Excluded Swap Obligations with respect to such Loan Party.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

"Outstanding Amount" means (a) with respect to any Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of any Loans occurring on such date; and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

"Participant" has the meaning specified in Section 11.06(d).

"Participant Register" has the meaning specified in Section 11.06(d).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Internal Revenue Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Internal Revenue Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Internal Revenue Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by any Loan Party and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Internal Revenue Code.

"Permitted Acquisition" means an Investment consisting of an Acquisition by the Borrower or any Subsidiary, provided that (a) no Default shall have occurred and be continuing or would result from such Acquisition, (b) the property acquired (or the property of the Person acquired) in such Acquisition is used or useful in the same or a similar line of business as the Borrower and its Subsidiaries were engaged in on the Closing Date (or any reasonable extensions or expansions thereof), (c) in the case of an Acquisition of the Equity Interests of another Person, the board of directors (or other comparable governing body) of such other Person shall have duly approved such Acquisition, (d) the Borrower shall have delivered to the Administrative Agent a Pro Forma Compliance Certificate demonstrating that the Loan Parties would be in compliance with the financial covenants set forth in Section 8.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b) after giving effect to such Acquisition on a Pro Forma Basis, (e) the representations and warranties made by the Loan Parties in each Loan Document shall be true and correct in all material respects at and as if made as of the date of such Acquisition (after giving effect thereto), except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect which such representation and warranty shall be true and correct in all respects on and as of the date of such Acquisition, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, (f) if such transaction involves the purchase of an interest in a partnership between any Loan Party as a general partner and entities unaffiliated with the Borrower as the other partners, such transaction shall be effected by having such equity interest acquired by a corporate holding company directly or indirectly wholly-owned by such Loan Party newly formed for the sole purpose of effecting such transaction, (g) immediately after giving effect to such Acquisition, Liquidity shall be at least $75 million and (h) immediately after giving effect to such Acquisition, the aggregate cash and non-cash consideration (including assumed Indebtedness, the good faith estimate by the Borrower of the maximum amount of any deferred purchase price obligations (including earn-out payment obligations) and Equity Interests) for all Acquisitions during the term of this Agreement shall not exceed 25% of Consolidated Tangible Net Worth as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b).

"Permitted Liens" means, at any time, Liens in respect of property of the Borrower or any Subsidiary permitted to exist at such time pursuant to the terms of Section 8.01.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of any Loan Party or any ERISA Affiliate or any such Plan to which any Loan Party or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Platform" has the meaning specified in Section 7.02.

"PPA" means a Program Participation Agreement issued to the School Buyer by the DOE, and countersigned by or on behalf of the Secretary of the DOE, evidencing the DOE's certification of the School Buyer to participate in the Title IV Programs, but expressly excluding a TPPPA.

"PPPA" means a Provisional PPA issued to the School Buyer by the DOE following the Second Amendment Effective Date and countersigned by or on behalf of the Secretary of the DOE, evidencing the DOE's certification of the School Buyer to continue its Title IV Program participation following consummation of the transactions contemplated hereby, but expressly excluding a TPPPA.

"Pro Forma Basis" means, with respect to any transaction (other than the School Disposition) consummated after the Second Amendment Effective Date, that for purposes of calculating the financial covenants set forth in Section 8.11 (including any calculations of such financial covenant(s) in accordance with any other sections of this Agreement), such transaction shall be deemed to have occurred as of the first day of the most recent four fiscal quarter period preceding the date of such transaction for which the Borrower was required to deliver financial statements pursuant to Section 7.01(a) or (b). In connection with the foregoing, (a) with respect to any Disposition or Recovery Event, (i) income statement and cash flow statement items (whether positive or negative) attributable to the property disposed of shall be excluded to the extent relating to any period occurring prior to the date of such transaction and (ii) Indebtedness which is retired shall be excluded and deemed to have been retired as of the first day of the applicable period and (b) with respect to any Acquisition, (i) income statement and cash flow statement items attributable to the Person or property acquired shall be included to the extent relating to any period applicable in such calculations to the extent (A) such items are not otherwise included in such income statement and cash flow statement items for the Borrower and its Subsidiaries in accordance with GAAP or in accordance with any defined terms set forth in Section 1.01 and (B) such items are supported by financial statements or other information reasonably satisfactory to the Administrative Agent and (ii) any Indebtedness incurred or assumed by the Borrower or any Subsidiary (including the Person or property acquired) in connection with such transaction and any Indebtedness of the Person or property acquired which is not retired in connection with such transaction (A) shall be deemed to have been incurred as of the first day of the applicable period and (B) if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination.

"Pro Forma Compliance Certificate" means a certificate of a Responsible Officer of the Borrower containing reasonably detailed calculations of the financial covenants set forth in Section 8.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b) after giving effect to the applicable transaction on a Pro Forma Basis.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning specified in Section 7.02.

"Qualified ECP Guarantor" means, at any time, each Loan Party with total assets exceeding $10,000,000 or that qualifies at such time as an "eligible contract participant" under the Commodity Exchange Act and can cause another Person to qualify as an "eligible contract participant" at such time under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Recipient" means the Administrative Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"Recovery Event" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of the Borrower or any Subsidiary.

"Register" has the meaning specified in Section 11.06(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty-day notice period has been waived.

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Loans, a Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"Required Lenders" means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender or L/C Issuer, as the case may be, in making such determination.

"Required Revolving Lenders" means, at any time, Lenders having Revolving Credit Exposures representing more than 50% of the Revolving Credit Exposures of all Lenders. The Revolving Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Revolving Lenders at any time; provided that the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender or L/C Issuer, as the case may be, in making such determination.

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of a Loan Party and, solely for purposes of the delivery of incumbency certificates, the secretary or any assistant secretary of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party. To the extent requested by the Administrative Agent, each Responsible Officer will provide an incumbency certificate and appropriate authorization documentation, in form and substance reasonably satisfactory to the Administrative Agent.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such Equity Interests or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent Person thereof), or any option, warrant or other right to acquire any such dividend or other distribution or payment. The term "Restricted Payment" shall not include (a) the forfeiture of unvested Equity Interests of the Borrower by any present or former employee or director of the Borrower or any Subsidiary in connection with the termination of employment or service, death or disability of such individual provided that neither the Borrower nor any Subsidiary makes any payment of cash or other property for such forfeiture and (y) the repurchase of Equity Interests of the Borrower deemed to occur in connection with a net exercise of stock options or warrants or the grant of Equity Interests if such repurchased Equity Interests represent a portion of the exercise price of such options or warrants or the payment of applicable withholding taxes provided that neither the Borrower nor any Subsidiary makes any payment of cash or other property for such repurchase.

"Revolving Commitment" means, as to each Lender, its obligation to (a) make Revolving Loans to the Borrower pursuant to Section 2.01, (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Credit Exposure" means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Lender's participation in L/C Obligations and Swing Line Loans at such time.

"Revolving Loan" has the meaning specified in Section 2.01(a).

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. and any successor thereto.

"Sale and Leaseback Transaction" means, with respect to any Person, any arrangement, directly or indirectly, whereby such Person shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Sanction(s)" means any sanction administered or enforced by the United States Government, including OFAC, the United Nations Security Council, the European Union, Her Majesty's Treasury ("HMT") or other relevant sanctions authority.

"School Assets" means the assets to be transferred by the Borrower to the School Buyer as specified in the School Purchase Agreement.

"School Buyer" means Gazelle University, an Arizona nonprofit corporation, which intends to change its name to Grand Canyon University immediately after the consummation of the School Disposition.

"School Disposition" means the transfer by the Borrower to the School Buyer of the School Assets pursuant to the School Purchase Agreement.

"School Loan" means the indebtedness in the initial principal amount of $853,067,386.00 issued by the School Buyer to the Borrower as consideration for the School Disposition.

"School Loan Documents" means the credit agreement, promissory note and all other documents, agreements and instruments evidencing, securing or governing the School Loan.

"School Purchase Agreement" means the Asset Purchase Agreement dated as of the Second Amendment Effective Date between the Borrower and the School Buyer.

"School Purchase Documents" means, collectively, the School Purchase Agreement, the School Loan Documents and the School Services Agreement.

"School Services Agreement" means the Master Services Agreement dated as of the Second Amendment Effective Date between the Borrower and the School Buyer.

"Second Amendment Effective Date" means July 1, 2018.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Cash Management Agreement" means any Cash Management Agreement that is entered into by and between the Borrower or any Subsidiary and any Cash Management Bank. For the avoidance of doubt, a holder of Obligations in respect of Secured Cash Management Agreements shall be subject to the last paragraph of Section 9.03 and Section 10.11.

"Secured Hedge Agreement" means any Swap Contract permitted under Section 8.03 that is entered into by and between the Borrower or any Subsidiary and any Hedge Bank. For the avoidance of doubt, a holder of Obligations in respect of Secured Hedge Agreements shall be subject to the last paragraph of Section 9.03 and Section 10.11.

"Securitization Transaction" means, with respect to any Person, any financing transaction or series of financing transactions (including factoring arrangements) pursuant to which such Person or any Subsidiary of such Person may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment to a special purpose subsidiary or affiliate of such Person.

"Security Agreement" means the security and pledge agreement dated as of the Closing Date executed in favor of the Administrative Agent, for the benefit of the holders of the Obligations, by each of the Loan Parties.

"Solvent" or "Solvency" means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature in the ordinary course of business, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital, (d) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (e) the present fair salable value of the property of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured and (f) such Person does not intend, in any transaction,

to hinder, delay or defraud either present or future creditors or any other person to which such Person is or will become, through such transaction, indebted. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Specified Loan Party" has the meaning specified in Section 4.08.

"Subordinated Indebtedness" means Indebtedness (including NMTC Indebtedness) of the Borrower or any Subsidiary that is expressly subordinated in right of payment to the prior payment in full of the Obligations pursuant to a subordination agreement or other subordination provisions, and containing such other payment terms, covenants, defaults and remedies, in each case that are reasonably satisfactory to the Administrative Agent.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Equity Interests having ordinary voting power for the election of directors or equivalent governing body (other than Equity Interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower. For the avoidance of doubt, the School Buyer shall not be deemed a Subsidiary of the Borrower for purposes of this Agreement.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Obligation" means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Swing Line Lender" means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Borrowing of Swing Line Loans pursuant to Section 2.04(b), which shall be substantially in the form of Exhibit 2.04 or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approve by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

"Swing Line Sublimit" means an amount equal to $0. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan" has the meaning specified in Section 2.01(b).

"Term Loan Commitment" means, as to each Lender, its obligation to make its portion of the Term Loan to the Borrower pursuant to Section 2.01(b), in the principal amount set forth opposite such Lender's name on Schedule 2.01. The aggregate principal amount of the Term Loan Commitments of all of the Lenders as in effect on the Closing Date is ONE HUNDRED MILLION DOLLARS ($100,000,000).

"Threshold Amount" means (a) for purposes of Section 9.01(e)(iii), $1 million, and (b) for all other purposes, as of any date of determination, an amount equal to 10% of Consolidated EBITDA for the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b).

"Title IV Programs" means the Title IV Programs as defined in 34 C.F.R. Section 668.1(c).

"Total Credit Exposure" means, as to any Lender at any time, the aggregate of the Outstanding Amount of the Term Loan held by such Lender at such time, the unused Revolving Commitments of such Lender at such time and the Revolving Credit Exposure of such Lender at such time.

"Total Revolving Outstandings" means the aggregate Outstanding Amount of all Revolving Loans, all Swing Line Loans and all L/C Obligations.

"TPPPA" means a Temporary Provisional Program Participation Agreement issued to the School Buyer by the DOE following the Second Amendment Effective Date and countersigned by or on behalf of the Secretary of the DOE continuing the School Buyer's certification to participate in the Title IV Programs on an interim basis following consummation of the transactions contemplated hereby.

"Treasury Management Services Security and Control Agreement" means that certain Treasury Management Services Security and Control Agreement dated as of the Second Amendment Effective Date by and among the Borrower, as pledgor, the Administrative Agent and Bank of America, N.A. in its capacity as the depositary bank.

"Type" means, with respect to any Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

"UCP" means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce ("ICC") Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Internal Revenue Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 3.01(e)(ii)(B)(III).

"Wholly Owned Subsidiary" means any Person 100% of whose Equity Interests are at the time owned by the Borrower directly or indirectly through other Persons 100% of whose Equity Interests are at the time owned, directly or indirectly, by the Borrower.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.02 Other Interpretive Provisions.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto", "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all assets and properties, tangible and intangible, real and personal, including cash, securities, accounts and contract rights and (vii) the words "real property" shall include all fee and leasehold interests in such real property and all improvements located on such real property.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms; Calculation of Financial Covenants on a Pro Forma Basis.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Loan Parties shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the Audited Financial Statements for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

(c) Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the Borrower and its Subsidiaries or to the determination of any amount for the Borrower and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Borrower is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

(d) Calculation of Financial Covenants on a Pro Forma Basis. Notwithstanding the above, the parties hereto acknowledge and agree that all calculations of the financial covenants in Section 8.11 (including for purposes of determining the Applicable Rate) shall be made on a Pro Forma Basis with respect to any Acquisition, Disposition (other than the School Disposition) or Recovery Event consummated after the Second Amendment Effective Date and occurring during the applicable period.

1.04 Rounding.

Any financial ratios required to be maintained by the Loan Parties pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day; Rates.

Unless otherwise specified, all references herein to times of day shall be references to Central time (daylight or standard, as applicable). The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurodollar Rate" or with respect to any comparable or successor rate thereto.

1.06 Letter of Credit Amounts.

Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II

THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Revolving Loans and Term Loan.

(a) Revolving Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Revolving Loan") to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; provided, however, that after giving effect to any Borrowing of Revolving Loans, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, and (ii) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment. Within the limits of each Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01, prepay under Section 2.05, and reborrow under this Section 2.01. Revolving Loans may be Base Rate Loans or Eurodollar Rate Loans, or a combination thereof, as further provided herein.

(b) Term Loan. Subject to the terms and conditions set forth herein, each Lender severally agrees to make its portion of a term loan (the "Term Loan") to the Borrower in Dollars on the Closing Date in an amount not to exceed such Lender's Term Loan Commitment. Amounts repaid on the Term Loan may not be reborrowed. The Term Loan may consist of Base Rate Loans or Eurodollar Rate Loans, or a combination thereof, as further provided herein.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 12:00 noon (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of, Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of a Loan in a Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be converted to a Eurodollar Rate Loan.

(b) Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 2:00 p.m. on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 5.02 (and, if such Borrowing is the initial Credit Extension, Section 5.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower; provided, however, that if, on the date the Loan Notice with respect to a Borrowing of Revolving Loans is given by the Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings and second, shall be made available to the Borrower as provided above.

(c) During the existence of a Default, the Required Lenders may demand that any or all of the then outstanding Eurodollar Rate Loans be converted immediately to Base Rate Loans.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than four (4) Interest Periods in effect with respect to Revolving Loans and six (6) Interest Periods in effect with respect to the Term Loan.

2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Maturity Date, to issue Letters of Credit in Dollars for the account of the Borrower or any Subsidiary, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or any Subsidiary and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (y) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) The L/C Issuer shall not issue any Letter of Credit if:

(A) subject to Section 2.03(b)(iii), the expiry date of the requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Revolving Lenders have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the date one year after the Maturity Date, unless all the Lenders that have Revolving Commitments have approved such expiry date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, such Letter of Credit is in an initial stated amount less $500,000;

(D) such Letter of Credit is to be denominated in a currency other than Dollars;

(E) any Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the Borrower or such Defaulting Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.15(b)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion; or

(F) such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(vi) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article X with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article X included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 12:00 noon at least two Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name

and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may require. Additionally, the Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article V shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or the applicable Subsidiary or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the date one year after the Maturity Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or any Loan Party that one or more of the applicable conditions specified in Section 5.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(iv) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that permits the automatic reinstatement of all or a portion of the stated amount thereof after any drawing thereunder (each,

an "Auto-Reinstatement Letter of Credit"). Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer to permit such reinstatement. Once an Auto-Reinstatement Letter of Credit has been issued, except as provided in the following sentence, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to reinstate all or a portion of the stated amount thereof in accordance with the provisions of such Letter of Credit. Notwithstanding the foregoing, if such Auto-Reinstatement Letter of Credit permits the L/C Issuer to decline to reinstate all or any portion of the stated amount thereof after a drawing thereunder by giving notice of such non-reinstatement within a specified number of days after such drawing (the "Non-Reinstatement Deadline"), the L/C Issuer shall not permit such reinstatement if it has received a notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Reinstatement Deadline (A) from the Administrative Agent that the Required Lenders have elected not to permit such reinstatement or (B) from the Administrative Agent, any Lender or any Loan Party that one or more of the applicable conditions specified in Section 5.02 is not then satisfied (treating such reinstatement as an L/C Credit Extension for purposes of this clause) and, in each case, directing the L/C Issuer not to permit such reinstatement.

(v) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 12:00 noon on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an "Honor Date"), the Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and the amount of such Lender's Applicable Percentage thereof. In such event, the Borrower shall be deemed to have requested a Borrowing of Revolving Loans that are Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Revolving Commitments and the conditions set forth in Section 5.02 (other than the delivery of a Loan Notice). If the Unreimbursed Amount is paid on the Honor Date with a Revolving Loan, no Default shall be deemed to have occurred for failure of the Borrower to reimburse the L/C Issuer for such Unreimbursed Amount. Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) for the account of the L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 2:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Revolving Loan that is a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing of Revolving Loans that are Base Rate Loans because the conditions set forth in Section 5.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Revolving Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower, any Subsidiary or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default; or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 5.02 (other than delivery by the Borrower of a Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrower or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any Subsidiary.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders, the Required Revolving Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (viii) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP and UCP; Limitation of Liability. Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Borrower for, and the L/C Issuer's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any Law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade—International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such Law or practice.

(h) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance, subject to Section 2.15, with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate for Revolving Loans that are Eurodollar Rate Loans times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Maturity Date and thereafter on demand; and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders while any Event of Default exists or at any time the Default Rate is in effect, all Letter of Credit Fees shall accrue at the Default Rate.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to the L/C Issuer for its own account a fronting fee with respect to each Letter of Credit, at the rate per annum specified in the Fee Letter, computed on the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Maturity Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to the L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

2.04 Swing Line Loans.

(a) Swing Line Facility. Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, may in its sole discretion make loans (each such loan, a "Swing Line Loan") to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Revolving Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of such Lender's Revolving

Commitment; provided, however, that (i) after giving effect to any Swing Line Loan, (A) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments and (B) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment, (ii) the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan and (iii) the Swing Line Lender shall not be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Borrowing of Swing Line Loans shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by telephone. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 12:00 noon on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum principal amount of $100,000, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 1:00 p.m. on the date of the proposed Borrowing of Swing Line Loans (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article V is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 2:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Lender make a Revolving Loan that is a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Revolving Commitments and the conditions set forth in Section 5.02. The Swing Line Lender shall furnish the Borrower with a copy of the applicable Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office not later than 2:00 p.m. on the day specified in such Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Revolving Loan that is a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Borrowing of Revolving Loans in accordance with Section 2.04(c)(i), the request for Revolving Loans that are Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Lender may have against the Swing Line Lender, the Borrower, any Subsidiary or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 5.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Applicable Percentage thereof in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Lender funds its Revolving Loans that are Base Rate Loans or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

(g) Auto Borrow Arrangement. In order to facilitate the borrowing of Swing Line Loans, the Borrower and the Swing Line Lender may mutually agree to, and are hereby authorized to, enter into an auto borrow agreement in form and substance reasonably satisfactory to the Swing Line Lender and the Administrative Agent (the "Auto Borrow Agreement") providing for the automatic advance by the Swing Line Lender of Swing Line Loans under the conditions set forth in the Auto Borrow Agreement, subject to the conditions set forth herein. At any time an Auto Borrow Agreement is in effect, advances under the Auto Borrow Agreement shall be deemed Swing Line Loans for all purposes hereof, except that Borrowings of Swing Line Loans under the Auto Borrow Agreement shall be made in accordance with the Auto Borrow Agreement. For purposes of determining the Total Revolving Outstandings at any time during which an Auto Borrow Agreement is in effect, the Outstanding Amount of all Swing Line Loans shall be deemed to be the sum of the Outstanding Amount of Swing Line Loans at such time plus the maximum amount available to be borrowed under such Auto Borrow Agreement at such time.

2.05 Prepayments.

(a) Voluntary Prepayments of Loans.

(i) Revolving Loans and Term Loan. The Borrower may, upon notice to the Administrative Agent from the Borrower pursuant to delivery to the Administrative Agent of a Notice of Loan Prepayment, at any time or from time to time voluntarily prepay Revolving Loans and the Term Loan in whole or in part without premium or penalty; provided that (A) such notice must be in a form reasonably acceptable to the Administrative Agent and be received by the Administrative Agent not later than 12:00 noon (1) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (2) on the date of prepayment of Base Rate Loans; (B) any such prepayment of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); (C) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); and (D) any prepayment of the Term Loan shall be applied to the remaining principal amortization payments in inverse order of maturity. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.15, each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages.

(ii) Swing Line Loans. The Borrower may, upon notice to the Swing Line Lender pursuant to delivery to the Swingline Lender of a Notice of Loan Prepayment (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 12:00 noon on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of $100,000 (or, if less, the entire principal thereof then outstanding). Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(b) Mandatory Prepayments of Loans.

(i) Revolving Commitments. If for any reason the Total Revolving Outstandings at any time exceed the Aggregate Revolving Commitments then in effect, the Borrower shall immediately prepay Revolving Loans and/or Swing Line Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b)(i) unless after the prepayment in full of the Revolving Loans and Swing Line Loans the Total Revolving Outstandings exceed the Aggregate Revolving Commitments then in effect.

(ii) Dispositions and Recovery Events. The Borrower shall prepay the Term Loan as hereafter provided in an aggregate amount equal to 100% of the Net Cash Proceeds of any Disposition (other than a Disposition of Excluded Fixed Assets) or Recovery Event (other than a Recovery Event with respect to Excluded Fixed Assets) that are not, within 365 days following receipt of such Net Cash Proceeds, committed to be reinvested pursuant to a legally binding commitment and, within 545 days following receipt of such Net Cash Proceeds, actually reinvested, in each case in property that is useful to the business of the Borrower and its Subsidiaries, which investment may include, in the case of a Recovery Event, the repair, restoration or replacement of the applicable property (it being understood that the Borrower shall prepay the Term Loan as hereafter provided in an amount equal to the amount of any Net Cash Proceeds not so committed to be reinvested during such 365 day period or actually reinvested during such 545 day period immediately upon the expiration of the applicable period); provided that (A) the aggregate amount of all such Net Cash Proceeds that may be reinvested is $5 million in any fiscal year and $10 million during the term of this Agreement and (B) if the aggregate amount of Net Cash Proceeds of all such Recovery Events received by the Borrower or any Subsidiary in any fiscal year exceeds the Threshold Amount, then the Borrower shall (1) deposit such excess amount of Net Cash Proceeds in a deposit account maintained with the Administrative Agent, (2) withdraw funds from such deposit account only to reinvest such Net Cash Proceeds in applicable property and (3) cause such deposit account to be subject at all times to first priority, perfected Liens in favor of the Administrative Agent, for the benefit of the holders of the Obligations, to secure the Obligations pursuant to documentation in form and substance satisfactory to the Administrative Agent.

(iii) Debt Issuances. Within three (3) Business Days of the receipt by the Borrower or any Subsidiary of the Net Cash Proceeds of any Debt Issuance, the Borrower shall prepay the Term Loan as hereafter provided in an aggregate amount equal to 100% of such Net Cash Proceeds.

(iv) School Loan Principal Payments. Within three (3) Business Days of the receipt by the Borrower of any principal payment on the School Loan, the Borrower shall prepay the Term Loan as hereafter provided in an aggregate amount equal to 100% of such principal payment on the School Loan.

(v) Application of Mandatory Prepayments. All amounts required to be paid pursuant to this Section 2.05(b) shall be applied as follows:

(A) with respect to all amounts prepaid pursuant to Section 2.05(b)(i), first, ratably to the L/C Borrowings and the Swing Line Loans, second, to the outstanding Revolving Loans, and, third, to Cash Collateralize the remaining L/C Obligations; and

(B) with respect to all amounts prepaid pursuant to Sections 2.05(b)(ii), (iii) and (iv), to the Term Loan (to the remaining principal amortization payments in inverse order of maturity).

Within the parameters of the applications set forth above, prepayments shall be applied first to Base Rate Loans and then to Eurodollar Rate Loans in direct order of Interest Period maturities. All prepayments under this Section 2.05(b) shall be subject to Section 3.05, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

2.06 Termination or Reduction of Aggregate Revolving Commitments.

The Borrower may, upon notice to the Administrative Agent, terminate, in whole or in part, the Aggregate Revolving Commitments, or from time to time permanently reduce the Aggregate Revolving Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 12:00 noon five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $5,000,000 or any whole multiple of $1,000,000 in excess thereof, (iii) the Borrower shall not terminate or reduce the Aggregate Revolving Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Outstandings would exceed the Aggregate Revolving Commitments and (iv) if, after giving effect to any reduction of the Aggregate Revolving Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the amount of the Aggregate Revolving Commitments, such sublimit shall be automatically reduced by the amount of such excess; provided, that any notice so given to the Administrative Agent in connection with a refinancing of all Obligations (other than contingent indemnification obligations not yet due and payable) may be conditional on the effectiveness of the replacement credit agreement or other similar document and may be revoked by the Borrower if such condition is not satisfied. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Aggregate Revolving Commitments. Any reduction of the Aggregate Revolving Commitments shall be applied to the Revolving Commitment of each Lender according to its Applicable Percentage. All fees accrued until the effective date of any termination of the Aggregate Revolving Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) Revolving Loans. The Borrower shall repay to the Lenders on the Maturity Date the aggregate principal amount of all Revolving Loans outstanding on such date.

(b) Swing Line Loans. The Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date ten Business Days after such Swing Line Loan is made and (ii) the Maturity Date.

(c) Term Loan. The Borrower shall repay the outstanding principal amount of the Term Loan as follows (as such installments may hereafter be adjusted as a result of prepayments made pursuant to Section 2.05), unless accelerated sooner pursuant to Section 9.02: (i) on the first day of each calendar month, commencing on the first such day occurring after the Closing Date, the Borrower shall repay the principal amount of the Term Loan in the amount of $555,556 and (ii) on the Maturity Date the Borrower shall repay in full the Outstanding Amount of the Term Loan.

2.08 Interest.

(a)(i) Subject to the provisions of subsections (a)(ii) and (b) below, (A) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period plus the Applicable Rate; (B) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate; and (C) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate.

(ii) Subject to the provisions of subsection (b) below, for the period from the Closing Date to the first Business Day of January 2013, the Term Loan shall bear interest as follows: (A) $19,541,527.73 of the Term Loan will bear interest on the outstanding principal amount thereof for each day during such period a rate per annum equal the Eurodollar Rate that would have been applicable to an Interest Period of one month commencing on December 3, 2012 plus the Applicable Rate and (b) the balance of the Term Loan will bear interest on the outstanding principal amount thereof for each day during such period a rate per annum equal to the Eurodollar Rate that would be applicable to an Interest Period of one month commencing on the Closing Date plus the Applicable Rate.

(b)(i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Upon the request of the Required Lenders, while any Event of Default exists (other than as set forth in clauses (b)(i) and (b)(ii) above), the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees.

In addition to certain fees described in subsections (h) and (i) of Section 2.03:

(a) Commitment Fee. The Borrower shall pay to the Administrative Agent, for the account of each Lender in accordance with its Applicable Percentage, a commitment fee (the "Commitment Fee") equal to the product of (i) twenty-five basis points (0.25%) times (ii) the actual daily amount by which the Aggregate Revolving Commitments exceed the sum of (A) the Outstanding Amount of Revolving Loans and (B) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in Section 2.15. For the avoidance of doubt, the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the Aggregate Revolving Commitments for purposes of determining the Commitment Fee. The Commitment Fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article V is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period. The Commitment Fee shall be calculated quarterly in arrears.

(b) Other Fees.

(i) The Borrower shall pay to the Arranger and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees.

All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and

the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a promissory note, which shall evidence such Lender's Loans in addition to such accounts or records. Each such promissory note shall be in the form of Exhibit C (a "Note"). Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a) above, each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b)(i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the time at which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article V are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders.

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (A) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (B) the application of Cash Collateral provided for in Section 2.14 or (C) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than an assignment to the Borrower or any Subsidiary (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Cash Collateral.

(a) Certain Credit Support Events. If (i) the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, (ii) as of the Maturity Date, any L/C Obligation for any reason remains outstanding, (iii) the Borrower shall be required to provide Cash Collateral pursuant to Section 9.02(c) or (iv) there shall exist a Defaulting Lender, the Borrower shall immediately (in the case of clause (iii) above) or within one Business Day (in all other cases) following any request by the Administrative Agent or the L/C Issuer provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.15(b) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuer and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.14(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the L/C Issuer as herein provided (other than Liens permitted under Section 8.01(m)), or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. The Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14 or Sections 2.03, 2.05, 2.15 or 9.02 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 11.06(b)(vi))) or (ii) the good faith determination by the Administrative Agent and the L/C Issuer that there exists excess Cash Collateral; provided, however, (x) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (y) the Person providing Cash Collateral and the L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.15 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 11.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article IX or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 11.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the L/C Issuer or Swing Line Lender hereunder; *third*, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.14; *fourth*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.14; *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuer or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the

related Letters of Credit were issued at a time when the conditions set forth in Section 5.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.15(b). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.15(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee payable under Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender)**.**

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.14.

(C) With respect to any fee payable under Section 2.09(a) or any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Line Loans that has been reallocated to such Non-Defaulting Lender pursuant to Section 2.15(b) below, (y) pay to the L/C Issuer and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's or Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(b) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(c) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in Section 2.15(b) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lenders' Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.14.

(d) Defaulting Lender Cure. If the Borrower, the Administrative Agent, Swing Line Lender and the L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.15(b)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or a Loan Party, then the Administrative Agent or such Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party or the Administrative Agent shall be required by the Internal Revenue Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Internal Revenue Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If any Loan Party or the Administrative Agent shall be required by any applicable Laws other than the Internal Revenue Code to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and

(C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within ten days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error. Each of the Loan Parties shall, and does hereby, jointly and severally indemnify the Administrative Agent, and shall make payment in respect thereof within ten days after demand therefor, for any amount which a Lender or the L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender and the L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within ten days after demand therefor, (A) the Administrative Agent against any Indemnified Taxes attributable to such Lender or the L/C Issuer (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (B) the Administrative Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (C) the Administrative Agent and the Loan Parties,as applicable, against any Excluded Taxes attributable to such Lender or the L/C Issuer, in each case, that are payable or paid by the Administrative Agent or a Loan Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. Upon request by the Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by the Borrower or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN (or W-8BEN-E, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN (or W-8BEN-E, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue

Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN (or W-8BEN-E, as applicable); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN (or W-8BEN-E, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or

deducted from funds paid for the account of such Lender or the L/C Issuer, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to the Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Aggregate Revolving Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality.

If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Lending Office to perform any of its obligations hereunder or make, maintain or fund or charge interest with respect to any Credit Extensions or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (a) any obligation of such Lender to issue, make, maintain, fund or charge interest with respect to any such Credit Extension or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended and (b) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates.

(a) If in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof, (i) the Administrative Agent reasonably determines that (A) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (B) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (i), "Impacted Loans"), or (ii) the Administrative Agent or the Required Lenders reasonably determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Eurodollar Rate Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

(b) Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (a)(i) of this Section, the Administrative Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a)(i) of this Section, (2) the Administrative Agent or the Required Lenders notify the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

3.04 Increased Costs; Reserves on Eurodollar Rate Loans.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e)) or the L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan the interest on which is determined by reference to the Eurodollar Rate (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within ten days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or

including eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least ten (10) days' prior notice (with a copy to the Administrative Agent) of such additional interest or costs from such Lender. If a Lender fails to give notice ten (10) days prior to the relevant Interest Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

3.05 Compensation for Losses.

Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Eurodollar Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Eurodollar Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 11.13;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained but excluding any loss of anticipated profits. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Rate used in determining the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 Mitigation of Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. Each Lender may make any Credit Extension to the Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligation of the Borrower to repay the Credit Extension in accordance with the terms of this Agreement. If any Lender requests compensation under Section 3.04, or the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender, the L/C Issuer, or any Governmental Authority for the account of any Lender or the L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then at the request of the Borrower such Lender or the L/C Issuer, as applicable, shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or the L/C Issuer, as applicable, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender

or the L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or the L/C Issuer, as the case may be. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrower may replace such Lender in accordance with Section 11.13.

3.07 Successor LIBOR.

Notwithstanding anything to the contrary in this Agreement or any other Loan Document (including Section 11.01 hereof), if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower) that the Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which LIBOR or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans (such specific date, the "Scheduled Unavailability Date"), or

(iii) syndicated loans currently being executed, or that include language similar to that contained in this Section, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR,

then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace LIBOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar Dollar denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a "LIBOR Successor Rate"), together with any proposed LIBOR Successor Rate Conforming Changes and any such amendment shall become effective at 5:00 p.m. (New York time) on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders do not accept such amendment.

If no LIBOR Successor Rate has been determined and the circumstances under clause (i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) the Eurodollar Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans (subject to the foregoing clause (y)) in the amount specified therein.

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.

3.08 Survival.

All of the Loan Parties' obligations under this Article III shall survive termination of the Aggregate Revolving Commitments, repayment of all other Obligations hereunder and resignation of the Administrative Agent.

ARTICLE IV

GUARANTY

4.01 The Guaranty.

Each of the Guarantors hereby jointly and severally guarantees to the Administrative Agent, each Lender and each other holder of the Obligations as hereinafter provided, as primary obligor and not as surety, the prompt payment of the Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof. The Guarantors hereby further agree that if any of the Obligations is not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), the Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents or the other documents relating to the Obligations, the obligations of each Guarantor under this Agreement and the other Loan Documents shall not exceed an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under applicable Debtor Relief Laws.

4.02 Obligations Unconditional.

The obligations of the Guarantors under Section 4.01 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan Documents or other documents relating to the Obligations, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable Law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor (other than payment in full of the Obligations in cash and termination or expiration of the Commitments), it being the intent of this Section 4.02 that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor shall have no right of subrogation, indemnity, reimbursement or contribution against the Borrower or any other Guarantor for amounts paid under this Article IV until such time as the Obligations have been paid in full and the Commitments have expired or terminated. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by Law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Loan Documents or any other document relating to the Obligations shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Loan Documents or any other document relating to the Obligations shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, the Administrative Agent or any other holder of the Obligations as security for any of the Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever and any requirement that the Administrative Agent or any other holder of the Obligations exhaust any right, power or remedy or proceed against any Person under any of the Loan Documents or any other document relating to the Obligations or against any other Person under any other guarantee of, or security for, any of the Obligations.

4.03 Reinstatement.

The obligations of each Guarantor under this Article IV shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any Debtor Relief Law or otherwise, and each Guarantor agrees that it will indemnify the Administrative Agent and each other holder of the Obligations on demand for all reasonable costs and expenses (including the fees, charges and disbursements of counsel) incurred by the Administrative Agent or such holder of the Obligations in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any Debtor Relief Law.

4.04 Certain Additional Waivers.

Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 4.02 and through the exercise of rights of contribution pursuant to Section 4.06.

4.05 Remedies.

The Guarantors agree that, to the fullest extent permitted by Law, as between the Guarantors, on the one hand, and the Administrative Agent and the other holders of the Obligations, on the other hand, the Obligations may be declared to be forthwith due and payable as specified in Section 9.02 (and shall be deemed to have become automatically due and payable in the circumstances specified in Section 9.02) for

purposes of Section 4.01 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 4.01. The Guarantors acknowledge and agree that their obligations hereunder are secured in accordance with the terms of the Collateral Documents and that the holders of the Obligations may exercise their remedies thereunder in accordance with the terms thereof.

4.06 Rights of Contribution.

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable Law. Such contribution rights shall be subordinate and subject in right of payment to the obligations of such Guarantors under the Loan Documents and no Guarantor shall exercise such rights of contribution until the Obligations have been paid in full and the Commitments have terminated.

4.07 Guarantee of Payment; Continuing Guarantee.

The guarantee in this Article IV is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to the Obligations whenever arising.

4.08 Keepwell.

Each Loan Party that is a Qualified ECP Guarantor at the time the Guaranty in this Article IV by any Loan Party that is not then an "eligible contract participant" under the Commodity Exchange Act (a "Specified Loan Party") or the grant of a security interest under the Loan Documents by any such Specified Loan Party, in either case, becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Article IV voidable under applicable Debtor Relief Laws, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Obligations have been indefeasibly paid and performed in full. Each Loan Party intends this Section to constitute, and this Section shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each Specified Loan Party for all purposes of the Commodity Exchange Act.

ARTICLE V

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

5.01 Conditions of Effectiveness.

This Agreement shall be effective upon satisfaction of the following conditions precedent in each case in a manner satisfactory to the Administrative Agent and each Lender:

(a) Loan Documents. Receipt by the Administrative Agent of executed counterparts of this Agreement and the other Loan Documents, each properly executed by a Responsible Officer of the signing Loan Party and, in the case of this Agreement, by each Lender.

(b) Loan to Value Ratio. The Loan to Value Ratio shall not exceed 80% on the Closing Date.

(c) Opinions of Counsel. Receipt by the Administrative Agent of favorable opinions of legal counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, dated as of the Closing Date.

(d) Organization Documents, Resolutions, Etc. Receipt by the Administrative Agent of the following:

(i) copies of the Organization Documents of each Loan Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary of such Loan Party to be true and correct as of the Closing Date;

(ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party; and

(iii) such documents and certifications as the Administrative Agent may require to evidence that each Loan Party is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation.

(e) Personal Property Collateral. Receipt by the Administrative Agent of the following:

(i) searches of Uniform Commercial Code filings in the jurisdiction of formation of each Loan Party and each other jurisdiction deemed appropriate by the Administrative Agent;

(ii) UCC financing statements for each appropriate jurisdiction as is necessary, in the Administrative Agent's discretion, to perfect the Administrative Agent's security interest in the Collateral;

(iii) all certificates evidencing any certificated Equity Interests pledged to the Administrative Agent pursuant to the Security Agreement, together with duly executed in blank, undated stock powers attached thereto (unless, with respect to the pledged Equity Interests of any Foreign Subsidiary, such stock powers are deemed unnecessary by the Administrative Agent in its discretion under the law of the jurisdiction of organization of such Person);

(iv) searches of ownership of, and Liens on, United States registered intellectual property of each Loan Party in the appropriate governmental offices; and

(v) duly executed notices of grant of security interest in the form required by the Security Agreement as are necessary, in the Administrative Agent's discretion, to perfect the Administrative Agent's security interest in the United States registered intellectual property of the Loan Parties.

(f) Reserved.

(g) Evidence of Insurance. Receipt by the Administrative Agent of copies of insurance policies or certificates of insurance of the Loan Parties evidencing liability and casualty insurance meeting the requirements set forth in the Loan Documents.

(h) Solvency Certificate. Receipt by the Administrative Agent of a certificate signed by the chief financial officer of the Borrower as to the Solvency of the Borrower and each Guarantor after giving effect to the Credit Extensions to be made on the Closing Date and the use of the proceeds thereof.

(i) Closing Certificate. Receipt by the Administrative Agent of a certificate signed by a Responsible Officer of the Borrower as of the Closing Date certifying that the conditions specified in Sections 5.02(a) and (b) have been satisfied as of the Closing Date.

(j) Refinance of Existing Indebtedness. The Borrower and its Subsidiaries shall have repaid all outstanding Indebtedness (other than Indebtedness permitted under Section 8.03) (the "Existing Indebtedness") and terminated all commitments to extend credit with respect to the Existing Indebtedness, and all Liens securing the Existing Indebtedness shall have been released.

(k) Fees. Receipt by the Administrative Agent, the Arranger and the Lenders of any fees required to be paid on or before the Closing Date.

(l) Attorney Costs. Unless waived by the Administrative Agent, the Borrower shall have paid all reasonable fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

Without limiting the generality of the provisions of the last paragraph of Section 10.03, for purposes of determining compliance with the conditions specified in this Section 5.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto/.

5.02 Conditions to all Credit Extensions.

The obligation of each Lender to honor any Request for Credit Extension (other than a Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Eurodollar Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of each Loan Party contained in Article VI or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct shall be true and correct in all material respects, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect which such representation and warranty shall be true and correct in all respects, on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date.

(b) No Default shall exist or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, the L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension (other than a Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Eurodollar Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 5.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

The Loan Parties represent and warrant to the Administrative Agent and the Lenders that:

6.01 Existence, Qualification and Power.

The Borrower and each of its Subsidiaries (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

6.02 Authorization; No Contravention.

The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party have been duly authorized by all necessary corporate or other organizational action, and do not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien (other than any Lien created under the Loan Documents) under, or require any payment to be made under (i) any material Contractual Obligation to which such Person is a party or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law.

6.03 Governmental Authorization; Other Consents.

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document other than (i) those that have already been obtained and are in full force and effect and (ii) filings to perfect the Liens created by, or otherwise contemplated by, the Collateral Documents.

6.04 Binding Effect.

Each Loan Document has been duly executed and delivered by each Loan Party that is party thereto. Each Loan Document constitutes a legal, valid and binding obligation of each Loan Party party thereto, enforceable against such Loan Party that is party thereto in accordance with its terms, except as enforceability may be limited by applicable Debtor Relief Laws or by equitable principles relating to enforceability.

6.05 Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The Interim Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(c) From the date of the Audited Financial Statements to and including the Closing Date, there has been no Disposition or any Recovery Event of any material part of the business or property of the Borrower and its Subsidiaries, taken as a whole, and no purchase or other acquisition by any of them of any business or property (including any Equity Interests of any other Person) material in relation to the consolidated financial condition of the Borrower and its Subsidiaries, taken as a whole, in each case, which is not reflected in the foregoing financial statements or in the notes thereto and has not otherwise been disclosed in writing to the Lenders on or prior to the Closing Date.

(d) The financial statements delivered pursuant to Section 7.01(a) and (b), if any, (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby; and (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii) with respect to any financial statements delivered pursuant to Section 7.01(b), to the absence of footnotes and to normal year-end audit adjustments.

(e) Since the date of the Audited Financial Statements, there has been no event or circumstance that has had or would reasonably be expected to have a Material Adverse Effect.

6.06 Litigation.

There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Responsible Officers of the Loan Parties, threatened in writing, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any Subsidiary or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document or any of the transactions contemplated hereby or (b) would reasonably be expected to have a Material Adverse Effect.

6.07 No Default.

(a) Neither the Borrower nor any Subsidiary is in default under or with respect to any Contractual Obligation that would reasonably be expected to have a Material Adverse Effect.

(b) No Default has occurred and is continuing.

6.08 Ownership of Property; Liens.

Each of the Borrower and its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as would not reasonably be expected to have a Material Adverse Effect. The property of the Borrower and its Subsidiaries is not subject to any Liens other than Permitted Liens.

6.09 Environmental Compliance.

Except as would not reasonably be expected to have a Material Adverse Effect:

(a) Each of the facilities and real properties owned, leased or operated by the Borrower or any Subsidiary (the "Facilities") and all operations at the Facilities are in compliance with all applicable Environmental Laws, and there is no violation of any Environmental Law with respect to the Facilities or the businesses operated by the Borrower and its Subsidiaries at such time (the "Businesses"), and there are no conditions relating to the Facilities or the Businesses that would reasonably be expected to give rise to liability under any applicable Environmental Laws.

(b) None of the Facilities contains, or has previously contained, any Hazardous Materials at, on or under the Facilities in amounts or concentrations that constitute or constituted a violation of, or could give rise to liability under, Environmental Laws.

(c) Neither the Borrower nor any Subsidiary has received any written notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability arising under Environmental Laws with regard to any of the Facilities or the Businesses, nor does any Responsible Officer of any Loan Party have knowledge or reason to believe that any such notice will be received or is being threatened.

(d) Hazardous Materials have not been transported or disposed of from the Facilities, or generated, treated, stored or disposed of at, on or under any of the Facilities or any other location, in each case by or on behalf of the Borrower or any Subsidiary in violation of, or in a manner that would be reasonably likely to give rise to liability under, any applicable Environmental Law.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Responsible Officers of the Loan Parties, threatened in writing, under any Environmental Law to which the Borrower or any Subsidiary is or, to the knowledge of the Responsible Officers of the Loan Parties, will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Borrower, any Subsidiary, the Facilities or the Businesses.

(f) There has been no release or threat of release of Hazardous Materials at or from the Facilities, or arising from or related to the operations (including disposal) of the Borrower or any Subsidiary in connection with the Facilities or otherwise in connection with the Businesses, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws.

6.10 Insurance.

(a) The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates.

(b) The Borrower and its Subsidiaries maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral, on such terms and in such amounts as required by The National Flood Insurance Reform Act of 1994 or as otherwise required by the Administrative Agent.

6.11 Taxes.

The Borrower and its Subsidiaries have filed all federal, state and other material tax returns and reports required to have been filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the Borrower or any Subsidiary that would, if made, have a Material Adverse Effect. Neither the Borrower nor any Subsidiary is party to any tax sharing agreement.

6.12 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other Federal or state laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Internal Revenue Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code, or an application for such a letter is currently being processed by the IRS. To the knowledge of the Responsible Officers of the Loan Parties, nothing has occurred that would reasonably be expected to prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the knowledge of the Responsible Officers of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that would reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or would reasonably be expected to result in a Material Adverse Effect.

(c)(i) No ERISA Event has occurred, and neither any Loan Party nor any ERISA Affiliate is aware of any fact, event or circumstance that would reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) each Loan Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Internal Revenue Code) is 60% or higher and neither any Loan Party nor any ERISA Affiliate knows of any facts or circumstances that would reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iv) neither any Loan Party nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) neither any Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that would reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) The Borrower represents and warrants as of the Second Amendment Effective Date that the Borrower is not and will not be using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments

6.13 Subsidiaries.

Set forth on Schedule 6.13 is a complete and accurate list as of the Closing Date of each Subsidiary, together with (a) jurisdiction of incorporation or organization, (b) number of shares of each class of Equity Interests outstanding, and (c) number and percentage of outstanding shares of each class owned (directly or indirectly) by the Borrower or any Subsidiary. The outstanding Equity Interests of each Subsidiary are validly issued, fully paid and non-assessable.

6.14 Margin Regulations; Investment Company Act.

(a) The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) subject to the provisions of Section 8.01 or Section 8.05 or subject to any restriction contained in any agreement or instrument between the Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of Section 9.01(e) will be margin stock.

(b) None of the Borrower, any Person Controlling the Borrower, or any Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

6.15 Disclosure.

Each Loan Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that would reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information (excluding the projections and pro forma financial information referred to below) furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains, when taken as a whole with the other information so furnished, any untrue statement of material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The projections and pro forma financial information contained in the materials referenced above were based upon good faith estimates and assumptions believed by management of the Loan Parties to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. As of the Second Amendment Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

6.16 Compliance with Laws.

Each of the Borrower and each Subsidiary is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

6.17 Intellectual Property; Licenses, Etc.

The Borrower and its Subsidiaries own, or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, "IP Rights") that are reasonably necessary for the operation of their respective businesses. Set forth on Schedule 6.17 is a list of (i) all IP Rights registered or pending registration with the United States Copyright Office or the United States Patent and Trademark Office that as of the Closing Date a Loan Party owns and (ii) all licenses of IP Rights registered with the United States Copyright Office or the United States Patent and Trademark Office as of the Closing Date. Except for such claims and infringements that would not reasonably be expected to have a Material Adverse Effect, no claim has been asserted and is pending by any Person challenging or questioning the use of any IP Rights or the validity or effectiveness of any IP Rights, nor does any Responsible Officer of any Loan Party know of any such claim, and, to the knowledge of the Responsible Officers of the Loan Parties, the use of any IP Rights by the Borrower or any Subsidiary, the granting of a right or a license in respect of any IP Rights from the Borrower or any Subsidiary does not infringe on any rights of any other Person. As of the Closing Date, none of the IP Rights owned by any Loan Party is subject to any licensing agreement or similar arrangement except as set forth on Schedule 6.17.

6.18 Solvency.

The Loan Parties are Solvent on a consolidated basis.

6.19 [Reserved].

6.20 Business Locations; Taxpayer Identification Number.

Set forth on Schedule 6.20-1 is a list of all real property located in the United States that is owned or leased by any Loan Party as of the Closing Date (identifying whether such real property is owned or leased and which Loan Party owns or leases such real property). Set forth on Schedule 6.20-2 is the chief executive office, U.S. tax payer identification number and organizational identification number of each Loan Party as of the Closing Date. The exact legal name and state of organization of each Loan Party as of the Closing Date is as set forth on the signature pages hereto. Except as set forth on Schedule 6.20-3, no Loan Party has during the five years preceding the Closing Date (i) changed its legal name, (ii) changed its state of formation, or (iii) been party to a merger, consolidation or other change in structure.

6.21 OFAC.

None of the Loan Parties, nor any of their Subsidiaries, nor, to the knowledge of the Loan Parties and their Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

6.22 Anti-Corruption Laws.

The Loan Parties and their Subsidiaries have conducted their businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other relevant jurisdictions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

6.23 No EEA Financial Institution.

No Loan Party is an EEA Financial Institution.

ARTICLE VII

AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder (other than contingent indemnification obligations not yet due and payable) shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Loan Parties shall and shall cause each Subsidiary to:

7.01 Financial Statements.

Deliver to the Administrative Agent, in form and detail reasonably satisfactory to the Administrative Agent:

(a) as soon as available, but in any event within ninety days after the end of each fiscal year of the Borrower (or, if earlier, 15 days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)), commencing with the fiscal year ending December 31, 2012, the consolidated balance sheet of the Borrower and its Subsidiaries as at the

end of such fiscal year, and the related consolidated statements of income or operations, changes in stockholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, and in the case of such consolidated statements audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit;

(b) as soon as available, but in any event within forty-five days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (or, if earlier, 5 days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)), commencing with the fiscal quarter ended March 31, 2013, the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, and the related consolidated statements of changes in stockholders' equity and cash flows for the portion of the Borrower's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and in the case of such consolidated statements certified by the chief executive officer, chief financial officer, treasurer or controller of the Borrower as fairly presenting the financial condition, results of operations, stockholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

(c) as soon as available, but in any event within seventy-five (75) days after the end of each fiscal year of the Borrower, commencing with the fiscal year ending December 31, 2012, forecasts prepared by management of the Borrower, in form satisfactory to the Administrative Agent, of consolidated balance sheets and statements of income or operations and cash flows of the Borrower and its Subsidiaries on an annual basis for the immediately following three fiscal years (including the fiscal year in which the Maturity Date occurs).

As to any information contained in materials furnished pursuant to Section 7.02(d), the Borrower shall not be separately required to furnish such information under clause (a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in clauses (a) and (b) above at the times specified therein.

7.02 Certificates; Other Information.

Deliver to the Administrative Agent, in form and detail reasonably satisfactory to the Administrative Agent:

(a) Reserved;

(b) concurrently with the delivery of the financial statements referred to in Sections 7.01(a) and (b), a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower (which delivery may, unless the Administrative Agent, or a Lender requests executed originals, be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes);

(c) promptly following any request therefor from the Administrative Agent or any Lender, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" under the PATRIOT Act, the Beneficial Ownership Regulation or other applicable anti-money laundering laws.

(d) promptly after the same are available, copies of each annual report or proxy statement sent to the equityholders of the Borrower or any Subsidiary, and copies of all annual, regular, periodic and special reports and registration statements which the Borrower or any Subsidiary may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(e) concurrently with the delivery of the financial statements referred to in Sections 7.01(a) and (b), a report signed by a Responsible Officer of the Borrower that supplements Schedule 6.17 such that, as supplemented, such Schedule would be accurate and complete as of such date (if no supplement is required to cause such Schedule to be accurate and complete as of such date, then the Borrower shall not be required to deliver such a report);

(f) promptly after any request by the Administrative Agent, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Borrower by independent accountants in connection with the accounts or books of the Borrower or any Subsidiary, or any audit of any of them;

(g) promptly, and in any event within five Business Days after receipt thereof by the Borrower or any Subsidiary, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency (other than reviews of the Borrower's periodic reports in the ordinary course) regarding financial or other operational results of the Borrower or any Subsidiary; and

(h) promptly, such additional information regarding the business, financial or corporate affairs of the Borrower or any Subsidiary (including consolidating financial statements), or compliance with the terms of the Loan Documents, as the Administrative Agent may from time to time reasonably request.

Documents required to be delivered pursuant to Section 7.01(a) or (b) or Section 7.02(d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 11.02; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender upon its request to the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Borrower shall notify the Administrative Agent (by facsimile or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arranger may, but shall not be obligated to, make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the "Platform") and (b) certain of the Lenders (each a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that for so long as the Borrower is the issuer of any outstanding debt or equity securities that are registered or issued pursuant to a private offering or is actively contemplating issuing any such securities (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Arranger, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 11.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information". Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials "PUBLIC."

7.03 Notices.

Promptly notify the Administrative Agent of:

(a) the occurrence of any Default;

(b) any matter that has resulted or would reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event; or

(d) any material change in accounting policies or financial reporting practices by the Borrower or any Subsidiary, but excluding any such change made in compliance with GAAP in connection with the consummation of the School Disposition.

Each notice pursuant to this Section 7.03 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 7.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

7.04 Payment of Taxes.

Pay and discharge as the same shall become due and payable all material obligations in respect of tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary.

7.05 Preservation of Existence, Etc.

(a) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 8.04 or 8.05.

(b) Preserve, renew and maintain in full force and effect its good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 8.04 or 8.05.

(c) Take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(d) Preserve or renew all of its IP Rights, the non-preservation or non-renewal of which would reasonably be expected to have a Material Adverse Effect.

7.06 Maintenance of Properties.

(a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted.

(b) Make all necessary repairs thereto and renewals and replacements thereof, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(c) Use the standard of care typical in the industry in the operation and maintenance of its facilities.

7.07 Maintenance of Insurance.

(a) Maintain with financially sound and reputable insurance companies not Affiliates of the Borrower, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

(b) Without limiting the foregoing, (i) maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral, on such terms and in such amounts as required by The National Flood Insurance Reform Act of 1994 or as otherwise required by the Administrative Agent, (ii) furnish to the Administrative Agent evidence of the renewal (and payment of renewal premiums therefor) of all such policies prior to the expiration or lapse thereof, and (iii) furnish to the Administrative Agent prompt written notice of any redesignation of any such improved real property into or out of a special flood hazard area.

(c) Cause the Administrative Agent and its successors and/or assigns to be named as lender’s loss payee as its interest may appear, and/or additional insured with respect to any such insurance providing liability coverage or coverage in respect of any Collateral, and cause each provider of any such insurance to agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Administrative Agent, that it will give the Administrative Agent thirty days (or such lesser amount as the Administrative Agent may agree) prior written notice before any such policy or policies shall be altered or canceled.

7.08 Compliance with Laws.

Comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

7.09 Books and Records.

(a) Maintain proper books of record and account, in which full, true and correct entries in all material respects in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower or such Subsidiary, as the case may be.

(b) Maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Borrower or such Subsidiary, as the case may be.

7.10 Inspection Rights.

Permit representatives and independent contractors of the Administrative Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records and make copies thereof or abstracts therefrom, to discuss its affairs, finances and accounts with its directors, officers and independent public accountants, all at the expense of the Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided, that (i) unless an Event of Default has occurred and is continuing, the Borrower shall be required to pay for only one field exam by the Administrative Agent in any fiscal year of the Borrower and (ii) if an Event of Default has occurred and is continuing the Administrative Agent (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice.

7.11 Use of Proceeds.

(a) Use the proceeds of the Term Loan solely to repay existing real estate term debt of the Borrower, to reimburse the Borrower for capital expenditures made by the Borrower prior to the Closing Date, for working capital, additional capital expenditures, share repurchases and other general corporate purposes in each case not in contravention of any Law or of any Loan Document.

(b) Use the proceeds of all other Credit Extensions solely for working capital, capital expenditures, share repurchases and other general corporate purposes in each case not in contravention of any Law or of any Loan Document.

7.12 Additional Guarantors.

Within thirty days (or such later date as the Administrative Agent may agree in its sole discretion) after any Person becomes a Material Domestic Subsidiary, cause such Person to (i) become a Guarantor by executing and delivering to the Administrative Agent a Joinder Agreement and (ii) deliver to the Administrative Agent documents of the types referred to in Sections 5.01(c) and (d) and favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (a)), all in form, content and scope reasonably satisfactory to the Administrative Agent.

7.13 Pledged Assets.

(a) Equity Interests. Cause (i) 100% of the issued and outstanding Equity Interests of each Material Domestic Subsidiary and (ii) 66% (or such greater percentage that, due to a change in an applicable Law after the date hereof, (A) would not reasonably be expected to cause the undistributed earnings of such Foreign Subsidiary as determined for United States federal income tax purposes to be treated as a deemed dividend to such Foreign Subsidiary's United States parent and (B) would not reasonably be expected to cause any material adverse tax consequences) of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and 100% of the issued and outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in each Material Foreign Subsidiary directly owned by any Loan Party to be subject at all times to a first priority, perfected Lien in favor of the Administrative Agent, for the benefit of the holders of the Obligations, to secure the Obligations pursuant to the Collateral Documents (subject to Permitted Liens), and, in connection with the foregoing, deliver to the Administrative Agent such other documentation as the Administrative Agent may request including, any filings and deliveries to perfect such Liens, Organization Documents, resolutions and favorable opinions of counsel all in form, content and scope reasonably satisfactory to the Administrative Agent.

(b) Personal Property. Cause all personal property (other than Excluded Personal Property) of each Loan Party to be subject at all times to first priority, perfected Liens in favor of the Administrative Agent, for the benefit of the holders of the Obligations, to secure the Obligations pursuant to the Collateral Documents (subject to Permitted Liens) and, in connection with the foregoing, deliver to the Administrative Agent such other documentation as the Administrative Agent may reasonably request including filings and deliveries necessary to perfect such Liens, Organization Documents, resolutions and favorable opinions of counsel to such Person, all in form, content and scope reasonably satisfactory to the Administrative Agent.

7.14 Compliance with Contractual Obligations.

Comply with all requirements of Contractual Obligations (including lease agreements with respect to leasehold interests in real property) except in such instances in which (a) such requirement is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

7.15 Maintenance of Primary Depository Relationship.

Maintain each Loan Party's primary depository relationship, including business, cash management, operating and administrative deposit accounts, with one of more of the Lenders.

7.16 Anti-Corruption Laws.

Conduct its businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions and maintain policies and procedures designed to promote and achieve compliance with such laws.

ARTICLE VIII

NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder (other than contingent indemnification obligations not yet due and payable) shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

8.01 Liens.

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the date hereof and listed on Schedule 8.01 and any modifications, replacements, renewals or extensions thereof, provided that the Liens do not extend to any property other than the property subject to such Liens on the Closing Date and the proceeds and products thereof;

(c) Liens (other than Liens imposed under ERISA) for taxes, assessments or governmental charges or levies which are not overdue for a period of more than thirty (30) days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) Liens of landlords, carriers, warehousemen, mechanics, materialmen and repairmen and other like Liens arising in the ordinary course of business, provided that such Liens secure only amounts not overdue for a period of more than thirty (30) days or, if overdue for more than thirty days, are being contested in good faith by appropriate proceedings diligently conducted for which adequate reserves determined in accordance with GAAP have been established;

(e)(i) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA, and (ii) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to the Borrower or any Subsidiary;

(f) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness for borrowed money), statutory obligations, surety, stay, custom and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances and minor title defects affecting real property which, in the aggregate do not in any case materially interfere with the ordinary conduct of the business of the applicable Person;

(h) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default under Section 9.01(h);

(i) Liens securing Indebtedness permitted under Section 8.03(e); provided that (i) such Liens do not at any time encumber any property other than (A) the property financed by such Indebtedness and the proceeds and products of such property and (B) other Indebtedness permitted under Section 8.03(e) that is provided by the same lender and (ii) such Liens attach to such property concurrently with or within ninety days after the acquisition thereof;

(j) Liens securing Indebtedness permitted under Section 8.03(f); provided that such Liens do not at any time encumber any property other than Excluded Fixed Assets and the proceeds and products of Excluded Fixed Assets;

(k) leases, subleases, licenses or sublicenses granted to others not interfering in any material respect with the business of the Borrower or any Subsidiary;

(l) any interest of title of a lessor under, and Liens arising from UCC financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to, leases permitted by this Agreement;

(m) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 8.02;

(n) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions;

(o) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection;

(p) Liens consisting of an agreement to Dispose of any property in a Disposition permitted under Section 8.05, in each case, solely to the extent such Disposition would have been permitted on the date of the creation of such Lien;

(q) Liens arising on any real property as a result of any eminent domain, condemnation or similar proceeding being commenced with respect to such real property;

(r) Liens in favor of any Loan Party securing Indebtedness permitted under Section 8.03(c);

(s) Liens existing on property at the time of its acquisition or existing on the property of any Person at the time such Person becomes a Subsidiary, in each case after the Closing Date; provided, that (i) any such Lien was not created in contemplation of such acquisition or such Person becoming a Subsidiary, (ii) such Lien does not extend to or cover any other assets or property (other than proceeds or products of the property subject to such Lien), and (iii) the Indebtedness secured thereby is permitted under Section 8.03;

(t) Liens solely on any cash earnest money deposits made by the Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder; and

(u) Liens on NMTC Property securing the NMTC Indebtedness the proceeds of which are (or will be) used to acquire or improve such NMTC Property provided that if such Liens are on property that is (or is required to be) Collateral then such Liens are subordinated to the Liens securing the Obligations pursuant to an intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent.

8.02 Investments.

Make any Investments, except:

(a) Investments in the form of cash or Cash Equivalents;

(b) Investments outstanding on the date hereof and set forth in Schedule 8.02;

(c) Investments in any Person that is a Loan Party prior to giving effect to such Investment;

(d) Investments by any Subsidiary that is not a Loan Party in any other Subsidiary that is not a Loan Party;

(e) Investments in any Domestic Subsidiary that is a Wholly Owned Subsidiary solely to provide funds to such Domestic Subsidiary to acquire real property;

(f) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(g) Investments consisting of loans, advances and other extensions of credit to officers, directors and employees of the Borrower and its Subsidiaries (i) for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes, or (ii) otherwise for business purposes in an amount not to exceed $2.5 million in the aggregate at any time outstanding;

(h) Guarantees permitted by Section 8.03;

(i) Permitted Acquisitions;

(j) to the extent constituting Investments, transactions permitted under Sections 8.01, 8.03, 8.04, 8.05 and 8.06;

(k) Investments in Swap Contracts permitted under Section 8.03;

(l) Investments consisting of promissory notes and other noncash consideration received in connection with Dispositions permitted by Section 8.05 and any other sale, transfer, license, lease or other disposition of property not prohibited by the Loan Documents;

(m) Investments (other than Acquisitions) to the extent that payment for such Investments is made solely with Equity Interests of the Borrower;

(n) Investments by the Borrower or any Domestic Subsidiary in an NMTC Subsidiary in an aggregate amount not to exceed the portion of the related NMTC Indebtedness that is to be funded by the Borrower and its Subsidiaries (each an "NMTC Intercompany Investment");

(o) Investments of a Subsidiary acquired after the Closing Date or of a Person that is merged into or consolidated with the Borrower or any Subsidiary after the Closing Date provided that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation;

(p) Investments consisting of loans advanced by an NMTC Subsidiary to the lenders (or Affiliates of the lenders) of NMTC Indebtedness to be used by such lenders to fund a portion of such NMTC Indebtedness provided that (i) the amount of such loans advanced by such NMTC Subsidiary shall not exceed the amount of the NMTC Investment made in such NMTC Subsidiary (each an "NMTC Intercompany Loan") and (ii) substantially concurrent with making such NMTC Intercompany Loan such lenders shall fund the related NMTC Indebtedness;

(q) Investments consisting of:

(i) the School Loan; and

(ii) loans made after the Second Amendment Date by the Borrower to the School Buyer to finance capital expenditures by the School Buyer provided that (A) the aggregate outstanding principal amount of such loans shall not at any time exceed $200 million and (B) such loans shall be added to, and evidenced by, the School Loan Documents; and

(r) Investments of a nature not contemplated in the foregoing clauses in an amount not to exceed the Threshold Amount (calculated at the date such Investment is made) in the aggregate at any time outstanding.

8.03 Indebtedness.

Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness outstanding on the date hereof and set forth in Schedule 8.03 and any refinancings, refundings, renewals and extensions thereof; provided that (i) the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilized thereunder and (ii) the material terms taken as a whole of such refinancing, refunding, renewal or extension are not materially less favorable to the Borrower and its Subsidiaries than the terms of the Indebtedness being refinanced, refunded, renewed or extended;

(c) intercompany Indebtedness permitted under Section 8.02;

(d) obligations (contingent or otherwise) existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view;" and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(e) purchase money Indebtedness (including obligations in respect of capital leases and Synthetic Lease Obligations) hereafter incurred to finance the purchase, renovation or improvement of fixed assets, and renewals, refinancings and extensions thereof, provided that (i) the aggregate principal amount of all such Indebtedness incurred in any fiscal year shall not exceed $5 million; (ii) the aggregate outstanding principal amount of all such Indebtedness shall not exceed $20 million at any one time outstanding; and (iii) such Indebtedness when incurred shall not exceed the purchase price of the asset(s) financed;

(f) purchase money Indebtedness (including obligations in respect of capital leases and Synthetic Lease Obligations) hereafter incurred to finance the purchase, renovation or improvement of fixed assets that constitute Excluded Fixed Assets, and renewals, refinancings and extensions thereof, provided that (i) such Indebtedness is expressly non-recourse to the Borrower or any Subsidiary or to any property of the Borrower or any Subsidiary other than the Excluded Fixed Assets, (ii) no Default exists immediately prior or after giving effect thereto, (ii) after giving effect to the incurrence of such Indebtedness on a Pro Forma Basis, (A) the Loan Parties would be in compliance with the financial covenants set forth in Section 8.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b) and (B) the Consolidated Leverage Ratio set forth in Section 8.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b) would not be greater than 1.75:1.0;

(g) deferred purchase price obligations (including earn-out payment obligations) incurred in connection with Permitted Acquisitions provided that such obligations are subordinated to the Obligations in a manner and to an extent satisfactory to the Administrative Agent;

(h) Subordinated Indebtedness provided that (i) no Default exists immediately prior or after giving effect thereto, (ii) after giving effect to the incurrence of such Subordinated Indebtedness on a Pro Forma Basis, (A) the Loan Parties would be in compliance with the financial covenants set forth in Section 8.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b) and (B) the Consolidated Leverage Ratio set forth in Section 8.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b) would not be greater than 1.75:1.0 and (iii) immediately after giving effect to the incurrence of such Subordinated Indebtedness, Liquidity shall be at least $75 million;

(i) Guarantees with respect to Indebtedness permitted under this Section 8.03;

(j) the endorsement of negotiable instruments received in the usual course of business;

(k) Indebtedness representing deferred compensation to employees of the Borrower or any Subsidiary incurred in the ordinary course of business;

(l) Indebtedness incurred by the Borrower or its Subsidiaries in any Disposition constituting indemnification obligations or obligations in respect of purchase price or other similar adjustments;

(m) Indebtedness in respect of netting services, overdraft protections and similar arrangements in each case in connection with deposit accounts in the ordinary course of business;

(n) Indebtedness consisting of the financing of insurance premiums in the ordinary course of business; and

(o) additional Indebtedness not covered by the foregoing clauses of this Section, provided that on the date of incurrence of such Indebtedness (after giving effect to such Indebtedness) the aggregate outstanding principal amount of all such Indebtedness shall not exceed the Threshold Amount.

8.04 Fundamental Changes.

Merge, dissolve, liquidate or consolidate with or into another Person, except that so long as no Default exists or would result therefrom, (a) the Borrower may merge or consolidate with any of its Subsidiaries provided that the Borrower is the continuing or surviving Person, (b) any Subsidiary may merge or consolidate with any other Subsidiary provided that if a Loan Party is a party to such transaction, the continuing or surviving Person is a Loan Party, (c) subject to clause (a) above, the Borrower or any Subsidiary may merge with any other Person in connection with a Permitted Acquisition provided that if the Borrower is a party thereto then the Borrower is the continuing or surviving Person and (d) any Subsidiary may dissolve, liquidate or wind up its affairs at any time provided that such dissolution, liquidation or winding up, as applicable, would not have a Material Adverse Effect.

8.05 Dispositions.

Make any Disposition (a) other than the School Disposition or (b) unless (i) at least 75% of the consideration paid in connection therewith shall be cash or Cash Equivalents paid contemporaneous with consummation of such Disposition, (ii) the consideration paid in connection therewith shall be in an amount not less than the fair market value of the property disposed of, (iii) if such Disposition is a Sale and Leaseback Transaction, such Disposition is not prohibited by the terms of Section 8.14, (iv) such Disposition does not involve the Disposition of a minority equity interest in any Subsidiary, (v) such Disposition does not involve a Disposition of receivables other than receivables owned by or attributable to other property concurrently being Disposed of in a Disposition otherwise permitted under this Section 8.05 and (vi) the aggregate net book value of all of the property (other than Excluded Fixed Assets) Disposed of by the Borrower and its Subsidiaries in any fiscal year shall not exceed (calculated at the date such Disposition is consummated) the Threshold Amount.

8.06 Restricted Payments.

Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that so long as no Default has occurred and is continuing:

(a) each Subsidiary may declare and make Restricted Payments to Persons that own Equity Interests in such Subsidiary, ratably according to their respective holdings of the type of Equity Interest in respect of which such Restricted Payment is being made;

(b) the Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in common Equity Interests of such Person; and

(c) the Borrower may make other Restricted Payments provided that (i) no Default then exists, (ii) the Loan Parties would be in compliance with the financial covenants set forth in Section 8.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b) after giving effect to such repurchase on a Pro Forma Basis, (iii) the Consolidated Leverage Ratio set

forth in Section 8.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b) after giving effect to such repurchase on a Pro Forma Basis would not be greater than 1.75:1.0 and (iv) immediately after giving effect to such repurchase, Liquidity shall be at least $75 million.

8.07 Change in Nature of Business.

Engage in any material line of business substantially different from those lines of business conducted by the Borrower and its Subsidiaries on the Closing Date or any business reasonably related or incidental thereto.

8.08 Transactions with Affiliates.

Enter into or permit to exist any transaction or series of transactions with any Affiliate of such Person other than (a) transactions among the Loan Parties, (b) intercompany transactions expressly permitted by Section 8.02, Section 8.03, Section 8.04, Section 8.05 or Section 8.06, (c) normal and reasonable compensation and reimbursement of expenses of officers and directors, (d) employment and severance arrangements among the Borrower, its Subsidiaries and their respective officers and employees in the ordinary course of business, (e) transactions permitted under the Borrower's Related Party Transaction Policy as in effect on the date hereof and attached hereto as Schedule 8.08, (f) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, officers and employees of the Borrower and its Subsidiaries in the ordinary course of business and (g) except as otherwise specifically limited in this Agreement, other transactions which are on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arms-length transaction with a Person other than an Affiliate.

8.09 Burdensome Agreements.

Enter into, or permit to exist, any Contractual Obligation that (a) encumbers or restricts the ability of any such Person to (i) make Restricted Payments to any Loan Party, (ii) pay any Indebtedness or other obligation owed to any Loan Party, (iii) make loans or advances to any Loan Party, (iv) transfer any of its property to any Loan Party, (v) pledge its property pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof or (vi) act as a Loan Party pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof, except (in respect of any of the matters referred to in clauses (i)-(v) above) for (1) this Agreement and the other Loan Documents, (2) any document or instrument governing Indebtedness incurred pursuant to Section 8.03(e) or Section 8.03(f), provided that any such restriction contained therein relates only to the asset or assets purchased, renovated or improved in connection therewith, (3) any Permitted Lien or any document or instrument governing any Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien, (4) any NMTC Documents provided that any such restriction therein relates only to the related NMTC Property, (4) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 8.05 pending the consummation of such sale, (5) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 8.02 and applicable solely to such joint venture entered into in the ordinary course of business, (6) customary restrictions on leases, subleases, licenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to the assets subject thereto, (7) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or any Subsidiary, (8) customary provisions restricting assignment of any agreement entered into in the ordinary course of business, (9) are restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business and (10) are required by any applicable Law, including any state regulatory authority.

8.10 Use of Proceeds.

Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

8.11 Financial Covenants.

(a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as of the end of any fiscal quarter of the Borrower, commencing September 30, 2018, to be greater than 0.50:1.0.

(b) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio as of the end of any fiscal quarter of the Borrower, commencing September 30, 2018, to be less than 1.50:1.0.

(c) Consolidated Tangible Net Worth. Permit Consolidated Tangible Net Worth as of the end of any fiscal quarter of the Borrower, commencing September 30, 2018, to be less than the sum of (i) $845,000,000 plus (ii) an amount equal to 50% of the Consolidated Net Income earned each full fiscal quarter ending after September 30, 2018 (with no deduction for net loss in any such fiscal quarter) plus (iii) an amount equal to 100% of the aggregate increases in stockholders' equity of the Borrower and its Subsidiaries after the date of the First Amendment to this Agreement by reason of the issuance and sale of Equity Interests of the Borrower or any Subsidiary (other than issuances to the Borrower or a Wholly Owned Subsidiary), including upon any conversion of debt securities of the Borrower into such Equity Interests.

(d) Minimum Liquidity. Permit Liquidity at any time to be less than the amount of Consolidated Funded Indebtedness at such time.

8.12 Organization Documents; Fiscal Year; Legal Name, State of Formation and Form of Entity; School Purchase Documents.

(a) Amend, modify or change its Organization Documents in a manner adverse to the Lenders.

(b) Change its fiscal year.

(c) Without providing ten (10) days prior written notice to the Administrative Agent (or such lesser period as the Administrative Agent may agree), change its name, state of formation or form of organization.

(d) Amend, modify or change any of the School Purchase Documents in a manner materially adverse to the Lenders without the consent of the Administrative Agent and the Required Lenders; provided, that the School Loan Documents may be amended pursuant to Section 3.4 of the School Purchase Agreement.

8.13 Ownership of Subsidiaries.

Notwithstanding any other provisions of this Agreement to the contrary, (a) permit any Person (other than the Borrower or any Wholly Owned Subsidiary) to own any Equity Interests of any Subsidiary, except to qualify directors where required by applicable Law or to satisfy other requirements of applicable Law with respect to the ownership of Equity Interests of Foreign Subsidiaries, or (b) permit any Subsidiary to issue or have outstanding any shares of preferred Equity Interests.

8.14 Sale Leasebacks.

Enter into any Sale and Leaseback Transaction other than Sale and Leaseback Transactions with respect to Excluded Real Property.

8.15 Sanctions.

Directly or indirectly, permit any Loan or the proceeds of any Loan, directly or, to the knowledge of the Borrower, indirectly, (a) to be lent, contributed or otherwise made available to fund any activity or business in any Designated Jurisdiction; (b) to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions; or (c) in any other manner that will result in any violation by any Person (including any Lender, Arranger, Administrative Agent, L/C Issuer or Swing Line Lender) of any Sanctions.

8.16 Anti-Corruption Laws.

Directly or indirectly use any Credit Extension or the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 or other similar anti-corruption legislation in other applicable jurisdictions.

8.17 NMTC Subsidiaries; NMTC Indebtedness.

(a) Notwithstanding any provision in this Agreement or any other Loan Document to the contrary:

(i) make any Investment in an NMTC Subsidiary other than an NMTC Intercompany Investment;

(ii) make any disposition of any property to an NMTC Subsidiary; and

(iii) permit an NMTC Subsidiary to (A) incur any Indebtedness, (B) own any property other than cash, Cash Equivalents and the NMTC Intercompany Loan made by such NMTC Subsidiary or (C) engage in any business other than making the NMTC Intercompany Loan made by such NMTC Subsidiary.

(b) With respect to any NMTC Indebtedness:

(i) amend, modify, terminate or waive any of the terms of such NMTC Indebtedness if such amendment, modification or waiver would add, change or terminate any terms in a manner materially adverse to the Borrower or any Subsidiary;

(ii) make (or give any notice with respect thereto) any voluntary or optional payment or prepayment or redemption or acquisition for value (including without limitation, by way of depositing money or securities with the trustee with respect thereto before due for the purpose of paying when due), refund, refinance or exchange of such NMTC Indebtedness; and

(c) make any payment of principal or interest on any NMTC Indebtedness in violation of the subordination provisions of such NMTC Indebtedness.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

9.01 Events of Default.

Any of the following shall constitute an Event of Default:

(a) Non-Payment. Any Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation, or (ii) within three days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) within five days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants.

(i) Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 7.01, 7.02 or 7.10 and such failure continues for five days; or

(ii) Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 7.03(a), 7.05(a) or 7.11 or Article VIII; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty days; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Loan Party herein, in any other Loan Document, or in any document executed by a Responsible Officer and delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (or if such representation, warranty, certification or statement of fact is qualified by materiality or reference to Material Adverse Effect such representation, warranty, certification or statement of fact is incorrect or misleading in any respect); or

(e) Cross-Default. (i) The Borrower or any Subsidiary fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Material Indebtedness; (ii) the Borrower or any Subsidiary fails to observe or perform any other agreement or condition relating to any Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Material Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, such Material Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Material Indebtedness to be made, prior to its stated maturity; or (iii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which the Borrower or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Borrower or any Subsidiary is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by the Borrower or such Subsidiary as a result thereof is greater than the Threshold Amount; or

(f) Insolvency Proceedings, Etc. The Borrower or any Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) The Borrower or any Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty days after its issue or levy; or

(h) Judgments. There is entered against the Borrower or any Subsidiary (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer has been notified of the claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or would reasonably be expected to have a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or such judgment being paid, satisfied, vacated or bonded, or otherwise, is not in effect; or

(i) School Loan Documents; School Services Agreement.

(i) The occurrence of any event of default (or comparable term) under any of the School Loan Documents; or

(ii) the School Services Agreement is terminated for any reason; or

(iii) any Service (as defined in the School Services Agreement) is terminated for any reason unless (i) if such termination occurs prior to the date the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b) for the fiscal quarter ended September 30, 2018, the Borrower shall have delivered financial projections to the Administrative Agent in detail satisfactory to the Administrative Agent which shall demonstrate that the termination of such Service will not materially and adversely impact the ability of the Borrower to comply with the financial covenants set forth in Section 8.11 after the date of such termination and (ii) if such termination occurs on or after the date the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b) for the fiscal quarter ended September 30, 2018, after giving effect to such termination on a Pro Forma Basis, the Loan Parties would be in compliance with the financial covenants set forth in Section 8.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 7.01(a) or (b); or

(j) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or would reasonably be expected to result in liability of one or more Loan Parties under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) one or more Loan Parties or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(k) Invalidity of Loan Documents. Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect or ceases to give the Administrative Agent any material part of the Liens purported to be created thereby; or any Loan Party or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any Loan Document; or

(l) Change of Control. There occurs any Change of Control; or

(m) PPPA. At any time after the issuance of a PPPA, such PPPA (or, after the issuance of a PPA, such PPA), ceases to be in effect.

9.02 Remedies Upon Event of Default.

If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents or applicable Law or at equity;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

9.03 Application of Funds.

After the exercise of remedies provided for in Section 9.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 9.02), any amounts received on account of the Obligations shall, subject to the provisions of Sections 2.14 and 2.15, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer arising under the Loan Documents and amounts payable under Article III, ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Obligations arising under the Loan Documents, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to (a) payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings, (b) payment of Obligations then owing under any Secured Hedge Agreements, (c) payment of Obligations then owing under any Secured Cash Management Agreements and (d) Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit, ratably among the Lenders, the L/C Issuer, the Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this clause Fourth held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Sections 2.03(c) and 2.14, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above. Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or such Guarantor's assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

Notwithstanding the foregoing, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received a written notice, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Cash Management Bank or Hedge Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article X for itself and its Affiliates as if a "Lender" party hereto.

ARTICLE X

ADMINISTRATIVE AGENT

10.01 Appointment and Authority.

Each of the Lenders and the L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and no Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (in its capacities as a Lender, Swing Line Lender (if applicable), potential Hedge Banks and potential Cash Management Banks) and the L/C Issuer hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and the L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 10.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article X and Article XI (including Section 11.04(c), as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents) as if set forth in full herein with respect thereto.

10.02 Rights as a Lender.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or to provide notice to or consent of the Lenders with respect thereto.

10.03 Exculpatory Provisions.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent and its Related Parties:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

Neither the Administrative Agent nor any of its Related Parties shall be liable for any action taken or not taken by the Administrative Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 9.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by a Loan Party, a Lender or the L/C Issuer.

Neither the Administrative Agent nor any of its Related Parties have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document ,or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

10.04 Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, communication, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance, extension, renewal or increase of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

10.05 Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

10.06 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the consent of the Borrower (such consent not to be unreasonably withheld or delayed) provided that no Event of Default has occurred and is continuing, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, subject to the consent of the Borrower (such consent not to be unreasonably withheld or delayed) provided that no Event of Default has occurred and is continuing, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 11.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Administrative Agent was acting as Administrative Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including (A) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Lenders and (B) in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

(d) Any resignation or removal by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as L/C Issuer and Swing Line Lender. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment by the Borrower of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (b) the retiring

L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

10.07 Non-Reliance on Administrative Agent and Other Lenders.

Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.08 No Other Duties; Etc.

Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers, syndication agents, documentation agents or co-agents shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the L/C Issuer hereunder.

10.09 Administrative Agent May File Proofs of Claim.

In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under Sections 2.03(h) and (i), 2.09 and 11.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or the L/C Issuer in any such proceeding.

10.10 Collateral and Guaranty Matters.

Without limiting the provisions of Section 10.09, each of the Lenders (including in its capacities as a potential Cash Management Bank and a potential Hedge Bank) and the L/C Issuer irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Aggregate Revolving Commitments and payment in full of the Obligations (other than (A) contingent indemnification obligations and (B) obligations and liabilities under Secured Cash Management Agreements and Secured Hedge Agreements as to which arrangements satisfactory to the applicable Cash Management Bank or Hedge Bank shall have been made) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the L/C Issuer shall have been made), (ii) that is sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document or (iii) as approved in accordance with Section 11.01;

(b) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 8.01(i); and

(c) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty, pursuant to this Section 10.10.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

10.11 Secured Cash Management Agreements and Secured Hedge Agreements.

No Cash Management Bank or Hedge Bank that obtains the benefit of the provisions of Section 9.03, the Guaranty or any Collateral by virtue of the provisions hereof or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) (or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or of the Guaranty or any Collateral Document) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article X to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash

Management Agreements and Secured Hedge Agreements except to the extent expressly provided herein and unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. The Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements in the case of a Maturity Date.

10.12 ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii)(A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless subclause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in subclause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that:

(i) none of the Administrative Agent, the Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least $50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is a fiduciary under ERISA or the Internal Revenue Code, or both, with respect to the Loans, the Letters of Credit, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent, the Arranger or any their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Letters of Credit, the Commitments or this Agreement.

(c) The Administrative Agent and the Arranger hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker’s acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

ARTICLE XI

MISCELLANEOUS

11.01 Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the applicable Loan Party, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that

(a) no such amendment, waiver or consent shall:

(i) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 9.02) without the written consent of such Lender (it being understood and agreed that a waiver of any condition precedent set forth in Section 5.02 or of any Default or a mandatory reduction in Commitments is not considered an extension or increase in Commitments of any Lender);

(ii) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) or any scheduled or mandatory reduction of the Commitments hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment or whose Commitments are to be reduced;

(iii) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (i) of the final proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such amount; provided, however, that only the consent of the Required Lenders shall be necessary (A) to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate or (B) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;

(iv) change Section 9.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly affected thereby;

(v) change any provision of this Section 11.01 or the definition of "Required Lenders" without the written consent of each Lender directly affected thereby;

(vi) release all or substantially all of the Collateral without the written consent of each Lender whose Obligations are secured by such Collateral;

(vii) release the Borrower without the consent of each Lender, or, except in connection with a transaction permitted under Section 8.04 or Section 8.05, all or substantially all of the value of the Guaranty without the written consent of each Lender whose Obligations are guaranteed thereby, except to the extent such release is permitted pursuant to Section 10.10 (in which case such release may be made by the Administrative Agent acting alone); or

(b) prior to the termination of the Revolving Commitments, unless also signed by Required Revolving Lenders, no such amendment, waiver or consent shall, (i) waive any Default for purposes of Section 5.02(b), (ii) amend, change, waive, discharge or terminate Sections 5.02 or 9.01 in a manner adverse to such Lenders or (iii) amend, change, waive, discharge or terminate Section 8.11 (or any defined term used therein) or this Section 11.01(b); or

(c) unless also signed by the L/C Issuer, no amendment, waiver or consent shall affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it;

(d) unless also signed by the Swing Line Lender, no amendment, waiver or consent shall affect the rights or duties of the Swing Line Lender under this Agreement; and

(e) unless also signed by the Administrative Agent, no amendment, waiver or consent shall affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document;

provided, however, that notwithstanding anything to the contrary herein, (i) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (A) the Commitment of such Lender may not be increased or extended without the consent of such Lender and (B) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender, (iii) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersedes the unanimous consent provisions set forth herein and (iv) the Required Lenders shall determine whether or not to allow a Loan Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders.

Notwithstanding any provision herein to the contrary, this Agreement may be amended with the written consent of the Required Lenders, the Administrative Agent and the Loan Parties (i) to add one or more additional revolving credit or term loan facilities to this Agreement and to permit the extensions of credit and all related obligations and liabilities arising in connection therewith from time to time outstanding to share ratably (or on a basis subordinated to the existing facilities hereunder) in the benefits of this Agreement and the other Loan Documents with the obligations and liabilities from time to time outstanding in respect of the existing facilities hereunder, and (ii) in connection with the foregoing, to permit, as deemed appropriate by the Administrative Agent and approved by the Required Lenders, the Lenders providing such additional credit facilities to participate in any required vote or action required to be approved by the Required Lenders or by any other number, percentage or class of Lenders hereunder.

11.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to any Loan Party, the Administrative Agent, the L/C Issuer or the Swing Line Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 11.02; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Swing Line Lender, the L/C Issuer or the Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN

CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Loan Party, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Loan Party's or the Administrative Agent's transmission of Borrower Materials through the Internet, except, as to any Agent Party, to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party.

(d) Change of Address, Etc. Each Loan Party, the Administrative Agent, the L/C Issuer and the Swing Line Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to each Loan Party, the Administrative Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Administrative Agent, L/C Issuer and Lenders. The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely in good faith and act upon any notices (including telephonic or electronic Loan Notices, Letter of Credit Applications, Notice of Loan Prepayment and Swing Line Loan Notices) purportedly given by or on behalf of any Loan Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Administrative Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Loan Party. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

11.03 No Waiver; Cumulative Remedies; Enforcement.

No failure by any Lender, the L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document (including the imposition of the Default Rate) preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided and provided under each other Loan Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection

with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 9.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 9.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

11.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Loan Parties shall pay (i) all reasonable documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable documented fees, charges and disbursements of counsel for the Administrative Agent) in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable documented out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable documented out-of-pocket expenses incurred by the Administrative Agent, any Lender or the L/C Issuer (including the reasonable documented fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or the L/C Issuer) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable documented fees, charges and disbursements of any counsel for any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any Subsidiary, or any Environmental Liability related in any way to the Borrower or any

Subsidiary, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (including fees, charges and disbursements of counsel for such Indemnitee) (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by any Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) arise from disputes between or among Indemnitees that do not involve an act or omission by (1) the Borrower, any Subsidiary or any Affiliate of the Borrower or (2) the Administrative Agent or the Arranger acting in its capacity as such. Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the L/C Issuer, the Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuer, the Swing Line Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swing Line Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, no Loan Party shall assert, and each Loan Party hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 11.02(e) shall survive the resignation of the Administrative Agent, the L/C Issuer and the Swing Line Lender, the replacement of any Lender, the termination of the Aggregate Revolving Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05 Payments Set Aside.

To the extent that any payment by or on behalf of any Loan Party is made to the Administrative Agent, the L/C Issuer or any Lender, or the Administrative Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder or thereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that (in each case with respect to any credit facility) any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment under any credit facility provided hereunder and/or the Loans at the time owing to it (in each case with respect to any credit facility provided hereunder) or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000, in the case of any assignment in respect of the revolving credit facility provided hereunder, or $1,000,000, in the case of any assignment in respect of the term loan facility provided hereunder, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not (A) apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans or (B) prohibit any Lender from assigning all or a portion of its rights and obligations among the revolving credit facility provided hereunder and any separate revolving credit or term loan facilities provided pursuant to the last paragraph of Section 11.01 on a non-pro rata basis;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received written notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (1) any unfunded Term Loan Commitment or any Revolving Commitment if such assignment is to a Person that is not a Lender with a Commitment in respect of the applicable credit facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender or (2) any Term Loan to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of the L/C Issuer and the Swing Line Lender shall be required for any assignment in respect of the revolving credit facility provided hereunder.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person).

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment); provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person), a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 11.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Commitment and Revolving Loans pursuant to subsection (b) above, Bank of America may, (i) upon thirty days' notice to the Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon thirty days' notice to the Borrower, resign as Swing Line Lender. In the event of any such resignation as L/C Issuer or Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer or Swing Line Lender, as the case may be. If Bank of America resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (1) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (2) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

11.07 Treatment of Certain Information; Confidentiality.

Each of the Administrative Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Lender, the L/C

Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Loans. For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States federal and state securities Laws.

11.08 Right of Setoff.

If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of any Loan Party against any and all of the obligations of such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, the L/C Issuer or such Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or the L/C Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuer and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 Interest Rate Limitation.

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining

whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 Counterparts; Integration; Effectiveness.

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the L/C Issuer, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 Survival of Representations and Warranties.

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 Severability.

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 11.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 Replacement of Lenders.

If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by,

Section 11.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

11.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL

COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 Waiver of Jury Trial.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16 No Advisory or Fiduciary Responsibility.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each of the Loan Parties acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arranger and the Lenders are arm's-length commercial transactions between the Loan Parties and their respective Affiliates, on the one hand, and the Administrative Agent, the Arranger and the Lenders, on the other hand, (B) each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each of the Loan Parties is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Arranger and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not,

and will not be acting as an advisor, agent or fiduciary for the Loan Parties or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, the Arranger nor any Lender has any obligation to the Loan Parties or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Arranger, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and neither the Administrative Agent, the Arranger nor any Lender has any obligation to disclose any of such interests to the Loan Parties and their respective Affiliates. To the fullest extent permitted by Law, each of the Loan Parties hereby waives and releases any claims that it may have against the Administrative Agent, the Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.17 Electronic Execution of Assignments and Certain Other Documents.

The words "execute," "execution," "signed," "signature," and words of like import in any Loan Document or any other document to be signed in connection with this Agreement, any other document executed in connection herewith and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided further without limiting the foregoing, upon the request of the Administrative Agent, any electronic signature shall be promptly followed by such manually executed counterpart.

11.18 Subordination of Intercompany Indebtedness.

Each Loan Party (a "Subordinating Loan Party") agrees that the payment of all obligations and indebtedness, whether principal, interest, fees and other amounts and whether now owing or hereafter arising, owing to such Subordinating Loan Party by any other Loan Party is expressly subordinated to the payment in full in cash of the Obligations. If the Administrative Agent so requests, any such obligation or indebtedness shall be enforced and performance received by the Subordinating Loan Party as trustee for the holders of the Obligations and the proceeds thereof shall be paid over to the holders of the Obligations on account of the Obligations, but without reducing or affecting in any manner the liability of the Subordinating Loan Party under this Agreement or any other Loan Document. Without limitation of the foregoing, so long as no Default has occurred and is continuing, the Loan Parties may make and receive payments with respect to any such obligations and indebtedness, provided, that in the event that any Loan Party receives any payment of any such obligations and indebtedness at a time when such payment is prohibited by this Section, such payment shall be held by such Loan Party, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to the Administrative Agent.

11.19 USA PATRIOT Act.

Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is

required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of the Loan Parties and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Loan Parties in accordance with the Act. The Loan Parties shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

11.20 Acknowledgement and Consent to Bail-In of EEA Financial Institutions.

Solely to the extent any Lender or L/C Issuer that is an EEA Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or L/C Issuer that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or L/C Issuer that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

[END]

Exhibit 10.7

Execution Version

CREDIT AGREEMENT

Dated as of July 1, 2018

among

GAZELLE UNIVERSITY (to be renamed GRAND CANYON UNIVERSITY),
as the Borrower,

THE SUBSIDIARIES OF THE BORROWER IDENTIFIED HEREIN FROM TIME TO TIME,
as the Guarantors,

and

GRAND CANYON EDUCATION, INC.,
as the Lender

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CREDIT AGREEMENT

This CREDIT AGREEMENT is entered into as of July 1, 2018 among GAZELLE UNIVERSITY, an Arizona nonprofit corporation (to be renamed GRAND CANYON UNIVERSITY) (the "Borrower"), the Guarantors (defined herein) from time to time party hereto, and GRAND CANYON EDUCATION, INC., a Delaware corporation (the "Lender").

The Borrower (as "Buyer") and the Lender (as "Seller") are parties to that Asset Purchase Agreement by and between Borrower and Lender dated as of July 1, 2018, as amended from time to time (the "Asset Purchase Agreement").

The Borrower has requested that the Lender provide credit facilities in the amounts provided herein to fund Borrower's obligations as Buyer under the Asset Purchase Agreement, and for such other purposes set forth herein, and the Lender is willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms.

As used in this Agreement, the following terms shall have the meanings set forth below:

"Accreditation" means the status of public recognition granted by any Accrediting Body to an educational institution that meets the Accrediting Body's standards and requirements, which approval is required for the educational institution to participate in the Title IV Programs.

"Accrediting Body" means the Higher Learning Commission or any entity or organization recognized by the DOE pursuant to 34 C.F.R. 602 et seq.

"Acquisition" means, with respect to any Person, the acquisition by such Person, in a single transaction or in a series of related transactions, of either (a) all or any substantial portion of the property of, or a line of business, division or operating group of, another Person or (b) at least a majority of the Equity Interests of another Person entitled to vote for members of the board of directors or equivalent governing body of such Person, in each case whether or not involving a merger or consolidation with such other Person.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" means this Credit Agreement.

"Applicable Rate" means six percent (6%) per annum.

"Appraisal" means an "as-is" appraisal that (a) satisfies the requirements of Title XI of FIRREA and all other applicable legal requirements, all as in effect on the date of such appraisal, (b) is prepared by

an appraiser that is engaged by the Lender or is otherwise approved by the Lender and (c) is otherwise acceptable to the Lender.

"Approved Capital Expenditure" means each capital expenditure identified in the Approved Capital Expenditure Budget; *provided* that such capital expenditure is incurred in the period and for the purpose identified in the Approved Capital Expenditure Budget.

"Approved Capital Expenditure Budget" means that certain capital expenditure budget for Borrower for the fiscal year of Borrower ending June 30, 2019 and for each subsequent fiscal year of Borrower as agreed between Borrower and Lender at least thirty (30) days prior to the first day of each such fiscal year thereafter, as such budget may be modified from time to time in writing with the approval of both Borrower and Lender.

"Asset Purchase Agreement" has the meaning specified in the introductory paragraphs hereto.

"Attributable Indebtedness" means, with respect to any Person on any date, (a) in respect of any capital lease, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease, (c) in respect of any Securitization Transaction, the outstanding principal amount of such financing, after taking into account reserve accounts and making appropriate adjustments, determined by the Lender in its reasonable judgment and (d) in respect of any Sale and Leaseback Transaction, the present value (discounted in accordance with GAAP at the debt rate implied in the applicable lease) of the obligations of the lessee for rental payments during the term of such lease.

"Availability Period" means, with respect to the CapEx Commitments, the period from and including the Closing Date to the earliest of (a) June 30, 2021, (b) the date of termination of the CapEx Commitments pursuant to Section 2.06, and (c) the date of termination of the Commitment of the Lender to make Loans pursuant to Section 9.02.

"Borrower" has the meaning specified in the introductory paragraph hereto.

"Borrowing" means a CapEx Loan or a Term Loan, as the context may require.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Lender's Office is located.

"Businesses" has the meaning specified in Section 6.10(a).

"CapEx Commitment" means, as to the Lender, its obligation to make CapEx Loans to the Borrower pursuant to Section 2.01. The amount of the CapEx Commitments in effect for each year will be mutually agreed upon by the Borrower and the Lender thirty (30) days prior to the first day of each year.

"CapEx Loan" has the meaning specified in Section 2.01(a).

"Cash Equivalents" means cash equivalents as defined under GAAP.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means an event or series of events by which during any period of 12 consecutive months, a majority of the members of the board of trustees of the Borrower cease to be composed of individuals (i) who were members of the board of trustees on the first day of such period, (ii) whose election or nomination to the board of trustees was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of the board of trustees or (iii) whose election or nomination to the board of trustees was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of the board of trustees.

"Closing Date" means the date hereof.

"Closing Date Acquisition" means the Acquisition by Borrower from Lender of the business and assets of Grand Canyon University in accordance with the terms of the Asset Purchase Agreement.

"Cohort Default Rate" has the meaning provided in 34 C.F.R. Sections 668.182 and 668.201 Subparts M and N, as applicable.

"Collateral" means a collective reference to all property with respect to which Liens in favor of the Lender, for the benefit of itself and the other holders of the Obligations, are purported to be granted pursuant to and in accordance with the terms of the Collateral Documents.

"Collateral Documents" means a collective reference to the Security Agreement, the Mortgage and the other security documents as may be executed and delivered by any Loan Party pursuant to the terms of Section 7.13.

"Commitment" means the CapEx Commitment of the Lender and/or the Term Loan Commitment of the Lender.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, the ability to appoint directors or trustees, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote 10% or more of the securities having ordinary voting power for the election of directors, managing

general partners or the equivalent, or the power to appoint a majority or more of the directors or trustees of another Person.

"Credit Extension" means a Borrowing.

"Debt Issuance" means the issuance by the Borrower or any Subsidiary of any Indebtedness.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means the Applicable Rate plus 2% per annum.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition of any property by the Borrower or any Subsidiary, including any Sale and Leaseback Transaction and any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding (a) the disposition of inventory in the ordinary course of business; (b) the disposition of machinery and equipment no longer used or useful in the conduct of business of the Borrower and its Subsidiaries in the ordinary course of business; (c) the disposition of property to the Borrower or any Subsidiary; provided, that if the transferor of such property is a Loan Party then the transferee thereof must be a Loan Party; (d) the disposition of accounts receivable in connection with the collection or compromise thereof; (e) licenses, sublicenses, leases or subleases granted to others not interfering in any material respect with the business of the Borrower and its Subsidiaries; (f) the sale or disposition of Cash Equivalents for fair market value; (g) any Recovery Event; (h) the disposition of personal property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such disposition are promptly applied to the purchase price of such replacement property; and (i) to the extent constituting a Disposition, transactions permitted by Section 8.04 and Section 8.06 and Liens permitted by Section 8.01.

"DOE" means the United States Department of Education and any successor agency administering Title IV Programs.

"DOE Ratio" means the composite score of the Borrower's equity, primary reserve and net income ratios described in 34 C.F.R. Sections 668.171(b)(1) and Section 668.172 and appendix A.

"Dollar" and "$" mean lawful money of the United States.

"Eligible Property" means (a) with respect to the Net Cash Proceeds of any Disposition of real property or Recovery Event with respect to real property, a fee interest in real property that (i) is part of or used in connection with the campus of Grand Canyon University located in Phoenix, Arizona and (ii) constitutes Collateral and (b) with respect to the Net Cash Proceeds of any Disposition of personal property or Recovery Event with respect to personal property, personal property that constitutes Collateral (other than current assets as classified by GAAP).

"Environmental Laws" means any applicable Law relating to (i) the release of, and the investigation and remediation of, hazardous substances (which are not naturally occurring) released into the environment (including, without limitation, air, water vapor, surface water, groundwater, drinking water supply, surface land, subsurface land), and (ii) the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release or disposal of Hazardous Materials.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any Contractual Obligation pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

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

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with a Loan Party within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of a Loan Party or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Loan Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Internal Revenue Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any ERISA Affiliate.

"Event of Default" has the meaning specified in Section 9.01.

"Excluded Personal Property" means, collectively, the following personal property:

(a) funds received from federal student financial aid programs under Title IV Programs and held pursuant to 34 C.F.R. 668.163 or otherwise in trust pursuant to Section 34 C.F.R. 668.161;

(b) the Equity Interests of each Subsidiary to the extent not required to be pledged to the Lender pursuant to Section 7.13(a);

(c) unless requested by the Lender, any IP Rights for which a perfected Lien thereon is not effected either by filing of a Uniform Commercial Code financing statement or by appropriate evidence of such Lien being filed in either the United States Copyright Office or the United States Patent and Trademark Office;

(d) unless requested by the Lender, any personal property (other than personal property described in clause (b) above) for which the attachment or perfection of a Lien thereon is not governed by the Uniform Commercial Code;

(e) any property which, subject to the terms of Section 8.09, is subject to a Lien of the type described in Section 8.01(i) pursuant to documents which prohibit the applicable Loan Party from granting any other Liens in such property;

(f) any lease, license, contract or other agreement if the grant of a security interest in such lease, license, contract or other agreement is prohibited under the terms of such lease, license, contract or other agreement or under applicable Law or would result in default thereunder, the termination thereof or give the other parties thereto the right to terminate, accelerate or otherwise alter the applicable Loan Party's rights, titles and interests thereunder (including upon the giving of notice or the lapse of time or both); provided that (i) such prohibition could not be rendered ineffective pursuant to the Uniform Commercial Code or any other applicable Law (including Debtor Relief Laws) or principles of equity and (ii) if such prohibition is terminated or waived, such lease, license, contract or other agreement shall no longer be Excluded Personal Property;

(g) any cash and Cash Equivalents which, subject to the terms of Section 8.09, is subject to a Lien of the type described in Section 8.01(e) or Section 8.01(f) pursuant to documents which prohibit the applicable Loan Party from granting any other Liens in such cash and Cash Equivalents; and

(h) any other property if the Lender and the Borrower agree in writing that the cost, burden or consequences of obtaining or perfecting a security interest in such property is excessive in relation to the value of such property as Collateral.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the Laws of, or having its principal office or, in the case of the Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of the Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of the Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) the Lender acquires such interest in the Loan or Commitment or (ii) the Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii), (a)(iii) or (c), amounts with respect

to such Taxes were payable either to the Lender's assignor immediately before the Lender became a party hereto or to the Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Facilities" has the meaning specified in Section 6.10(a).

"FASB ASC" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

"FIRREA" means the Federal Institutions, Reform, Recovery and Enforcement Act of 1989.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Funded Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all purchase money indebtedness;

(c) the maximum amount available to be drawn under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;

(d) all obligations in respect of the deferred purchase price of property or services (including earn-out payment obligations but excluding trade accounts payable in the ordinary course of business);

(e) the Attributable Indebtedness of capital leases, Synthetic Lease Obligations, Sale and Leaseback Transactions and Securitization Transactions;

(f) without duplication, all Guarantees with respect to outstanding Funded Indebtedness of the types specified in clauses (a) through (e) above of another Person; and

(g) all Funded Indebtedness of the types referred to in clauses (a) through (f) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, except to the extent that Funded Indebtedness is expressly made non-recourse to such Person.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or such other principles as may be approved by a significant segment of the accounting profession in the

United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantors" means, collectively, (a) each Person that joins as a Guarantor pursuant to Section 7.12 or otherwise, and (b) the successors and permitted assigns of the foregoing.

"Guaranty" means the Guaranty made by the Guarantors in favor of the Lender and the other holders of the Obligations pursuant to Article IV.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Higher Education Act" means the Higher Education Act of 1965.

"Higher Learning Commission" means the Higher Learning Commission of the North Central Association of Colleges and Schools.

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all purchase money indebtedness;

(c) the maximum amount available to be drawn under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;

(d) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);

(e) the Attributable Indebtedness of capital leases, Synthetic Lease Obligations, Sale and Leaseback Transactions and Securitization Transactions;

(f) the Swap Termination Value of any Swap Contract;

(g) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(h) without duplication, all Guarantees with respect to Indebtedness of the types specified in clauses (a) through (g) above of another Person; and

(i) all Indebtedness of the types referred to in clauses (a) through (h) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, except to the extent that such Indebtedness is expressly made non-recourse to such Person.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitees" has the meaning specified in Section 11.04(b).

"Information" has the meaning specified in Section 11.07.

"Intercompany Indebtedness" means Indebtedness owing by a Loan Party to another Loan Party.

"Intercreditor Agreements" means any subordination or intercreditor agreement entered into by the Lender in connection with any Subordinated Indebtedness.

"Interest Payment Date" means the first day of each calendar month, commencing on the first such day occurring after the Closing Date, and the Maturity Date.

"Internal Revenue Code" means the Internal Revenue Code of 1986.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, or (c) an Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"IP Rights" has the meaning specified in Section 6.18.

"IRS" means the United States Internal Revenue Service.

"Joinder Agreement" means a joinder agreement substantially in the form of Exhibit E executed and delivered by a Subsidiary in accordance with the provisions of Section 7.12 or any other documents as the Lender shall deem appropriate for such purpose

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lender" means the Person identified as the "Lender" on the signature pages hereto, each other Person that becomes a "Lender" in accordance with this Agreement and their successors and assigns.

"Lender's Office" or "Lending Office" means the Lender's address and, as appropriate, account as set forth on Schedule 11.02 or such other address or account as the Lender may from time to time notify to the Borrower.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Liquidity" means, as of any date of determination, the sum of all cash and Cash Equivalents of the Loan Parties on such date that (a) do not appear (or would not be required to appear) as "restricted" on a consolidated balance sheet of the Borrower and (b) are not subject to a Lien (other than Liens of the type described in Sections 8.01(m) and (n)).

"Loan" means an extension of credit by the Lender to the Borrower under Article II in the form of a CapEx Loan or the Term Loan.

"Loan Documents" means this Agreement, each Note, each Joinder Agreement, the Collateral Documents, and any Intercreditor Agreements.

"Loan Parties" means, collectively, the Borrower and each Guarantor.

"Master Services Agreement" means that certain master services agreement, dated the date hereof, among the Borrower and the Lender (or any Subsidiary\ of the Lender).

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the rights and remedies of the Lender under any Loan Document to which it is a party; (c) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; or (d) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

"Material Indebtedness" means any Indebtedness (other than Indebtedness arising under the Loan Documents and Indebtedness arising under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than $2,500,000.

"Material Subsidiary" means any Subsidiary that has (a) total assets with a fair market value in excess of $10,000,000 or (b) total revenues in excess of $10,000,000 for the most recently ended period of four fiscal quarters for which the Borrower was required to deliver financial statements pursuant to Section 7.01(a) or (b); provided that if a Subsidiary would be a Subsidiary under clause (a) of this definition solely by virtue of such Subsidiary either (x) receiving an Investment from the Borrower or any Subsidiary the proceeds of which will be used by such Subsidiary solely to acquire real property or (y) acquiring real property, such Subsidiary shall be deemed a Material Subsidiary only if such Subsidiary holds such Investment or owns such real estate for more than sixty (60) days.

"Maturity Date" means July 1, 2025; provided, however, that, in each case, if such date is not a Business Day, the Maturity Date shall be the next succeeding Business Day.

"Mortgage" means any mortgage, deed of trust or deed to secure debt that purports to grant to the Lender, for the benefit of the holders of the Obligations, a security interest in the real property of any Loan Party.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including any Loan Party or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Cash Proceeds" means the aggregate cash or Cash Equivalents proceeds received by the Borrower or any Subsidiary in respect of any Disposition, Recovery Event or Debt Issuance net of (a) direct costs incurred in connection therewith (including legal, accounting and investment banking fees, and sales commissions), (b) Taxes paid or payable as a result thereof and (c) in the case of any Disposition or any Recovery Event, the amount necessary to retire any Indebtedness secured by a Permitted Lien (ranking senior to any Lien of the Lender) on the related property; it being understood that "Net Cash Proceeds" shall include any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received by the Borrower or any Subsidiary in any Disposition, Recovery Event or Debt Issuance; provided, however, that "Net Cash Proceeds" shall not include amounts resulting from any Dispositions and Recovery Events until such amounts aggregate $1,000,000 in any fiscal year.

"Note" has the meaning specified in Section 2.11.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

"Outstanding Amount" means with respect to any Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of any Loans occurring on such date.

"Participant" has the meaning specified in Section 11.06(d).

"Participant Register" has the meaning specified in Section 11.06(d).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Internal Revenue Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Internal Revenue Code and Section 302 of ERISA, each as in effect prior to the Pension Act and,

thereafter, Section 412, 430, 431, 432 and 436 of the Internal Revenue Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by any Loan Party and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Internal Revenue Code.

"Permitted Acquisition" means an Investment consisting of an Acquisition by the Borrower or any Subsidiary, provided that (a) no Default shall have occurred and be continuing or would result from such Acquisition, (b) the property acquired (or the property of the Person acquired) in such Acquisition is used or useful in the same or a similar line of business as the Borrower and its Subsidiaries were engaged in on the Closing Date (or any reasonable extensions or expansions thereof), (c) in the case of an Acquisition of the Equity Interests of another Person, the board of directors (or other comparable governing body) of such other Person shall have duly approved such Acquisition, and (d) the Acquisition is approved by Lender, such approval not to be unreasonably withheld.

"Permitted Liens" means, at any time, Liens in respect of property of the Borrower or any Subsidiary permitted to exist at such time pursuant to the terms of Section 8.01.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of any Loan Party or any ERISA Affiliate or any such Plan to which any Loan Party or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Recipient" means the Lender or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"Recovery Event" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of the Borrower or any Subsidiary.

"Register" has the meaning specified in Section 11.06(c).

"Regulatory Letter of Credit" means a letter of credit issued for the account of the Borrower or any Subsidiary for the purpose of satisfying the obligations of the Borrower or such Subsidiary under the Higher Education Act or any similar state or federal statute or maintaining the eligibility of the Borrower or such Subsidiary to participate in any programs administered thereunder (including any Title IV Programs).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty-day notice period has been waived.

"Request for Credit Extension" means an irrevocable notice in writing of a Borrowing of CapEx Loans in substantially the form of Exhibit A.

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller (or persons serving in those functional capacities) of a Loan Party and, solely for purposes of the delivery of incumbency certificates, the secretary or any assistant secretary of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Lender. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party. To the extent requested by the Lender, each Responsible Officer will provide an incumbency certificate, in form and substance reasonably satisfactory to the Lender.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such Equity Interests or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent Person thereof), or any option, warrant or other right to acquire any such dividend or other distribution or payment. The term "Restricted Payment" shall not include (a) the forfeiture of unvested Equity Interests of the Borrower by any present or former employee or trustee of the Borrower or any Subsidiary in connection with the termination of employment or service, death or disability of such individual provided that neither the Borrower nor any Subsidiary makes any payment of cash or other property for such forfeiture and (y) the repurchase of Equity Interests of the Borrower deemed to occur in connection with a net exercise of stock options or warrants or the grant of Equity Interests if such repurchased Equity Interests represent a portion of the exercise price of such options or warrants or the payment of applicable withholding taxes provided that neither the Borrower nor any Subsidiary makes any payment of cash or other property for such repurchase.

"Sale and Leaseback Transaction" means, with respect to any Person, any arrangement, directly or indirectly, whereby such Person shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Sanction(s)" means any international economic sanction administered or enforced by OFAC, the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"School" means Grand Canyon University and its additional locations.

"Securitization Transaction" means, with respect to any Person, any financing transaction or series of financing transactions (including factoring arrangements) pursuant to which such Person or any Subsidiary of such Person may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment to a special purpose Subsidiary or Affiliate of such Person.

"Security Agreement" means the security and pledge agreement dated as of the Closing Date executed in favor of the Lender, for the benefit of the holders of the Obligations, by each of the Loan Parties.

"Significant Regulatory Event" means the failure of the Borrower or any Subsidiary to (a) maintain the status of the School as an "eligible institution" as defined in 34 C.F.R. Section 600.2, (b)

maintain the eligibility of the School to participate in one or more Title IV Programs, (c) maintain all Accreditations required for the School to participate in one or more Title IV Programs.

"Solvent" or "Solvency" means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature in the ordinary course of business, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital, (d) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (e) the present fair salable value of the property of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured and (f) such Person does not intend, in any transaction, to hinder, delay or defraud either present or future creditors or any other person to which such Person is or will become, through such transaction, indebted. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Subordinated Indebtedness" means Indebtedness of the Borrower or any Subsidiary that is expressly subordinated in right of payment to the prior payment in full of the Obligations pursuant to a subordination agreement or other subordination provisions, and containing such other payment terms, covenants, defaults and remedies, in each case that are reasonably satisfactory to the Lender.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Equity Interests having ordinary voting power for the election of directors or equivalent governing body (other than Equity Interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap

Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan" has the meaning specified in Section 2.01(b).

"Term Loan Commitment" means the amount of the Term Loan the Lender will be deemed to have made to the Borrower, and the Borrower will have been deemed to have incurred from the Lender, pursuant to Section 2.01(b). The principal amount of the Term Loan Commitment of the Lender shall be (a) on the Closing Date, an amount equal to EIGHT-HUNDRED FIFTY-THREE MILLION SIXTY-EIGHT THOUSAND THREE-HUNDRED EIGHTY-SIX AND 00/100 DOLLARS ($853,068,386.00), plus (b) following the Closing Date, such additional amount as required by Section 3.4 of the Asset Purchase Agreement.

"Title IV" means Title IV of the Higher Education Act of 1965, as amended, and any amendments or successor statutes thereto.

"Title IV Compliance Audit" means, with respect to any School, the annual compliance audit of such School's administration of its Title IV Programs as required under 34 C.F.R. Section 668.23.

"Title IV Programs" means the Title IV Programs as listed in 34 C.F.R. Section 668.1(c).

"Total CapEx Outstanding" means the aggregate Outstanding Amount of all CapEx Loans.

"United States" and "U.S." mean the United States of America.

"Wholly Owned Subsidiary" means any Person 100% of whose Equity Interests are at the time owned by the Borrower directly or indirectly through other Persons 100% of whose Equity Interests are at the time owned, directly or indirectly, by the Borrower.

1.02 Other Interpretive Provisions.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended,

supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto", "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all assets and properties, tangible and intangible, real and personal, including cash, securities, accounts and contract rights and (vii) the words "real property" shall include all fee and leasehold interests in such real property and all improvements located on such real property.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms; Calculation of Financial Covenants on a Pro Forma Basis.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Lender shall so request, the Lender and the Loan Parties shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Lender); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Lender financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the Borrower and its Subsidiaries or to the determination of any amount for the Borrower and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Borrower is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

1.04 Rounding.

Any financial ratios required to be maintained by the Loan Parties pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day.

Unless otherwise specified, all references herein to times of day shall be references to Arizona time (daylight or standard, as applicable).

ARTICLE II

THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 CapEx Loans and Term Loan.

(a) CapEx Loans. Subject to the terms and conditions set forth herein, the Lender agrees to make loans (each such loan, a "CapEx Loan") to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the CapEx Commitment; provided, however, that after giving effect to any Borrowing of CapEx Loans, the Total CapEx Outstanding shall not exceed the CapEx Commitments. Amounts repaid on the CapEx Loans may not be reborrowed.

(b) Term Loan. Subject to the terms and conditions set forth herein, the Lender shall be deemed to have made a term loan (the "Term Loan") to the Borrower in Dollars on the Closing Date in an amount equal to the Lender's Term Loan Commitment (adjusted as provided in Section 3.4 of the Asset Purchase Agreement). Amounts repaid on the Term Loan may not be reborrowed.

2.02 Borrowings of CapEx Loans.

(a) Each Borrowing of a CapEx Loan shall be made subsequent to the Borrower's issuance of a Request for Credit Extension to the Lender. Each such Request for Credit Extension shall be with respect to Approved Capital Expenditures occurring during the immediately following month and must be received by the Lender not later than 12:00 p.m. fifteen (15) days prior to the first day of the month specified in such notice. Each Borrowing shall be in a principal amount equal to the Approved Capital Expenditures for the month specified in such Request for Credit Extension. Each Request for Credit Extension issued by the Borrower pursuant to this Section 2.02(a) shall specify (i) the requested month of such Borrowing, (ii) the Approved Capital Expenditures which will be funded with the proceeds of such CapEx Loan, and (iii) the party or parties to whom the funds for such CapEx Loan shall be made available. Each Request for Credit Extension shall be appropriately completed and signed by a Responsible Officer of the Borrower.

(b) Upon satisfaction of the applicable conditions set forth in Section 5.02 (and, if such Borrowing is the initial Credit Extension, Section 5.01), the Lender shall (i) make the funds for such Borrowing available to the Borrower for payment to the party or parties specified in the applicable Request for Credit Extension and (ii) the Borrower shall provide the Lender an accounting of the payments actually made.

2.03 **[Reserved]**.

2.04 **[Reserved]**.

2.05 Prepayments.

(a) Voluntary Prepayments of Loans. The Borrower may, upon notice from the Borrower to the Lender, at any time or from time to time voluntarily prepay CapEx Loans and the Term Loan in whole or in part without premium or penalty; provided that (A) such notice must be received by the Lender not later than 12:00 noon three Business Days prior to any date of prepayment; and (B) any such prepayment shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding). Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(b) Mandatory Prepayments of Loans.

(i) CapEx Commitments. If for any reason the Total CapEx Outstanding at any time exceeds the CapEx Commitments then in effect, the Borrower shall immediately prepay CapEx Loans in an aggregate amount equal to such excess.

(ii) Dispositions and Recovery Events. The Borrower shall prepay the Term Loan as hereafter provided in an aggregate amount equal to 100% of the Net Cash Proceeds of any Disposition or Recovery Event that are not, within 365 days following receipt of such Net Cash Proceeds, committed to be reinvested pursuant to a legally binding commitment and, within 545 days following receipt of such Net Cash Proceeds, actually reinvested, in each case in property that is useful to the business of the Borrower and its Subsidiaries, which investment may include, in the case of a Recovery Event, the repair, restoration or replacement of the applicable property (it being understood that the Borrower shall prepay the Term Loan as hereafter provided in an amount equal to the amount of any Net Cash Proceeds not so committed to be reinvested during such 365 day period or actually reinvested during such 545 day period immediately upon the expiration of the applicable period); provided that (A) the aggregate amount of all such Net Cash Proceeds that may be reinvested in property other than Eligible Property is $5 million in any fiscal year and $10 million during the term of this Agreement and (B) if the aggregate amount of Net Cash Proceeds of all such Recovery Events received by the Borrower or any Subsidiary in any fiscal year exceeds $2,500,000, then the Borrower shall (1) deposit such excess amount of Net Cash Proceeds in a deposit account subject to the dominion and control of the Lender, (2) withdraw funds from such deposit account only to reinvest such Net Cash Proceeds in applicable property and (3) cause such deposit account to be subject at all times to first priority, perfected Liens in favor of the Lender, for the benefit of the holders of the Obligations, to secure the Obligations pursuant to documentation in form and substance satisfactory to the Lender.

(iii) Debt Issuances. Within three (3) Business Days of the receipt by the Borrower or any Subsidiary of the Net Cash Proceeds of any Debt Issuance, the Borrower shall prepay the Term Loan as hereafter provided in an aggregate amount equal to 100% of such Net Cash Proceeds.

(iv) Application of Mandatory Prepayments. All amounts required to be paid pursuant to this Section 2.05(b) shall be applied as follows:

(A) with respect to all amounts prepaid pursuant to Section 2.05(b)(i), to the outstanding CapEx Loans; and

(B) with respect to all amounts prepaid pursuant to Sections 2.05(b)(ii) and (iii), to the Term Loan (to the remaining principal amortization payments in inverse order of maturity).

All prepayments under this Section 2.05(b) shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

2.06 Termination or Reduction of CapEx Commitments.

The Borrower may, upon notice to the Lender, terminate, in whole or in part, the CapEx Commitments, or from time to time permanently reduce the CapEx Commitments; provided that (i) any such notice shall be received by the Lender not later than 12:00 noon five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $5,000,000 or any whole multiple of $1,000,000 in excess thereof, and (iii) the Borrower shall not terminate or reduce the CapEx Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total CapEx Outstanding would exceed the CapEx Commitments; provided, that any notice so given to the Lender in connection with a refinancing of all Obligations (other than contingent indemnification obligations not yet due and payable) may be conditional on the effectiveness of the replacement credit agreement or other similar document and may be revoked by the Borrower if such condition is not satisfied. All fees accrued until the effective date of any termination of the CapEx Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) CapEx Loans. The Borrower shall repay to the Lender on the Maturity Date the aggregate principal amount of all CapEx Loans outstanding on such date.

(b) [Reserved].

(c) Term Loan. The Borrower shall repay the outstanding principal amount of the Term Loan on the Maturity Date.

2.08 Interest.

(a) Each Loan shall bear interest on the outstanding principal amount thereof at a rate per annum equal to the Applicable Rate.

(b) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(c) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Lender, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(d) Upon the request of the Lender, while any Event of Default exists (other than as set forth in clauses (b)(i) and (b)(ii) above), the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at an interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(e) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(f) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 **[Reserved]**.

2.10 Computation of Interest and Fees.

All computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Lender of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

The Credit Extensions made by the Lender shall be evidenced by one or more accounts or records maintained by the Lender in the ordinary course of business. The accounts or records maintained by the Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lender to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. Upon the request of the Lender, the Borrower shall execute and deliver to the Lender a promissory note, which shall evidence the Lender's Loans in addition to such accounts or records. Each such promissory note shall be in the form of Exhibit C (a "Note"). The Lender may attach schedules to its Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

2.12 Payments Generally.

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Lender at the Lender's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. All payments received by the Lender after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) Funding Source. Nothing herein shall be deemed to obligate the Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by the Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Lender) require the deduction or withholding of any Tax from any such payment by the Lender or a Loan Party, then the Lender or such Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party or the Lender shall be required by the Internal Revenue Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Lender shall withhold or make such deductions as are determined by the Lender to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Lender shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Internal Revenue Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If any Loan Party or the Lender shall be required by any applicable Laws other than the Internal Revenue Code to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Lender, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or the Lender, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Lender timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications. Each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within ten days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the Lender shall be conclusive absent manifest error.

(d) Evidence of Payments. Upon request by the Borrower or the Lender, as the case may be, after any payment of Taxes by the Borrower or by the Lender to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Lender or the Lender shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Lender, as the case may be.

(e) Status of Lender; Tax Documentation.

(i) If the Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, the Lender shall deliver to the Borrower, at the time or times reasonably requested by the Borrower, such properly completed and executed documentation reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, the Lender, if reasonably requested by the Borrower, shall deliver such other documentation prescribed by applicable Laws or reasonably requested by the Borrower as will enable the Borrower to determine whether or not the Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject the Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of the Lender.

(ii) Without limiting the generality of the foregoing, the Lender shall deliver to the Borrower on or prior to the date on which the Lender becomes the Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower), executed originals of IRS Form W-9 certifying that the Lender is exempt from U.S. federal backup withholding tax.

(iii) The Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Lender in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to the Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant

Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to any Loan Party or any other Person.

3.02 Survival.

Each Loan Party's obligations under this Article III shall survive the replacement of the Lender or any assignment of rights by the Lender, the termination of the CapEx Commitments and the repayment, satisfaction or discharge of all other Obligations.

ARTICLE IV

GUARANTY

4.01 The Guaranty.

Each of the Guarantors, if any, from time to time party hereto hereby jointly and severally guarantees to the Lender and each other holder of the Obligations as hereinafter provided, as primary obligor and not as surety, the prompt payment of the Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof. The Guarantors hereby further agree that if any of the Obligations is not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), the Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents or the other documents relating to the Obligations, the obligations of each Guarantor under this Agreement and the other Loan Documents shall not exceed an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under applicable Debtor Relief Laws.

4.02 Obligations Unconditional.

The obligations of the Guarantors under Section 4.01 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan Documents or other documents relating to the Obligations, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable Laws, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor (other than payment in full of the Obligations in cash and termination or expiration of the Commitments), it being the intent of this Section 4.02 that the obligations of the Guarantors hereunder shall be absolute and unconditional under

any and all circumstances. Each Guarantor agrees that such Guarantor shall have no right of subrogation, indemnity, reimbursement or contribution against the Borrower or any other Guarantor for amounts paid under this Article IV until such time as the Obligations have been paid in full and the Commitments have expired or terminated. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by Laws, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Loan Documents or any other document relating to the Obligations shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Loan Documents or any other document relating to the Obligations shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, the Lender or any other holder of the Obligations as security for any of the Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever and any requirement that the Lender or any other holder of the Obligations exhaust any right, power or remedy or proceed against any Person under any of the Loan Documents or any other document relating to the Obligations or against any other Person under any other guarantee of, or security for, any of the Obligations.

4.03 Reinstatement.

The obligations of each Guarantor under this Article IV shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any Debtor Relief Law or otherwise, and each Guarantor agrees that it will indemnify the Lender and each other holder of the Obligations on demand for all reasonable costs and expenses (including the fees, charges and disbursements of counsel) incurred by the Lender or such holder of the Obligations in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any Debtor Relief Law.

4.04 Certain Additional Waivers.

Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 4.02 and through the exercise of rights of contribution pursuant to Section 4.06.

4.05 Remedies.

The Guarantors agree that, to the fullest extent permitted by Laws, as between the Guarantors, on the one hand, and the Lender and the other holders of the Obligations, on the other hand, the Obligations may be declared to be forthwith due and payable as specified in Section 9.02 (and shall be deemed to have become automatically due and payable in the circumstances specified in Section 9.02) for purposes of Section 4.01 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 4.01. The Guarantors acknowledge and agree that their obligations hereunder are secured in accordance with the terms of the Collateral Documents and that the holders of the Obligations may exercise their remedies thereunder in accordance with the terms thereof.

4.06 Rights of Contribution.

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable Law. Such contribution rights shall be subordinate and subject in right of payment to the obligations of such Guarantors under the Loan Documents and no Guarantor shall exercise such rights of contribution until the Obligations have been paid in full and the Commitments have terminated.

4.07 Guarantee of Payment; Continuing Guarantee.

The guarantee in this Article IV is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to the Obligations whenever arising.

ARTICLE V

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

5.01 Conditions of Effectiveness.

This Agreement shall be effective upon satisfaction of the following conditions precedent in each case in a manner satisfactory to the Lender:

(a) Loan Documents. Receipt by the Lender of executed counterparts of this Agreement and the other Loan Documents, each properly executed by a Responsible Officer of the Borrower and, in the case of this Agreement, by the Lender.

(b) Organization Documents, Resolutions, Etc. Receipt by the Lender of the following:

(i) copies of the Organization Documents of the Borrower certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary of the Borrower to be true and correct as of the Closing Date;

(ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Borrower as the Lender may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a

Responsible Officer in connection with this Agreement and the other Loan Documents to which the Borrower is a party; and

(iii) such documents and certifications as the Lender may require to evidence that the Borrower is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation.

(c) Personal Property Collateral. Receipt by the Lender of the following:

(i) searches of Uniform Commercial Code filings in the jurisdiction of formation of the Borrower and each other jurisdiction deemed appropriate by the Lender;

(ii) UCC financing statements for each appropriate jurisdiction as is necessary, in the Lender's discretion, to perfect the Lender's security interest in the Collateral;

(iii) all certificates evidencing any certificated Equity Interests pledged to the Lender pursuant to the Security Agreement, together with duly executed in blank, undated stock powers attached thereto (unless, with respect to the pledged Equity Interests of any Subsidiary, such stock powers are deemed unnecessary by the Lender in its discretion under the Laws of the jurisdiction of organization of such Person);

(iv) searches of ownership of, and Liens on, United States registered intellectual property of the Borrower in the appropriate governmental offices; and

(v) duly executed notices of grant of security interest in the form required by the Security Agreement as are necessary, in the Lender's discretion, to perfect the Lender's security interest in the United States registered intellectual property of the Borrower.

(d) Real Property Collateral. Receipt by the Lender of each of the following (the "Real Property Deliverables") with respect to all real property of the Borrower:

(i) an Appraisal of such real property;

(ii) a fully executed and notarized Mortgage encumbering such real property;

(iii) ALTA mortgagee title insurance policies issued by a title insurance company acceptable to the Lender with respect to such real property, assuring the Lender that the Mortgage covering such real property creates a valid and enforceable first priority mortgage lien on such real property, free and clear of all defects and encumbrances except Permitted Liens, which title insurance policies shall otherwise be in form and substance satisfactory to the Lender and shall include such endorsements as are requested by the Lender;

(e) Evidence of Insurance. Receipt by the Lender of copies of insurance policies or certificates of insurance of the Borrower evidencing liability and casualty insurance meeting the requirements set forth in the Loan Documents.

(f) Closing Certificate. Receipt by the Lender of a certificate signed by a Responsible Officer of the Borrower as of the Closing Date certifying that the conditions specified in Sections 5.02(a) and (b) have been satisfied as of the Closing Date.

(g) Closing Date Acquisition. The Closing Date Acquisition shall have been consummated in accordance with the terms of the Asset Purchase Agreement and the representations and warranties contained therein shall be true and correct.

(h) Master Services Agreement. The Borrower shall have executed and delivered the Master Services Agreement.

5.02 Conditions to all Credit Extensions.

The obligation of the Lender to honor any Request for Credit Extension (other than the initial Credit Extension on the Closing Date, in the case of clause (a) below) is subject to the following conditions precedent:

(a) The representations and warranties of each Loan Party contained in Article VI or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct shall be true and correct in all material respects, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect which such representation and warranty shall be true and correct in all respects, on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date.

(b) No Default shall exist or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 5.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

The Loan Parties represent and warrant to the Lender that:

6.01 Representations and Warranties in the Asset Purchase Agreement.

As of the Closing Date, the representations and warranties of each Loan Party contained in the Asset Purchase Agreement or in any document furnished under or in connection therewith shall be true and correct in all material respects, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect which such representation and warranty shall be true and correct in all respects.

6.02 Existence, Qualification and Power.

The Borrower and each of its Subsidiaries (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and

approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified, licensed, has a letter of assurance indicating continued approval, and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

6.03 Authorization; No Contravention.

The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party have been duly authorized by all necessary corporate or other organizational action, and do not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien (other than any Lien created under the Loan Documents) under, or require any payment to be made under (i) any material Contractual Obligation to which such Person is a party or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law.

6.04 Governmental Authorization; Other Consents.

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document other than (i) those that have already been obtained and are in full force and effect and (ii) filings to perfect the Liens created by, or otherwise contemplated by, the Collateral Documents.

6.05 Binding Effect.

Each Loan Document has been duly executed and delivered by each Loan Party that is a party thereto. Each Loan Document constitutes a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against such Loan Party that is party thereto in accordance with its terms, except as enforceability may be limited by applicable Debtor Relief Laws or by equitable principles relating to enforceability.

6.06 **[Reserved]**.

6.07 **[Reserved]**.

6.08 No Default.

(a) Neither the Borrower nor any Subsidiary is in default under or with respect to any Contractual Obligation that would reasonably be expected to have a Material Adverse Effect.

(b) No Default has occurred and is continuing.

6.09 Ownership of Property; Liens.

Each of the Borrower and its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as would not reasonably be expected to have a Material Adverse Effect. The property of the Borrower and its Subsidiaries is not subject to any Liens other than Permitted Liens.

6.10 Environmental Compliance.

Except as would not reasonably be expected to have a Material Adverse Effect:

(a) Each of the facilities and real properties owned, leased or operated by the Borrower or any Subsidiary (the "Facilities") and all operations at the Facilities are in compliance with all applicable Environmental Laws, and there is no violation of any Environmental Law with respect to the Facilities or the businesses operated by the Borrower and its Subsidiaries at such time (the "Businesses"), and there are no conditions relating to the Facilities or the Businesses that would reasonably be expected to give rise to liability under any applicable Environmental Laws.

(b) None of the Facilities contains, or has previously contained, any Hazardous Materials at, on or under the Facilities in amounts or concentrations that constitute or constituted a violation of, or could give rise to liability under, Environmental Laws.

(c) Neither the Borrower nor any Subsidiary has received any written notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability arising under Environmental Laws with regard to any of the Facilities or the Businesses, nor does any Responsible Officer of any Loan Party have knowledge or reason to believe that any such notice will be received or is being threatened.

(d) Hazardous Materials have not been transported or disposed of from the Facilities, or generated, treated, stored or disposed of at, on or under any of the Facilities or any other location, in each case by or on behalf of the Borrower or any Subsidiary in violation of, or in a manner that would be reasonably likely to give rise to liability under, any applicable Environmental Laws.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Responsible Officers of the Loan Parties, threatened in writing, under any Environmental Laws to which the Borrower or any Subsidiary is or, to the knowledge of the Responsible Officers of the Loan Parties, will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Laws with respect to the Borrower, any Subsidiary, the Facilities or the Businesses.

(f) There has been no release or threat of release of Hazardous Materials at or from the Facilities, or arising from or related to the operations (including disposal) of the Borrower or any Subsidiary in connection with the Facilities or otherwise in connection with the Businesses, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws.

6.11 Insurance.

(a) The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates.

(b) The Borrower and its Subsidiaries maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral, on such terms and in such amounts as required by The National Flood Insurance Reform Act of 1994 or as otherwise required by the Lender.

6.12 Taxes.

(a) The Borrower is an organization described in, and exempt from U.S. federal income taxes under, Section 501(c)(3) of the Internal Revenue Code and is qualified to operate an educational organization described in Section 170(b)(1)(A)(ii) of the Internal Revenue Code.

(b) The Borrower and its Material Subsidiaries have filed all tax returns required to have been filed and have paid all taxed due and payable, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.13 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other Federal or state Laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Internal Revenue Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code, or an application for such a letter is currently being processed by the IRS. To the knowledge of the Responsible Officers of the Loan Parties, nothing has occurred that would reasonably be expected to prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the knowledge of the Responsible Officers of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that would reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or would reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and neither any Loan Party nor any ERISA Affiliate is aware of any fact, event or circumstance that would reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) each Loan Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Internal Revenue Code) is 60% or higher and neither any Loan Party nor any ERISA Affiliate knows of any facts or circumstances that would reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iv) neither any Loan Party nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) neither any Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that would reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

6.14 Subsidiaries.

Except as set forth on Schedule 6.14, as of the Closing Date, the Borrower has no Subsidiaries.

6.15 Margin Regulations; Investment Company Act.

(a) The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) subject to the provisions of Section 8.01 or Section 8.05 or subject to any restriction contained in any agreement or instrument between the Borrower and the Lender or any Affiliate of the Lender relating to Indebtedness and within the scope of Section 9.01(e) will be margin stock.

(b) None of the Borrower or any Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

6.16 **[Reserved]**.

6.17 Compliance with Laws.

Each of the Borrower and each Subsidiary is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Laws or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

6.18 Intellectual Property; Licenses, Etc.

The Borrower and its Subsidiaries own, or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, "IP Rights") that are reasonably necessary for the operation of their respective businesses. Except for such claims and infringements that would not reasonably be expected to have a Material Adverse Effect, no claim has been asserted and is pending by any Person challenging or questioning the use of any IP Rights or the validity or effectiveness of any IP Rights, nor does any Responsible Officer of any Loan Party know of any such claim, and, to the knowledge of the Responsible Officers of the Loan Parties, the use of any IP Rights by the Borrower or any Subsidiary, the granting of a right or a license in respect of any IP Rights from the Borrower or any Subsidiary does not infringe on any rights of any other Person.

6.19 Solvency.

The Loan Parties are Solvent on a consolidated basis.

6.20 **[Reserved]**.

6.21 Business Locations; Taxpayer Identification Number.

Set forth on Schedule 6.21-1 is the chief executive office, U.S. taxpayer identification number and organizational identification number of each Loan Party as of the Closing Date. The exact legal name and state of organization of each Loan Party as of the Closing Date is as set forth on the signature pages hereto. Except as set forth on Schedule 6.21-2, no Loan Party has during the five years preceding the Closing Date (i) changed its legal name, (ii) changed its state of formation, or (iii) been party to a merger, consolidation or other change in structure.

6.22 OFAC.

No Loan Party nor, to the knowledge of any Loan Party, any Related Party, (a) is currently the subject of any Sanctions, (b) is located, organized or residing in any Designated Jurisdiction or (c) is or has been (within the previous five (5) years) engaged in any transaction with any Person who is now or was then the subject of Sanctions or who is located, organized or residing in any Designated Jurisdiction. No Loan, nor the proceeds from any Loan, has been used, directly or indirectly, to lend, contribute, provide or has otherwise made available to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including the Lender) of Sanctions.

ARTICLE VII

AFFIRMATIVE COVENANTS

So long as the Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder (other than contingent indemnification obligations not yet due and payable) shall remain unpaid or unsatisfied, the Loan Parties shall and shall cause each Subsidiary to:

7.01 Financial Statements.

Deliver to the Lender, in form and detail reasonably satisfactory to the Lender:

(a) as soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Borrower (or, if earlier, fifteen (15) days after the date required to be filed with the DOE (without giving effect to any extension permitted by the DOE)), commencing with the fiscal year ending December 31, 2018, the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in fund balance, cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, and in the case of such consolidated statements audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Lender, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit;

(b) as soon as available, but in any event within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, commencing with the fiscal quarter ended September 30, 2018, the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, and the related consolidated statements of changes in fund balance, cash flows for the portion of the Borrower's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and in the case of such consolidated statements certified by the chief executive officer, chief financial officer, treasurer or controller of the Borrower as fairly presenting the financial condition, results of operations, changes in fund balance and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

(c) as soon as available, but in any event within seventy-five (75) days after the end of each fiscal year of the Borrower, commencing with the fiscal year ending December 31, 2018, forecasts prepared by management of the Borrower, in form satisfactory to the Lender, of consolidated balance sheets and statements of income or operations and cash flows of the Borrower and its Subsidiaries on an annual basis for the immediately following three fiscal years (including the fiscal year in which the Maturity Date occurs).

As to any information contained in materials furnished pursuant to Section 7.02(d), the Borrower shall not be separately required to furnish such information under clause (a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in clauses (a) and (b) above at the times specified therein.

7.02 Certificates; Other Information.

Deliver to the Lender, in form and detail reasonably satisfactory to the Lender:

(a) promptly after receipt by the Borrower or any Subsidiary from the DOE, the Cohort Default Rate for each School for each federal fiscal year and the DOE Ratio for each fiscal year of the Borrower;

(b) concurrently with the delivery of the financial statements referred to in Sections 7.01(a) and (b), a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower (which delivery may, unless the Lender requests executed originals, be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes);

(c) promptly after the filing thereof with the DOE, a copy of the Borrower's most recent Title IV Compliance Audit as filed with the DOE;

(d) promptly after any request by the Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of trustees (or the audit committee of the board of trustees) of the Borrower by independent accountants in connection with the accounts or books of the Borrower or any Subsidiary, or any audit of any of them;

(e) promptly, and in any event within five Business Days after receipt thereof by the Borrower or any Subsidiary, copies of each notice or other correspondence received from the DOE, the Higher Learning Commission or any other Accrediting Body (or comparable agencies in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by any such agency regarding financial or other operational results of the Borrower or any Subsidiary; and

(f) promptly, such additional information regarding the business, financial or corporate affairs of the Borrower or any Subsidiary (including consolidating financial statements), or compliance with the terms of the Loan Documents, as the Lender may from time to time reasonably request.

7.03 Notices.

Promptly notify the Lender of:

(a) the occurrence of any Default;

(b) any matter that has resulted or would reasonably be expected to result in a Material Adverse Effect, including each of the following to the extent the same has resulted or would reasonably be expected to result in a Material Adverse Effect: (i) any pending or, to the knowledge of any Responsible Officer of any Loan Party, threatened loss by the School of any of its Accreditations or any other accreditation, license, permit or authorization required for the School to participate in one or more Title IV Programs; (ii) any change to occur in state or federal Laws, rules or governmental regulations or budgetary allocations or educational loan policies; and (iii) any pending or, to the knowledge of any Responsible Officer of any Loan Party, threatened in writing investigation, inquiry or proceeding against the School by the DOE, any state governmental agency or Accrediting Body;

(c) the occurrence of any of the events described in clauses (a), (b) and (c) of the definition of "Significant Regulatory Event";

(d) the occurrence of any ERISA Event;

(e) any material change in accounting policies or financial reporting practices by the Borrower or any Subsidiary, including any determination by the Borrower referred to in Section 2.10(b); and

(f) the imposition by the DOE of a requirement that the Borrower, any Subsidiary or the School post or procure or obtain the issuance of a Regulatory Letter of Credit.

Each notice pursuant to this Section 7.03 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 7.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

7.04 Maintenance of Non-Profit Status.

Maintain in full force and effect the Borrower's status as (a) an organization described in, and exempt from U.S. federal income tax under, Section 501(c)(3) of the Internal Revenue Code and its qualification to operate an educational organization described in Section 170(b)(1)(A)(ii) of the Internal Revenue Code, and (b) a nonprofit institution of higher education for purposes of the Higher Education Act of 1965, as amended.

7.05 Preservation of Existence, Etc.

(a) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 8.04 or 8.05.

(b) Preserve, renew and maintain in full force and effect its good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 8.04 or 8.05.

(c) Take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(d) Preserve or renew all of its IP Rights, the non-preservation or non-renewal of which would reasonably be expected to have a Material Adverse Effect.

(e) Maintain all accreditations, licenses, permits and authorizations required for each School to conduct its business, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

7.06 Maintenance of Properties.

(a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted.

(b) Make all necessary repairs thereto and renewals and replacements thereof, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(c) Use the standard of care typical in the industry in the operation and maintenance of its Facilities.

7.07 Maintenance of Insurance.

(a) Maintain with financially sound and reputable insurance companies not Affiliates of the Borrower, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

(b) Without limiting the foregoing, (i) maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral, on such terms and in such amounts as required by The National Flood Insurance Reform Act of 1994 or as otherwise required by the Lender, (ii) furnish to the Lender evidence of the renewal (and payment of renewal premiums therefor) of all such policies prior to the expiration or lapse thereof, and (iii) furnish to the Lender prompt written notice of any redesignation of any such improved real property into or out of a special flood hazard area.

(c) Cause the Lender and its successors and/or assigns to be named as lender’s loss payee or mortgagee as its interest may appear, and/or additional insured with respect to any such insurance providing liability coverage or coverage in respect of any Collateral, and cause each provider of any such insurance to agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Lender, that it will give the Lender thirty (30) days (or such lesser amount as the Lender may agree) prior written notice before any such policy or policies shall be altered or canceled.

7.08 Compliance with Laws.

Comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Laws or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith would not reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, comply with (i) all applicable Laws the violation of which would result in the loss or suspension of, the eligibility of the School to participate in one or more Title IV Programs, (ii) the federal Truth-in-Lending Act, 15 U.S.C. § 1601 et seq., and all other consumer credit Laws applicable to the Borrower, any Subsidiary or the School in connection with the advancing of student loans, except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect, and (iii) all statutory and regulatory requirements for authorization to provide post-secondary education in the jurisdictions in which its

educational Facilities are located, except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

7.09 Books and Records.

(a) Maintain proper books of record and account, in which full, true and correct entries in all material respects in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower or such Subsidiary, as the case may be.

(b) Maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Borrower or such Subsidiary, as the case may be.

7.10 Inspection Rights.

(a) Permit representatives and independent contractors of the Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records and make copies thereof or abstracts therefrom, to discuss its affairs, finances and accounts with its directors, officers and independent public accountants, all at the expense of the Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided, that (i) unless an Event of Default has occurred and is continuing, the Borrower shall be required to pay for only one field exam by the Lender in any fiscal year of the Borrower and (ii) if an Event of Default has occurred and is continuing the Lender (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice.

(b) Permit representatives and independent contractors of the Lender to conduct Appraisals of the real property Collateral at the expense of the Borrower provided, however, that unless an Event of Default has occurred and is continuing, the Lender shall not conduct more than one Appraisal of the real property Collateral in any calendar year.

7.11 Use of Proceeds.

Use the proceeds of the CapEx Loans solely to make the Approved Capital Expenditure for which such CapEx Loan was funded, in accordance with the Approved Capital Expenditure Budget.

7.12 Additional Guarantors.

Within thirty (30) days (or such later date as the Lender may agree in its sole discretion) after any Person becomes a Material Subsidiary, cause such Person to (i) become a Guarantor by executing and delivering to the Lender a Joinder Agreement and (ii) deliver to the Lender documents of the types referred to in Sections 5.01(c) and (d) and favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (a)), all in form, content and scope reasonably satisfactory to the Lender.

7.13 Pledged Assets.

(a) Equity Interests. Cause 100% of the issued and outstanding Equity Interests of each Material Subsidiary to be subject at all times to a first priority, perfected Lien in favor of the Lender, for the benefit of the holders of the Obligations, to secure the Obligations pursuant to the Collateral Documents (subject to Permitted Liens), and, in connection with the foregoing, deliver to the Lender such

other documentation as the Lender may request including, any filings and deliveries to perfect such Liens, Organization Documents, resolutions and favorable opinions of counsel all in form, content and scope reasonably satisfactory to the Lender.

(b) Personal Property. Cause all personal property (other than Excluded Personal Property) of each Loan Party to be subject at all times to first priority, perfected Liens in favor of the Lender, for the benefit of the holders of the Obligations, to secure the Obligations pursuant to the Collateral Documents (subject to Permitted Liens) and, in connection with the foregoing, deliver to the Lender such other documentation as the Lender may reasonably request including filings and deliveries necessary to perfect such Liens, Organization Documents, resolutions and favorable opinions of counsel to such Person, all in form, content and scope reasonably satisfactory to the Lender.

(c) Real Property. Cause all real property of the Loan Parties to be subject at all times to first priority, perfected Liens in favor of the Lender, for the benefit of the holders of the Obligations, to secure the Obligations and, in connection with the foregoing, deliver to the Lender the Real Property Deliverables for such real property (other than, with respect to any such real property acquired after the Closing Date, an Appraisal), favorable opinions of counsel and such other documentation as the Lender may request, all in form, content and scope reasonably satisfactory to the Lender.

7.14 Compliance with Contractual Obligations.

Comply with all requirements of Contractual Obligations (including lease agreements with respect to leasehold interests in real property) except in such instances in which (a) such requirement is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

7.15 Regulatory Letter of Credit.

If required by any DOE requirement, cooperate with the Lender to make reasonable efforts to obtain and maintain a Regulatory Letter of Credit in compliance with all DOE requirements.

ARTICLE VIII

NEGATIVE COVENANTS

So long as the Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder (other than contingent indemnification obligations not yet due and payable) shall remain unpaid or unsatisfied, no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

8.01 Liens.

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the date hereof and listed on Schedule 8.01 and any modifications, replacements, renewals or extensions thereof, provided that the Liens do not extend to any property other than the property subject to such Liens on the Closing Date and the proceeds and products thereof;

(c) Liens (other than Liens imposed under ERISA) for taxes, assessments or governmental charges or levies which are not overdue for a period of more than thirty (30) days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) Liens of landlords, carriers, warehousemen, mechanics, materialmen and repairmen and other like Liens arising in the ordinary course of business, provided that such Liens secure only amounts not overdue for a period of more than thirty (30) days or, if overdue for more than thirty (30) days, are being contested in good faith by appropriate proceedings diligently conducted for which adequate reserves determined in accordance with GAAP have been established;

(e) (i) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA, and (ii) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to the Borrower or any Subsidiary;

(f) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness for borrowed money), statutory obligations, surety, stay, custom and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances and minor title defects affecting real property which, in the aggregate do not in any case materially interfere with the ordinary conduct of the business of the applicable Person;

(h) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default under Section 9.01(h);

(i) Liens securing Indebtedness permitted under Section 8.03(e); provided that (i) such Liens do not at any time encumber any property other than (A) the property financed by such Indebtedness and the proceeds and products of such property and (B) other Indebtedness permitted under Section 8.03(e) that is provided by the same lender and (ii) such Liens attach to such property concurrently with or within ninety days after the acquisition thereof;

(j) leases, subleases, licenses or sublicenses granted to others not interfering in any material respect with the business of the Borrower or any Subsidiary;

(k) any interest of title of a lessor under, and Liens arising from UCC financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to, leases permitted by this Agreement;

(l) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 8.02;

(m) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions;

(n) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection;

(o) Liens consisting of an agreement to Dispose of any property in a Disposition permitted under Section 8.05, in each case, solely to the extent such Disposition would have been permitted on the date of the creation of such Lien;

(p) Liens arising on any real property as a result of any eminent domain, condemnation or similar proceeding being commenced with respect to such real property;

(q) Liens in favor of any Loan Party securing Indebtedness permitted under Section 8.03(c);

(r) Liens existing on property at the time of its acquisition or existing on the property of any Person at the time such Person becomes a Subsidiary, in each case after the Closing Date; provided, that (i) any such Lien was not created in contemplation of such acquisition or such Person becoming a Subsidiary, (ii) such Lien does not extend to or cover any other assets or property (other than proceeds or products of the property subject to such Lien), and (iii) the Indebtedness secured thereby is permitted under Section 8.03; and

(s) Liens solely on any cash earnest money deposits made by the Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder.

8.02 Investments.

Make any Investments, except:

(a) Investments in the form of cash or Cash Equivalents;

(b) Investments outstanding on the date hereof and set forth in Schedule 8.02;

(c) Investments in any Person that is a Loan Party prior to giving effect to such Investment;

(d) Investments by any Subsidiary that is not a Loan Party in any other Subsidiary that is not a Loan Party;

(e) Investments in any Subsidiary that is a Wholly Owned Subsidiary solely to provide funds to such Subsidiary to acquire real property;

(f) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(g) Investments consisting of loans, advances and other extensions of credit to officers, trustees and employees of the Borrower and its Subsidiaries (i) for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes, or (ii) otherwise for business purposes in an amount not to exceed $2.5 million in the aggregate at any time outstanding;

(h) Guarantees permitted by Section 8.03;

(i) Permitted Acquisitions;

(j) to the extent constituting Investments, transactions permitted under Sections 8.01, 8.03, 8.04, 8.05 and 8.06;

(k) Investments in Swap Contracts permitted under Section 8.03;

(l) Investments consisting of promissory notes and other noncash consideration received in connection with Dispositions permitted by Section 8.05 and any other sale, transfer, license, lease or other disposition of property not prohibited by the Loan Documents;

(m) [Reserved]

(n) Investments of a Subsidiary acquired after the Closing Date or of a Person that is merged into or consolidated with the Borrower or any Subsidiary after the Closing Date provided that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation; and

(o) Investments of a nature not contemplated in the foregoing clauses in an amount not to exceed $2,500,000 (calculated at the date such Investment is made) in the aggregate at any time outstanding.

8.03 Indebtedness.

Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness outstanding on the date hereof and set forth in Schedule 8.03 and any refinancings, refundings, renewals and extensions thereof; provided that (i) the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilized thereunder and (ii) the material terms taken as a whole of such refinancing, refunding, renewal or extension are not materially less favorable to the Borrower and its Subsidiaries than the terms of the Indebtedness being refinanced, refunded, renewed or extended;

(c) intercompany Indebtedness permitted under Section 8.02;

(d) obligations (contingent or otherwise) existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a “market view;” and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(e) purchase money Indebtedness (including obligations in respect of capital leases and Synthetic Lease Obligations) hereafter incurred to finance the purchase, renovation or improvement of fixed assets, and renewals, refinancings and extensions thereof, provided that (i) the aggregate principal amount of all such Indebtedness incurred in any fiscal year shall not exceed $5 million; (ii) the aggregate outstanding principal amount of all such Indebtedness shall not exceed $20 million at any one time outstanding; and (iii) such Indebtedness when incurred shall not exceed the purchase price of the asset(s) financed;

(f) deferred purchase price obligations (including earn-out payment obligations) incurred in connection with Permitted Acquisitions provided that such obligations are subordinated to the Obligations in a manner and to an extent satisfactory to the Lender;

(g) Subordinated Indebtedness provided that (i) no Default exists immediately prior or after giving effect thereto, and (ii) immediately after giving effect to the incurrence of such Subordinated Indebtedness, Liquidity shall be at least $75 million;

(h) Guarantees with respect to Indebtedness permitted under this Section 8.03;

(i) the endorsement of negotiable instruments received in the usual course of business;

(j) Indebtedness representing deferred compensation to employees of the Borrower or any Subsidiary incurred in the ordinary course of business;

(k) Indebtedness incurred by the Borrower or its Subsidiaries in any Disposition constituting indemnification obligations or obligations in respect of purchase price or other similar adjustments;

(l) Indebtedness in respect of netting services, overdraft protections and similar arrangements in each case in connection with deposit accounts in the ordinary course of business;

(m) Indebtedness consisting of the financing of insurance premiums in the ordinary course of business; and

(n) additional Indebtedness not covered by the foregoing clauses of this Section, provided that on the date of incurrence of such Indebtedness (after giving effect to such Indebtedness) the aggregate outstanding principal amount of all such Indebtedness shall not exceed $2,500,000.

8.04 Fundamental Changes.

Merge, dissolve, liquidate or consolidate with or into another Person, except that so long as no Default exists or would result therefrom, (a) the Borrower may merge or consolidate with any of its Subsidiaries provided that the Borrower is the continuing or surviving Person, (b) any Subsidiary may merge or consolidate with any other Subsidiary provided that if a Loan Party is a party to such transaction, the continuing or surviving Person is a Loan Party, (c) subject to clause (a) above, the Borrower or any Subsidiary may merge with any other Person in connection with a Permitted Acquisition provided that if the Borrower is a party thereto then the Borrower is the continuing or surviving Person and (d) any Subsidiary may dissolve, liquidate or wind up its affairs at any time provided that such dissolution, liquidation or winding up, as applicable, would not have a Material Adverse Effect.

8.05 Dispositions.

Make any Disposition unless (a) at least 75% of the consideration paid in connection therewith shall be cash or Cash Equivalents paid contemporaneous with consummation of such Disposition, (b) the consideration paid in connection therewith shall be in an amount not less than the fair market value of the property disposed of, (c) if such Disposition is a Sale and Leaseback Transaction, such Disposition is not prohibited by the terms of Section 8.14, (d) such Disposition does not involve the Disposition of a minority equity interest in any Subsidiary, (e) such Disposition does not involve a Disposition of receivables other than receivables owned by or attributable to other property concurrently being Disposed of in a Disposition otherwise permitted under this Section 8.05 and (f) the aggregate net book value of all

of the property Disposed of by the Borrower and its Subsidiaries in any fiscal year shall not exceed (calculated at the date such Disposition is consummated) $2,500,000.

8.06 Restricted Payments.

Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that so long as no Default has occurred and is continuing:

(a) each Subsidiary may declare and make Restricted Payments to Persons that own Equity Interests in such Subsidiary, ratably according to their respective holdings of the type of Equity Interest in respect of which such Restricted Payment is being made; and

(b) each Subsidiary may declare and make dividend payments or other distributions payable solely in common Equity Interests of such Person.

8.07 Change in Nature of Business.

Engage in any material line of business substantially different from those lines of business conducted by the Borrower and its Subsidiaries on the Closing Date or any business reasonably related or incidental thereto.

8.08 Transactions with Affiliates.

Enter into or permit to exist any transaction or series of transactions with any Affiliate of such Person other than (a) transactions among the Loan Parties, (b) intercompany transactions expressly permitted by Section 8.02, Section 8.03, Section 8.04, Section 8.05 or Section 8.06, (c) normal and reasonable compensation and reimbursement of expenses of officers and trustees, (d) employment and severance arrangements among the Borrower, its Subsidiaries and their respective officers and employees in the ordinary course of business, (e) transactions permitted under the Borrower's conflict of interest policy as in effect on the date hereof and attached hereto as Schedule 8.08, (f) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, trustees, officers and employees of the Borrower and its Subsidiaries in the ordinary course of business and (g) except as otherwise specifically limited in this Agreement, other transactions which are on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arms-length transaction with a Person other than an Affiliate.

8.09 Burdensome Agreements.

Enter into, or permit to exist, any Contractual Obligation that encumbers or restricts the ability of any such Person to (i) make Restricted Payments to any Loan Party, (ii) pay any Indebtedness or other obligation owed to any Loan Party, (iii) make loans or advances to any Loan Party, (iv) transfer any of its property to any Loan Party, (v) pledge its property pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof or (vi) act as a Loan Party pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof, except (in respect of any of the matters referred to in clauses (i)-(v) above) for (1) this Agreement and the other Loan Documents, (2) any document or instrument governing Indebtedness incurred pursuant to Section 8.03(e) or Section 8.03(f), provided that any such restriction contained therein relates only to the asset or assets purchased, renovated or improved in connection therewith, (3) any Permitted Lien or any document or instrument governing any Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien, (4) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 8.05 pending the

consummation of such sale, (5) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 8.02 and applicable solely to such joint venture entered into in the ordinary course of business, (6) customary restrictions on leases, subleases, licenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to the assets subject thereto, (7) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or any Subsidiary, (8) customary provisions restricting assignment of any agreement entered into in the ordinary course of business, (9) are restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business and (10) are required by any applicable Laws, including any rule or regulation of the DOE, any Accrediting Body or any state regulatory authority.

8.10 Use of Proceeds.

Use the proceeds of any CapEx Loan, whether directly or indirectly, and whether immediately, incidentally or ultimately for anything other than an Approved Capital Expenditure.

8.11 Organization Documents; Fiscal Year; Legal Name, State of Formation and Form of Entity.

(a) Amend, modify or change its Organization Documents in a manner adverse to the Lender.

(b) Change its fiscal year.

(c) Without providing ten (10) days prior written notice to the Lender (or such lesser period as the Lender may agree), change its name, state of formation or form of organization.

8.12 Ownership of Subsidiaries.

Notwithstanding any other provisions of this Agreement to the contrary, (a) permit any Person (other than the Borrower or any Wholly Owned Subsidiary) to own any Equity Interests of any Subsidiary, or (b) permit any Subsidiary to issue or have outstanding any shares of preferred Equity Interests.

8.13 Sale Leasebacks.

Enter into any Sale and Leaseback Transaction.

8.14 Sanctions.

Permit any Loan or the proceeds of any Loan, directly or indirectly, (a) to be lent, contributed or otherwise made available to fund any activity or business in any Designated Jurisdiction; (b) to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions; or (c) in any other manner that will result in any violation by any Person (including the Lender) of any Sanctions.

8.15 Educational Covenants.

(a) DOE Ratio. Permit the DOE Ratio to be less than (i) 1.00 as of the end of the fiscal year of the Borrower ending June 30, 2019, or (ii) 1.50 as of the end of any fiscal year of the Borrower thereafter without advance written approval from Lender received prior to the start of each fiscal year in which the Borrower believes its DOE Ratio will fall below 1.50.

(b) Cohort Default Rate. Permit the Cohort Default Rate for the School (i) with respect to any period prior to the release of official cohort default rates, to be equal to or greater than thirty percent (30%) for three consecutive federal fiscal years or (ii) to exceed forty percent (40%) for any single federal fiscal year.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

9.01 Events of Default.

Any of the following shall constitute an Event of Default:

(a) Non-Payment. Any Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan, or (ii) within three days after the same becomes due, any interest on any Loan, or any fee due hereunder, or (iii) within five days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants.

(i) Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 7.01, 7.02 or 7.10 and such failure continues for five days; or

(ii) Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 7.03(a), 7.05(a) or 7.11 or Article VIII; or

(c) Master Services Agreement. The Master Services Agreement is terminated or otherwise expires in accordance with its terms; or

(d) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days; or

(e) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Loan Party herein, in any other Loan Document, or in any document executed by a Responsible Officer and delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (or if such representation, warranty, certification or statement of fact is qualified by materiality or reference to Material Adverse Effect such representation, warranty, certification or statement of fact is incorrect or misleading in any respect); or

(f) Cross-Default. (i) The Borrower or any Subsidiary fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Material Indebtedness; (ii) the Borrower or any Subsidiary fails to observe or perform any other agreement or condition relating to any Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Material Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, such Material Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Material Indebtedness to be made, prior to its stated maturity; or (iii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under

such Swap Contract as to which the Borrower or any Subsidiary is the "defaulting party" (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Borrower or any Subsidiary is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by the Borrower or such Subsidiary as a result thereof is greater than the $1,000,000; or

(g) Insolvency Proceedings, Etc. The Borrower or any Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty calendar days, or an order for relief is entered in any such proceeding; or

(h) Inability to Pay Debts; Attachment. (i) The Borrower or any Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(i) Judgments. There is entered against the Borrower or any Subsidiary (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding $2,500,000 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of the claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or would reasonably be expected to have a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or such judgment being paid, satisfied, vacated or bonded, or otherwise, is not in effect; or

(j) Sanctions. The DOE imposes one or more monetary sanctions against the Borrower or any Subsidiary (including monetary fines or requirements to repay Title IV funds) in an aggregate amount (as to all such monetary sanctions) exceeding $2,500,000 and there is a period of thirty (30) consecutive days during which a stay of enforcement of such monetary sanction, by reason of a pending appeal or such monetary sanction being paid, satisfied, vacated or bonded, or otherwise, is not in effect; or

(k) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or would reasonably be expected to result in liability of one or more Loan Parties under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of $2,500,000, or (ii) one or more Loan Parties or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of $2,500,000; or

(l) Invalidity of Loan Documents. Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect or ceases to give the Lender any material part of the Liens purported to be created thereby; or any Loan Party or any other Person

contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any Loan Document; or

(m) Change of Control. There occurs any Change of Control; or

(n) Significant Regulatory Event. There occurs a Significant Regulatory Event.

Anything in this Section 9.01 to the contrary notwithstanding, any event, omission or act that would otherwise result in an Event of Default hereunder shall not be deemed an Event of Default hereunder if such event, omission or act results directly or indirectly from (i) a breach of a representation or warranty of Lender under the Asset Purchase Agreement or the Master Services Agreement, or (ii) Lender's failure to observe or perform any covenant or agreement in the Asset Purchase Agreement or the Master Services Agreement.

9.02 Remedies Upon Event of Default.

If any Event of Default occurs and is continuing, the Lender may take any or all of the following actions:

(a) declare the commitment of the Lender to make Loans to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower; and

(c) exercise on behalf of itself all rights and remedies available to it under the Loan Documents or applicable Laws or at equity;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, the obligation of the Lender to make Loans shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of the Lender.

9.03 Application of Funds.

After the exercise of remedies provided for in Section 9.02 (or after the Loans have automatically become immediately due and payable as set forth in the proviso to Section 9.02), any amounts received on account of the Obligations shall, subject to the provisions of Sections 2.14 and 2.15, be applied by the Lender in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Lender and amounts payable under Article III) payable to the Lender;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts payable to the Lender (including fees, charges and disbursements of counsel to the Lender arising under the Loan Documents and amounts payable under Article III);

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and other Obligations arising under the Loan Documents;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Laws.

ARTICLE X

[RESERVED]

ARTICLE XI

MISCELLANEOUS

11.01 Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Loan Party therefrom, shall be effective unless in writing signed by the Lender and the applicable Loan Party, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

11.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, if to any Loan Party or the Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 11.02.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Lender. The Lender or the Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Lender otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender’s receipt of an acknowledgement from the intended

recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) [Reserved].

(d) Change of Address, Etc. Each Loan Party and the Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto.

(e) Reliance by Lender. The Lender shall be entitled to rely in good faith and act upon any notices (including telephonic or electronic Request for Credit Extension) purportedly given by or on behalf of any Loan Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Loan Party. All telephonic notices to and other telephonic communications with the Lender may be recorded by the Lender, and each of the parties hereto hereby consents to such recording.

11.03 No Waiver; Cumulative Remedies.

No failure by the Lender to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document (including the imposition of the Default Rate) preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided and provided under each other Loan Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Laws.

11.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Loan Parties shall pay (i) all reasonable documented out-of-pocket expenses incurred by the Lender and its Affiliates (including the reasonable documented fees, charges and disbursements of counsel for the Lender) in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable documented out-of-pocket expenses incurred by the Lender (including the reasonable documented fees, charges and disbursements of any counsel for the Lender) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Lender (and any agent thereof), and each of its Related Parties (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable documented fees, charges and disbursements of any counsel for any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any Subsidiary, or any Environmental Liability related in any way to the Borrower or any Subsidiary, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (including fees, charges and disbursements of counsel for such Indemnitee) (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by any Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) arise from disputes between or among Indemnitees that do not involve an act or omission by (1) the Borrower, any Subsidiary or any Affiliate of the Borrower or (2) the Lender acting in its capacity as such. Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) [Reserved].

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Laws, no Loan Party shall assert, and each Loan Party hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 11.02(e) shall survive the resignation of the Lender, the replacement of the Lender, the

termination of the CapEx Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05 **[Reserved]**.

11.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that (x) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder or thereunder without the prior written consent of the Lender and (y) the Lender may assign or otherwise transfer any of its rights or obligations hereunder (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of the Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lender. The Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans at the time owing to it). In connection with any partial assignment by the Lender, each Loan Party agrees to enter into such amendments to this Agreement and the other Loan Documents as the Lender may reasonably request to reflect, if applicable as a result of an assignment of only a portion of this Agreement, the multi-lender nature of the Loan Documents including, without limitation, (i) insertion of provisions relating to the appointment and compensation of an administrative agent and a collateral agent for the credit facilities, and (ii) modifications to the amendment, assignment, indemnity, reimbursement, pro rata treatment, defaulting lender and other provisions to reflect customary market terms for such provisions in the context of a multi-lender facility.

(c) Register. The Lender, acting solely for this purpose as an agent of the Borrower (and such agency being solely for Tax purposes), shall maintain at the Lender's Office a copy of each assignment agreement delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lender, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, the Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Lender and the Lender shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as the Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. The Lender may at any time, without the consent of, or notice to, the Borrower, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of the Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) the Lender's obligations under this Agreement shall remain unchanged, (ii) the Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to

which the Lender sells such a participation shall provide that the Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that the Lender will not, without the consent of the Participant, agree to certain customary amendments, waivers or other modifications. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were the Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were the Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. To the extent permitted by applicable Laws, each Participant also shall be entitled to the benefits of Section 11.08 as though it were the Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were the Lender. The Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and the Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(e) Certain Pledges. The Lender may at any time pledge, collaterally assign or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of the Lender, including any pledge, collateral assignment or assignment to secure obligations to a secured lender or a Federal Reserve Bank; provided that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto (other than with respect to the exercise of remedies of any collateral assignment permitted hereby).

(f) Limitation. Notwithstanding the provisions of this Agreement, including this Section 11.06, to the contrary, any assignment, including as a participation, of this Agreement, or any of Lender's rights herein, shall be only to a Person who also assumes (to a comparable percentage), Lender's obligations under the Master Services Agreement. The foregoing sentence shall not apply to any collateral assignment of this Agreement to any lender to Lender, or to any transfer upon foreclosure under any such collateral assignment.

11.07 Treatment of Certain Information; Confidentiality.

The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners),

(c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Lender or any of its Affiliates on a nonconfidential basis from a source other than the Borrower. For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Lender on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

The Lender acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Laws, including United States federal and state securities Laws.

11.08 Right of Setoff.

If an Event of Default shall have occurred and be continuing, the Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Laws, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by the Lender or any such Affiliate to or for the credit or the account of any Loan Party against any and all of the obligations of such Loan Party now or hereafter existing under this Agreement or any other Loan Document to the Lender or its Affiliates, irrespective of whether or not the Lender or such Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of the Lender different from the branch, office or Affiliate holding such deposit or obligated on such Indebtedness. The rights of the Lender and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that the Lender or its Affiliates may have. The Lender agrees to notify the Borrower promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 Interest Rate Limitation.

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Laws (the "Maximum Rate"). If the Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it

exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Laws, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 Counterparts; Integration; Effectiveness.

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Lender, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the Lender and when the Lender shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 Survival of Representations and Warranties.

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Lender, regardless of any investigation made by the Lender or on its behalf and notwithstanding that the Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

11.12 Severability.

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 11.12, if and to the extent that the enforceability of any provisions in this Agreement relating to a defaulting lender shall be limited by Debtor Relief Laws, as determined in good faith by the Lender, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 **[Reserved]**.

11.14 Governing Laws; Jurisdiction; Etc.

(a) GOVERNING LAWS. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR

RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ARIZONA.

(b) SUBMISSION TO JURISDICTION. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE LENDER, OR ANY OF ITS RELATED PARTIES IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF ARIZONA SITTING IN MARICOPA COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE DISTRICT OF ARIZONA, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH ARIZONA STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 Waiver of Jury Trial.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR

OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16 No Advisory or Fiduciary Responsibility.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each of the Loan Parties acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Lender are arm's-length commercial transactions between the Loan Parties and their respective Affiliates, on the one hand, and the Lender, on the other hand, (B) each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each of the Loan Parties is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Loan Parties or any of their respective Affiliates, or any other Person and (B) the Lender has no obligation to the Loan Parties or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Lender and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and the Lender has no obligation to disclose any of such interests to the Loan Parties and their respective Affiliates. To the fullest extent permitted by applicable Laws, each of the Loan Parties hereby waives and releases any claims that it may have against the Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.17 Electronic Execution of Assignments and Certain Other Documents.

The words "execute" "execution," "signed," "signature," and words of like import in any assignment and assumption agreement or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Lender or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Laws, including the Federal Electronic Signatures in Global and National Commerce Act, or any other similar state Laws based on the Uniform Electronic Transactions Act.

11.18 Subordination of Intercompany Indebtedness.

Each Loan Party (a "Subordinating Loan Party") agrees that the payment of all obligations and indebtedness, whether principal, interest, fees and other amounts and whether now owing or hereafter arising, owing to such Subordinating Loan Party by any other Loan Party is expressly subordinated to the payment in full in cash of the Obligations. If the Lender so requests, any such obligation or indebtedness shall be enforced and performance received by the Subordinating Loan Party as trustee for the holders of the Obligations and the proceeds thereof shall be paid over to the holders of the Obligations on account of the Obligations, but without reducing or affecting in any manner the liability of the Subordinating Loan Party under this Agreement or any other Loan Document. Without limitation of the foregoing, so long as

no Default has occurred and is continuing, the Loan Parties may make and receive payments with respect to any such obligations and indebtedness, provided, that in the event that any Loan Party receives any payment of any such obligations and indebtedness at a time when such payment is prohibited by this Section, such payment shall be held by such Loan Party, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to the Lender.

11.19 USA PATRIOT Act.

To the extent that the Lender is subject to the Act (as hereinafter defined), the Lender hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of the Loan Parties and other information that will allow the Lender to identify the Loan Parties in accordance with the Act. The Loan Parties shall, promptly following a request by the Lender, provide all documentation and other information that the Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be duly executed as of the date first above written.

BORROWER:

GAZELLE UNIVERSITY
(to be renamed GRAND CANYON UNIVERSITY),
an Arizona nonprofit corporation

By: /s/ Will Gonzalez
Name: Will Gonzalez
Title: Chairman of the Board of Trustees

LENDER:

GRAND CANYON EDUCATION, INC.,
a Delaware corporation

By: /s/ Daniel E. Bachus
Name: Daniel E. Bachus
Title: Chief Financial Officer

Exhibit 10.8

Confidential Treatment has been requested for the redacted portions of this agreement. The redactions are indicated with three asterisks [***]. A complete version of this agreement has been filed separately with the Securities and Exchange Commission.

Execution Version

MASTER SERVICES AGREEMENT

between

GAZELLE UNIVERSITY,
an Arizona nonprofit corporation
(to be renamed Grand Canyon University)

and

GRAND CANYON EDUCATION, INC.,
a Delaware corporation

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MASTER SERVICES AGREEMENT

THIS MASTER SERVICES AGREEMENT (the "***Agreement***") is entered into as of this 1st day of July, 2018 (the "***Effective Date***") by and between **GRAND CANYON EDUCATION, INC.**, a Delaware corporation ("***Provider***"), and **GAZELLE UNIVERSITY**, an Arizona non-profit corporation (to be renamed Grand Canyon University) ("***University***") (each, a "***Party***" and, collectively, the "***Parties***").

A. On the date hereof, University and Provider consummated certain transactions contemplated by an Asset Purchase Agreement, dated the date hereof (the "***Asset Purchase Agreement***"), pursuant to which University acquired the School Assets (as defined in the Asset Purchase Agreement) previously owned by Provider.

B. Effective immediately following the consummation of the transactions contemplated by the Asset Purchase Agreement, University changed its name to "Grand Canyon University."

C. University operates the postsecondary educational institution known as "Grand Canyon University" and conducts Educational Activities on the Campus.

D. University has determined that it is in the best interests of University and its students, faculty and staff to engage Provider to provide to University certain Services as such Services are (i) set forth in this Agreement, (ii) set forth in one or more Services Addenda to this Agreement, or (iii) mutually agreed by the Parties in writing, and has further determined that the terms of this Agreement, including the Services Fees payable hereunder, are fair to the University.

E. University has further determined that the implementation of the services relationship between University and Provider as set forth in this Agreement is in alignment with University's mission and that the Services to be provided by Provider to University hereunder will assist University in fulfilling that mission.

F. Provider desires to provide such Services to University.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. Capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings ascribed to such terms in Exhibit A to this Agreement or given to them in Exhibit B to this Agreement.

2. Certain Representations, Warranties and Covenants of the Parties. Each Party hereby represents, warrants and covenants that, during the Initial Term of this Agreement and any Renewal Term: (a) it has the requisite corporate power and authority to enter into this Agreement; (b) the performance by such Party of its obligations under this Agreement shall not constitute a material breach of, or otherwise contravene the terms of, any other agreement to which it is a party or under which it is otherwise bound; and (c) it has obtained or will obtain all third party consents,

authorizations and approvals (including Educational Approvals in the case of University) necessary for it to perform its obligations and exercise its rights under this Agreement.

3. Services Provided to University.

3.1 Services to be Provided; Exclusivity. Provider shall, subject to the terms and conditions in this Agreement and any applicable Services Addenda, provide to University the specific set of technological, marketing, promotional, development and/or support Services as are set forth on Exhibit B to this Agreement and in any Services Addenda. Additional Services (and the terms thereof) may be added pursuant to the execution of a Services Addendum. Services may be terminated as provided in this Agreement or in the applicable Services Addendum. Subject to Provider's performance of its obligations hereunder and to Provider's right to cure any failure by Provider to perform after receipt of written notice from University and except as otherwise provided herein, [***]. University will not contract with any third party for the performance of any Exclusive Services, in each case without the prior written consent of Provider to be granted in Provider's sole discretion. The Parties also acknowledge the exclusive nature of certain of the licenses granted to Provider in Section 10 (Intellectual Property Rights). University's determination to seek a third party provider to provide Services, other than the Exclusive Services, shall have no effect on University's obligation to pay the Services Fees pursuant to Section 5 (Fees and Payments) and as set forth and calculated on Exhibit D to this Agreement.

3.2 Location of Services; Subcontracting. Provider shall provide the Services from, and using Services Personnel located at, Provider's premises; provided that Provider may provide certain Services at the Campus as contemplated by this Agreement and as reasonably necessary or appropriate for Provider to provide the Services. Notwithstanding the foregoing, Provider may subcontract the performance of any one or more of the Services to third parties (a) to the same extent that any such Services were subcontracted to third parties in the normal course of Provider's business prior to the Effective Date and (b) as otherwise determined by Provider; provided that Provider shall remain responsible and liable for the performance, acts and omissions of all such third party subcontractors; and provided further that Provider shall not subcontract the performance of substantially all the Services.

3.3 Services Addenda. To add Services in addition to those described in Exhibit B, or to delete or materially change Services set forth on Exhibit B, the Parties shall enter into one or more services addenda substantially in the form attached hereto as Exhibit C ("***Services Addenda***") which Services Addenda shall be numbered sequentially (e.g., Services Addendum C-1, Services Addendum C-2, etc.). Each Services Addendum will be effective only when signed by authorized representatives of the Parties and once finalized and signed by the Parties, shall be incorporated by reference and deemed part of this Agreement. In the event of a conflict between the terms of any Services Addendum and the body of the Agreement, the terms and conditions of the Agreement shall control to the extent of the conflict (unless the Services Addendum specifically identifies and overrides the conflicting term(s), in which event, the terms of the Services Addendum shall control for such Services Addendum). Notwithstanding anything to the contrary, the term "Services Addenda" will also include any other written documents exchanged by the Parties pursuant to which the Parties agree that Provider will provide Services in addition

to those described in Exhibit B to University. For purposes of clarity, the Parties acknowledge and agree that any and all editions, versions, formats, improvements, enhancements, updates, or other changes of or to the Provider Intellectual Property (including the Platform) (collectively, "***Updates***") that (a) are developed by Provider in the ordinary course (whether on Provider's own initiative, at the specific request of University, or otherwise) in connection with providing the Services hereunder shall be promptly provided to University as part of the Services set forth on Exhibit B to this Agreement, shall not be deemed to constitute additional Services, shall not require a Services Addenda, and shall not otherwise result in an additional fee or other charge to University, and (b) are (i) independently developed by Provider otherwise than in connection with providing the Services hereunder (including any such Updates as may be developed in the course of providing services to other third parties), or (ii) developed by Provider, other than in the ordinary course, at the specific request of University, shall, in each case, be deemed to constitute additional Services and, if desired by University, shall require a Services Addenda and shall be subject to additional fees or other charges as mutually negotiated by the Parties.

3.4 Services and Performance Standards. Pursuant to the terms and conditions of this Agreement, Provider will use commercially reasonable efforts to provide to University the Services in accordance herewith and any applicable performance standards set forth on Exhibit B and in the applicable Services Addendum. Provider shall perform the Services in a good and workmanlike manner and (subject to Section 3.6 (Compliance with Laws)) in accordance with all Applicable Laws. University will use commercially reasonable efforts to perform its obligations under this Agreement.

3.5 Provision of Information; Access. University shall, during the Initial Term of this Agreement and any Renewal Term, make available to Provider on a timely basis all Books and Records within University's reasonable control, and provide Access to Provider's personnel, to the extent reasonably necessary for Provider to perform each of the Services. In furtherance of the foregoing, and subject to Provider's compliance with the terms of this Agreement, University shall provide Provider with immediate and ongoing Access to University's enrollment, marketing and other data in Provider-hosted systems as necessary to facilitate the provision of the Services. The Parties agree that Provider shall have no liability for any failure to perform, or for the late performance of, any Services to the extent such Services require Books and Records possessed, prepared or generated by University, or Access to be given to Provider's personnel, to the extent that University shall have failed to provide or make available the same or to cause the same to be provided or made available to Provider in accordance with Provider's reasonable written or oral (if promptly confirmed in writing) requests, and such failure by University is the cause of Provider's lack of or delay in performance. Provider shall require that the Services Personnel comply with all business, administrative, security and other policies of University that otherwise would apply to University personnel in roles providing such Services and that are provided by University to Provider in writing. Provider shall use such Access only as reasonably necessary in connection with providing the Services and shall not use such Access for any purpose or activity unrelated to providing the Services.

3.6 Compliance with Laws. The Parties agree that each Party shall perform its respective obligations hereunder in compliance with the Applicable Laws that apply to such Party's performance under this Agreement. For the avoidance of doubt, Provider shall not be responsible for University's compliance with the Applicable Laws that apply to University's

Educational Activities (including the Educational Laws), even if the performance of the Services relate to such Applicable Laws, unless (a) Provider failed to provide specific Services expressly set forth herein or in a Services Addendum in accordance with the terms hereof or such Services Addendum, (b) such failure was the result of the gross negligence or willful misconduct of Provider (or Provider's Services Personnel or Services Personnel of subcontractors used by Provider), (c) such failure directly causes University's failure to comply with Applicable Laws, or (d) such failure results from Provider's non-compliance with certain Educational Laws applicable to Provider as set forth in Section 3.7 (Provider's Compliance with Certain Educational Laws) below. Neither Provider nor its Affiliates (nor its subcontractors) shall be required to provide any Services to the extent that providing such Services would require Provider or its Affiliates or subcontractors to violate any Applicable Law; provided, that promptly upon learning of such Applicable Law, Provider shall deliver reasonable written notice thereof to University, and Provider shall reasonably cooperate with University to mitigate the impact of Provider being unable to provide such Services, including the development and implementation of a reasonable work-around or reasonable revision to such Services as necessary to comply with such Applicable Law, which work-around or revisions shall be set forth in an amendment to this Agreement or in a Services Addendum, as applicable.

3.7 Provider's Compliance with Certain Educational Laws. In furtherance of Provider's obligations under Section 3.6 (Compliance with Laws):

3.7.1 Personal Information and Privacy. Provider acknowledges that University is subject to internal policies, laws, and regulations that govern and restrict the collection, storage, processing, dissemination, and use of education records, including non-public personal information that relates to applicants to University and its Programs, internship participants and University's students and personnel that could be used, either directly or indirectly, to identify such person (collectively, "***Personal Information***"). In the performance of Provider's obligations under this Agreement, Provider shall and shall cause its employees, agents, servants, principals, and any subcontractors to, at all times, comply with all Applicable Law, including Educational Laws, and University policies, including privacy and information security laws and regulations and University policies regarding Personal Information. Without limiting the generality of the foregoing and subject to University's oversight, Provider agrees (a) not to collect, store, process, disseminate, or use any such Personal Information obtained from University except to the extent expressly permitted or required in the performance of its Services under this Agreement, (b) to store all such Personal Information only in encrypted or otherwise secure form on Provider's computer systems, and (c) except as permitted in this Agreement, not to sell, distribute, release or disclose lists or compilations of any items of Personal Information without the prior written consent of University or of the subject(s) of the Personal Information to be released or disclosed. Any disclosure of Personal Information by Provider in the performance of its obligations hereunder shall be made only on a "need-to-know" basis and subject to an applicable confidentiality agreement or other obligation substantially similar to the confidentiality, privacy and information security requirements imposed on Provider under this Agreement and Applicable Law. To the extent Provider utilizes subcontractors to perform Services under this Agreement, Provider shall require each such subcontractor to agree in writing to substantively similar terms, obligations, and restrictions contained in this Agreement.

3.7.2 Student Privacy Rights. Without limitation of its obligations under Section 3.7.1 above, (a) Provider shall take all commercially reasonable measures to protect the Personal Information of University students consistent with the Family Education Rights and Privacy Act, as amended, and the rules and regulations thereunder ("***FERPA***") and other Applicable Law, (b) Provider shall furnish University a copy of Provider's information security procedures for the storage and handling of education records and other Personal Information prior to the commencement of Provider's handling and processing of such records and information, (c) Provider shall furnish University a copy of any update or other modification of such security procedures, and (d) such security procedures and all updates and modifications thereof shall be subject to University's written approval. Provider shall not disclose, release, or otherwise authorize access to Personal Information without written authority of University and/or the students to the extent required under FERPA, or as may be required by judicial order or lawfully issued subpoena. Upon request, Provider shall meet and confer with University to discuss Provider's information security procedures for the storage and handling of Personal Information.

3.7.3 Agency Regarding Student Information. In order to satisfy FERPA and regulatory requirements applicable to University, Provider is hereby appointed as an agent of University's Office of Academic Records for the use of student education records and other Personal Information solely for the purpose of providing the Services hereunder throughout such students' tenures at University and attendance in its Programs and thereafter, including, without limitation, counseling of prospective students and continuing contact with graduates of University.

3.7.4 Timely Notice of Breach. Provider shall promptly notify the University Registrar of any unauthorized access, use, or disclosure ("***Breach***") of any Personal Information or of University's Confidential Information of which it becomes aware. Provider shall take reasonable steps to limit and investigate a Breach occurring as a result of Provider's action or inaction, and Provider shall be responsible to the extent of Provider's fault for the cost of notifying individuals whose Personal Information have been Breached as a direct result of Provider's action or inaction, and any reasonable or court-ordered remedial action.

3.7.5 HEA Section 495 Compliance. Provider shall remain in compliance with HEA Section 495. Without limiting the foregoing, Provider shall have and maintain security mechanisms in place to ensure that each student registering for a Course is the same student who participates in the Course or receives Course credit. Such security mechanisms shall include one or more of the following methods: (a) a login and pass code procedure; (b) proctored examinations; and (c) new or other technologies and practices that are effective in verifying student identification.

3.7.6 Marketing Laws and Regulations; No Misrepresentation. Provider agrees to comply with all federal, state or local laws, statutes, rules and regulations concerning consumer and student marketing, including but not limited to the DOE misrepresentation regulations (34 C.F.R. §668.71-75), the CAN-SPAM Act of 2003, the Telephone Consumer Protection Act, the Telemarketing and Consumer Fraud and Abuse Prevention Act, the Telecommunications Act, Section 5 of the Federal Trade Commission Act and any amendments thereto, and any regulations promulgated thereunder. Any communications with prospective or exiting students shall follow scripts or use advertising or web materials approved

by University. Provider shall make no misrepresentation concerning University, including about any of its Programs, financial charges or the employability of its graduates.

3.7.7 Incentive Compensation Rule. Provider shall compensate its employees and agents engaged in the recruitment of University's students and in the awarding of financial aid, and those responsible for such employees and agents, only in accordance with the provisions of HEA Section 487(a)(20) (20 U.S.C. § 1094(a)(20)), or any successor provision, and the regulations promulgated thereunder by the DOE (currently located at 34 C.F.R. § 668.14(b)(22)), commonly referred to as the Incentive Compensation Rule. Provider represents and warrants that this Agreement falls under Example 2-B, page 12 of the Dear Colleague letter titled "Implementation of Program Integrity Regulations" from the U.S. Department of Education issued on March 17, 2011 (including any amended or successor DOE guidance, the "Guidance"). Provider further covenants and agrees that it will fully comply with the Guidance during the Initial Term and any Renewal Terms.

3.8 Compliance with University Policies and Standards; Fulfillment of University Mission.

3.8.1 Provider acknowledges that University has established, and maintains and enforces, policies with regard to fair and ethical behavior in its day-to-day operations, copies of which have been provided to Provider. Provider agrees that it shall perform the Services and otherwise abide by its obligations under this Agreement in full compliance with any such generally applicable ethics policies, as the same may be updated from time to time. University agrees to notify Provider promptly in writing if University updates or amends such policies and to provide Provider with reasonable advance notice of the implementation of such updates or amendments to enable Provider to achieve compliance therewith.

3.8.2 In addition to the matters described in Section 3.8.1, Provider acknowledges that certain Services, as listed and described in Exhibit B, are to be provided subject to University's oversight and approval, or pursuant to written plans and procedures approved by University (such as quality control standards governing the provision of student support services counseling under Section 3 of Exhibit B). Provider agrees that, in its provision of the Services, it shall accept such oversight and/or approval requirements and abide by any such written plans and procedures.

3.8.3 Provider is aware of University's mission and, in the performance of the Services hereunder, will use its reasonable efforts to assist University in fulfilling that mission. Provider shall have no authority pursuant to this Agreement with respect to (a) the election or appointment of University's board of trustees or corporate officers, (b) the engagement, dismissal, reprimand, or other management of University faculty or personnel, or (c) any aspect of University's internal human resources, business or administrative policies.

3.9 Services Personnel. Provider shall determine the appropriate personnel (the "***Services Personnel***") to provide the Services. Provider will have full and complete authority to engage, dismiss, reprimand, or otherwise manage all Services Personnel; provided, that, if and to the extent Provider is hiring or providing Services Personnel to provide student support services counseling under Section 3 of Exhibit B, such Services Personnel shall meet the same or superior

qualifications as such personnel hired directly by University, as determined by University in its reasonable discretion. University expressly understands and agrees that any actions by Provider with respect to the Services Personnel shall be in accordance with Provider's internal human resources, business or administrative policies in effect from time to time and that University shall have no authority pursuant to this Agreement with respect to any aspect of such policies of Provider.

3.10 Removal of Personnel. If University shall reasonably determine that one or more of the Services Personnel providing the Services hereunder (including Services Personnel of any subcontractor used by Provider) are ineffective or otherwise unsuitable to perform the Services, University may send written notice to Provider identifying such Services Personnel and the nature of the ineffectiveness or lack of suitability (e.g., offensive behavior, security concerns, lack of qualifications or the like). Upon University's reasonable written request, Provider shall, in its discretion, as promptly as is practical, provide substitute Services Personnel or take appropriate steps to ensure that the Services Personnel performing the Services perform said Services effectively. Nothing in this Section or this Agreement shall require Provider to (a) hire additional employees or consultants to serve as Services Personnel, or (b) terminate the employment of any Services Personnel.

3.11 Points of Contact; Designees. Each of Provider and University will name a point of contact for the Services that are the subject of this Agreement or any Services Addendum (each, a "***Designee***"). Each Party may also designate one or more alternate Designees (each, an "***Alternate Designee***") empowered to act in the place of the Designee if the Designee is unavailable, and while acting in such capacity the Alternate Designee will be deemed the Designee for purposes of this Agreement. University's Designee and any Alternate Designee of University shall be free of any conflict of interest with respect to Provider and this Agreement as determined under University's conflict of interest policy. Additionally, University's Designee shall report to the MSA Committee established under the University Bylaws. Designees shall be responsible for supervising and coordinating the performance of the Services, including using good faith efforts to resolve any disputes or issues that may arise during the performance of the Services hereunder on a day-to-day basis. Any dispute among the Parties relating to any Services or this Agreement shall be handled as provided in Section 18.11 (Dispute Resolution). Each Party shall designate an initial Designee by written notice to the other Party and may designate a successor Designee by written notice to the other Party. In addition, each Service Addendum may identify Designees for the Services described in such Service Addendum and such Designees will be the Designees for such Service Addendum. University shall at all times maintain the University Bylaws and other policies as necessary to comply with this Section 3.11 (Points of Contact; Designees).

3.12 Disclaimer of Warranties. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN SECTION 2 (REPRESENTATIONS OF THE PARTIES) AND SECTION 3.4 (SERVICES AND PERFORMANCE STANDARD), OR AS SPECIFICALLY SET FORTH IN EXHIBIT B, PROVIDER MAKES NO REPRESENTATIONS OR WARRANTIES IN RESPECT OF THE SERVICES OR ANY ITEMS TO BE DELIVERED OR PROVIDED TO UNIVERSITY OF ANY KIND, NATURE OR DESCRIPTION, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, OR ANY WARRANTY ARISING

FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE, AND PROVIDER HEREBY DISCLAIMS THE SAME.

4. University Roles and Responsibilities.

4.1 Sole Control Over University and Academic Matters. Anything herein to the contrary notwithstanding, the Parties acknowledge and agree that University is solely responsible for, and will provide and perform at its sole cost and expense, and within its sole discretion and oversight, during the Initial Term and any Renewal Term, the following roles and responsibilities as they relate to Programs and Courses offered by University and Educational Activities conducted by University, as well as such other roles and responsibilities as may be required to be performed solely by University under Applicable Laws (including Educational Laws and requirements of Accrediting Bodies and Educational Agencies):

4.1.1 Seeking and obtaining any required Educational Approvals or Educational Consents;

4.1.2 Setting the qualifications for, overseeing the verification of the credentials of, and hiring, appointing, training (and creating related training content), compensating, and supervising faculty to teach the Courses comprising the Programs and providing reasonably sufficient faculty and staff as necessary to offer the Programs, conduct the Educational Activities and perform University's responsibilities under this Agreement;

4.1.3 Reviewing, selecting, structuring and adopting, and ensuring the quality of, the curricula and related Course Materials for the Courses in the Programs, establishing the modalities by which to deliver the Courses, and providing institutional and academic guidance, evaluation and oversight for the Programs;

4.1.4 Overseeing the development, maintenance, and operation of the Programs and ensuring an appropriate number and selection of Programs and Courses;

4.1.5 Setting appropriate standards for admission to, and implementing the admissions policies applicable to, University and any particular Program, including overseeing the application and enrollment process and making decisions as to the admission to University and any particular Program of applicants who meet the requisite admission standards, in compliance with Applicable Law;

4.1.6 Overseeing the instruction of Courses and related student and academic support activities and functions;

4.1.7 Setting standards for student performance and the evaluation of that performance, including through the monitoring of student progression and outcomes;

4.1.8 Setting the requirements for the achievement of credit for Courses successfully completed, the achievement of applicable degrees following completion of a Program, determining those students who qualify to receive such credit or such degrees, granting such degrees, and determining graduation requirements;

4.1.9 Entering into all agreements and other necessary documentation with students regarding their enrollment in the Programs and their receipt of student financial aid pursuant to applicable Title IV Programs or other financial assistance programs;

4.1.10 Receiving all tuition, fees and other amounts (such as room and board) from, or on behalf of, students;

4.1.11 Overseeing all matters related to student discipline and the establishment and administration of appropriate processes related thereto;

4.1.12 Maintaining all academic and administrative records for students who are enrolled in or seeking enrollment in a Program at University; and

4.1.13 Providing students with appropriate academic facilities on the Campus or at other locations determined by University, as well as housing to students in accordance with its ordinary course practices.

4.2 Reporting of Approvals. If reasonably requested by Provider in writing, University will provide to Provider a regulatory compliance report reflecting the ongoing status of any Educational Approvals being sought by University and obtained by University in order for University to offer each of the Courses and Programs.

4.3 Feedback and Complaints. University has or will develop appropriate mechanisms by which it will solicit feedback from students receiving the Services as well as from University faculty and staff who receive or are otherwise involved in overseeing the Services, and will also have in place a process to review any complaints from faculty or students about the Services and Provider's performance thereof, which process shall be similar to, and consistent with, University's established complaint policies and procedures. The Parties agree to utilize the information obtained from such feedback and from such complaint process to determine whether any changes may be required to the Services or the performance standards herein, which changes may be made in the manner provided in Section 3.3 (Services Addenda), Section 18.2 (Amendment; Waiver) or otherwise in the Agreement. In addition, the information obtained from such feedback and such complaint process shall be considered in connection with any examination performed pursuant to Section 5.4 (Examination) of the Agreement.

4.4 Other Responsibilities. University shall have other responsibilities related to the provision of Services by Provider, as set forth in Exhibit B and in any Services Addenda.

5. Fees and Payments.

5.1 Services Fees; Payment Terms. The fees payable by University to Provider in respect of the Services provided under this Agreement (such fees, the "Services Fees") shall be determined and paid in accordance with (a) the terms set forth in Exhibit D, as Exhibit D may be amended by written agreement of the Parties from time to time, and (b) the terms in any applicable Services Addendum. Notwithstanding anything to the contrary in this Agreement, if Provider provides services to University that are not set forth in this Agreement or on a Services Addendum, such services shall nevertheless be "Services" for purposes of this Agreement and the Parties shall endeavor, as promptly as possible, to add such new services to a Services Addendum;

provided that, unless otherwise agreed in such Services Addendum, payment for such new services shall covered by the amounts paid by University to Provider as set forth on Exhibit D to this Agreement.

5.2 Delinquent Payments. Services Fees due under this Agreement that are not paid or not reasonably and in good faith disputed by University in writing within thirty (30) days of the date of an invoice therefor, with such written notice detailing why such disputed fees are not due, shall accrue simple interest at the prime rate as quoted in the Wall Street Journal plus one percent (1.0%) per annum or, if lower, the maximum rate permitted by Applicable Law, from the date due until paid in full. If University does not reasonably and in good faith dispute in writing the fees invoiced by Provider within sixty (60) days of the date of the applicable invoice, with such written notice detailing why such disputed fees are not due, Provider may suspend performance of all or a subset of the Services, may terminate this Agreement by written notice (including after any such suspension), and may seek any other remedies available to it, whether legal, contractual, equitable or otherwise. For the avoidance of doubt, undisputed fees on an invoice shall be payable as provided in this Agreement, and University may only withhold the amounts disputed in good faith as set forth in University's written notice disputing fees invoiced. In the event that University disputes the Services Fees invoiced as provided above, the Parties will expeditiously work together in good faith to resolve such dispute. Disputes related to Services Fees arising in connection with examinations conducted under Section 5.4 (Examinations) shall be administered as provided under that Section.

5.3 Books and Records; Audited Financial Statements.

5.3.1 Books and Records. Each Party shall maintain consistently applied, accurate and complete Books and Records, including as are necessary: (a) to substantiate the Services Fees paid by University to Provider, (b) to substantiate the information in any reports required to be delivered pursuant to this Agreement, including Exhibit B, and (c) to perform any reconciliation under Section 3 of Exhibit D. Each Party shall maintain such Books and Records at, or accessible from, such Party's principal place of business for the period of time required under Applicable Law, but not less than ten (10) years after creation.

5.3.2 Audited Financial Statements. Each Party shall deliver to the other Party each year, promptly upon completion thereof, its Audited Financial Statements; provided, that Provider will be deemed to have delivered its Audited Financial Statements to University if (a) Provider has filed such Audited Financial Reports with the Securities Exchange Commission via the EDGAR filing system and such reports are publicly available, or (b) the reports are posted on Provider's website.

5.4 Examinations. During the twelve (12) month period following receipt of any report (including any reconciliation report) delivered under Section 3 of Exhibit B, each Party shall have the right to examine and audit (or cause its external auditors to examine and audit) the Books and Records of the other Party as necessary to verify the examined Party's compliance with the terms of this Agreement, including the calculation of any of the information required to be included in any such reports. In addition, each Party shall have the right to examine and audit (or cause its external auditors to examine and audit) the compliance by the other Party with such other

Party's performance obligations under this Agreement. All examinations shall be performed in accordance with the following terms:

5.4.1 The examined Party shall reasonably cooperate with the examining Party in conducting any such examination. The examining Party and its representatives (including its external auditors) shall keep all information obtained during any such examination confidential pursuant to and in accordance with Section 9 (Confidentiality).

5.4.2 Examinations shall: (a) be performed, upon not less than five (5) Business Days' advance written notice to the examined Party, at the examined Party's principal place of business (or other location mutually agreed by the Parties in writing) during normal business hours, (b) be performed no more frequently than twice during each Fiscal Year (or portion thereof) by any Party (except for examinations to ensure that a previously discovered problem is not reoccurring), (c) not be conducted in a manner that unreasonably interferes with the examined Party's course of business, and (d) subject to delays outside the control of the Parties, be concluded within one hundred and eighty (180) days of commencement of the examination.

5.4.3 The examining Party may perform examinations hereunder using its external auditors, in which case the examined Party shall permit entry of the examining Party's external auditors to its principal place of business to perform inspections of the examined Party's Books and Records.

5.4.4 If any examination made pursuant to this Section 5.4 (Examinations) reveals that (a) any calculation, or any set off or credit, or payments to or from University or Provider under this Agreement have not been made in accordance with the terms of this Agreement (a "Payment Failure"), or (b) a Party has failed, in any material respect, to comply with its performance obligations under the Agreement (a "Performance Failure"), then the examining Party shall promptly deliver to the examined Party written notice specifying the nature of any Payment Failure or Performance Failure and providing the data and information necessary, or requested, to support such claim (an "Examination Notice"). Following its receipt of any such Examination Notice, the examined Party will have a period of thirty (30) days to dispute in writing to the examining Party any of the findings contained in the Examination Notice. If the examined Party fails to dispute the findings in the Examination Notice during such thirty (30) day period, then the results of the examination set forth in the Examination Notice shall become final and binding on the Parties. If the examined Party disputes any findings in the Examination Notice within the applicable thirty (30) day period in accordance with this Section, then the Parties will work together in good faith for a period of up to thirty (30) days to seek to resolve the disputed matter, including the exchange of underlying information and records as reasonably requested. Should no resolution be reached within the first fifteen (15) days of said period, such efforts to resolve the disputed matter shall include escalating the matter to the Parties' respective Designee and/or Senior Designee. If the Parties agree in writing to the resolution of any disputed matters during the thirty (30) day negotiation period described above, then the terms of such written agreement shall be final and binding on the Parties with respect to such resolved matters.

5.4.5 In the case of a Payment Failure, if any of the disputed matters remain unresolved at the end of the thirty (30) day negotiation period described in Section 5.4.4 above or in the case of any disagreements between the Parties regarding any payment or

reconciliation thereof, then such disputed matters shall be resolved by an Independent Accounting Firm in accordance with this Section 5.4.5. For purposes of this Agreement, "***Independent Accounting Firm***" means either: (a) a nationally recognized independent chartered accounting firm mutually agreed upon and engaged by Provider and University within thirty (30) days after the expiration of the applicable time period for the Parties to resolve their disputes through negotiations, or (b) if Provider and University are unable to mutually agree upon and engage the Independent Accounting Firm during such thirty (30) day period, then, no later than thirty (30) days thereafter, each of Provider and University shall select and engage a nationally recognized independent accounting firm and those two accounting firms will promptly, but in no event more than twenty (20) days later, select and engage a third nationally recognized independent accounting firm, which third accounting firm shall serve as the Independent Accounting Firm. Notwithstanding the foregoing, in the case of the application of clause (b) of this definition, if either Provider or University fails to timely engage an accounting firm, then the Independent Accounting Firm will be the accounting firm timely engaged by the other Party. Within thirty (30) days after the Independent Accounting Firm has been engaged, Provider and University shall each submit a written statement to the other Party and the Independent Accounting Firm identifying in reasonable detail such Party's calculation of each disputed amount. If either Party fails to timely submit its written statement to the other Party and the Independent Accounting Firm, or if either Party fails to timely provide Books and Records requested by the other Party, then the Independent Accounting Firm shall resolve such disputed matters in accordance with the written statement of the Party that was timely submitted. Otherwise, the Independent Accounting Firm shall resolve each disputed amount by selecting either the calculation submitted by Provider or the calculation submitted by University, based on which calculation the Independent Accounting Firm determines to be more accurate. The Independent Accounting Firm shall submit its final written report to the Parties within sixty (60) days (or such other time period as the Parties mutually agree in writing) after the deadline for the Parties to submit their written statements to the Independent Accounting Firm. For the avoidance of doubt, the Independent Accounting Firm shall only decide the specific items under dispute by the Parties and its decision for each disputed amount must be either the calculation submitted by Provider or by University and not a different calculation it performs. In connection with the resolution of the disputes, each of the Parties shall make available to the other Parties and the Independent Accounting Firm, as the case may be, such Books and Records, documents, work papers, facilities and other information as such Party or the Independent Accounting Firm may reasonably request to resolve the dispute. The Independent Accounting Firm determination made in accordance with this Section will be final and binding upon the Parties and will not be subject to appeal, absent fraud or manifest error.

5.4.6 In the case of a Performance Failure, if any of the disputed matters remain unresolved at the end of the thirty (30) day negotiation period described in Section 5.4.4 above or in the case of any disagreements between the Parties regarding any cure thereof, then such disputed matters shall be resolved pursuant to Section 18.11 (Dispute Resolution).

5.4.7 Each Party shall be responsible for its own costs and fees relating to any dispute resolution pursuant to Section 5.4.5 or Section 5.4.6 above.

5.4.8 Provider agrees that University may provide the results of any examination undertaken pursuant to this Section 5.4 (Examinations) to any Educational Agency, including HLC, upon such Educational Agency's request.

6. Term, Termination.

6.1 Term. The initial term of this Agreement (the "***Initial Term***") shall commence on the Effective Date and, unless earlier terminated as provided in this Agreement, shall continue until the earlier of (a) the fifteenth (15th) anniversary of the Effective Date, or (b) with respect to any particular Service being provided hereunder, such other termination date as is mutually agreed by the Parties in writing or set forth in a Services Addendum related to any additional Service added hereto. Unless earlier terminated as provided in this Agreement, this Agreement shall automatically renew for successive five (5) year terms (each, a "***Renewal Term***").

6.2 Non-Renewal of Initial Term or Any Renewal Term; Fee Payable. Either Party may elect not to renew this Agreement at the end of the Initial Term or any subsequent Renewal Term by giving the other Party written notice of such election not to renew not less than eighteen (18) months' prior to the end of such Initial Term or subsequent Renewal Term. If University gives written notice to Provider of its decision not to renew this Agreement, then, as a condition to the expiration of such Initial Term or Renewal Term, University shall pay, and Provider shall have the right to receive, on the last day of such Initial Term or Renewal Term, as applicable, the Non-Renewal Fee by wire transfer of immediately available funds.

6.3 Early Termination of Initial Term; Fee Payable. Prior to the expiration of the Initial Term, University may elect to terminate this Agreement upon or following the later of (a) the seventh (7th) anniversary of the Effective Date, and (b) the payment in full of the Senior Secured Note. Such termination shall be effected by providing Provider with written notice of termination not less than eighteen (18) months' prior to the proposed date of termination, specifying therein the effective date of termination. If University gives written notice to Provider of its decision to terminate this Agreement in accordance with this Section 6.3 (Early Termination of Initial Term; Fee Payable), then, as a condition to such termination, University shall pay, and Provider shall have the right to receive, on the effective date of termination the Early Termination Fee by wire transfer of immediately available funds.

6.4 Termination of Agreement for Breach. Subject to the provisions of Section 3.11 (Points of Contact; Designees), Section 5.4 (Examinations) and Section 18.11 (Dispute Resolution), this Agreement may be terminated by either Party (such Party defined herein for convenience as the "***Non-Defaulting Party***") upon a Performance Failure by the other Party (such other Party defined herein for convenience as the "***Defaulting Party***") where such Performance Failure has a material adverse effect on the Non-Defaulting Party or its business. The Non-Defaulting Party shall give the Defaulting Party written notice of such Performance Failure, stating the nature thereof and a reasonable period (which shall be not less than thirty (30) days) to cure such Performance Failure. If the Defaulting Party does not cure any such Performance Failure within the specified cure period, the Non-Defaulting Party may terminate this Agreement effective upon thirty (30) days' prior written notice given on or after the end of the specified cure period; provided, that if, at end of the specified cure period, the Defaulting Party is continuing to use reasonably diligent efforts to cure such Performance Failure in light of the nature of such Performance Failure, then the Non-Defaulting Party may not give written notice of termination of this Agreement until the earlier of (a) an additional thirty (30) days has passed following the end of the original specified cure period, or (b) such time as the Defaulting Party has ceased using reasonably diligent efforts to cure such Performance Failure. For the avoidance of doubt, any

termination of this Agreement in respect of a Payment Failure shall be governed by Section 5.2 (Delinquent Payments) or Section 5.4 (Examinations), as applicable.

6.5 Termination of Particular Service. Subject to the provisions of Section 3.11 (Points of Contact; Designees) , Section 5.4 (Examinations) and Section 18.11 (Dispute Resolution), the provision by Provider of any particular Service may be terminated by the Non-Defaulting Party upon a Performance Failure by the Defaulting Party with respect to such particular Service. The Non-Defaulting Party shall give the Defaulting Party written notice of such material Performance Failure, stating the nature thereof and a reasonable time (which shall be not less than thirty (30) days) to cure such Performance Failure. If the Defaulting Party does not cure any such Performance Failure within the specified cure period, the Non-Defaulting Party may terminate the provision of the applicable Service effective upon thirty (30) days' prior written notice given on or after the end of the specified cure period; provided, that if, at end of the specified cure period, the Defaulting Party is continuing to use reasonably diligent efforts to cure such Performance Failure in light of the nature of such Performance Failure, then the Non-Defaulting Party may not give written notice of termination of the particular Service until the earlier of (a) an additional thirty (30) days has passed following the end of the original specified cure period, or (b) such time as the Defaulting Party has ceased using reasonably diligent efforts to cure such Performance Failure. Upon the termination of any particular Service being provided hereunder, the Parties will work together mutually and in good faith to agree upon an appropriate adjustment to the Service Fees payable hereunder to reflect the elimination of such Service and this Agreement shall be amended accordingly. For the avoidance of doubt, any termination of a particular Service in respect of a Payment Failure shall be governed by Section 5.2 (Delinquent Payments) or Section 5.4 (Examinations), as applicable.

6.6 Special Termination Right. Anything in Section 6.5 (Termination of Particular Service) to the contrary notwithstanding, University may immediately and without penalty terminate the portions of this Agreement related to the provision of Services covered in Section 8 (Financial Aid Services) of Exhibit B to this Agreement if it receives notification that the DOE has imposed an emergency, limitation, suspension, or termination action with regard to Provider's ability to contract with the University to administer any aspects of its participation in the Title IV Programs. Any such termination of the Services covered in Section 8 (Financial Aid Services) of Exhibit B shall not affect Provider's provision of Services not covered in Section 8 (Financial Aid Services) of Exhibit B. Upon any termination of the Services covered in Section 8 (Financial Aid Services) of Exhibit B to this Agreement, the Parties will work together mutually and in good faith to agree upon an appropriate adjustment to the Services Fees payable hereunder to reflect the elimination of such Services and this Agreement shall be amended accordingly

6.7 Effect of Termination. Upon termination of this Agreement or any particular Service, as applicable, (a) Provider shall be entitled to all Services Fees and other amounts due for the provision of the relevant Services rendered up to and through the effective date of termination, as determined and payable in accordance with the terms in this Agreement and any Services Addendum, (b) the Parties shall take reasonable steps to provide the other Party with any information and records reasonably relating to this Agreement or such Service requested by such other Party in writing to the extent appropriate and necessary to permit the continuing business operations of each of the Parties with a minimum of disruption, and (c) all licenses granted under Section 10 (Intellectual Property Rights) below will terminate; provided, if University

requests the performance of Transition Services, such licenses will terminate at the end of the applicable Transition Period.

6.8 Transition Services. Except in the case of a non-renewal of the Agreement under Section 6.2 (Non-Renewal of Initial Term or Any Renewal Term; Fee Payable) or an early termination of the Agreement by University under Section 6.3 (Early Termination of Initial Term; Fee Payable), if this Agreement or any particular Service is terminated (regardless of the reason for such termination), (a) by Provider, then, at University's written election, Provider will continue providing the Services (or the applicable Service) for a period of up to two (2) years following the termination date, or (b) by University, then, at University's written election, Provider will continue providing the Services (or applicable Service) for a period of up to six (6) months following the termination date (the post-termination services are referred to herein as the "***Transition Services***," and the applicable period during which the Transition Services are provided is referred to herein as the "***Transition Period***"). Notwithstanding the foregoing, if this Agreement or a Service is terminated as a result of University's failure to timely pay the applicable Services Fees, then if University desires to receive Transition Services during the Transition Period, University must, prior to the commencement of any Transition Services, (a) pay all outstanding Services Fees that are not subject to a good faith dispute by University pursuant to Section 5.2 (Delinquent Payments) and (b) pay the estimated Services Fees as reasonably determined by Provider for the Transition Period on a monthly basis in advance. If the actual Services Fees payable for the Transition Period are different than the estimated Services Fees paid by University, then (i) if the actual Services Fees exceed the estimated Services Fees, University will pay the difference within thirty (30) days after the expiration of the Transition Period, and (ii) if the actual Services Fees are less than the estimated Services Fees, Provider will refund to University the difference within thirty (30) days after the expiration of the Transition Period. The Transition Services will be provided at least at the same levels of quality and timeliness of performance as such Services were required to be provided prior to the termination. In connection with a termination of the Agreement, University may, upon written notice to Provider, modify the specific Transition Services to be provided to a subset of the Services provided under this Agreement and, in any case, may reduce the term for the Transition Period to a lesser period. Following any termination, the Parties agree to work in good faith to effectuate an orderly transition of the Services (or any particular Service), with a goal of minimum interruption to University, its students and its Educational Activities. It is agreed and understood that the licenses granted to Provider in Section 10 (Intellectual Property Rights) shall remain in effect during the Transition Period, provided that University complies with the terms in this Agreement, including timely paying the Services Fees for the Transition Services. If this Agreement expires following the giving by a Party of notice of non-renewal under Section 6.2 (Non-Renewal of Initial Term or Any Renewal Term; Fee Payable) above, or is terminated by University following the giving by University of notice of termination under Section 6.3 (Early Termination of Initial Term; Fee Payable), then during the period between the giving of such notice of non-renewal or termination and the expiration or termination of the Initial Term or expiration of any Renewal Term, the Parties shall likewise work in good faith to wind down their relationship and effectuate an orderly transition of the Services, with a goal of minimum interruption to University, its students and its Educational Activities.

6.9 Assumption of Certain Services Functions. University may, at any time upon providing Provider with not less than nine (9) months' prior written notice (a "***Services Transfer Notice***"), elect to directly assume performance of one or more Back-Office Services

Functions, as designated by University in such Services Transfer Notice; provided that (a) Provider will be paid any Services Fees related to the Back-Office Services Function assumed for the period prior to the effective date of such assumption, and continue to be paid its other Services Fees, in each case, as provided in Exhibit D without regard to such assumption, and (b) the Parties will negotiate in good faith to determine appropriate adjustments to the Services Fees payable hereunder to give effect to any transfer of costs associated with such assumption. Upon University's assumption of any Back-Office Services Functions, University will supply its own technology and IT platforms to perform such Back-Office Services Functions and will no longer have the right to access or use the Platform in connection therewith. The Parties agree that to the extent performance of the Back-Office Services Function assumed by University requires amendment to this Agreement, the Parties shall make such amendments (in accordance with Section 18.2 (Amendment; Waiver)) in good faith consistent with the remaining terms of this Agreement. University shall not retain any other Person, during the remainder of the Initial Term or any Renewal Term in which a notice is given pursuant to this Section 6.9 (Assumption of Certain Services Functions), to perform any Back-Office Services Functions assumed pursuant to this Section.

7. Tax Matters.

7.1 Tax. The Services Fees are exclusive of all Tax. University will pay and be liable for any and all Tax imposed on, sustained, incurred, levied and measured by the cost, value or price of Services provided by Provider under this Agreement; provided, that in no event shall University be liable for any Taxes that are imposed on or calculated by reference to the net income received or receivable by Provider. All such Tax for which University is liable will, as applicable, be invoiced to and payable by University to Provider in accordance with Section 5.1 (Services Fees; Payment Terms) or as otherwise mutually agreed in writing by the Parties and under the terms of the Applicable Law which governs the relevant Tax. Notwithstanding anything to the contrary contained in this Agreement, in the event that any applicable Tax authority imposes a transaction privilege, sales or similarly denominated Tax on the Services, the responsibility for such Tax shall be borne equally by Parties.

7.2 Tax Withholding. University shall (a) make all payments of Services Fees to be made by it to Provider hereunder without any Tax withholding, unless a Tax withholding is required by Applicable Law and (b) promptly upon becoming aware that University must make a Tax withholding (or that there is any change in that rate or the basis of a Tax withholding) notify Provider in writing accordingly. Provider shall co-operate in completing any procedural formalities necessary for University to obtain authorization to make payment without a Tax withholding.

7.3 Tax Indemnity. Notwithstanding anything herein to the contrary, University shall pay to Provider an amount equal to the loss, liability or cost that Provider reasonably determines will be or has been (directly or indirectly) suffered for or on account of Tax on Provider in respect of the Agreement. This Section 7.3 (Tax Indemnity) shall not apply with respect to any Tax for which University is not responsible under Section 7.1 (Tax) or any other Tax assessed on Provider under the law of any jurisdiction in which Provider is incorporated or operates, if that Tax is imposed on or calculated by reference to the net income received or receivable by Provider.

8. Indemnification for Third Party Claims.

8.1 Indemnification of University. Subject to the limitations set forth in Section 11 (Limitation of Liability) below, Provider hereby agrees to (a) defend University and its trustees, officers, employees, agents, successors, and assigns (collectively, the "***University Indemnitees***"), from and against all demands, suits, claims, actions, or causes of action (each, a "***Claim***") asserted or brought by any third party against any of the University Indemnitees, and (b) indemnify and hold the University Indemnitees harmless from any assessments, losses, damages, costs and expenses (including, interest, penalties, and reasonable attorneys' fees), of any nature, and in all cases awarded in a final judgment, order or regulatory action to the third party bringing the applicable Claim or any settlement amount paid to the third party bringing the applicable Claim in order to settle such Claim; provided that, in each case, such Claim arises directly from any act or omission of any Provider Indemnitee, including any violation of any Applicable Law by Provider, in connection with its performance under this Agreement; provided further, that Provider shall have no obligation to defend, indemnify or hold University Indemnitees harmless from any such assessments, losses, damages, costs and expenses to the extent arising from actions taken by Provider at University's request or otherwise in respect of any communications with prospective or existing students made by Provider following scripts, or using advertising or web materials, approved by University, as provided in Section 3.7.6 (Marketing Laws and Regulations; No Misrepresentation), so long as Provider was not negligent, grossly negligent or reckless in taking such actions.

8.2 Indemnification of Provider. University hereby agrees to (a) defend Provider and its directors, officers, stockholders, employees, agents, successors, and assigns, (collectively, the "***Provider Indemnitees***"), from and against all Claims asserted or brought by any third party against any of the Provider Indemnitees, and (b) indemnify and hold the Provider Indemnitees harmless from any assessments, losses, damages, costs and expenses (including, interest, penalties, and reasonable attorneys' fees), of any nature, and in all cases awarded in a final judgment, order or regulatory action to the third party bringing the applicable Claim or any settlement amount paid to the third party bringing the applicable Claim in order to settle such Claim; provided that, in each case, such Claim arises directly from any act or omission of any University Indemnitee including any violation of any Applicable Law by University, including, without limitation, in respect of the provision to Provider of scripts, or advertising or web materials, for use by Provider as contemplated by Section 3.7.6 (Marketing Laws and Regulations; No Misrepresentation).

8.3 Conditions. The indemnifying Party's obligations under this Section 8 (Indemnification for Third Party Claims) shall be conditioned upon and subject to the indemnified parties (i.e., the Provider Indemnitees or the University Indemnitees, as the case may be): (a) notifying the indemnifying Party promptly in writing of any Claim of which an indemnified party becomes aware, provided, that the failure to provide such notice shall not relieve the indemnifying Party from its obligations hereunder, except to the extent of any material prejudice to the indemnifying Party as a direct result of such failure; (b) offering the indemnifying Party sole authority to control fully, at the indemnifying Party's expense with counsel of its choice, the defense and settlement of any Claim; provided, that any Claim of a regulatory nature or involving any Educational Agency shall be under the mutual control of University and Provider and subject to Section 15 (Duty to Cooperate) of this Agreement, it being understood that the primary

communications with the Educational Agency shall be through University (although Provider may be present at or participate in such discussions in its discretion and University will provide reasonable prior written notice to Provider of such discussions); (c) having the right, at the indemnified parties' cost and expense, to participate in the defense of such Claim using legal counsel of its or their own choosing, provided, that such participation shall not reduce or impact the indemnifying Party's control of the defense and settlement as provided herein; and (d) furnishing all reasonable cooperation and assistance requested by the indemnifying Party in accordance with Section 15 (Duty to Cooperate) below. Notwithstanding anything to the contrary contained in this Section 8 (Indemnification for Third Party Claims), if, within fifteen (15) days following receipt by the indemnifying Party of notice of a Claim pursuant to subpart (a) of the preceding sentence, the indemnifying Party fails to provide written notice to the indemnified parties of the indemnifying Party's intention to assume the defense of such Claim, then each indemnified party shall have the right to assume the sole control of the defense of such Claim by counsel of its choice, in which event if the Claim is in fact a Claim for which the indemnifying Party was obligated to defend, indemnify and hold harmless the indemnified parties, the indemnifying Party shall indemnify any such indemnified party for all reasonable attorneys' fees and costs incurred by such indemnified party in connection with such defense and such reimbursement of attorneys' fees shall be in addition to the indemnification for other amounts sought hereunder in connection with such Claim. For the avoidance of doubt, neither Party may settle a Claim without the prior written consent of the other Party, such consent not to be unreasonably withheld, delayed or conditioned.

9. Confidentiality. Each Party acknowledges that Confidential Information may be disclosed to the other Party in connection with this Agreement.

9.1 Definition. "***Confidential Information***" shall mean, with respect to each Party (a) any non-public, proprietary information, Intellectual Property and other confidential information, including, but not limited to, any technical and non-technical information regarding current, future and proposed business operations, products and services, including for example and without limitation, information concerning research and development, financial information, procurement requirements, student and customer information and lists, business forecasts, sales information and marketing plans, descriptions, specifications and the like of a Disclosing Party, and (b) any information Disclosing Party has received from a third party which the Disclosing Party is obligated to treat as confidential or proprietary, in each case that is provided or communicated by the Disclosing Party to the Receiving Party in connection with this Agreement after the Effective Date, including pursuant to Section 15 (Duty to Cooperate).

9.2 Obligations. Each Party (in such capacity, the "***Receiving Party***") acknowledges and agrees to (a) use with respect to the Confidential Information of the other Party (in such capacity, the "***Disclosing Party***") the same care and discretion to prevent such Confidential Information from being disclosed, published or disseminated as it employs to avoid disclosure, publication or dissemination of its own similar Confidential Information (but in no event less than reasonable care), (b) use the Disclosing Party's Confidential Information only for the purpose for which it was disclosed, and (c) not disclose, disseminate or provide access to the Disclosing Party's Confidential Information to any Person other than to those employees and agents who (i) have a need to know it in order to assist the Receiving Party in performing its obligations under, or to permit the Receiving Party to exercise its rights under, this Agreement,

and (ii) are legally bound by the same obligations regarding Confidential Information as the Parties are subjected to in this Section 9 (Confidentiality). Furthermore, neither Provider nor University will: (A) acquire any right in or assert any lien against the Confidential Information of the other Party, other than as provided in this Agreement; or (B) sell, assign, lease or otherwise dispose of Confidential Information of the other to third parties (except in connection with a sale of all or substantially all of such Party's assets to which this Agreement relates) or commercially exploit such Confidential Information, other than as permitted in this Agreement. In addition, the Parties shall take reasonable steps by agreement or otherwise so that their Affiliates, employees, subcontractors and consultants comply with these confidentiality provisions.

9.3 Permitted Disclosures. Notwithstanding the foregoing, the Receiving Party may disclose the Confidential Information of the Disclosing Party (a) to a third party subcontractor who is involved in providing Services under this Agreement or a third party who is contemplating entering into a transaction with Provider pertaining to a financing event or a sale of all or any portion of its business, provided that: (i) such disclosure is reasonably necessary for the third party to perform its duties or evaluate the potential transaction; (ii) the Receiving Party causes the third party to be bound to the same obligations regarding Confidential Information as the Parties are subjected to in this Section 9 (Confidentiality); and (iii) the Receiving Party assumes full responsibility for the acts or omissions of such third parties, no less than if the acts or omissions were those of the Receiving Party; (b) to the extent required under the terms of any credit agreement, indenture or related agreement entered into by the Receiving Party or one of its Affiliates; (c) to an Affiliate, provided that: (i) such Affiliate is bound to the same obligations regarding Confidential Information as the Parties are subjected to in this Section 9 (Confidentiality); and (ii) Receiving Party shall only disclose such Confidential Information to those directors, trustees, officers, employees and agents of such Affiliate who have a need to know it in order to assist the Receiving Party in performing its obligations hereunder, or to permit the Receiving Party to exercise its rights under this Agreement; (d) as required pursuant to any Applicable Law; provided, that the Receiving Party shall advise the Disclosing Party of such required disclosure promptly upon learning thereof in order to afford the Disclosing Party a reasonable opportunity to contest, limit and/or assist the Receiving Party in crafting such disclosure; or (e) to an Educational Agency when requested by such Educational Agency.

9.4 Exclusions. Notwithstanding anything to the contrary in the foregoing, Confidential Information does not include, and this Section 9 (Confidentiality) will not apply to, any information that the Receiving Party can demonstrate was:

9.4.1 at the time of disclosure of such information to the Receiving Party, in the public domain;

9.4.2 information related to applicants to University that do not enroll in University within three months of initial outreach to such applicant;

9.4.3 after disclosure of such information to the Receiving Party, published or otherwise became part of the public domain through no fault of the Receiving Party or its directors, trustees, officers, employees and agents;

9.4.4 rightfully in the possession of the Receiving Party at the time of disclosure of such information to the Receiving Party, free of any obligation of confidentiality;

9.4.5 received after disclosure of such information to the Receiving Party from a third party who had a lawful right to disclose such information to the Receiving Party; or

9.4.6 independently developed by the Receiving Party without reference to Confidential Information of the Disclosing Party.

9.5 Loss of Confidential Information. In the event of any disclosure or loss of, or inability to account for, or unauthorized use of, Confidential Information, the Receiving Party will notify the Disclosing Party immediately in writing, and shall reasonably assist the Disclosing Party in remedying the unauthorized disclosure or use.

9.6 Period of Confidentiality. Confidential Information disclosed pursuant to this Agreement will be subject to the terms of this Agreement until such time as it ceases to be characterized as Confidential Information under one or more of clauses 9.4.1 through 9.4.6 of Section 9.4 (Exclusions)

9.7 Return of Confidential Information. Within thirty (30) Business Days after the effective date of termination of this Agreement or any Transition Period (if applicable), the Receiving Party shall destroy or deliver to the Disclosing Party, at the Disclosing Party's option, (a) all materials furnished by the Disclosing Party, and (b) all materials in the Receiving Party's possession or control (even if not furnished by the Disclosing Party), in each case that contain or disclose any of the Disclosing Party's Confidential Information. The Receiving Party will provide the Disclosing Party a written certification of the Receiving Party's compliance with the Receiving Party's obligations under this Section 9.7 (Return of Confidential Information). Notwithstanding the foregoing, Confidential Information stored on back-up storage media in the normal course of business need not be returned or destroyed, but shall remain subject to the terms of this Agreement in accordance with Section 9.6 (Period of Confidentiality).

10. Intellectual Property Rights.

10.1 Definitions.

10.1.1 As used herein, the term "***Intellectual Property***" shall mean any and all technology, inventions, processes, know-how, designs, works of authorship, and any other technical subject matter related thereto. The term "***Intellectual Property***" also includes all intellectual property rights or similar proprietary rights related to or protecting the foregoing, including (a) all inventions, all improvements thereto and all patents, patent applications, provisionals and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all registered and unregistered trademarks, service marks, trade dress, logos, trade names, registered domain names, and corporate names, including all goodwill associated therewith, and all applications (including intent-to-use applications), registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights and all applications, registrations and renewals in connection therewith, including all rights in works of authorship, curricula, program materials, translations, abridgments, revisions compilations and derivative works, (d) all trade secrets, customer lists, lists of students and

prospective students, employer lists, alumni lists, supplier lists, pricing and cost information, business and marketing plans and other confidential business information (including, without limitation, ideas, formulas, compositions, know-how, techniques, research and development information, drawings, specifications, designs, plans, proposals, and technical data), (e) all computer programs and related software, including source code and object code thereof, data, data tapes, databases and related manuals, notes, and documentation, and (f) all copies and tangible embodiments thereof.

10.1.2 As used herein, the term "***University Intellectual Property***" shall mean any and all Intellectual Property in (a) all of the content of the Courses and Programs, including the Course Materials and all Improvements thereto, (b) all Plans and related Plan Information (each as defined in Section 1.1 of Exhibit B) developed by University, and (c) any Intellectual Property expressly identified in a Service Addendum as "University Intellectual Property."

10.1.3 As used herein, the term "***Provider Intellectual Property***" shall mean any and all Intellectual Property in (a) the Platform, including Provider-developed or Provider-acquired user interface designs necessary to facilitate access to University Intellectual Property via the Platform (provided that, for further clarity, Provider's rights in such matter shall not give it any right whatsoever in or to any portion of University Intellectual Property, none of which may be used by Provider except in accordance with the express terms of this Agreement), logic and data modules, algorithms, feature sets and source code, and documentation relating thereto (b) all Aggregated Data Sets (as further discussed in Section 10.13 (Aggregated Data Sets) below), and documentation relating thereto, (c) all Plan Information developed by Provider, and (d) any Intellectual Property expressly identified in a Service Addendum as "Provider Intellectual Property."

10.2 Ownership.

10.2.1 Ownership by Each Party. Following Provider's assignment, sale and transfer to University of certain Intellectual Property as set forth in the Asset Purchase Agreement or any related agreement executed by the Parties in connection therewith, each Party (and their respective Affiliates) (as the "***Owner Party***") owns and shall retain all right, title and interest in and to any and all (a) Confidential Information of such Owner Party, (b) all Intellectual Property of such Owner Party or its Affiliates existing as of the Effective Date, (c) except as may be expressly provided otherwise in this Agreement or a Services Addendum, all Intellectual Property independently developed by such Owner Party or its Affiliates after the Effective Date, and (d) in the case of University, all Improvements to University Intellectual Property, together with all associated Intellectual Property rights in such Improvements, that are conceived, created, or developed by Provider in connection with providing the Services hereunder. For the avoidance of doubt, Intellectual Property developed by Provider, whether in connection with the provision of the Services or outside the provision of the Services, including, without limitation, Aggregated Data Sets, shall be Intellectual Property independently developed by Provider for purposes of the foregoing and Provider will be the "Owner Party" of such Intellectual Property, except for Intellectual Property that is developed by Provider and assigned to University as specifically provided in this Section 10 (Intellectual Property Rights).

10.2.2 Works Made for Hire. Provider acknowledges and agrees that all works of authorship included in the University Intellectual Property shall constitute a "work made for hire" for University, as that phrase is defined in Section 101 and 201 of the Copyright Act of 1976 (Title 17, United States Code), including a work specially commissioned by University. With respect to any such works of authorship that are not "works made for hire" and with respect to any other University Intellectual Property, Provider hereby assigns and transfers and agrees to assign and transfer to University all of Provider's right, title and interest in and to such works of authorship and University Intellectual Property, including, all patent, copyright, trade secret and other proprietary rights, and the right to make any modifications, adjustments or additions thereto (Provider hereby expressly waiving any droit moral or similar rights to object to any such changes), the right to make and distribute derivative works thereof and the right to all claims for past infringement thereof.

10.2.3 Further Assurances. Upon a Party's reasonable written request, the other Party shall execute and deliver to the requesting Party all documents and instruments, including copyright assignments, and shall otherwise assist the requesting Party, at the requesting Party's expense, to perfect in the requesting Party the sole and exclusive right, title and other interests in the Intellectual Property of such requesting Party (as provided herein). In the event a requesting Party is unable, because the other Party is no longer in business, to obtain the signature of the other Party to any document or instrument necessary or desirable to apply for protection of, or to enforce any action with respect to, any Intellectual Property right of the requesting Party, the other Party hereby irrevocably designates and appoints the requesting Party and its duly authorized officers and agents as the other Party's agent and attorney-in-fact, whose power is expressly coupled with an interest, to act for and on behalf of the other Party, to execute such documents and instruments and to take all lawfully permitted actions to protect the requesting Party's interests in any such Intellectual Property with the same legal force and effect as if executed by such other Party.

10.3 License to Course Materials. Subject to the terms and conditions of this Agreement, and subject to the applicable Quality Control Standards set forth in Section 10.9 (Quality Control), University, on behalf of itself and its Affiliates, hereby grants to Provider, during the Initial Term and any Renewal Term and under the Intellectual Property rights owned or controlled by University or its Affiliates, a non-exclusive, non-transferable, worldwide, royalty-free right and license, without the right to sublicense, (a) to create derivative works of, and to modify, enhance and develop improvements to, the Course Materials (collectively, "***Improvements***"), and (b) to use the Course Materials, including the right to reproduce, distribute copies, publicly display and publicly perform the Course Materials, in each case solely in connection with the performance by Provider of Services under this Agreement. The foregoing license only in clause (a) of Section 10.3 (License to Course Materials) is subject to University's prior written consent (not to be unreasonably withheld, conditioned or delayed) for each of the Improvements and such consent may be reasonably conditioned on additional terms and conditions to be proposed by University consistent with University's academic control over the Course Materials. During the Initial Term of this Agreement and any Renewal Term, Provider shall disclose all Improvements to University. Provider will have written agreements with its employees and contractors that develop Improvements pursuant to which such employees and contractors assign to Provider all right, title and interest in and to the Improvements and all Intellectual Property rights therein.

10.4 License to Other University Intellectual Property. Subject to the terms and conditions of this Agreement, University, on behalf of itself and its Affiliates, hereby grants to Provider, during the Initial Term and any Renewal Term and under the Intellectual Property rights owned or controlled by University or its Affiliates, a non-exclusive (except as provided in the next sentence), non-transferable, worldwide, royalty-free right and license, without the right to sublicense, to use, reproduce, create derivative works and to modify, enhance and develop improvements to the University Intellectual Property (other than the Course Materials and University Marks) and distribute copies, publicly display and publicly perform such other University Intellectual Property, in each case solely in connection the performance by Provider of Services under this Agreement. Notwithstanding the foregoing, the license set forth in this Section 10.4 (License to Other University Intellectual Property) shall be exclusive with respect to the Exclusive Services.

10.5 License to University Marks. Subject to the terms and conditions of this Agreement and to the Quality Control Standards set forth in Section 10.9 (Quality Control), University, on behalf of itself and its Affiliates, hereby grants to Provider, during the Initial Term and any Renewal Term, a worldwide, non-exclusive (except as provided in the next sentence), non-transferable, royalty-free right and license, without the right to sublicense, to use, reproduce and display the University Marks solely in connection with the performance by Provider of the Services (e.g., marketing and promotion services). Notwithstanding the foregoing, the license set forth in this Section 10.5 (License to University Marks) shall be exclusive with respect to the Services identified herein; provided, that University may use, reproduce and display the University Marks in connection with the marketing and promotion of University and the Programs as well as any other uses unrelated to the Services identified herein. Subject to the terms of this Agreement (e.g., with respect to Provider's permitted use of University Marks), Provider and University shall coordinate their marketing and promotional activities in respect of University to ensure a consistent message. A list of University Marks as of the Effective Date is set forth on Exhibit E to this Agreement.

10.6 Reservation of Rights. Nothing in this Agreement shall be deemed in any way to constitute a transfer or assignment by University to Provider of ownership of or title to any of University Intellectual Property.

10.7 Domain Names; Additional Trademarks. If Provider is interested in using domain names containing one of the University Marks, for any purpose, Provider shall provide a written request to University and University may, in its sole discretion, apply to register the additional domain names and/or trademarks and amend the list of University Marks to include such additional domain names and/or trademarks.

10.8 Restrictions on Trademark Usage. University grants no rights under the University Marks other than those expressly granted herein unless otherwise agreed to in writing on a case-by-case basis, at the sole discretion of University. Without limiting the foregoing, Provider agrees that it shall not directly or indirectly at any time:

10.8.1 use any of the University Marks for or in connection with any business of Provider other than the provision of Services to University under this Agreement;

10.8.2 use any of the University Marks in combination with any other trade name, trademark, service mark, corporate name, logo, domain name or trade dress, unless approved in advance in writing by University;

10.8.3 use any trade name, trademark, service mark, domain name, logo or trade dress which, in University's opinion, is likely to be confused with, tarnish or dilute any of the University Marks;

10.8.4 apply to register, obtain, use or own any domain name or trademark comprising or related to any of the University Marks, or any confusingly similar marks; or

10.8.5 use the University seal (which is solely used for academic purposes).

10.9 Quality Control.

10.9.1 Notwithstanding anything herein to the contrary, University shall retain absolute final authority respecting the form and content of any of the Programs, including Courses and Course Materials, offered under the University name or University Marks. Provider shall at all times operate Provider's business in accordance with standards of professionalism and business practices consistent with those of University, and in accordance with Applicable Law. Provider shall not perform, or fail to perform, any act if, in University's reasonable opinion, such act, or failure to act, materially and adversely affects the business or academic reputation of University, or in any way materially diminishes or tarnishes the reputation of University, its employees, its students or any University Marks.

10.9.2 Provider shall comply with University's written quality control standards provided from time to time by University to Provider in connection with Provider's use of the University Marks, as in effect from time to time, which shall be subject to reasonable changes or re-branding by University from time to time upon at least thirty (30) days prior written notice to Provider (the "Quality Control Standards"). All such changes and re-branding shall be consistent with changes and re-branding implemented and put into practice by University generally and shall not be unique to Provider. All uses of the University Marks must be in conformance with the then-current form of Quality Control Standards or otherwise be approved in writing by University prior to their use. Provider shall not by any act or omission use the University Marks in any manner that disparages or reflects adversely on the University Marks or on University, its employees, its students, its business or its reputation.

10.9.3 If at any time University is of the reasonable opinion that Provider is in breach of Section 10.8 (Restrictions on Trademark Usage) or the terms of this Section 10.9 (Quality Control) (other than Section 10.9.4), University shall deliver written notice to Provider as provided in, and otherwise proceed under, Section 6.4 (Termination for Breach) or Section 6.5 (Termination of Particular Service), as applicable. Notwithstanding the foregoing, the terms of this Section 10.9.3 shall not limit any right or remedy available to either Party, whether under this Agreement, Applicable Law or in equity, subject to the limitations on damages set forth in Section 11 (Limitation of Liability).

10.9.4 Provider shall not challenge or assist others in challenging University's ownership of the Course Materials and/or University Marks. Similarly, Provider shall

not challenge or assist others in challenging University's ownership of University Intellectual Property.

10.10 License to Provider Intellectual Property. Subject to the terms and conditions in this Agreement, Provider hereby grants to University the non-exclusive, non-transferable, right and license, during the Initial Term of this Agreement and any Renewal Term, and without the right to sublicense, to use all Provider Intellectual Property used in the Programs, including a license of all rights under copyright and the rights to reproduce and copy Provider Intellectual Property in all editions, versions, enhancements, improvements, updates, changes, and formats for print and in any other form or medium, whether now known or hereafter known, throughout the world, including, electronic, magnetic, digital, laser, or optical-based media, for use only in University's Programs. To the extent necessary to facilitate access to the Programs, Provider shall also grant to University students a royalty-free license to use Provider Intellectual Property that is included in any Program for the duration of their participation in such Program, but only as part of the Program studies. Except for the express assignment by Provider to University of certain Intellectual Property as provided in Section 10.2.2 (Works Made for Hire), nothing in this Agreement shall be deemed in any way to constitute a transfer or assignment by Provider to University of ownership of or title to any Intellectual Property.

10.11 Licenses to Plans and Plan Information. Licenses to Plans and Plan Information shall be governed by Section 1.2 of Exhibit B.

10.12 No Additional Rights. Except as expressly provided in this Agreement, a Services Addendum, or a separate written agreement between the Parties, neither Party shall receive, by virtue of this Agreement, any rights of ownership to, or any license or other rights in or to, any Confidential Information or Intellectual Property of the other Party.

10.13 Aggregated Data Sets. Notwithstanding anything else in this Agreement to the contrary, Provider may collect, store and use data and information related to use of the Services and delivery of Courses in an aggregated and anonymous manner, including to compile statistical and performance information related to the provision and operation of the Services by Provider ("***Aggregated Data Sets***"). University shall undertake such reasonable actions, such as disclosing such collection and use in its privacy policies, as the Provider may request from time to time. As between Provider and University, all right, title and interest in the Aggregated Data Sets and all Intellectual Property therein, belong to and are retained solely by Provider. University acknowledges that Provider will be compiling Aggregated Data Sets based on delivery and use of the Services and University agrees that Provider may (a) make such Aggregated Data Sets publicly available, and (b) use such information and data to the extent and in the manner permitted by Applicable Law, including without limitation, for purposes of data gathering, analysis, service enhancement and marketing, provided that such use does not specifically identify University or its Confidential Information without University consent.

11. Limitation of Liability. The Parties hereby agree that Provider's aggregate liability under this Agreement, regardless of the nature of the claim or cause of action, whether in contract, warranty, in tort (including negligence), or strict liability or any other legal theory regarding any claim by University related in any way to the performance or non-performance of Provider under this Agreement, is limited to the amount paid by University to Provider for Services

in the most recently completed three-month period, less in all circumstances, any amounts previously paid (as of the date of satisfaction of such liability) by Provider in satisfaction of any liability under this Agreement, and University hereby releases and waives any claim against Provider in excess of such amount, to the extent permitted by Applicable Law. The limitation set forth in this Section shall not apply to liability or claims arising out of or related to Provider's (a) breach of Section 9 (Confidentiality) or Section 10 (Intellectual Property Rights) (including Provider's infringement, violation or misappropriation of University Intellectual Property rights), or (b) claims based on Provider's gross negligence or willful misconduct, to the extent permitted by Applicable Law. The limitations in this Section shall apply notwithstanding any failure of essential purpose of any limited remedy set forth in this Agreement. No Party will claim, assert or take the position that any limitation on damages set forth in this Section is or should be found unenforceable or that such limitation should not be enforced. The foregoing limitations on damages shall apply to the maximum extent permitted by Applicable Law. If Applicable Law precludes the exclusion of certain types of damages or of certain types of damages in certain circumstances, then the foregoing limitations on damages shall not apply to such damages or such damages in such circumstances, provided that the balance of the limitations shall continue to apply.

12. Force Majeure. Neither Party shall be liable or in breach of this Agreement for any interruption of the provision of Services, or any delay or failure to perform under this Agreement when such interruption, delay or failure results from causes beyond that Party's reasonable control, including as a result of strikes, lock-outs or other labor difficulties; acts of government, riot, insurrection or other hostilities; embargo, fuel or energy shortages; fire, flood, acts of God, wrecks or transportation delays; or inability to obtain necessary labor, materials or utilities from usual sources. In such event, a Party's obligations hereunder shall be postponed for such time as its performance is suspended or delayed on account thereof. Upon the cessation of the force majeure event, each Party will use commercially reasonable efforts to resume its performance with the least possible delay.

13. Available Remedies. Notwithstanding anything herein to the contrary, the Parties agree that the failure of a Party to perform any obligation which arises under Section 9 (Confidentiality) or Section 10 (Intellectual Property Rights) of this Agreement will cause irreparable harm to the other Party which may not be fully or adequately compensated by the award and/or payment of monetary damages alone. In the event of actual or threatened breach by a Party of Section 9 (Confidentiality) or Section 10 (Intellectual Property Rights), the Parties agree that the non-breaching Party shall be entitled to injunctive or other equitable relief in order to enforce or prevent any such conduct or continuing violation, without having to post a bond or other security and the breaching Party agrees not to raise the defense of an adequate remedy at law in any such proceeding. Nothing herein shall be construed as prohibiting either Party from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages, costs, and reasonable attorneys' fees from the other.

14. Relationship of the Parties. The relationship of Provider to University under this Agreement shall be that of an independent contractor. Services Personnel rendering Services pursuant to this Agreement shall not be deemed employees of University, and shall not be entitled to or qualified under any employee benefit plans, including pension, health and insurance plans, provided by University for its employees. Each Party shall be solely responsible for the fulfillment of all labor and Social Security provisions that affect the labor relationships with its personnel,

either currently in force or that may be passed during the Initial Term of this Agreement and any Renewal Term, expressly discharging the other Party from any liability for the breach thereof. Neither Party, nor its respective employees, agents or representatives, is authorized to, nor shall at any time attempt to, act on behalf of the other Party to bind the other Party in any manner whatsoever to any obligations.

15. Duty to Cooperate. If a Governmental Entity, Educational Agency, or third party files any type of Claim, or commences an investigation, adverse action, review or audit against Provider or one of its Affiliates or University or one of its Affiliates, in each case related, in whole or in part, to this Agreement and the Services provided hereunder, each Party (and its respective Affiliates, to the extent applicable) shall provide prompt notice to the other Party of such Claim, investigation, adverse action, review or audit and shall use commercially reasonable efforts to cooperate with the other's defense. Each Party (and its Affiliates, to the extent applicable) further agrees in principle to assert the common interest privilege and to execute such joint defense agreements, on customary terms, as may be necessary or appropriate for the protection of any privilege or confidentiality in the course of cooperating with the other's defense. Provider and University (and their respective Affiliates, to the extent applicable) agree to use commercially reasonable efforts to make available to the other upon reasonable request in writing any and all non-privileged or non-proprietary documents that either Party (or either of their respective Affiliates, to the extent applicable) has in its or their possession, which relate to any such claim, lawsuit, charge, investigation or audit. However, neither Party (nor any of their respective Affiliates) shall have the duty to cooperate with the other Party if the dispute is between the Parties themselves, nor shall this provision preclude the raising of cross-claims or third party claims between Provider and University (or one of their respective Affiliates) if the circumstances justify such proceedings. The Parties agree that this provision shall survive the termination of this Agreement.

16. Survival of Obligations. Each Party's obligations under this Section and Section 6.7 (Effect of Termination), the second sentence of Section 3.2 (Location of Services; Subcontracting), Section 3.6 (Compliance with Laws), Section 3.7 (Provider's Compliance with Certain Educational Laws), Section 3.12 (Disclaimer of Warranties), Section 4 (University Roles and Responsibilities), Section 5 (Fees and Payments), Section 7 (Tax Matters), Section 8 (Indemnification for Third Party Claims), Section 9 (Confidentiality), the terms in Section 10 (Intellectual Property Rights) with respect to ownership of Intellectual Property and the irrevocable licenses, Section 11 (Limitation of Liability), Section 13 (Available Remedies), Section 14 (Relationship of the Parties), Section 15 (Duty to Cooperate), Section 18 (Miscellaneous), and University's obligations under Exhibit D of this Agreement, shall survive the termination of this Agreement to the extent permitted by Applicable Law.

17. Insurance. Each Party shall be solely responsible for obtaining workers compensation insurance for its employees and agents and such other insurance as may be required by Applicable Laws. In addition, each Party agrees to carry (or, in University's case, to self-insure for) commercial general liability insurance with coverage including products and completed operations, personal and advertising injury, and cybersecurity insurance in amounts, and with scope of coverage, customary for similarly situated entities and as mutually agreed on by the Parties. Each insurance policy required above shall name the other Party as additional insured on broad form endorsements with respect to all bodily injury, personal injury, advertising injury, and

property damage liability arising out of the Party's operations, services or products. Each such insurance policy shall be endorsed to provide that such coverage shall be primary over any coverage available to the other Party under its own insurance program in the event of any suit, claim, damages or loss. Each Party shall provide to the other party a copy or copies of a certificate or certificates of insurance or, in University's case, evidence of a self-insurance program, demonstrating that the insurance coverage set forth above is in full force and effect no later than sixty (60) Business Days after the date of the Parties' execution of this Agreement. Each party shall endeavor to provide the other Party at least thirty (30) days' advance notice of any cancellation or material change in any policy of insurance for coverage required under this Agreement. Further, each Party shall maintain any insurance coverage referenced herein for a period of five (5) years after termination of this Agreement. To the extent, and only to the extent necessary to effectuate the Limitation of Liability provisions of Section 11, the University will use best efforts to obtain a waiver from its insurers of the insurers' subrogation rights against Provider.

18. Miscellaneous.

18.1 Notices. All notices, demands and other communications to be sent to a Party under this Agreement shall be sent to such Party at the address as may be specified by the Party from time to time in a notice sent as provided in this Section, provided that the initial notice address for each Party is as follows:

if to Provider:

Grand Canyon Education, Inc.
2600 West Camelback Road
Phoenix, Arizona 85017
Attention: Daniel E. Bachus
Email: dan.bachus@gce.com

if to University:

Grand Canyon University
3300 West Camelback Road
Phoenix, Arizona 85017
Attention: Brian M. Roberts
Email: brian.roberts@gcu.edu

All such notices, demands or other communications shall be in writing and shall be deemed to have been received (a) when personally delivered, delivered by facsimile or delivered by other telecommunication mechanism, including electronic mail (provided there is no error or failure in transmission), (b) the next day, if sent by recognized overnight courier, or (c) five (5) days after deposit in the United States mail, postage prepaid, properly addressed and return receipt requested.

18.2 Amendment; Waiver.

18.2.1 This Agreement, including the Exhibits and any Services Addendum, may be amended or modified only in a written instrument executed by each Party

hereto. Any provision of this Agreement may be waived only in a written instrument executed by the Party granting such waiver. The failure at any time of a Party to require performance by any other Party of any responsibility or obligation required by this Agreement shall in no way affect a Party's right to require such performance at any time thereafter, nor shall the waiver by a Party of a breach of any provision of this Agreement by any other Party constitute a waiver of any other breach of the same or any other provision nor constitute a waiver of the responsibility or obligation itself.

18.2.2 If continuing this Agreement or any particular Service hereunder could (a) as reasonably and in good faith determined by University (i) jeopardize University's accreditation status with the HLC and/or other Educational Agencies (including, for example, where, due to a change in accreditation standards or Applicable Law, the performance standards applicable to Provider's provision of the Services, as set forth in Section 3.4 (Services and Performance Standards) and Exhibit B, are required to be modified in order for University to achieve compliance with such changed standards or Applicable Law), (ii) cause, or could be reasonably likely to cause, the loss or material impairment of University's status under Section 501(c)(3) of the Code as a public charity more specifically described in Code Section 170(b)(1)(A)(ii), (iii) cause a loss of the tax-exempt status of any bonds issued by University, or (iv) cause, or be reasonably likely to cause, the loss or material impairment of University's participation in the Title IV Programs or the imposition of material fines or repayment liabilities arising from such participation, or (b) as reasonably and in good faith determined by University or Provider, as a result of the creation, amendment or interpretation of any Educational Laws, significantly impact any material aspect of this Agreement, then, in each case (and subject to Section 18.11 (Dispute Resolution)), the Parties will negotiate in good faith an amendment to this Agreement or such Services Addendum so as to address such issues in a manner that preserves, to the maximum extent feasible, the economic interests of both Parties and that is reasonably satisfactory to both Parties.

18.2.3 If, following the Effective Date, Provider determines to provide Services through one or more subsidiaries, then (subject to Section 18.3 (Assignment)) University agrees to execute an amendment to this Agreement and/or any new agreements with such subsidiaries, in each case which, taken in the aggregate, reflect the terms and provisions of this Agreement.

18.2.4 The Parties acknowledge that, during the term of this Agreement, the University may desire to refinance certain outstanding obligations with the proceeds of tax-exempt obligations. In connection with such refinancing, the Provider agrees to cooperate with the University to make changes to this Agreement that may be required in order for this Agreement to either meet the safe-harbors for qualified management contracts under IRS guidelines provided in Revenue Procedure 2017-13 (or any successor guidance) or to meet other requirements imposed by the IRS such that the provision of services by Provider under this Agreement does not result in private business use under Section 141(b)(1) of the Code or the Treasury Regulations issued thereunder (and otherwise does not preclude availability of refinancing by means of tax-exempt obligations). The Parties agree that such changes shall include reasonable compensation to compensate for the impact of any such changes.

18.3 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of each party hereto. Except as provided below, neither this Agreement nor any right or obligation hereunder may be assigned or delegated in whole or in part by a Party to any other Person, without the prior written consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed). Provider may, without the consent of University, (a) collaterally assign its rights under this Agreement to a lender to Provider, and (b) assign this Agreement and any right or obligation hereunder, or any portion hereof or thereof to one or more subsidiaries of Provider formed for the purpose of providing services such as the Services provided hereunder, provided that (i) any such subsidiary is wholly owned by Provider, (ii) Provider remains primarily liable for all of Provider's obligations arising under this Agreement and also executes a guarantee of performance and payment by any such subsidiary of all such obligations, in form and substance reasonably satisfactory to University, (iii) any such subsidiary agrees in writing to be bound by this Agreement, and the assignment and assumption agreement is otherwise in form and substance reasonably satisfactory to University, and (iv) such assignment to any such subsidiary shall automatically terminate and be of no further force or effect if at any time such subsidiary is no longer wholly owned by Provider. For purposes of this Section, "assignment" includes any change in control of a Party, any subcontracting or other delegation by Provider of the performance of substantially all of the Services, and any transfer or assignment of this Agreement (whether by operation of law or otherwise) in connection with any merger, sale of all or substantially all assets, or any other transaction.

18.4 Third Party Rights. Except to the extent provided in Section 8 (Indemnification for Third Party Claims), nothing in this Agreement, whether express or implied, is intended or shall be construed to confer, directly or indirectly, upon or give to any Person other than the Parties any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or other provision contained herein.

18.5 Choice of Law. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Arizona, without giving effect to the principles of conflict of laws thereof.

18.6 Headings. The headings of the Sections in this Agreement are provided for convenience of reference only and shall not be deemed to constitute a part hereof.

18.7 Entire Agreement. This Agreement, together with the Appendices, Exhibits and Schedules hereto and the agreements and instruments expressly provided for herein, as all of the foregoing may be amended from time to time in accordance with the terms hereof, constitute the entire agreement of the Parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, oral and written, among the Parties hereto with respect to the subject matter hereof.

18.8 Severability. Should any provision of this Agreement be deemed in contradiction with the laws of any jurisdiction in which it is to be performed or unenforceable for any reason, such provision shall be deemed null and void, but this Agreement shall remain in full force in all other respects. Should any provision of this Agreement be or become ineffective because of changes in Applicable Law or interpretations thereof, or should this Agreement fail to include a provision that is required as a matter of law, the validity of the other provisions of this

Agreement shall not be affected thereby. If such circumstances arise, then (subject to Section 3.11 (Points of Contact; Designees) and Section 18.11 (Dispute Resolution) the Parties hereto shall negotiate in good faith appropriate modifications to this Agreement to reflect those changes that are required by Applicable Law.

18.9 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18.10 Further Assurances. Each Party shall execute such deeds, assignments, endorsements, evidences of transfer and other instruments and documents and shall give such further assurances as shall be necessary to perform such Party's obligations hereunder.

18.11 Dispute Resolution.

18.11.1 In the event of any dispute, claim or controversy arising out of or relating to this Agreement, including, but not limited to, its creation, validity, interpretation or enforcement (a "***Dispute***"), the Parties shall endeavor to settle the Dispute through their respective Designees. University's Designee shall report Disputes to the MSA Committee and the MSA Committee shall provide guidance in accordance with the University Bylaws. If the Designees are unable to resolve the Dispute within thirty (30) days of receipt of written notice by a Designee from the other Designee identifying the dispute and initiating such discussions, the Dispute shall then be submitted to (a) in the case of the Provider, a senior executive officer (other than the chief executive officer) appointed by the Provider's board of directors, and (b) in the case of University, a member or members of the MSA Committee appointed by the MSA Committee (each, a "***Senior Designee***"), who shall work together in good faith effort to resolve the Dispute. If the Dispute cannot be resolved by the respective Party's Senior Designees within thirty (30) days of submission of the matter to such Senior Designees, then either Party may proceed with an action or proceeding under Section 18.11.2 below.

18.11.2 The Parties agree to submit (the "***Submission***") any dispute, claim, or controversy arising out of or relating to this Agreement, including, but not limited to, its creation, validity, interpretation or enforcement to JAMS for non-binding mediation. The Parties agree that the Submission will be treated as Confidential Information and the fact of the Submission and all details thereof shall not be disclosed to any third party except to the mediators. The Submission shall be in writing and set forth with reasonable particularity the grounds for the Submission. The Submission shall be filed with JAMS and sent to the other Party simultaneously. The other Party shall serve a written response to the Submission within five (5) Business Days to both the originating Party and JAMS. The Parties will cooperate with JAMS and with one another in selecting a mediator from a panel of neutrals and in promptly scheduling the mediation proceedings. Any mediation conducted pursuant to this Agreement shall be held in Phoenix, Arizona. If the Parties cannot agree on a mediator, JAMS will appoint one. The Parties covenant that they will participate in the mediation in good faith and that they will (a) bear their own attorneys' fees, costs, and expenses in connection with the mediation; and (b) share equally in the fees and expenses charged by the mediator. All offers, promises, conduct, and statements, whether oral or written, made in the course of the mediation by either Party, their agents, employees, experts, and attorneys, and by the mediator or any JAMS employee are confidential, privileged,

and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If the Dispute is not resolved within thirty (30) days from the date of the Submission of the Dispute to mediation (or such other date as the Parties may agree to in writing), any Party may proceed forthwith with the initiation and administration of an arbitration in accordance with the terms of this Section 18.11 (Dispute Resolution). The mediation may, however, continue, if the Parties so agree, after the commencement of the arbitration. Unless otherwise agreed by the Parties, the mediator shall be disqualified from serving as arbitrator in the case.

18.11.3 The Parties agree that final and binding arbitration of the Dispute shall be conducted through JAMS, before a single arbitrator and in accordance with the JAMS Streamlined Arbitration Rules & Procedures. Such arbitration shall be the sole and exclusive remedy for resolving any Disputes arising out of, or in any way related to this Agreement, including, but not limited to its creation, validity, interpretation, or enforcement, instead of any court action, which is hereby expressly waived. The Parties agree that the arbitration will be treated as Confidential Information to the extent permitted by law and the fact of the arbitration and all details thereof shall not be disclosed to any third party except to the arbitrator. Any arbitration conducted pursuant to this Agreement shall be held in Phoenix, Arizona. The Parties waive any argument that the selection of that venue is inconvenient or otherwise improper. The non-prevailing Party agrees to pay all expenses and reasonable expenses and attorneys' fees incurred by the prevailing Party.

18.12 Certain Interpretive Matters.

18.12.1 Unless the context requires otherwise, (i) all references to Sections or Exhibits are to Sections or Exhibits of or to this Agreement, (ii) words in the singular include the plural and vice versa, (iii) the terms "***include***", "***includes***" "***including***" means "include, includes or including without limitation," and (iv) the terms "***herein***," "***hereof***," "***hereunder***" and words of similar import shall mean references to this Agreement as a whole and not to any individual Section or portion hereof. All references to "**$**" or dollar amounts will be to lawful currency of the United States of America. All references to "**$**" or dollar amounts, or "%" or percent or percentages, shall be to precise amounts and not rounded up or down. All references to "**day**" or "**days**" will mean calendar days.

18.12.2 No provision of this Agreement will be interpreted in favor of, or against, any of the parties by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft of this Agreement or such provision.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed and delivered this **MASTER SERVICES AGREEMENT** as of the day and year first above written.

PROVIDER:

GRAND CANYON EDUCATION, INC.

By: /s/ Daniel E. Bachus
Name: Daniel E. Bachus
Title: Chief Financial Officer

UNIVERSITY:

GAZELLE UNIVERSITY (to be renamed "Grand Canyon University")

By: /s/ Will Gonzalez
Name: Will Gonzalez
Title: Chairman of the Board of Trustees

[Signature Page to Master Services Agreement]

EXHIBIT A

DEFINITIONS

"***Access***" refers to the ability of authorized agents, officers, directors and employees of Provider to (a) enter and exit the Campus or other facilities of the University as reasonably necessary to perform the Services (including the use, consistent with the use prior to the date hereof, of the executive office space on the fourth floor of the Student Life Building), (b) review and analyze relevant Books and Records of University (including copies) as reasonably necessary for the performance of the Services, and (c) consult with any employees of University as reasonably necessary to perform the Services under this Agreement.

"***Accrediting Body***" means any governmental or non-governmental entity, including, without limitation, any institutional and/or specialized accrediting agency, that engages 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, without limitation, HLC.

"***Affiliate***" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified. For the foregoing purposes, "***control***" means the ownership of more than fifty percent (50%) of the securities entitled to elect the board of directors or other managing or governing body of such Person.

"***Aggregated Data Sets***" has the meaning set forth in Section 10.13 (Aggregated Data Sets).

"***Agreement***" has the meaning set forth in the preamble of this Agreement, and this Master Services Agreement, including, the cover page, preamble, exhibits, schedules, attachments, addendums and any future amendments hereto and all Services Addenda, all of which are incorporated herein by reference.

"***Alternate Designee***" has the meaning set forth in Section 3.11 (Points of Contact; Designees).

"***Applicable Law***" means any laws, statutes, rules, regulations, ordinances, orders, codes, arbitration awards, judgments, decrees or other legal requirements of any Governmental Entity or Educational Agency, including any Educational Law, applicable to a Party.

"***Asset Purchase Agreement***" has the meaning set forth in the Recitals to this Agreement.

"***Audited Financial Statements***" means, as to any Party, such Party's income statement, balance sheet, cash flow statement and footnotes prepared in accordance with GAAP consistently applied and certified by such Party's auditor.

"***Back-Office Services Functions***" means the Services described in Section 7 of Exhibit B (Accounting Services), Section 8 of Exhibit B (Financial Aid Services), Section 11 of Exhibit B (Human Resources), and Section 12 of Exhibit B (Technology).

"***Books and Records***" means originals (or true, correct and complete copies) of all business, accounting, Tax and financial records, files, lists, ledgers, correspondence, studies, reports databases and other documents (whether in hard copy, electronic or other form), including: (a) all analysis reports, advertising, promotional and marketing materials and creative material, and (b) all records and lists relating to customers, vendors or personnel (including customer lists or databases, vendor lists or databases, mailing lists or databases, e-mail address lists or databases, recipient lists or databases, sales records, credit information, correspondence with customers, customer files and account histories, supply lists and records of purchases from and correspondence with vendors), but shall exclude the student records.

"***Breach***" has the meaning set forth in Section 3.7.4 (Provider's Compliance with Certain Educational Laws).

"***Business Days***" means each day (a) on which banks are open for business in Phoenix, Arizona, and (b) for purposes of calculating any time periods set forth in Exhibit B, designated as a working day by University for its employees.

"***Campus***" means that certain real property located at 3300 West Camelback Road, Phoenix, Arizona 85017, all improvements thereon, and any equipment related thereto, together with any other property or location where University offers or supports Courses or Programs, in each case owned or otherwise used by University in the conduct of its Educational Activities.

"***Claim***" has the meaning set forth in Section 8.1 (Indemnification of University).

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

"***Confidential Information***" has the meaning set forth in Section 9.1 (Definition).

"***Course***" means those academic courses offered as part of a Program administered by University.

"***Course Materials***" means, collectively, syllabi and resource material and content for the Courses, including concepts, materials, resources and text requirements, self-study materials, case studies, curricula and such other items or materials, in all forms and media, relating to the Courses and the Programs or as is otherwise used by University and/or its Affiliates in connection with the offering and delivery of the Programs, in each case (a) any Improvements thereto made by Provider for University and/or its Affiliates from time to time in connection with the performance of the Services (which Course Materials, together with such Improvements, shall be owned by University as University Intellectual Property) or (b) as otherwise owned, created or developed by University.

"***Credit Agreement***" means that certain Credit Agreement, dated the date hereof, between University (as Borrower) and Provider (as Lender), as the same may be amended from time to time, pursuant to which University issued the Senior Secured Note to Provider in consideration for the Schools Assets acquired under the Asset Purchase Agreement.

"***Defaulting Party***" has the meaning set forth in Section 6.4 (Termination of Agreement for Breach).

"***Designee***" has the meaning set forth in Section 3.11 (Points of Contact; Designees).

"***Disclosing Party***" has the meaning set forth in Section 9.2 (Obligations).

"***Dispute***" has the meaning set forth in Section 18.11.1 (Dispute Resolution).

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

"***Early Termination Fee***" means an amount equal to one-hundred percent (100%) of the aggregate Services Fees paid or payable by University to Provider for the trailing twelve (12) month period ended as of the end of the month immediately prior to the effective date of termination.

"***Educational Activities***" means the operation of an institution of higher education for general educational purposes (including the conferring of academic degrees, diplomas, honors or certificates) on the Campus, as such activities are conducted by University as of the Effective Date and thereafter.

"***Educational Agency***" means any entity or organization, whether governmental, government chartered, tribal, private, or quasi-private, that engages in granting or withholding Educational Approvals for postsecondary educational institutions in accordance with standards relating to the performance, operation, financial condition, or academic standards of such institutions, including the DOE, any Accrediting Body, or any State Educational Agency.

"***Educational Approval***" means, with respect to any Person, any license, permit, authorization, certification, accreditation, or similar approval, issued or required to be issued by an Educational Agency to such Person or with respect to its locations, Courses or Programs, including any such approval for such Person to participate in any Title IV Program or any other government-sponsored or private student financial assistance program offered by any Educational Agency pursuant to which student financial assistance, grants or loans are provided to or on behalf of such Person's students by such Educational Agency.

"***Educational Consent***" means any pre-approval, approval, authorization or consent by any Educational Agency, or any notification to be made by the Parties to an Educational Agency, which is necessary under Educational Law in order to maintain or continue any Educational Approval held by University or to continue or further the conduct of the Educational Activities.

"***Educational Law***" means any federal, state, municipal, foreign or other law, regulation, order, Accrediting Body standard or other requirement applicable thereto, including, without limitation, the provisions of Title IV of the HEA and any regulations or written guidance implementing or relating thereto, issued or administered by, or related to, any Educational Agency.

"***Effective Date***" has the meaning set forth in the preamble of this Agreement.

"***Examination Notice***" has the meaning set forth in Section 5.4 (Examinations).

"***Exclusive Services***" has the meaning set forth in Section 3.1 (Services to be Provided; Exclusivity).

"***FERPA***" has the meaning set forth in Section 3.7.2 (Provider's Compliance with Certain Educational Laws).

"***Fiscal Year***" means the fiscal year of University starting July 1 and ending on June 30 of the following calendar year.

"***Governmental Entity***" means any governmental authority or entity, including any agency, board, bureau, commission, court, department, subdivision or instrumentality thereof, or any arbitrator or arbitration panel, including any Educational Agency.

"***Guidance***" has the meaning set forth in Section 3.7.7 (Provider's Compliance with Certain Educational Laws).

"***HEA***" means the Higher Education Act of 1965, 20 U.S.C. § 1001 et seq., as amended, or successor statutes thereto.

"***HLC***" means the Higher Learning Commission of the North Central Association of Colleges and Schools.

"***Improvements***" has the meaning set forth in Section 10.3 (License to Course Materials).

"***Independent Accounting Firm***" has the meaning set forth in Section 5.4.5 (Examinations).

"***Initial Term***" has the meaning set forth in Section 6.1 (Term).

"***Intellectual Property***" has the meaning set forth in Section 10.1 (Definitions).

"***IRS***" means the United States Internal Revenue Service.

"***MSA Committee***" means the "MSA Committee" as such term is defined in University's bylaws as in effect on the date hereof and as the same may be amended from time to time. In addition to members of University's board of trustees, the MSA Committee may include, if and to the extent permitted by University's bylaws, one or more additional non-trustee members, who may be members of the administration, faculty and/or students.

"***Non-Defaulting Party***" has the meaning set forth in Section 6.4 (Termination of Agreement for Breach).

"***Non-Renewal Fee***" means an amount equal to fifty (50%) of the aggregate Services Fees paid or payable by University to Provider for the trailing twelve (12) month period ended as of the end of the month immediately prior to the last day of such Initial Term or Renewal Term, as applicable.

"***Owner Party***" has the meaning set forth in Section 10.2 (Ownership) .

"***Party***" and "***Parties***" have the meaning set forth in the preamble to this Agreement.

"***Payment Failure***" has the meaning set forth in Section 5.4.4 (Examination).

"***Performance Failure***" has the meaning set forth in Section 5.4.4 (Examinations).

"***Person***" means any individual or entity.

"***Personal Information***" has the meaning set forth in Section 3.7.1 (Provider's Compliance with Certain Educational Laws).

"***Platform***" has the meaning set forth in Section 12.1 (Technology) of Exhibit B to this Agreement.

"***Programs***" means all graduate degree programs, undergraduate degree programs, certificate programs, professional studies programs or other educational programs offered by University from time to time.

"***Provider***" has the meaning set forth in the preamble to this Agreement.

"***Provider Indemnitees***" has the meaning set forth in Section 8.2 (Indemnification of Provider).

"***Provider Intellectual Property***" has the meaning set forth in Section 10.1.3 (Ownership).

"***Quality Control Standards***" has the meaning given to it in Section 10.9.2 (Quality Control).

"***Receiving Party***" has the meaning set forth in Section 9.2 (Obligations).

"***Renewal Term***" has the meaning set forth in Section 6.1 (Term).

"***Senior Designee***" has the meaning set forth in Section 18.11.1 (Dispute Resolution).

"***Senior Secured Note***" means that certain senior secured note or notes issued by University to Provider pursuant to the Credit Agreement.

"***Services***" means the services set forth in this Agreement or any Exhibit hereto, or on one or more Services Addenda.

"***Services Addenda***" has the meaning set forth in Section 3.3 (Services Addenda).

"***Services Fees***" has the meaning set forth in Section 5.1 (Services Fees; Payment Terms).

"***Services Personnel***" has the meaning set forth in Section 3.9 (Services Personnel).

"***Services Transfer Notice***" has the meaning set forth in Section 6.9 (Assumption of Certain Services Functions).

"***State Educational Agency***" means any state educational licensing body that (a) provides a license, authorization or exemption necessary for University to conduct its Educational Activities in that state, whether at a physical location, online or through other distance education delivery methods, or (b) administers any student financial aid programs at the state level.

"***Submission***" has the meaning set forth in Section 18.11.2 (Dispute Resolution).

"***Tax***" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or required by Applicable Law.

"***Title IV***" means Title IV of the HEA, and any amendments or successor statutes thereto.

"***Title IV Program***" means any program of student financial assistance administered pursuant to Title IV as set forth at 34 C.F.R. § 668.1(c).

"***Transition Period***" has the meaning set forth in Section 6.8 (Transition Services).

"***Transition Services***" has the meaning set forth in Section 6.8 (Transition Services).

"***University***" has the meaning set forth in the preamble to this Agreement. Unless the context otherwise requires, references herein to "University" include references to the postsecondary educational institution known as "Grand Canyon University" that is operated by University.

"***University Bylaws***" means the bylaws of University as in effect on the date hereof and as may be amended and/or amended and restated from time to time after the date hereof.

"***University Indemnitees***" has the meaning set forth in Section 8.1 (Indemnification of University).

"***University Intellectual Property***" has the meaning set forth in Section 10.1.2 (Definition).

"***University Marks***" means the trade names, registered domain names, service marks, seals, trademarks, trade dress, corporate names and logos used by University or its Affiliates in connection with the Educational Activities, including the Programs.

"***Updates***" has the meaning set forth in Section 3.3 (Services Addenda).

[End of Exhibit A]

EXHIBIT B

DESCRIPTION OF SERVICES

With respect to University, Provider shall, subject to the terms and conditions in this Agreement, provide a specific bundle of technological, marketing, promotional, development and/or support Services, including student support services. The following list and description represents the set of Services that Provider will provide to University under this Agreement, with any additional Services or deletions to such Services to be provided in an applicable Services Addendum. Notwithstanding the foregoing, Provider will at all times provide at least three (3) Services in addition to the enrollment services described in Section 2 below. For clarity, no Services Addendum shall be required for the Services described in this Exhibit B; however, the Parties may further detail the Services described in this Exhibit B or add or remove Services in a Services Addendum. In addition, Provider agrees that all Services related to marketing and student recruiting/enrollment are encompassed in this Exhibit B and no additional Services related to such matters shall be made part of any Services Addendum.

[***]

1. Marketing.*

1.1 Subject to University oversight and approval, Provider shall create and carry out marketing and promotional strategies (collectively, "***Promotion Strategies***") targeted toward building the brand of University and awareness of its Programs and generating a flow of quality applications from prospective students to University. In furtherance of the foregoing:

1.1.1 Provider shall develop a quarterly written plan (the "***Plan***") and appropriate marketing materials covering various media channels for University and shall, upon prior approval by University, execute the Plan. Provider shall fund and develop appropriate materials and content to cover all reasonable media platforms. The Plan and all materials related to University or its Programs, including advertising copy, shall be subject to University's written approval prior to any use thereof.

1.1.2 At any time when major changes to the Plan are proposed, Provider will submit the revised Plan, along with materials related to University or its Programs, to the appropriate office designated by University for review and approval.

1.1.3 Provider will, as part of the Promotion Strategies, **[***]**

1.2 The content of each Plan shall be owned by University as University Intellectual Property. [***]

2. Enrollment Services and Budget Consultations.*

2.1 University shall have final discretion over the enrollment budget. University shall develop an annual enrollment budget that will include projected enrollment targets by Program, pricing (including tuition, fees, room and board), and scholarship amounts, together with the projected numbers of students that will graduate from University, drop Programs, or re-

enter Programs. Prior to final approval by University, University shall provide this budget to Provider for its review and comment, and Provider shall provide University with input on the projected budget, including any changes that may be required in order to deliver the Services, and will review the Provider's progress toward meeting this budget monthly. Notwithstanding the foregoing, University shall have sole and final authority with respect to adoption of this budget. Subject to University's oversight and pursuant to a written plans and procedures approved by University, Provider will:

2.1.1 [***]

2.1.2 Provide guidance as needed to prospective students through the Program application process using Provider's application platform and forward completed applications that satisfy University's admissions standards to University's admissions office for review and acceptance.

2.1.3 [***]

3. Student Support Services Counseling.* Subject to University's oversight and pursuant to written plans, policies and procedures approved by University, Provider will:

3.1 [***]

3.2 [***]

3.3 [***]

3.4 [***]

3.5 [***]

4. Document Intake. Subject to University oversight (including as provided in Section 2.1.4 of this Exhibit B, above), Provider will collect all application documents from prospective students and enter them into the student information system (SIS) maintained for University [***]. Provider will also request all transcripts from any prior institutions students have attended and enter them into the SIS [***]. University will be exclusively responsible for evaluating prior institutions and courses and making admissions decisions in accordance with the criteria set forth in the UPH.

5. Student Records Management. Provider will:

5.1 [***] as determined by University.

5.2 [***]

5.3 [***]

5.4 [***]

5.5 [***] All status changes and documents provided are based on the students meeting qualifications set by University.

5.6 [***]

6. Curriculum Services.

6.1 University is responsible for all educational content provided in Course Materials and Courses. In collaboration with the University's faculty, Provider will assist with the Program and Course design by providing curricular assistance and recommendations with respect to content and techniques that make use of the available technologies and methods embodied in the Platform in order to endeavor to meet the needs of University's students and Programs. Provider may also provide other related support as necessary and as agreed by the Parties.

6.2 University will determine the selection of Programs to be offered and will provide faculty and content experts to determine the material to be covered in the Courses.

6.3 University-designated faculty will work with Provider to identify and license academic resources relevant to the Programs and Courses.

7. Accounting Services. The provision of the accounting services described in this section is intended merely to provide costs savings to University; such services shall be provided at University's discretion and any such services will be subject to University oversight.

7.1 ***Payroll.*** Provider will utilize its third-party payroll provider to process payroll of University employees and faculty as specified in an agreed upon calendar year. Provider will maintain University's online paycheck system on behalf of University. Provider will work with such third-party payroll provider to, or will itself act to, remit all withheld Taxes and payroll contributions on behalf of University per IRS rules and deadlines and will be responsible for preparing and sending out during the year all forms by applicable IRS deadlines.

7.2 ***Accounts Payable (Vendor).*** Provider will provide and maintain an accounts payable system for University and will train and assist University personnel in the use of such system. Provider will input University invoices within two (2) Business Days of being received as long as the vendor has been properly approved by University and a University purchase order has been created. Otherwise, Provider will contact the applicable University department within two (2) Business Days to create a purchase order. Upon University's prior approval of invoice amounts, Provider will authorize the payment of invoices from University's account on University's behalf per payment terms on invoice or net 30 days. Provider reserves the right to choose the method of payment (check, Automated Clearing House ("***ACH***"), or credit card) as long as it does not result in additional expense to University or create issues with a vendor. All vendor statements will be properly reviewed by the Parties within thirty (30) days of being received and issues will be resolved timely. University understands that it must respond within two (2) Business Days with respect to inquiries and requests for assistance or the deadlines will not be met.

7.3 ***Accounts Payable (Travel & Entertainment).*** Provider will provide and maintain an expense reporting system for University and will train and assist University in the use of such system. University will set travel policies for its employees, and Provider will audit compliance with such policies. Once expense reports are submitted through the system, Provider will have three (3) Business Days to audit or to request additional backup.

7.4 ***Accounts Payable (PCard).*** Provider will provide and maintain the purchasing cards and reconciliation system for University and will train and assist University personnel in the use of such system. University will create approval processes to issue new cards and will set policies for their use, and Provider will audit compliance with such processes and policies. Once PCard reconciliations are submitted through the system, Provider will have thirty (30) days to audit or to request additional backup. University will follow IRS guidelines for documentation requirements.

7.5 ***General Ledger (Month End Close).*** Provider will provide and maintain the general ledger system to be used for University's financial statement production and will provide view access to University's accounting personnel. Provider will close the books (excluding Tax entries) for each calendar month by the tenth (10th) Business Day of the following calendar month (e.g., for the month of May, the tenth (10th) Business Day of June). University understands that it must have all entries and accruals to Provider by the fifth (5th) Business Day of such following calendar month or the Provider close timeline may be delayed. Provider will reconcile all necessary balance sheet accounts by the twenty-fifth (25th) day of such following calendar month. Provider will prepare all required audit schedules per reasonable due date set by University's audit firm. Provider will respond to all general ledger questions from University within two (2) Business Days.

7.6 ***General Ledger (Fixed Assets).*** Provider will provide and maintain the fixed asset system to record and track all University assets and will provide reports to University personnel as needed. Provider will enter the fixed assets into the system at each calendar month end and will close the fixed asset books for any calendar month by the fifth (5th) Business Day of the following calendar month. Provider will prepare all required fixed asset schedules by the tenth (10th) Business Day of such following month. Provider will prepare all required audit schedules per due date set by University's audit firm. Provider will respond to all fixed asset questions from University within two (2) Business Days.

7.7 ***General Ledger (Bank Reconciliations).*** Provider will perform bank reconciliations for University. Provider will have access to all required University bank accounts as specified in Schedule B-7.7 hereto solely for purposes of making vendor payments and other purposes authorized by University. Provider will prepare a daily cash requirements report which will be sent to University's vice president of business and finance by noon daily. Provider will complete all cash entries for any calendar month by the third (3rd) Business Day of the following calendar month. Provider will complete all bank reconciliations by the last day of such following calendar month. All outstanding items which are errors will be researched and removed from reconciliation within thirty (30) days from the reconciled date. Provider will represent University with all banks and negotiate and ensure University is receiving the lowest fees and rates possible.

7.8 ***General Ledger (Investment).*** At University's option, Provider will invest and manage excess University's funds in short-term investments of University's choice. Provider will provide reconciliations for any calendar month by the tenth (10th) day of the following calendar month and keep detailed records of the investments. University will create an investment policy which Provider will follow. Provider will produce a quarterly investment summary that will be sent to University's vice president of business and finance.

7.9 ***Student Accounting (Adjustments)*****.** Provider agrees to process all adjustment tickets within two (2) Business Days. All auto and recurring adjustments will be processed per agreed upon schedules.

7.10 ***Financial Reporting*****.** Provider will produce monthly financial statements for University for each calendar month, which statement will be a balance sheet, income statement and cash flow statement along with a budget to actual spend comparison, by the fifteen (15th) day of the following calendar month. Provider will work with University's outside audit firm such that University can issue and file its audited financial statements with the DOE by the applicable due date following the end of each Fiscal Year.

7.11 ***Budgeting*****.** Provider will assist University with preparing an annual budget using a budget calendar determined by University. For purposes of clarity, Provider acknowledges and agrees that University shall have sole and final authority with respect to adoption of an annual budget.

7.12 ***Taxes*****.** Provider will assist University in calculating its applicable Tax liabilities, filing Tax or other relevant information returns and applications, making required Tax payments, and complying with the rules and regulations governing any tax-exempt bonds issued by University.

8. Financial Aid Services. Provider will provide (or engage other third parties to provide) certain financial aid services as set forth herein. The Parties acknowledge that these services may result in Provider being classified as a "Third-Party Servicer" as defined in 34 C.F.R. § 668.2.

8.1 Provider shall provide the following services:

8.1.1 subject to University's final approval, awarding, certifying, originating, and disbursing Title IV Program funds upon the successful collection of all required documents needed to fulfill both federal and institutional requirements, with certifications to be processed within five (5) business days of receipt of all documents.

8.1.2 delivering Title IV Program credit balance refunds to students (whether via cash, check, ACH, debit card, or other means); processing Return of Title IV Program funds for all Title IV Program students who have ceased to be enrolled at least half time; and providing financial counseling and entrance and exit loan counseling, including in person, by mail, or electronically.

8.1.3 financial aid consulting, including financial aid staffing, interim management, processing support, and/or development and maintenance of written policies and procedures approved by University; provided, that any policy and procedure updates that affect the processing of financial aid must be approved by University before enacting.

8.1.4 subject to University's final approval and in accordance with Applicable Law or the requirements of Educational Agencies, preparing and/or submitting required reports, including enrollment reporting to the National Student Loan Data System, the Integrated Postsecondary Education Data System, the Fiscal Operations report, and monthly and

annual reconciliations of federal funds, preparing or disseminating required consumer information disclosures, including general, campus crime, drug and alcohol prevention, graduation rates, placement rates, and gainful employment disclosures.

8.1.5 electronic storage and maintenance of Title IV Program-related records.

8.2 Provider hereby represents and warrants to University that it will, and hereby agrees to:

8.2.1 Comply with all statutory provisions of or applicable to Title IV of the HEA, all regulatory provisions prescribed under that statutory authority, and all special arrangements, agreements, limitations, suspensions and terminations entered into under the authority of statutes applicable to Title IV of the HEA, including the requirement to use any funds that Provider administers under any Title IV Program and any interest or other earnings thereon solely for the purposes specified in and in accordance with that Title IV Program.

8.2.2 Refer to the Office of Inspector General of the DOE for investigation any information indicating there is reasonable cause to believe that University might have engaged in fraud or other criminal misconduct in connection with University's administration of any Title IV Program or an applicant for Title IV Program assistance might have engaged in fraud or other criminal misconduct in connection with his or her application. Examples of the type of information that must be referred are:

(A) False claims for Title IV Program assistance;

(B) False claims of independent student status;

(C) False claims of citizenship;

(D) Use of false identities;

(E) Forgery of signatures or certifications;

(F) False statements of income; and

(G) Payment of any commission, bonus or other incentive payment based in any part, directly or indirectly, upon success in securing enrollments or the award of financial aid to any person or entity engaged in any student recruitment or admission activity or in making decisions regarding the award of Title IV Program funds.

8.2.3 Be jointly and severally liable with University to the Secretary of the DOE (the "***Secretary***") for any violation by Provider of any statutory provision of or applicable to Title IV of the HEA, any regulatory provision prescribed under that statutory authority, and any applicable special arrangement, agreement, or limitation entered into under the authority of statutes applicable to Title IV of the HEA.

8.2.4 If Provider disburses funds (including funds received under the Title IV Programs) or delivers federal Stafford Loan Program proceeds to a student, Provider will:

(A) Confirm the eligibility of the student before making that disbursement or delivering those funds, which confirmation must include, but is not limited to, any applicable information contained in the records required under 34 C.F.R. § 668.24; and

(B) Calculate and return any unearned Title IV Program funds to the Title IV Program accounts and the student's lender, as appropriate, in accordance with the provisions of 34 C.F.R. §§ 668.21 and 668.22, and applicable program regulations.

8.2.5 If either Party terminates this Agreement, or if Provider stops providing services for the administration of a Title IV Program, goes out of business, or files a petition under the Bankruptcy Code, Provider will return to University all:

(A) Records in Provider's possession pertaining to the University's participation in the Title IV Programs for which Services are no longer provided; and

(B) Funds, including Title IV Program funds, received from or on behalf of University or University's students, for the purpose of the Title IV Programs for which Services are no longer provided.

8.2.6 Provider also hereby represents and warrants that:

(A) It has not been limited, suspended, or terminated by the Secretary within the preceding five (5) years;

(B) It has not had an audit finding resulting in its having to repay an amount greater than five percent (5%) of the funds that Provider administered under the Title IV Program for any award year;

(C) It has not been cited during the preceding five (5) years for failure to submit audit reports required under Title IV of the HEA in a timely fashion; and

(D) In the event Provider sub-contracts any Title IV services set forth in Section 8.1 of this Agreement, Provider shall immediately identify the contractor and provide a copy of such contract to University, which contract shall identify in reasonable detail all functions to be performed by such contractor.

8.2.7 Provider agrees to implement and maintain appropriate safeguards to protect all customer information in its possession, in compliance with FERPA and the information security requirements established by the Federal Trade Commission, regardless of whether such information pertains to students, parents, or other individuals with whom University has a customer relationship, or pertains to the customers of other financial institutions that have provided such information to University. For purposes hereof, "customer information" means any

record containing nonpublic personal information about a customer, whether in paper, electronic, or other form, that is handled or maintained by or on behalf of the University or its Affiliates.

9. Procurement Services. The provision of the procurement services described in this section is intended merely to provide costs savings to University; such services shall be provided at University's discretion and any such services will be subject to University oversight.

9.1 Provider will utilize its purchasing department upon request by University personnel to secure products and services for University, including travel services;

9.2 Upon request by University personnel, Provider will review vendor contracts provided by University personnel; and

9.3 Provider will provide and maintain a procurement system for University and will train and assist University personnel in the use of such system.

The parties acknowledge that, as currently designed, Provider's procurement software requires that an authorized employee of Provider "approve" any purchase order. Provider covenants and agrees that it will approve any purchase order submitted by University for processing through the Provider procurement department.

10. Audit Services. The provision of the audit services described in this section is intended merely to provide costs savings to University; such services shall be provided at University's discretion and any such services will be subject to University oversight. Provider will work with the Board of Trustees of University to develop an annual internal audit plan for University and then will assist University, upon request, in performing internal auditing services for University in accordance with such plan. The Parties anticipate that such plan will include audits of at least four (4) University departments annually, although University has discretion regarding the number of annual audits.

11. Human Resources. The provision of the human resources services described in this section is intended merely to provide costs savings to University; such services shall be provided at University's discretion and any such services will be subject to University oversight.

11.1 Provider will provide guidance and support to University in University's goal of preventing and resolving workplace issues. Subject to University policies, such guidance and support will include consulting with business leaders and employees on performance management, human resources policies, business unit restructures, workforce planning and formal complaint investigation and response. Provider will meet annually with University to ensure service quality and responsiveness remains at an acceptable level. Following these meetings, Provider will implement requested changes within forty-five (45) calendar days. Provider will investigate and respond to formal legal complaints within thirty (30) calendar days of receipt and/or according to the applicable legally required deadlines.

11.2 University has exclusive authority regarding all hiring decisions for University personnel. Provider will, at the request of University, assist University in its employee recruitment process, including sourcing, interviewing and on-boarding employees. Provider will maintain an external job posting website for the University. Provider will post University approved

position requisitions within two (2) Business Days from receipt and launch the onboarding process within two (2) Business Days of making University approved employment offers. The target average time to fill open positions will be forty-five (45) days.

11.3 University has exclusive authority regarding all compensation decisions for University personnel. Provider will, at the request of University, provide compensation consulting to University, including assisting in creating job descriptions, conducting market compensation, headcount and turnover analyses and managing salary administration plans. Provider will respond to all compensation related requests or questions from University within fifteen (15) Business Days.

11.4 Provider will provide HR system technology for automated HR business processes, employee and manager self-service, and reporting and analytics that support University initiatives; execute HR system technology updates, changes and new functionality/business requests that support business goals; and provide communication, training and support to all HR system users and manage all employee data. Provider will provide 99% HR system availability in any given year.

11.5 University has exclusive authority regarding all employee group insurance and retirement plan decisions for University personnel. Provider will advise University on group benefit plan design and procurement. Provider will provide University with an annual review of benefit cost prior to the designated open enrollment period. Provider will represent University with all employee benefit vendors and negotiate and present University options regarding fees and rates.

11.6 Provider will be the central point of contact for all University employees in respect of providing employee benefits and leave administration, resolving general HR inquiries and offering assistance with any HR system. Provider will provide HR Service Center support for employees five (5) days per week (7:00 a.m. to 5:00 p.m., Monday through Friday). Provider will respond to calls and emails within two (2) Business Days.

11.7 Provider will provide the following services: New Hire Orientations, Staff Onboarding Programs, Staff Development Programs/Modules, Management Development Programs/Modules, Compliance Modules, New Policy/Procedure/System/Programmatic Trainings, and Staff Management Performance Evaluations. Provider will provide new hire orientation and onboarding programs on a monthly basis (based on organizational needs), Development Programs for staff twice per year, Development Programs for managers annually, Compliance Modules annually, Other Staff and Management modules/trainings as needed/available. Provider will provide Staff and Management Performance Evaluations a minimum of once per year.

11.8 [***]

12. <u>Technology</u>.*

12.1 Provider has built, and shall maintain, periodically revise, and host a technology platform for University, to serve as an online communication portal for [***] (the "***Platform***"). Provider will use commercially reasonable efforts to provide University students with online access to the Platform, including [***] that will be used by University students and

employees via the Platform. At the Effective Date, the systems and functionality of the Platform shall be consistent with the Platform as provided immediately prior to the Effective Date. Thereafter, subject to Section 3.3 (Services Addenda) of the Agreement, and in the course of providing the Services, Provider will use commercially reasonable efforts to improve the systems and functionality of the Platform and develop additional systems and functionality to improve the Platform's learning experience for University faculty and students. Provider will prioritize development efforts with input from University.

12.2 The specifications and performance standards for the Platform are as follows. Any changes that materially degrade such specifications and standards shall be subject to the written approval of University. Periodically, Provider may propose enhancements to the specifications and performance standards for the Platform, all of which shall be subject to review by University at University's request.

12.2.1 *Technical Support for Students*. Provider will provide technical support to all enrolled students of University regarding the Platform [***]

12.2.2 *Help Desk Support for University Employees*. Provider will provide an IT Help Desk available to University employees. [***] Provider will measure satisfaction by quality assurance scoring and ticket resolution follow up calls. The other metrics above will be tracked.

12.3 Provider will make available to University an IT infrastructure for mutually agreed applications and such infrastructure will be designed to be an always available, 24x7 full service network. [***]

12.4 Provider will provide those software and technology capabilities to University as are currently provided as of the Effective Date. For each of these capabilities, Provider will work with University to define in more detail the following:

12.4.1 Service or capability being provided;

12.4.2 The service level agreement ("***SLA***") related to the service or capability;

12.4.3 Processes related to the service or capability;

12.4.4 Limitations related to the service or capability;

12.4.5 How new services or capabilities beyond the baseline services and capabilities are added and how cost is determined; and

12.4.6 Regular reporting related to the service or capability as provided in the SLA.

12.5 Subject to the exclusions described in Section 12.7 below, services to be provided by Provider to University include, but are not limited to, the following:

12.5.1 [***]

12.5.2 [***]

12.5.3 [***]

12.5.4 [***]

12.5.5 [***]

12.5.6 [***]

12.5.7 [***]

12.5.8 [***]

12.6 Subject to the exclusions described in Section 12.7 below, capabilities that Provider will provide to University include, but are not limited to, the following:

12.6.1 [***]

12.6.2 [***]

12.6.3 [***]

12.6.4 [***]

12.6.5 [***]

12.6.6 [***]

12.7 Capabilities and services that are not included as part of this Agreement include:

12.7.1 [***]

12.7.2 [***]

12.8 [***]

12.9 Provider and University's designated IT liaisons will meet on a regular basis to review current work and backlog of requested changes to IT systems, services or capabilities. University's designated IT liaisons will participate in setting the priorities of work being done on their behalf. Provider will propose and get approval for standard and exceptional system maintenance windows and provide advance documentation of all changes occurring during a maintenance window. When appropriate, University will be part of the validation testing after the maintenance occurs and will decide whether the changes are accepted or should be rolled back.

13. Business Analytics Services. Based on University's determination of the type of information needed, Provider will provide business analytics to support the operational as well as academic departments of University.

14. Faculty Operations.

14.1 Under the direction of University and University faculty, Provider will [***]. University college deans will be responsible for determining who is hired as University faculty and who is qualified to teach respective Courses. [***]

14.2 Under the direction of University college deans and faculty, Provider will [***]. Provider will evaluate adjunct faculty according to University standards and provide evaluation results to University college deans. Provider will support University colleges in processing evaluations; provided, that University and its college deans shall determine employment statuses including terminations of all faculty and adjuncts.

15. Compliance Monitoring and Audits. In furtherance of, but subject to, Section 5.4 (Examinations) of the Agreement:

15.1 Provider shall (a) measure, monitor, and track the performance of its Services, conduct internal audits and self-testing, and compare such performance to the standards and other specifications and standards provided for in this Agreement, (b) detect and promptly cure deficiencies, and (c) report such performance, deficiencies and cures to University on a quarterly or other basis as agreed between the Parties in a form mutually agreed by the Parties from time to time. Such assessment of the performance of Provider's Services shall include providing University an opportunity to assess or comment to Provider on Provider's performance of its Services, irrespective of any other measurements. If required by Applicable Law, Provider shall also provide to University, initially and on an annual basis thereafter, a copy of a Statement on Standards for Attestation Engagements (SSAE) No. 16 report obtained by Provider from an auditing firm reasonably acceptable to University with respect to Provider's operations related to its Services under this Agreement.

15.2 As requested by University in writing (but not more than once per Fiscal Year), Provider shall provide reasonable, mutually acceptable, written certifications as to Provider's compliance with Applicable Law. For the avoidance of doubt, such written certifications shall include any sub-certifications reasonably required by University to enable University to provide its own written certifications to any Governmental Entity as required by Applicable Law or contract. University shall consult with Provider prior to agreeing to provide certifications with regard to University and its Programs that will require a Provider sub-certification.

15.3 Upon University's request and subject to Provider's then-current confidentiality, security and data protection procedures, Provider will permit University's authorized representatives and auditors to visit with the appropriate personnel at Provider, and will provide University with access to or copies of (a) applicable Provider records, including testing results (whether conducted by Provider or a third-party), (b) Provider's compliance policies and procedures applicable to Provider's operations related to its Services, and (c) any

other records required to be delivered by Provider pursuant to this Agreement, in each case in order to conduct due diligence on, audit, inspect or otherwise examine Provider's operations, computer systems and access controls directly relating to its performance hereunder (collectively, "***Reviews***"). University agrees that Reviews will be completed at Provider's facilities upon reasonable advance notice during regular business hours. The parties will cooperate in good faith to minimize the disruption associated with Reviews, including the timing of such Reviews.

15.4 If Provider receives a request or demand from an Educational Agency requesting a Review, Provider shall notify University promptly, and Provider shall work with University and such Educational Agency in conducting and responding to any such request for a Review; provided, that Provider shall not be required to provide a Review to any third party, except as required by Applicable Law.

15.5 Subject to Provider's then-current confidentiality, security, and data protection procedures, (a) Provider will discuss with University personnel, or provide summaries to University of, any material violations of Provider's code of ethics or other compliance-related policies and procedures by Provider personnel related to Provider's performance hereunder, and (b) Provider will promptly notify University of (and, if requested by University, provide University summaries of) material changes to Provider's code of ethics and other compliance-related policies and procedures applicable to Provider's performance hereunder in accordance with HLC requirements.

15.6 If Provider fails to meet a specification or standard in the performance of any Service under this Agreement, or if a deficiency is identified as a result of any self-testing, SAS 70 audit or other monitoring or other Review contemplated in this Section 15.6, as soon as practicable following knowledge of such failure or deficiency, Provider shall, at its expense (a) perform an analysis to identify the cause of any such failure or deficiency, (b) provide University with a report identifying the cause of such failure or deficiency and describing the intended procedure/steps for correcting or resolving such failure or deficiency and the timeline for completing such procedure/steps, (c) if requested by University, meet with University (in person or by teleconference, through their respective Designees or otherwise) to discuss such failure or deficiency and such intended procedure/steps and timeline, (d) promptly cure such failure or deficiency and (e) after such failure or deficiency is cured, promptly notify University that such failure or deficiency has been cured.

[End of Exhibit B]

EXHIBIT C

FORM OF SERVICES ADDENDUM

This SERVICES ADDENDUM ("***SA***") is issued pursuant to, and incorporates by reference, that certain Master Services Agreement (as the same may be amended from time to time, the "***Agreement***") dated July 1, 2018 by and between Grand Canyon University, an Arizona non-profit corporation formerly known as Gazelle University ("***University***"), and Grand Canyon Education, Inc., a Delaware corporation ("***Provider***"). This SA is effective as of the date set forth below (the "***SA Effective Date***"). In the event of a conflict between the terms and conditions of this SA and the terms and conditions in the body of the Agreement, the terms and conditions of the Agreement shall control to the extent of the conflict (unless this SA specifically identifies and overrides the conflicting term(s) and condition(s), in which event, the terms of this SA shall control for this SA only).

Unless otherwise defined in this SA, the capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

The purpose of this Services Addendum is to describe new Services, and related Deliverables and Specifications, that the Parties agree should be provided by Provider to University under the Agreement and, if applicable, describe payment terms for such new Services if payment is not intended to be covered by the arrangement described on Exhibit D to the Agreement.

1. **SA Effective Date**: _____, 20__

2. **Services**.

   Provider shall perform the following Services, subject to the terms and conditions in this SA and the Agreement:

   [*Insert a detailed description of the Services that Provider shall perform.*]

3. **Deliverables**.

   The deliverables ("***Deliverables***") Provider shall provide to University under this SA are as follows:

   [*Insert a description of the tangible deliverables that will be delivered to University, if any.*]

   [*See comments below in the Section titled "Intellectual Property" regarding which party will own the Intellectual Property developed under this SA, including any Intellectual Property in the Deliverables.*]

4. **Specifications**.

   The Services and Deliverables shall substantially conform to the following Specifications:

[*Insert the specifications, requirements and testing criteria applicable to the Services and the Deliverables, if any.*]

5. **Time Schedule and Meetings**.

[*Insert the time schedule for the provision of the Services and Deliverables, including any deadlines for the delivery of the Services and Deliverables, and the time and place for any scheduled meetings.*]

6. **Points of Contact**.

For Provider:

For University:

7. **Term and Termination**.

[*Insert the term of the SA and termination rights.*]

8. **Services Fees and Payment**.

a. Services Fees:

[*Insert a description of the Services Fees for the Services and Deliverables if intended not to be covered by Exhibit D of the Agreement.*]

b. Payment Terms:

[*Insert the payment terms, if intended not to be covered by Exhibit D of the Agreement.]*

9. **Intellectual Property**.

[*If the Services will result in the development of new Intellectual Property, then indicate whether such Intellectual Property will be owned by University as University Intellectual Property as contemplated by Section 10.2.2 (Ownership) of the Agreement or whether such Intellectual Property will remain the property of Provider. If such Intellectual Property is* ***not*** *University Intellectual Property and will therefore be owned by Provider, then specify what, if any, licenses are granted to University to use such Intellectual Property. If such Intellectual Property will be owned by University as University Intellectual Property, then specify what, if any, licenses are granted to Provider to use such Intellectual Property.*]

10. **Licenses to Third Party Technology or Materials**.

a. Description: [*Insert a detailed description of any licenses or other rights to technology, content or other materials required from any third party for the performance of the Services or the Deliverables.*]

b. Parties: [*Indicate who will obtain the license: Provider or University.*]

c. Fees: [*Include fees, payment terms and responsible party.*]

d. Term: [*Indicate license term.*]

11. **Licenses to Provider Technology or Materials**.

a. Grant: [*Include a grant of any licenses or other rights to technology, content or other materials from Provider to University or from University to Provider for the performance of the Services or the Deliverables, or attach a separate license agreement.*]

b. Fees: [*Include fees and payment terms.*]

c. Term: [*Indicate license term.*]

d. Other: [*Include any other license terms.*]

12. **Subcontracting**.

[*Include any limits on subcontracting. See Section 3.2 of the Agreement.*]

13. **Other Terms**.

[*Insert a description of any additional terms or conditions applicable to the Services to be provided under this SA.*]

IN WITNESS WHEREOF, an authorized representative of each Party has executed this SA as of the SA Effective Date written above.

Grand Canyon University	**Grand Canyon Education, Inc.**
Signature:	Signature:
Name:	Name:
Title:	Title:

[End of Exhibit C]

EXHIBIT D

PRICING AND PAYMENT TERMS; OTHER AGREEMENTS

1. University Adjusted Gross Revenue.

For purposes of this Agreement, University adjusted gross revenue ("***University Adjusted Gross Revenue***") consists of all revenue received by University or its Affiliates in respect of the following (in each case net of refunds and scholarships actually granted by University to its students to the extent accounted for as a discount to tuition):

[***]

2. Payment for Services.

(a) Services Fees. On a monthly basis, as provided in Section 3 below, University shall pay Services Fees to Provider for Services rendered hereunder in an amount equal to 60.0% of University Adjusted Gross Revenue.

(b) Periodic Review. Not less than ninety (90) days prior to an Optional Adjustment Date (as defined below), either Party shall have the right (but not the obligation) to initiate a new or updated analysis (which may be a transfer pricing study or other market study, as applicable) for the purpose of determining whether the percentage of University Adjusted Gross Revenue payable by University to Provider pursuant to Section 2(a) of this Exhibit D following such Optional Adjustment Date should be adjusted (such adjusted percentage, the "***Adjusted Percentage***"). Such analysis shall be performed by a nationally recognized firm with experience in conducting such analyses and which is reasonably acceptable to both Parties (the "***Pricing Firm***"). The final analysis submitted by the Pricing Firm shall be binding and conclusive on the Parties and shall not be subject to challenge by either Party. If the Adjusted Percentage, as determined by the Pricing Firm, deviates by more than one (1) percentage point, without rounding, from the percentage set forth in Section 2(a) of this Exhibit D (as then in effect), then Section 2(a) of this Exhibit D shall be deemed amended as of the Optional Adjustment Date to reflect Adjusted Percentage and such Adjusted Percentage shall apply from and after the applicable Optional Adjustment Date. The Parties acknowledge that the analysis performed by the Pricing Firm may result in the percentage of University Adjusted Gross Revenue payable by University to Provider either changing (increasing or decreasing) or remaining the same. Each Party will bear half of the fees and costs charged by the Pricing Firm, but no other consideration shall be paid or exchanged between the Parties in connection with the analysis or in implementing any Adjusted Percentage, if applicable.

(c) "Optional Adjustment Date" means any of the following: (a) the tenth (10th) anniversary of the Effective Date, and (b) thereafter, the first date of each Renewal Term.

3. Reports and Payment.

(a) University shall provide to Provider the following reports on or before the thirtieth (30th) day after the end of each calendar month during each calendar year:

[***]

(ii) a reconciliation of the foregoing monthly reports against actual results obtained during the most recently completed reporting period.

(b) Concurrently with the delivery of each monthly report required by Section 3(a), University shall also pay or adjust, as applicable, Provider's portion of University Adjusted Gross Revenue for the subject reporting period by wire transfer of funds to such bank account as Provider may direct by notice to University no later than ten (10) Business Days prior to the scheduled date for such wire transfer. If no wire transfer instructions are provided within such period, then payment will be made by check.

(c) Any payment by Provider to University to make up any post-reporting period adjustment shall be paid within thirty (30) days after Provider's receipt of the applicable report.

(d) A final reconciliation and payment of amounts due from either party to the other pursuant to this Section 3 shall be made within thirty (30) days after the termination or expiration of this Agreement.

4. Other Agreements between University and Provider. For so long as the Agreement remains in effect, Services Personnel who apply for and are accepted into a Program at University will not be required to pay tuition or other University fees during their enrollment in any such Program (or Courses comprising such Program) which are in excess of (a) for Services Personnel who are enrolled in traditional Courses, [***], and (b) for Services Personnel who are enrolled in online Courses, [***]. If any Services Personnel are enrolled in a Program at the time the Agreement terminates, this Section 4 will remain in effect with respect to such Services Personnel for the duration of the then current Fiscal Year (ending on the next succeeding June 30) for so long as any such Services Personnel remains in continuous enrollment in such Program following such termination and through the end of such Fiscal Year. Provider shall be responsible for administering this employee benefit as regards Services Personnel.

[End of Exhibit D]

EXHIBIT E

UNIVERSITY MARKS

Registered Trademarks

Mark	U.S. Reg. No.	U.S. Reg. Date
GRAND CANYON UNIVERSITY® (for apparel and expanded services)	5,421,628	03/13/18
GCU LEARNING LOUNGE®	5,372,732	01/08/18
 ®	5,357,629	12/19/17
STAMPEDE®	5,325,489	10/31/17
GCBC®	5,266,093	08/15/17
LOPES UP!® (for shirts)	5,252,228	07/25/17
GCU (Varsity Stylized), non-color (for apparel, other merchandise):  ®	5,216,662	06/06/17
FIND YOUR PURPOSE®	5,211,666	05/30/17
CANYON® (for streaming music services)	5,121,212	01/10/17
LOPES® (for athletic events, etc.)	5,094,661	12/06/16
LOPES UP!® (for athletic events, etc.)	5,082,360	11/15/16
GCU (Varsity Stylized), non-color (for athletic events, etc.):  ®	5,086,797	11/22/16
CANYON® (for athletic events, etc.)	4,948,974	05/03/16
GCU (Stylized), non-color:  ®	4,939,057	04/19/16
SCHOOL HOUSE CHALK®	4,772,979	07/14/15

Mark		U.S. Reg. No.	U.S. Reg. Date
Antelope Design in colors Purple and Black:	 ®	4,724,550	04/21/15
'LOPES and Antelope Design, non-color:	 ®	4,724,541	04/21/15
Antelope Design in colors Purple and Black:	 ®	4,633,637	11/04/14
'LOPES and Antelope Design, non-color:	 ®	4,633,605	11/04/14
DC NETWORK®		4,496,361	03/11/14
'LOPES and Antelope Design in color:	 ®	4,446,483	12/10/13
GRAND CANYON UNIVERSITY ARIZONA 1949 and Design, non-color:	 ®	4,124,765	04/10/12
GRAND CANYON UNIVERSITY ®		3,039,105	01/10/06
RISE TO THE CHALLENGE OF LEADERSHIP ®		4,096,375	02/07/12

Pending Trademark Applications

Mark	U.S. Appl. No.	U.S. Filing Date
CYBER LOPES	87/305,915	01/18/17
HACKERS WITH HALOS	87/186,903	09/28/16

State Trademarks and Trade Names

Registered Trade Names

State	Trade Name	Reg. No.	Reg. Date
AZ	DC NETWORK	521700	06/01/11
AZ	DOCTORAL COMMUNITY NETWORK	521690	06/01/11
AZ	RISE TO THE CHALLENGE OF LEADERSHIP	521656	06/01/11
ND	GRAND CANYON UNIVERSITY	28164100	12/11/10
AZ	GRAND CANYON UNIVERSITY	502591	10/18/10
AZ	FIND YOUR PURPOSE	493655	06/22/10
AZ	‘LOPES	451860	01/23/09
AZ	THUNDER ‘LOPE	451859	01/23/09
AZ	HEAR THE THUNDER, FEAR THE ‘LOPE	451858	01/23/09
AZ	LEADING AT A HIGHER LEVEL	451856	01/23/09

(a) Domain Names[1]

1. ACCREDITEDONLINEPHD.COM
2. APPLYGCU.COM
3. APPLYGCU.NET
4. BLANCHARDMBA.COM
5. CANYON.COFFEE
6. CANYON49.COM
7. CANYON49.RESTAURANT
8. CANYON49.REVIEWS
9. CANYON49GRILL.COM
10. CANYONANGEL.ORG
11. CANYONANGELS.COM

[1] The list of domain registrations includes domains not currently in use and some derogatory domains purchased as a protective measure to prevent third parties from registering and using them.

12. CANYONANGELS.ORG
13. CANYONBEVCO.COM
14. CANYONED.COM
15. CANYONEDU.COM
16. CANYONENTERPRISES.COM
17. CANYONENTERPRISES.ORG
18. CANYONEVENTS.COM
19. CANYONEVENTS.MOBI
20. CANYONEXCHANGE.COM
21. CANYONMUSICFESTIVAL.COM
22. CANYONPROMOTIONS.COM
23. CAREERANDCOLLEGES.COM
24. CEELEARNING.COM
25. CENTERFORCHRISTIANARTS.COM
26. CENTERFORCHRISTIANARTS.ORG
27. CHOOSEDISTRICTSCHOOLS.COM
28. CHOOSEDISTRICTSCHOOLS.ORG
29. CHOOSEGCU.COM
30. CIRTFACULTY.COM
31. CLUBGCU.COM
32. COLLEGEOF.EDUCATION
33. COREVALUESCORP.COM
34. CREDITSFORLIFE.COM
35. DISTRICTARIZONA.COM
36. DISTRICTAZ.COM
37. DRINKSTAMPEDE.COM
38. EDUCATIONPHD.COM
39. EDUSERVICES.COM
40. ENERGYSTAMPEDE.COM
41. ENROLLGCU.COM
42. EXCHANGECANYON.COM
43. FUCKGCU.COM
44. FUCK-GCU.COM
45. FUCKGCU.NET
46. FUCK-GCU.NET
47. FUCKUGCU.COM
48. FUCKU-GCU.COM
49. FUCK-U-GCU.COM
50. FUCKUGCU.NET
51. FUCKU-GCU.NET
52. FUCK-U-GCU.NET
53. FUCKYOUGCU.COM
54. FUCKYOU-GCU.COM
55. FUCK-YOU-GCU.COM
56. FUCKYOUGCU.NET
57. FUCKYOU-GCU.NET
58. FUCK-YOU-GCU.NET
59. FUGCU.COM

60. FU-GCU.COM
61. F-U-GCU.COM
62. FUGCU.NET
63. FU-GCU.NET
64. F-U-GCU.NET
65. FUTURELOPE.COM
66. FUTURELOPECSET.COM
67. FUTURELOPECWA.COM
68. FUTURELOPESTEM.COM
69. GCBEVCO.COM
70. GCBEVERAGECO.COM
71. GCEDSERV.COM
72. GCEDSERVICES.COM
73. GCEDUCATIONALSERVICES.COM
74. GCEDUCATIONSERVICES.COM
75. GCESERV.COM
76. GCU.COFFEE
77. GCU.NET
78. GCU.REVIEWS
79. GCU.SOCCER
80. GCU.TODAY
81. GCU.UNIVERSITY
82. GCU.WTF
83. GCU.XXX
84. GCU4ME.COM
85. GCU4U.COM
86. GCUACAPELLA.COM
87. GCUALUMNI.COM
88. GCUAPPS.COM
89. GCUARENA.COM
90. GCUARENA.NET
91. GCUARENA.ORG
92. GCUATHLETICS.COM
93. GCUBEACHVOLLEYBALL.COM
94. GCUBEVERAGECO.COM
95. GCUBLOWS.COM
96. GCU-BLOWS.COM
97. GCUBLOWS.NET
98. GCU-BLOWS.NET
99. GCUBLOWS.ORG
100. GCUCAMPUS.COM
101. GCUCAMPUS.NET
102. GCUCLUBBASEBALL.COM
103. GCUCLUBGOLF.COM
104. GCUCLUBHOCKEY.COM
105. GCUCLUBTENNIS.CLUB
106. GCUCLUBWRESTLING.COM
107. GCUCOLLEGE.COM

108. GCUCOLLEGEONLINE.COM
109. GCUCROSSCOUNTRY.COM
110. GCUCYCLING.COM
111. GCUEDONLINE.COM
112. GCUEDU.COM
113. GCUEDU.MOBI
114. GCUEDUCATE.COM
115. GCUEDUCATIONONLINE.COM
116. GCUEDUCATIONSUCKS.COM
117. GCU-EDUCATION-SUCKS.COM
118. GCUEDUCATIONSUCKS.NET
119. GCU-EDUCATION-SUCKS.NET
120. GCUEMBASUCKS.COM
121. GCUEMBASUCKS.NET
122. GCU-EMBA-SUCSKS.COM
123. GCU-EMBA-SUCSKS.NET
124. GCUENROLL.COM
125. GCUEVENTS.COM
126. GCUFLAGFOOTBALL.COM
127. GCUGOLF.ACADEMY
128. GCUGOLF.COM
129. GCUGOLF.REVIEWS
130. GCUGRADSCHOOL.COM
131. GCUHAVOC.COM
132. GCUHAVOCS.COM
133. GCUHELL.COM
134. GCU-HELL.COM
135. GCUHELL.NET
136. GCU-HELL.NET
137. GCUHELL.ORG
138. GCUHOCKEY.COM
139. GCUHOTEL.COM
140. GCUHOTEL.REVIEWS
141. GCUHOTELBOOKING.COM
142. GCUHOTELDEALS.COM
143. GCUICEHOCKEY.COM
144. GCUISCRAP.COM
145. GCU-IS-CRAP.COM
146. GCUISCRAP.NET
147. GCU-IS-CRAP.NET
148. GCUISSHIT.COM
149. GCU-IS-SHIT.COM
150. GCUISSHIT.NET
151. GCU-IS-SHIT.NET
152. GCUJOURNAL.COM
153. GCULACROSSE.COM
154. GCULEARN.COM
155. GCULICENSING.COM

156. GCULOP.ES
157. GCULOPECOUNTRY.COM
158. GCULOPES.MOBI
159. GCULOPES.TV
160. GCULOPESCOUNTRY.COM
161. GCUMAIL.COM
162. GCUMAIL.NET
163. GCUMBASUCKS.COM
164. GCU-MBA-SUCKS.COM
165. GCUMBASUCKS.NET
166. GCU-MBA-SUCKS.NET
167. GCUMEDIA.COM
168. GCUMENSCLUBSOCCER.COM
169. GCUMISSIONS.COM
170. GCUNOW.COM
171. GCUNURSESSUCK.COM
172. GCU-NURSES-SUCK.COM
173. GCUNURSESSUCK.NET
174. GCU-NURSES-SUCK.NET
175. GCUNURSINGSUCKS.COM
176. GCU-NURSING-SUCKS.COM
177. GCUNURSINGSUCKS.NET
178. GCU-NURSING-SUCKS.NET
179. GCUONLINE.NET
180. GCUONLINEPROGRAMS.COM
181. GCUPOC.COM
182. GCUPURPOSE.COM
183. GCURACESERIES.COM
184. GCURESORT.COM
185. GCURESTAURANT.COM
186. GCUROCKS.COM
187. GCUSCHOOL.COM
188. GCUSOCCER.COM
189. GCUSTORE.COM
190. GCUSTUDENTLOANFORGIVENESS.COM
191. GCUSUCKS.COM
192. GCU-SUCKS.COM
193. GCUSUCKS.NET
194. GCU-SUCKS.NET
195. GCUSUCKS.ORG
196. GCUSWIMMING.COM
197. GCUTEAMSHOP.COM
198. GCUTENNIS.COM
199. GCUTHUNDER.COM
200. GCUTHUNDERTICKET.COM
201. GCUTICKETS.COM
202. GCUTIX.COM
203. GCUTODAY.COM

204. GCUTRIATHLON.COM
205. GCUTV.COM
206. GCUULTIMATEFRISBEE.COM
207. GCUVOLLEYBALL.COM
208. GCUWOMENSCLUBSOCCER.COM
209. GODGIVENTALENT.TV
210. GRANDCANYON.EDUCATION
211. GRANDCANYONBEVERAGE.CO
212. GRANDCANYONBEVERAGE.COM
213. GRANDCANYONBEVERAGECO.COM
214. GRANDCANYONED.COM
215. GRANDCANYONEDUCATION.COM
216. GRANDCANYONEDUCATIONALSERVICES.COM
217. GRANDCANYONEDUCATIONSERVICES.COM
218. GRANDCANYONLOANFORGIVENESS.COM
219. GRANDCANYONUNIVERSITY.NET
220. GRAND-CANYON-UNIVERSITY.NET
221. GRANDCANYONUNIVERSITY.WTF
222. GRANDCANYONUNIVERSITY.XXX
223. GRANDCANYONUNIVERSITYARENA.COM
224. GRANDCANYONUNIVERSITYARENA.NET
225. GRANDCANYONUNIVERSITYARENA.ORG
226. GRANDCANYONUNIVERSITYINFO.COM
227. GRANDCANYONWOMENSLACROSSE.COM
228. GRANDCE.COM
229. GROWINGMYPURPOSE.COM
230. HERDONCAMPUS.COM
231. IHATEGCU.COM
232. IHATEGCU.NET
233. IHATEGCU.ORG
234. INSTANTKNOODLES.COM
235. INSTRUCTIONALRESEARCH.COM
236. JBTSONLINE.ORG
237. JOINGCU.COM
238. LEARNGCU.COM
239. LOPE.MOBI
240. LOPEALOOZA.COM
241. LOPEALOOZA.INFO
242. LOPEALOOZA.NET
243. LOPEALOOZA.ORG
244. LOPECOUNTRY.COM
245. LOPEHOUSE.COM
246. LOPEHOUSE.RESTAURANT
247. LOPEHOUSE.REVIEW
248. LOPES.TV
249. LOPES.XXX
250. LOPESCOUNTRY.COM
251. LOPESHOP.COM

252. LOPESHOP.NET
253. LOPESHOPS.COM
254. LOPESHOPS.NET
255. LOPESLICENSING.COM
256. LOPESPORTAL.COM
257. LOPESTEAMSHOP.COM
258. LOPESTHUNDER.COM
259. LOPESTICKET.COM
260. LOPESTICKETS.COM
261. LOPESTIX.COM
262. LOPESTORE.COM
263. LOPESTV.COM
264. LOPETEAMSHOP.COM
265. LOPETICKET.COM
266. LOPETICKETS.COM
267. LOPEZTICKET.COM
268. LOPEZTICKETS.COM
269. MADEGREES.COM
270. MASTERSONLINE.COM
271. MSDEGREES.COM
272. MYGCUFUTURE.COM
273. MYGIVENPURPOSE.COM
274. MYTRANSFERCREDITS.COM
275. PAINTTHEVALLEYPURPLE.COM
276. PHDEDUCATION.COM
277. PROFESSIONALSTUDIES.COM
278. PROFESSIONALSTUDIES.NET
279. RANKINGONLINESCHOOLS.COM
280. RESOLUTION2011.COM
281. RESOLUTION2011.NET
282. RESOLUTION2011.ORG
283. RESOLUTION2012.COM
284. RESOLUTION2012.NET
285. RESOLUTION2012.ORG
286. RESOLUTION2013.NET
287. RESOLUTION2013.ORG
288. RESOLUTION2014.COM
289. RESOLUTION2014.NET
290. RESOLUTION2014.ORG
291. RESOLUTION2015.COM
292. RESOLUTION2015.NET
293. RESOLUTION2015.ORG
294. RESOLUTION2016.COM
295. RESOLUTION2016.NET
296. RESOLUTION2016.ORG
297. RESOLUTION2017.COM
298. RESOLUTION2017.NET
299. RESOLUTION2017.ORG

300. RESOLUTION2018.COM
301. RESOLUTION2018.NET
302. RESOLUTION2018.ORG
303. RESOLUTION2019.COM
304. RESOLUTION2019.NET
305. RESOLUTION2019.ORG
306. RESOLUTION2020.NET
307. RESOLUTION2020.ORG
308. RESOLUTION2021.COM
309. RESOLUTION2021.NET
310. RESOLUTION2021.ORG
311. RESOLUTIONFEST.COM
312. RESOLUTIONFESTIVAL.COM
313. RESOLUTIONFESTIVAL.ORG
314. RESOURCECLOSET.COM
315. ROCKATGCU.COM
316. RUNTOFIGHTCANCER.COM
317. RUNTOFIGHTCANCER.ORG
318. SCHOOLHOUSECHALK.COM
319. SCHOOLSINPHOENIX.COM
320. SCREWGCU.COM
321. SCREW-GCU.COM
322. SCREWGCU.NET
323. SCREW-GCU.NET
324. SHAREMYPURPOSE.COM
325. SHOWINGPURPOSE.COM
326. SHOWMYPURPOSE.COM
327. STAMPEDEDRINK.COM
328. STUDENTLOANFORGIVENESSGCU.COM
329. STUDENTLOANFORGIVENESSGRANDCANYONUNIVERSITY.COM
330. TALKTOBRENDA.COM
331. TEACHFORPURPOSE.COM
332. TEACHINGPHD.COM
333. THECENTERFORCHRISTIANARTS.COM
334. THECENTERFORCHRISTIANARTS.ORG
335. THECOLLEGEGOSSIP.COM
336. THETHUNDERGROUND.COM
337. THUNDERLOPES.COM
338. TOURGCU.COM
339. TRANSFERTOGCU.COM
340. TRANSFERYOURCREDITS.COM
341. UNITEDBYPURPOSE.COM
342. WORSHIPISOURFOOTBALL.COM
343. WORSHIPISOURFOOTBALL.INFO
344. WORSHIPISOURFOOTBALL.NET
345. WORSHIPISOURFOOTBALL.ORG
346. WORSHIPOLOGIST.COM

Exhibit 31.1

CERTIFICATION PURSUANT TO RULES 13a-14(a) and 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 0F THE SARBANES-OXLEY ACT OF 2002

I, Brian E. Mueller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ending September 30, 2018 of Grand Canyon Education, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2018

/s/ Brian E. Mueller
Brian E. Mueller
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO RULES 13a-14(a) and 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 0F THE SARBANES-OXLEY ACT OF 2002

I, Daniel E. Bachus, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ending September 30, 2018 of Grand Canyon Education, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2018

/s/ Daniel E. Bachus

Daniel E. Bachus
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Grand Canyon Education, Inc. (the "University") for the quarter ended September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian E. Mueller, Chief Executive Officer, of the University, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78m or 78o); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the University.

Date: November 8, 2018

/s/ Brian E. Mueller
Brian E. Mueller
Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10Q of Grand Canyon Education, Inc. (the "University") for the quarter ended September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel E. Bachus, Chief Financial Officer, of the University, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78m or 78o); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the University.

Date: November 8, 2018

/s/ Daniel E. Bachus

Daniel E. Bachus
Chief Financial Officer (Principal Financial and Principal Accounting Officer)