From: Coyle, Meghan
Sent: Friday, February 17, 2017 10:51 AM
To: 'Them, Richard (richard.them@edmc.edu)'
Subject: Upcoming preacquisition review

Hi, Richard—

For purposes of the Department's preacquisition review, please provide the following documents and information:

1. Letter of intent (DCF/Najafi)
2. Najafi Debt Commitment letter
3. DCF Equity Commitment letter
4. Purchase Agreement between DCF and 2301 LA Holdings for 2301 Bellevue
5. Closing binder(s) index(es) for purchase/financing/refinancing of Dream Center Foundation's primary campus facilities to 2301 LA Holdings, including any transaction with LADF VI LLC.
6. All documents representing the "one day loan" and the "Note Receivable" ($34.8 million) (including by way of example only -- note agreement(s), promissory note(s), amendments, modifications, pledge or security agreements)
7. DCF Loan Agreement with Tommy Barnett
8. A description of DCF's plan for working capital for the operation of the purchased assets following the transaction.

Items 1-3 are referred to in Section 5.6 of the Asset Purchase Agreement with EDMC.
Item 6 is described in the Dream Center's 12/31/15 financial statements (note 7).
Item 7 is described in the Dream Center's 12/31/15 financial statements (note 8).

This is a preliminary request for information and after the requested information and documents are received and reviewed, we will likely contact you for additional materials.

Please let us know if you have any questions.

Thanks,

Meghan

Meghan Coyle (née Gladden)
Eligibility Analyst
Multi-Regional and Foreign Schools Participation Division
U.S. Department of Education
61 Forsyth Street, Suite 18T40
Atlanta, GA 30303
404-974-9302

From: Mangold, Donna
Sent: Wednesday, March 22, 2017 9:55 AM
To: Frola, Michael; Coyle, Meghan; Finley, Steve; Sikora, Tara; Arthur, Julie
Cc: Allred, Michelle; Urwitz, Jay
Subject: RE: EDMC - DCF Transaction

+ Jay.

Per my e-mail from a few minutes ago. No call is necessary until we get the documents.

From: Frola, Michael
Sent: Wednesday, March 22, 2017 9:49 AM
To: Coyle, Meghan; Finley, Steve; Mangold, Donna; Sikora, Tara; Arthur, Julie
Cc: Allred, Michelle
Subject: FW: EDMC - DCF Transaction

Do we need to set up a conference call to check in on the status of the CIO application and a response to Ron Holt's email below?

Thanks,
Mike

From: Ronald L. Holt [mailto:rholt@dfrglaw.com]
Sent: Tuesday, March 21, 2017 7:24 PM
To: Finley, Steve
Cc: Hylden, Tom (Tom.Hylden@PowersLaw.com); Beller, Sean (Sean.Beller@PowersLaw.com); Frola, Michael
Subject: EDMC - DCF Transaction

Dear Steve:

As you know, Education Management Corporation (EDMC) and Dream Center Foundation (DCF) on February 24 signed an Amended and Restated Asset Purchase Agreement under which DCF, through multiple downstream subsidiaries, will acquire South University, Argosy University, and all of the Art Institute locations not in teach-out (including several Art Institute OPEIDs). Richard Them at EDMC provided the original Asset Purchase Agreement to you and Mike Frola on January 25, 2017. EDMC provided additional information regarding the transaction (including the Amended and Restated Asset Purchase Agreement) and DCF's nonprofit status to Mr. Frola and Meghan Coyle, which the latter had requested in connection with determining the post-closing treatment of the institutions as nonprofits for Title IV purposes. Mr. Them also circulated to Mr. Frola, with a carbon copy to you, proposed discussion points regarding the transaction on February 8, 2017.

On behalf of Tom Hylden and Sean Beller (counsel for EDMC) and myself (counsel for DCF), we are reaching out to you concerning regulatory treatment of the subsidiary LLCs, which DCF (a California nonprofit organization recognized as exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code), plans to form and operate as nonprofits, in acquiring the assets of the EDMC schools from the EDMC subsidiaries. We understand Mr. Them briefly raised this issue on a call with Mr. Frola last week and Mr. Frola told him that regulatory counsel for the parties could reach out to you to discuss this matter.

The parties are aiming for a summer closing and have begun submitting notifications and applications to accrediting bodies and some state licensing agencies. We also have filed pre-acquisition review applications for the Art Institute of Houston, the Art Institute of Atlanta, South University, and Miami International University of Art & Design. These applications provide the proposed new ownership structure, including the DCF entities that will acquire each of the four institutions.

For convenient reference, I am attaching a DCF Organizational Chart that depicts the upstream DCF ownership structure reported in the four pre-acquisition review applications, which: (1) starts at Level 4 with DCF, a California nonprofit corporation that has been in existence for over 10 years, (2) moves next at Level 3 to Dream Center Educations Holdings LLC (DC Education), a new single member Arizona LLC of which DCF is the single member , (3) then moves at Level 2 to one of three different university system holding companies – Art Institutes International, LLC (AI International), Dream Center South University, LLC (DC South), and Dream Center Argosy University of California, LLC(DC Argosy) – all of which also are newly formed single-member Arizona LLCs, of which DC Education is the single member, and (4) then at Level 1 to multiple single member LLCs, of which one of the 3 university system holding companies is the single member, which will be acquiring specific institutional assets from specific EDMC subsidiaries. The DCF Organizational Chart, for reasons explained below, is likely to change as to the state of formation for the Level 1 buyer entities.

DC Education, DC South, DC Argosy and AI International and three subsidiaries of AI International - who are the buyers involved in three of the four pre-acquisition applications, AI Atlanta, AI Houston and Miami International – all have been formed as Arizona single member LLCs. Due to accrediting and state licensing considerations, we expect to form all of the other Level 1 single-member LLC buyers under the laws of the state in which the corresponding, existing EDMC seller subsidiary was formed, and we may replace the three AI International subsidiaries with buyer LLCs formed under the law of the states under which each of the corresponding EDMC subsidiary seller companies was formed. For the same reasons, we are considering forming under Georgia law a new intermediate single member subsidiary of Dream Center South University, LLC (an Arizona LLC)and forming under California law an intermediate single member subsidiary of Dream Center Argosy University of California, LLC (an Arizona LLC).

Before moving forward to form the buyer subsidiary LLCs under the laws of various states, we would like to first confirm that the Department agrees with our understanding that the recently formed upstream single-member Arizona LLC companies – DC Education, DC South, DC Argosy and AI International – all will qualify, for Title IV nonprofit institution purposes, as tax exempt nonprofit companies. Because all entities downstream from DCF will be single member LLCs, of which DCF will be the ultimate upstream single member, all of the subsidiaries will share DCF's tax exempt status. Attached is a memorandum on this point prepared by Randy Barton, who is a tax exempt attorney, in addition to being the Managing Director of DCF. While Arizona law does not expressly designate LLCs as for profit or nonprofit, when an LLC is formed for nonprofit purposes, qualifies with the IRS as a tax exempt entity, and operates as a nonprofit, then Arizona law treats the

LLC as a nonprofit. If it would be useful, our Arizona business organizations counsel can confirm this.

Tom Hylden and Sean Beller and I believe a call to discuss this will be helpful for all parties and we anticipate that it will take approximately half an hour.

Please let us know what dates and times would work for a call. Thank you in advance for your time and input.

Regards, Ron Holt

cc: Mike Frola, Tom Hylden, Sean Beller

Ronald L. Holt, Attorney
rholt@dfrglaw.com | Direct: (816) 292-7604 | Cell: (816) 509-5194 | Phone: (913) 387-1600 | Fax: (913) 928-6739

Douthit Frets Rouse Gentile & Rhodes, LLC
1100 Walnut Street, Suite 2900
Kansas City, Missouri 64106
www.dfrglaw.com

From:	Miller, Lia <lmmiller@edmc.edu>
Sent:	Monday, March 27, 2017 10:49 AM
To:	Frola, Michael; Coyle, Meghan
Cc:	Them, Richard
Subject:	FW: Upcoming preacquisition review
Attachments:	4. Donation Agreement.pdf; 5. Closing Binder Index.pdf; DCF-Dream Cemter Education Holdings, Equity Commitment Ltr, 2-24-17, Ful....pdf; Loan Commitment.pdf; Najafi-DCF Lending LOI, Fully Signed.pdf

-Lia

From: Miller, Lia
Sent: Monday, February 27, 2017 5:23 PM
To: meghan.coyle@ed.gov
Cc: Them, Richard (richard.them@edmc.edu)
Subject: RE: Upcoming preacquisition review

Hi Meghan

Attached are items 1 through 5. I will send 6 in a separate e-mail do to the size.

We will send items 7 and 8 when available.

Thanks,

Lia Miller
EDMC - Student Finance & Compliance
Business Analyst II
PH: 412-995-7416
Fax: 412-995-7553
lmmiller@edmc.edu

From: Coyle, Meghan [mailto:Meghan.Coyle@ed.gov]
Sent: Friday, February 17, 2017 10:51 AM
To: Them, Richard
Subject: Upcoming preacquisition review

Hi, Richard—

For purposes of the Department's preacquisition review, please provide the following documents and information:

1. Letter of intent (DCF/Najafi)
2. Najafi Debt Commitment letter
3. DCF Equity Commitment letter
4. Purchase Agreement between DCF and 2301 LA Holdings for 2301 Bellevue
5. Closing binder(s) index(es) for purchase/financing/refinancing of Dream Center Foundation's primary campus facilities to 2301 LA Holdings, including any transaction with LADF VI LLC.

6. All documents representing the "one day loan" and the "Note Receivable" (b)(4) [redacted] including by way of example only -- note agreement(s), promissory note(s), amendments, modifications, pledge or security agreements)
7. DCF Loan Agreement with Tommy Barnett
8. A description of DCF's plan for working capital for the operation of the purchased assets following the transaction.

Items 1-3 are referred to in Section 5.6 of the Asset Purchase Agreement with EDMC.
Item 6 is described in the Dream Center's 12/31/15 financial statements (note 7).
Item 7 is described in the Dream Center's 12/31/15 financial statements (note 8).

This is a preliminary request for information and after the requested information and documents are received and reviewed, we will likely contact you for additional materials.

Please let us know if you have any questions.

Thanks,

Meghan

Meghan Coyle (née Gladden)
Eligibility Analyst
Multi-Regional and Foreign Schools Participation Division
U.S. Department of Education
61 Forsyth Street, Suite 18T40
Atlanta, GA 30303
404-974-9302

DONATION AGREEMENT

THIS DONATION AGREEMENT (the "**Agreement**") is entered into as of this 27th day of August, 2012, by and between THE DREAM CENTER, a California nonprofit religious corporation ("**Dream Center**"), and THE DREAM CENTER FOUNDATION, a California nonprofit public benefit corporation (the "**Foundation**").

BACKGROUND

WHEREAS, Dream Center intends to enter into a new markets tax credit financing (the "**NMTC Financing**") in connection with the financing and construction of certain capital improvements on that certain improved real property located at 2301 Bellevue Avenue in Los Angeles, California, for use as a facility that provides charitable services and programs (such improved real property, the "**Property**," and the financing and improvements thereto, the "**Project**").

WHEREAS, the Foundation is a nonprofit corporation whose primary mission and purpose is to support Dream Center through fundraising and other activities (the "**Foundation Nonprofit Mission**").

WHEREAS, Dream Center desires to donate, contribute and otherwise transfer and assign over to the Foundation a donation in the amount of (b)(4) (b)(4) [redacted] for the express purpose of furthering the benefits of the NMTC Financing to Dream Center and its nonprofit mission, purposes, and activities (the "**Donation**").

WHEREAS, the Foundation is willing to accept and receive the Donation for the sole and express purpose of utilizing the same to repay that certain one-day loan in connection with making that certain leverage loan pursuant to the NMTC Financing, which such leverage loan will directly benefit Dream Center pursuant to the NMTC Financing and is otherwise consistent with the Foundation Nonprofit Mission.

WHEREAS, this Agreement is being entered into by and among the parties hereto to (i) evidence and document the Donation, and (ii) support recordation of the same on Dream Center's and the Foundation's respective books and records.

AGREEMENT

NOW THEREFORE, the foregoing is expressly incorporated hereinafter by this reference and hereby made a part hereof, the undersigned, intending to be legally bound hereby, covenant and agree as set forth below.

1. <u>Donation</u>. Pursuant to and in support of the Foundation Nonprofit Mission, Dream Center hereby agrees to donate, contribute and otherwise transfer and assign over to the Foundation the Donation, and the Foundation acknowledges and agrees to accept the same.

2. Recordation. Dream Center and the Foundation hereby agree to record the Donation on their respective books and records.

3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of California.

4. Counterparts. This Agreement may be executed in counterparts, each of which shall be treated as an original hereof, but all of which, when taken together, shall constitute one and the same instrument.

5. General Provisions. The descriptive headings of the sections of this Agreement have been inserted herein for convenience of reference only and shall not define or limit the provisions hereof. Time is of the essence of this Agreement. This Agreement may not be amended without the consent of the parties hereto.

[Signatures follow.]

SIGNATURE PAGE TO DONATION AGREEMENT

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

DREAM CENTER:

THE DREAM CENTER,
a California nonprofit religious corporation

(b)(6)

By: Matthew Barnett
Its: President

FOUNDATION:

THE DREAM CENTER FOUNDATION,
a California nonprofit public benefit corporation

(b)(6)

By: Matthew Barnett
Its: President

JPMORGAN CHASE BANK, N.A.
LOS ANGELES DEVELOPMENT FUND/
NATIONAL NEW MARKETS FUND/
OPPORTUNITY FUND/
DREAM CENTER

Closing Date: August 27, 2012

Closing Binder Index

Document	**Tab No.**
XVXI: Leverage Lender: Organizational, Legal Existence, Authority, Key Personnel and Financial Due Diligence	
Certificate of Good Standing and Legal Existence	93.
Certification of Incorporation	94.
Bylaws	95.
Board Resolutions	96.
Evidence of 501(c)(3) Status	97.
Officer's Incumbency Certificate	98.
Federal Identification Number: 41-2269686	99.
Financial Statements	100.
Capital Campaign Summary	101.
Operating Budget and Projections	102.
Key Personnel & Board Bios	103.
Existing Loan Documents	104.
All Federal/ State/ City Grant and/or Loan Documentation	105.
Lien Searches	106.
XVXII: QALICB: Organizational, Legal Existence, and Authority Due Diligence	
Certificate of Good Standing and Legal Existence	107.
Articles of Incorporation	108.
Bylaws	109.
Officer's Incumbency Certificate	110.
Federal Identification Number: 46-0555529	111.
Lien Searches	112.
XVXIII: TELACU: Organizational, Legal Existence, and Authority Due Diligence	

XVXXVI: <u>Other Documents</u>

#11781178_v1

February 24, 2017

Dream Center Education Holdings, LLC
7135 E Camelback
Suite F 240
Scottsdale AZ, 85251

Re: Commitment Letter

Ladies and Gentlemen:

Dream Center Education Holdings, LLC, an Arizona nonprofit limited liability company ("DCF Education Holdings"), has requested that its sole member Dream Center Foundation, a California nonprofit corporation ("Dream Center"), commit to providing equity capital to DCF Education Holdings in an aggregate amount of up to (b)(4) [redacted] (the "Equity Commitment"), upon the terms and subject to the conditions set forth in this commitment letter (the "Commitment Letter").

Background

Dream Center, DCF Education Holdings and the entities listed on Schedule A hereto (each, a "DCF Education Subsidiary", and collectively, the "DCF Education Subsidiaries") have entered into an Asset Purchase Agreement, dated January 18, 2017, with the sellers named therein (the "Sellers") to purchase from the Sellers substantially all of the assets and business of the post-secondary educational institutions known as South University and Argosy University, as well as the post-secondary educational system known as The Art Institutes (South University, Argosy University and The Art Institutes are collectively referred to as the "Schools"). On February 24, 2017, Dream Center, DCF Education Holdings, the DCF Education Subsidiaries and Sellers entered into an Amended and Restated Asset Purchase Agreement (together with all exhibits and schedules thereto, the "Asset Purchase Agreement") Under the Asset Purchase Agreement, the purchase price for the assets and business is (b)(4) [redacted] subject to adjustment as provided therein (the "Purchase Price"), which will be paid in the form of the Closing Cash Purchase Price (as defined in the Asset Purchase Agreement) and the Deferred Payments (as defined in the Asset Purchase Agreement).

Dream Center is a nonprofit corporation formed under the laws of California and is a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Schools are currently owned and operated by the Sellers as "for profit institutions" as defined in the applicable Department of Education ("DOE") regulations. Dream Center and DCF Education Holdings intends for Dream Center Education Holdings and the DCF Education Subsidiaries to acquire, own and operate the Schools as "nonprofit institutions" as defined in the applicable DOE regulations and as tax-exempt organizations for the "advancement of education" as defined in Code Section 501(c)(3).

The Equity Commitment

Dream Center is pleased to advise DCF Education Holdings of its commitment to provide the entire amount of the Equity Commitment, subject to the conditions set forth herein, each of which is a material, express condition precedent to Dream Center's obligation to provide the Equity Commitment. The Equity Commitment will be used by DCF Education Holdings and the DCF Education Subsidiaries solely to fund the Closing Cash Purchase Price to the Sellers contemplated by Asset Purchase Agreement.

The funding of the Equity Commitment is conditioned upon the closing of the transactions contemplated by the Asset Purchase Agreement. If for any reason the Asset Purchase Agreement is terminated, the Equity Commitment shall automatically terminate. In addition, the funding of the Equity Commitment is conditioned upon the satisfaction of the following additional conditions:

Dream Center's Receipt of Loan Facility:	Dream Center has received loan proceeds of an amount at least equal to the Equity Commitment from an affiliate of Najafi Company, LLC (the "Lender") on the terms and conditions of that certain Commitment Letter by and between Dream Center and Najafi Companies, LLC of even date herewith or otherwise acceptable to Dream Center in its sole discretion. For avoidance of doubt, Dream Center's commitment to make the Equity Commitment shall be solely from the proceeds of such loan when and if received from Lender.

This Commitment Letter shall not be assignable by DCF Education Holdings without the prior written consent of Dream Center (and any purported assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person or entity other than the parties hereto. This Commitment Letter may not be amended or waived except by an instrument in writing signed by Dream Center and DCF Education Holdings. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter set forth the entire understanding of the parties with respect to the Equity Commitment.

This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of Delaware. IF THIS COMMITMENT LETTER OR ANY ACT, OMISSION OR EVENT HEREUNDER OR THEREUNDER BECOMES THE SUBJECT OF A DISPUTE, DREAM CENTER AND DCF EDUCATION HOLDINGS EACH HEREBY WAIVE TRIAL BY JURY, AND ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

This Commitment Letter is delivered to DCF Education Holdings on the understanding that neither this Commitment Letter nor any of its terms or substance shall be disclosed, directly or indirectly, to any other person except (a) to DCF Education Holdings' officers, agents and advisors who are directly involved in the consideration of this matter, (b) to Education

Management II LLC and its officers, agents and advisors as provided in Section 5.6 of the Asset Purchase Agreement, (c) to the Department of Education, accrediting bodies or other regulatory bodies or (d) as may be compelled in a judicial or administrative proceeding or as otherwise required by law (in which case DCF Education Holdings agrees to inform us promptly thereof). Officers, directors, employees and agents of Dream Center and its affiliates shall at all times have the right to share among themselves information received from DCF Education Holdings and its officers, directors, employees and agents.

The confidentiality provisions contained herein shall remain in full force and effect regardless of whether definitive equity financing documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or Dream Center's commitment hereunder.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms hereof by returning to us an executed counterpart hereof not later than 5:00 p.m., Arizona time, on February 24, 2017. Dream Center's commitment will expire at such time in the event Dream Center has not received such executed counterpart in accordance with the immediately preceding sentence. Further, this Commitment Letter will expire if the Equity Commitment is not closed by December 5, 2017. This Commitment Letter supersedes any and all prior versions hereof and thereof.

[Signature Page to Follow]

THIS COMMITMENT LETTER REPRESENTS THE FINAL AGREEMENT BETWEEN DCF EDUCATION HOLDINGS AND DREAM CENTER WITH RESPECT TO THE COMMITMENT OF DREAM CENTER TO MAKE THE EQUITY COMMITMENT DESCRIBED HEREIN, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Very truly yours,

Dream Center Foundation, a California nonprofit corporation

By: ______________________________

Name: Randall K. Barton
Title: Managing Director

Accepted and agreed to as of
February 24, 2017, by:

Dream Center Education Holdings, LLC

(b)(6)

B[redacted]

Name: Brent Richardson
Title: Manager

2463000.1

THIS COMMITMENT LETTER REPRESENTS THE FINAL AGREEMENT BETWEEN DCF EDUCATION HOLDINGS AND DREAM CENTER WITH RESPECT TO THE COMMITMENT OF DREAM CENTER TO MAKE THE EQUITY COMMITMENT DESCRIBED HEREIN, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Very truly yours,

Dream Center Foundation, a California nonprofit corporation

(b)(6)

By: [redacted]
Name: Randall K. Barton
Title: Managing Director

Accepted and agreed to as of
February 24, 2017, by:

Dream Center Education Holdings, LLC

By: ______________________________
Name: Brent Richardson
Title: Manager

Schedule A
DCF Education Subsidiaries

Dream Center Education Management, LLC, an Arizona nonprofit limited liability company

The Art Institutes International, LLC, an Arizona nonprofit limited liability company

Dream Center South University, LLC, an Arizona nonprofit limited liability company

Dream Center Argosy University of California, LLC, an Arizona nonprofit limited liability company

All other direct and indirect subsidiaries of DCF Education Holdings that are or will be formed to own and operate the Schools.

February 24, 2017

Dream Center Foundation
77564 Country Club Drive
Suite 140
Palm Desert, CA 92211
Attention: Randall K. Barton, Managing Director

Re: Commitment Letter

Ladies and Gentlemen:

Dream Center Foundation, a California nonprofit corporation (the "Borrower"), Dream Center Education Holdings, LLC, an Arizona nonprofit limited liability company ("DCF Education Holdings"), and the entities listed on Schedule A hereto (each, a "DCF Education Subsidiary", and collectively, the "DCF Education Subsidiaries"), have requested that Najafi Companies, LLC ("Najafi") commit to cause one of its affiliates (the "Lender") to provide a credit facility in an aggregate amount of up to (b)(4) [redacted] plus an amount equal to the Lender's documented and reasonable third party costs (the "Facility"), upon the terms and subject to the conditions set forth in this commitment letter (the "Commitment Letter") and in the Term Sheet attached hereto as Schedule B (the "Term Sheet").

Background

The Borrower, DCF Education Holdings and the DCF Education Subsidiaries have entered into an Asset Purchase Agreement, dated January 18, 2017, with the sellers named therein (the "Sellers"), to purchase from the Sellers substantially all of the assets and business of the post-secondary educational institutions known as South University and Argosy University, as well as the post-secondary educational system known as The Art Institutes (South University, Argosy University and The Art Institutes are collectively referred to as the "Schools"). On February 24, 2017, the Borrower, DCF Education Holding, the DCF Education Subsidiaries and the Sellers entered into an Amended and Restated Purchase Agreement (together with all exhibits and schedules thereto, the "Asset Purchase Agreement"). The Borrower has provided to the Lender a true, correct and complete copy of the Asset Purchase Agreement. Under the Asset Purchase Agreement, the purchase price for the assets and business is (b)(4) [redacted] subject to adjustment as provided therein (the "Purchase Price"), which will be paid in the form of the Closing Cash Purchase Price (as defined in the Asset Purchase Agreement) and the Deferred Payments (as defined in the Asset Purchase Agreement).

The Borrower has represented that it is a nonprofit corporation formed under the laws of California and is a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Schools are currently owned and operated by the Sellers as "for profit institutions" as defined in the applicable Department of Education ("DOE") regulations. The Borrower has represented that it intends to acquire, own and operate the Schools as "nonprofit institutions" as defined in the applicable DOE regulations and as tax-exempt organizations for the "advancement of education" as defined in Code Section 501(c)(3).

To effectuate the purchase, the Borrower formed DCF Education Holdings as a wholly-owned subsidiary, which in turn formed the DCF Education Subsidiaries to purchase the Schools and their corresponding business and assets. For regulatory and administrative convenience, the DCF Education Subsidiaries will at closing mirror the Sellers' entities that own the Schools and the corresponding business and assets.

The Commitment

Najafi is pleased to advise the Borrower of its commitment to provide the entire amount of the Facility to the Lender and cause the Lender to provide the entire amount of the Facility to the Borrower, in each case subject to the conditions set forth herein and in the Term Sheet, each of which is a material, express condition precedent to Najafi's and the Lender's obligation to provide the Facility. Najafi reserves the right to allocate the Commitment among its affiliates and assign some or all of its rights to and delegate some or all of its responsibilities hereunder to one of its affiliates; provided that such allocation or assignment shall not relieve Najafi or its obligations hereunder. The Facility will be used by the Borrower solely to make an equity capital contribution to DCF Education Holdings for DCF Education Holdings and the DCF Education Subsidiaries to fund the Closing Cash Purchase Price to the Sellers contemplated by Asset Purchase Agreement, and to pay the fees and expenses of the Lender as provided in the Term Sheet to the extent such fees and expenses have not previously been reimbursed by Education Management II, LLC. As consideration for the Lender's commitment hereunder, the Borrower agrees to pay to the Lender the fees and other amounts set forth in the Term Sheet. DCF Education Holdings and the DCF Education Subsidiaries jointly and severally agree (a) to indemnify and hold harmless the Lender and its affiliates and their respective officers, directors, managers, members, employees, advisors and agents (each, an "indemnified person") from and against any and all losses, claims, damages and liabilities to which any such indemnified person may become subject arising out of or in connection with this Commitment Letter, the Term Sheet, the Facility, the use of the proceeds thereof or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any indemnified person is a party thereto, and to reimburse each indemnified person upon demand for any legal or other expenses incurred in connection with investigating or defending any of the foregoing, provided that the foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities or related expenses to the extent they are found by a final, non-appealable judgment of a court to arise from the willful misconduct or gross negligence of such indemnified person, and (b) to reimburse the Lender and its affiliates on demand for all out-of-pocket expenses, including due diligence expenses, consultants' fees and expenses (if any), travel expenses, and reasonable fees, time charges and disbursements of counsel incurred in connection with the Facility and any related documentation (including this Commitment Letter, the Term Sheet and the definitive financing documentation) or the administration, extension, amendment, modification or waiver thereof. No indemnified person shall be liable to the Borrower or any other person or entity for any damages, including any special, indirect, consequential or punitive damages, which may be incurred or alleged as a result of this Commitment Letter, the Term Sheet or the transactions contemplated hereby.

This Commitment Letter shall not be assignable by the Borrower without the prior written consent of Najafi (and any purported assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person or entity other than the parties hereto and the indemnified persons. This Commitment Letter may not be amended or waived except by an instrument in writing signed by Najafi and DCF. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter and the Term Sheet set forth the entire understanding of the parties with respect to the Facility.

This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of Delaware. IF THIS COMMITMENT LETTER, THE TERM SHEET OR ANY ACT, OMISSION OR EVENT HEREUNDER OR THEREUNDER BECOMES THE SUBJECT OF A DISPUTE, THE BORROWER AND THE LENDER EACH HEREBY WAIVE TRIAL BY JURY, AND ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

This Commitment Letter is delivered to the Borrower on the understanding that neither this Commitment Letter or the Term Sheet nor any of their terms or substance shall be disclosed, directly or indirectly, to any other person except (a) to the Borrower's officers, agents and advisors who are directly involved in the consideration of this matter, (b) to Education Management II LLC and its officers, agents and advisors as provided in Section 5.6 of the Asset Purchase Agreement, (c) to the Department of Education, accrediting bodies or other regulatory bodies or (d) as may be compelled in a judicial or administrative proceeding or as otherwise required by law (in which case the Borrower agrees to inform us promptly thereof). Officers, directors, employees and agents of Najafi and its affiliates shall at all times have the right to share among themselves information received from the Borrower and its officers, directors, employees and agents.

The Borrower acknowledges that Najafi or its affiliates, including Lender, may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Borrower, DCF Education Holdings and/or one or more of the DCF Education Subsidiaries may have conflicting interests regarding the transactions described herein or otherwise. Neither Najafi nor any of its affiliates, including Lender, will use confidential information obtained from the Borrower by virtue of the transactions contemplated by this Commitment Letter or their other relationships with the Borrower in connection with the performance by Najafi or any of its affiliates, including Lender, of services for other companies, and neither Najafi nor any of its affiliates, including Lender, will furnish any such information to other companies. The Borrower also acknowledges that Najafi and its affiliates, including Lender, have no obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to the Borrower, confidential information obtained from other companies.

The indemnification and confidentiality provisions contained herein and in the Term Sheet shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or Najafi's commitment hereunder.

The Borrower hereby authorizes the Lender, at its sole expense, but without any prior approval by the Borrower, to publish such tombstones and give such other publicity to the Facility as the Lender may from time to time determine in its sole discretion. The foregoing authorization shall remain in effect unless the Borrower notifies the Lender in writing that such authorization is revoked.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms hereof and of the Term Sheet by returning to us an executed counterpart hereof not later than 5:00 p.m., Arizona time, on February 24, 2017. Najafi's commitment will expire at such time in the event Najafi has not received such executed counterpart in accordance with the immediately preceding sentence. Further, this Commitment Letter will expire if the Facility is not closed by December 5, 2017, and may terminate at such earlier date as set forth in the Term Sheet. This Commitment Letter and Term Sheet supersede any and all prior versions hereof and thereof.

THIS COMMITMENT LETTER REPRESENTS THE FINAL AGREEMENT BETWEEN THE BORROWER AND NAJAFI WITH RESPECT TO THE COMMITMENT OF NAJAFI TO PROVIDE THE ENTIRE AMOUNT OF THE FACILITY TO THE LENDER AND CAUSE THE LENDER TO MAKE THE LOAN DESCRIBED HEREIN, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[The remainder of this page is intentionally left blank]

Najafi is pleased to have been given the opportunity to assist you in connection with this important financing.

Very truly yours,

Najafi Companies, LLC

(b)(6) [redacted]

By: ________

Name: Tina Lowder-Hall

Title: CFO

Accepted and agreed to as of
February 24, 2017, by:

Dream Center Foundation

(b)(6)

B[redacted]

Name: Randall K. Barton

Title: Managing Director

Schedule A
DCF Education Subsidiaries

Dream Center Education Management, LLC, an Arizona nonprofit limited liability company

The Art Institutes International, LLC, an Arizona nonprofit limited liability company

Dream Center South University, LLC, an Arizona nonprofit limited liability company

Dream Center Argosy University of California, LLC, an Arizona nonprofit limited liability company

All other direct and indirect subsidiaries of DCF Education Holdings that are or will be formed to own and operate the Schools.

Schedule B
Term Sheet

February 24, 2017

This Term Sheet is delivered with a commitment letter of even date herewith (the "Commitment Letter") from Najafi Companies, LLC ("Najafi") to the Borrower. Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to such terms in the Commitment Letter. This Term Sheet includes only a brief description of the principal terms of the Facility. The definitive terms of the Facility will be documented in a loan agreement, promissory note, pledge agreement and such other agreements, instruments, certificates and documents called for by the loan agreement or that Najafi may otherwise require consistent with the terms of the Commitment Letter, including this Term Sheet (collectively, the "Loan Documents").

I. Parties

Borrower and Guarantors:	DCF will be the Borrower. DCF Education Holdings and the DCF Education Subsidiaries will be guarantors on a joint and several basis.
Lender:	An affiliate of Najafi (the "Lender") will be the Lender, together with such of its affiliates to whom rights may be assigned or responsibilities delegated in connection with any allocation of the commitment by the Lender.

II. Credit Facility

Type and Amount:	A term loan (the "Loan") to be fully funded at closing in the amount of (i) the Closing Cash Purchase Price, not to exceed $50,000,000, plus (ii) the Lender's documented and reasonable third party fees, expenses and costs to the extent not previously reimbursed by Education Management II, LLC (such aggregate amount, the "Aggregate Commitment").
Term and Maturity:	Twenty-two (22) years after payment in full of the Deferred Payments, but in no event later than the twenty-third (23^{rd}) anniversary of the Closing Date, as defined below.
Purpose:	The proceeds of the Loan are to be used by the Borrower solely to make an equity capital contribution to DCF Education Holdings for DCF Education Holdings and the DCF Education Subsidiaries to fund the Closing Cash Purchase Price contemplated by Asset Purchase Agreement, and to pay the documented and reasonable third party fees, expenses and costs of the Lender to the extent not previously reimbursed by Education Management II, LLC.

Amortization:	Interest only during the term of the Loan until the Deferred Payments are made. After the Deferred Payments are paid in full, principal and interest shall be fully amortized in equal quarterly payments over the remaining term.
Interest:	The greater of 8% or the 90 day LIBOR rate plus 5% per annum, payable quarterly beginning on the date that is three (3) months following the Closing Date.
Default Rate:	After default, the interest rate will be the greater of 12% or the 90 day LIBOR rate plus 9% per annum.
Late Fees:	If any payment is not received by the Lender within ten (10) days after its due date, the Borrower shall pay a late fee of 5% of the past due amount.
Rate Basis:	All per annum rates shall be calculated on the basis of a year of 360 days for actual days elapsed.
Prepayment:	The Loan may not be prepaid.
Assignment by the Lender:	The Lender may not assign the Loan or any of its rights or obligations thereunder, except to affiliates, without the consent of the Borrower, which shall not be unreasonably withheld, conditioned or delayed.

III. Collateral and Other Credit Support

Collateral:	The Loan will be secured by a first priority perfected security interest and pledge of the equity held by the Borrower in DCF Education Holdings (the "Collateral"). The documents encumbering the foregoing Collateral are collectively referred to as the "Collateral Documents". Whether or not the equity interests comprising the Collateral are certificated, the Lender shall file UCC financing statements with respect to the Borrower to evidence the Lender's security interest in the Collateral.[1]
Recourse:	The Loan (and any and all amounts owed by the Borrower pursuant to the Loan Documents or in connection with the Loan Documents) will be non-recourse to DCF except as to the Collateral and proceeds from the Collateral. The guaranty of DCF Education Holdings and the DCF Education Subsidiaries shall be recourse to DCF Education Holdings and the DCF Education Subsidiaries.

IV. Conditions to Closing

[1] Note to Borrower: Existing liens in favor of U.S. Bank to be terminated at closing.

The funding of the Loan is conditioned upon the closing of the transactions contemplated by the Asset Purchase Agreement, including the satisfaction of all of the conditions set forth therein to the satisfaction of the Lender in its commercially reasonable discretion. Without limiting the generality of the foregoing, all third party consents, Pre-Acquisition Review Responses, Educational Agency approvals and antitrust approvals must be acceptable to the Lender in its commercially reasonable discretion, and DCF Education Holdings and the DCF Education Subsidiaries shall have been approved to operate the Schools as nonprofit institutions and tax-exempt organizations. If for any reason the Asset Purchase Agreement is terminated, the Commitment shall automatically terminate. In addition, the funding of the Loan is conditioned upon the satisfaction of each of the following additional conditions:

Pre-Closing Access:	Through the closing, the Borrower shall obtain for the Lender reasonable access to the Sellers and the Schools, subject to any restrictions on access set forth in the Asset Purchase Agreement, and shall provide the Lender, upon receipt from the Sellers, with copies of all notices from the Sellers, interim financial statements, enrollment reports, correspondence from antitrust authorities and Educational Agencies and other reports, notices and correspondence as and when received by the Borrower through the Closing Date.
Closing Date:	The closing of the Loan and the transactions contemplated by the Purchase Agreement shall have occurred not later than December 5, 2017, unless such date is extended by the Lender in its sole discretion. The date on which the closing occurs is referred to herein as the "Closing Date".
No Changes to Asset Purchase Agreement:	The Borrower shall not have entered into any amendment of, and shall not have waived any right or condition of, the Asset Purchase Agreement without the prior written consent of the Lender. The Lender may grant or withhold its consent to any such amendment or waiver in the Lender's sole discretion.
Working Capital Line Of Credit:	The working capital line of credit (the "Working Capital Line of Credit") shall have been issued and established in accordance with the provisions of the Asset Purchase Agreement on terms acceptable to Lender in its commercially reasonable discretion.
Loan Documents:	The Lender and the Borrower shall have negotiated and entered into definitive Loan Documents including, but not limited to, a Term Loan and Security Agreement, the Guaranties, the Collateral Documents, and an Intercreditor Agreement with the provider of the Working Capital Line of Credit, together with good standing certificates, bring-down certificates, incumbency certificates, certified charters and resolutions, UCC financing statements and such other similar documents and instruments as

	are customary for transactions of this type as the Lender may reasonably request.
Legal Opinion:	The Lender shall have received a legal opinion from counsel to the Borrower, DCF Education Holdings and the DCF Education Subsidiaries as to the authority of the Borrower, DCF Education Holdings and the DCF Education Subsidiaries to enter into the Loan Documents to which they are a party, the validity and enforceability of the Loan Documents to which they are a party against them, the perfection of the Security Interest in the Collateral and other customary matters.
Third Party Documents:	The Lender shall have received fully executed copies of (i) the Asset Purchase Agreement and all closing documents, agreements and instruments required in connection therewith, (ii) all documents respecting the Working Capital Line of Credit; and (iii) any other third party agreements relating to the Schools or management of the Schools reasonably requested by the Lender.
Insurance:	The Lender shall have received evidence of the property, liability, and other insurance of the Borrower, DCF Education Holdings and the DCF Education Subsidiaries in such amounts and with such coverage required by the Lender, naming the Lender as an additional insured or loss payee thereon.
Representations:	The representations and warranties by the Borrower in the Loan Documents shall be true and correct in all respects.
No Defaults:	Neither the Borrower, DCF Education Holdings nor any DCF Education Subsidiary shall be in material default of the Asset Purchase Agreement or any other material contract or commitment that would adversely impact in any material way the Borrower's ability to operate the Schools, and no event of material default of the Asset Purchase Agreement or such other material contracts or commitments shall be in existence at the time of, or after giving effect to the making of, the Loan.
No Material Adverse Changes:	Since the date hereof, there shall not have occurred any Material Adverse Effect (as defined in the Asset Purchase Agreement).

V. <u>The Loan Documents</u>

The Loan Documents shall contain representations, warranties, covenants and events of default customary for financings of this type and other terms deemed appropriate by the Lender, including the following:

Representations and	The Borrower will be required to provide representations and warranties comparable to those provided to the Sellers in the

Warranties:	Asset Purchase Agreement, covering the Asset Purchase Agreement and the Loan Documents, together with representations that the Borrower has no knowledge (defined as the actual current knowledge of Randall K. Barton or Brent Richardson) that the representations and warranties provided by the Sellers in the Asset Purchase Agreement are not true and correct in all material respects. In addition, the Borrower will be required to represent that DCF Education Holdings and the DCF Education Subsidiaries have all regulatory permits in place to operate the schools as nonprofit institutions for Department of Education and accreditation purposes.
Affirmative Covenants:	Affirmative covenants are expected to include, but may not be limited to: (i) maintenance of insurance, (ii) preservation of legal existence, (iii) maintenance of books and records, (iv) Lender inspection rights, (v) notices of litigation, claims, defaults and other material events, (vi) compliance with laws except where failure to do would not reasonably be expected to have a material adverse effect, (vii) maintenance of good title to properties and assets, (viii) customary further assurances, (ix) maintenance of employee benefit plans, (x) financial covenants, and (xi) board observation rights for the Lender, all of which will apply to the Borrower, DCF Education Holdings and the DCF Education Subsidiaries.
Negative Covenants:	Negative covenants are expected to include, but may not be limited to: (i) prohibition against distributions other than permitted distributions (which shall include to make the Deferred Payments), (ii) sale of equity interests, change in control transactions, or any change in ownership, (iii) incurrence of debt (including new bonds, letters of credit or other financial assurances) other than permitted debt (which shall include the Working Capital Line of Credit, unsecured trade debt and other agreed-upon indebtedness), (iv) creation of guaranties, (v) continuity of operations, (vi) limitations on related party transactions, (vii) modification of charter documents, (viii) creation of subsidiaries, (ix) material acquisitions and dispositions of assets outside of the ordinary course of business, (x) amendments to or new management agreements, (xi) change in nonprofit or tax-exempt status, or (xii) change of auditors or fiscal year. The negative covenants will apply to DCF Education Holdings and the DCF Education Subsidiaries and to the Collateral, and will also apply to the Borrower, but solely with respect to the educational business.
Covenants Related to Indemnification	The Borrower shall be required to give the Lender prompt notice of matters that become known after the closing for which the

Claims:	Borrower may have indemnification claims against the Sellers under the Asset Purchase Agreement. The Borrower will agree to assert all of such claims against the Sellers unless the Lender agrees that a claim not be asserted.
Reporting Requirements:	Monthly consolidated balance sheet, income statement and statement of cash flows, and each compared to approved budget, within 30 days following the end of each month for DCF Education Holdings and the DCF Education Subsidiaries on a consolidated basis. Quarterly consolidated balance sheet, income statement and statement of cash flows, and each compared to approved budget, within 45 days following the quarter end for DCF Education Holdings and the DCF Education Subsidiaries on a consolidated basis. Annual audited consolidated balance sheet, income statement and statement of cash flows within 120 days following the end of each year for DCF Education Holdings and the DCF Education Subsidiaries on a consolidated basis. Annual operating budget and capital budget through the 2018 fiscal year at closing, and for subsequent fiscal years not later than one month prior to commencement of the fiscal year. Any other reports required to be provided under the Working Capital Line of Credit.
Defaults:	Defaults will include (i) failure to pay the Loan in accordance with its terms, (ii) failure to observe any other provision of the Loan Documents or Collateral Documents, (iii) defaults under the Working Capital Line of Credit, (iv) a material loss not covered by insurance with respect to the Schools, (v) a School ceases to be properly accredited and a replacement accreditation that maintains eligibility for Title IV is not promptly obtained, (vi) a School is sold or closed without the Lender's prior consent, (vii) a bankruptcy filing by, an assignment for the benefit of creditors by, or the liquidation or dissolution of, the Borrower, DCF Education Holdings or any DCF Education Subsidiary, (viii) a bankruptcy is filed against the Borrower, DCF Education Holdings or any DCF Education Subsidiary and not stayed within sixty (60) days, or (ix) a change in ownership or control of any of the Borrower, DCF Education Holdings or a DCF Education Subsidiary. Notice and cure provisions will be mutually agreed to by the Lender and the Borrower in the Loan Documents.

Expenses and Indemnification:	The Borrower shall pay (a) all out-of-pocket expenses of the Lender associated with the preparation, execution, delivery and administration of the Loan Documents and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of counsel) to the extent not previously reimbursed by Education Management II, LLC to be paid solely out of the Loan proceeds as part of the Aggregate Commitment, (b) all out-of-pocket expenses of the Lender (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Loan Documents, and (c) all other third party charges, including those related to the Lender's due diligence investigation, including for UCC and litigation searches. The Lender (and its affiliates and the Lender's and its affiliates' respective officers, directors, managers, members, employees, advisors and agents) shall have no liability for, and shall be indemnified and held harmless by DCF Education Holdings and the DCF Education Subsidiaries against, any loss, liability, cost or expense incurred in respect of the Loan or the use or the proposed use of proceeds thereof (except to the extent resulting from the gross negligence or willful misconduct of the indemnified party).
Governing Law:	The Loan Documents will be governed by Delaware law.
Dispute Resolution:	Any disputes arising under the Loan Documents will be settled before a court, the parties knowingly and voluntarily waiving all rights to trial by jury.

* * *

This Term Sheet is intended as an outline of the material terms of the Loan only, and does not purport to summarize all the conditions, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the financing contemplated hereby.

DREAMCENTER
FOUNDATION

January 18, 2017

CONFIDENTIAL

Mr. Jahm Najafi
Najafi Companies, LLC
2525 E. Camelback Road, Suite 850
Phoenix, AZ 85016

Re: Letter of Intent for the Financing of Dream Center's Purchase and Ownership of Argosy University, South University, and The Arts Institutes

Dear Mr. Jahm Najafi:

Effective as of the date of this Letter of Intent, the Dream Center Foundation ("**DCF**"), Dream Center Education Holdings, LLC ("**DCF Education Holdings**") and its direct and indirect subsidiaries (collectively with DCF Education Holdings, the "**DCF Buyers**"), and Education Management Corporation and its direct and indirect subsidiaries (collectively, "**EDMC**"), are entering into an Asset Purchase Agreement (the "**Purchase Agreement**"), pursuant to which the DCF Buyers would purchase substantially all of the assets (the "**Assets**") owned by EDMC and primarily used in connection with the operation of the post-secondary educational institutions known as Argosy University, South University and the "core" campuses (i.e., the campuses that are not in "teach out") of the post-secondary institution known as The Art Institutes (collectively, the "**Institutions**") on the terms and conditions set forth in the Purchase Agreement. Capitalized terms not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

I. Background

DCF is a nonprofit corporation formed under the laws of California and is a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"). The Institutions are currently owned and operated by EDMC as "for profit institutions" as defined in the applicable Department of Education ("**DOE**") regulations. DCF intends to cause the DCF Buyers to acquire, own and operate the Institutions as "nonprofit institutions" as defined in the applicable DOE regulations and as tax-exempt organizations for the "advancement of education" as defined in Code Section 501(c)(3).

DCF owns (b)(4) of the membership interest in DCF Education Holdings resulting in DCF Education Holdings being a disregarded entity for federal income tax purposes. DCF Education Holdings in turn owns (b)(4) of the remaining DCF Buyers resulting in each of the DCF Buyers being a disregarded entity for federal income tax purposes.

(b)(4) Pursuant to the Purchase Agreement, the purchase price for the Assets is the sum of (i) (b)(4) payable in cash at closing (the "**Closing Cash Payment**"); plus (ii) a promissory note payable to EDMC (the "**Seller Note**") in the principal amount equal to the sum of (A) (b)(4), plus (B) the Pre-Signing Deal Expenses, plus (C) the aggregate amount of Post-Signing Deal Expenses. The Purchase Agreement requires that the DCF Buyers retain (b)(4) of the quarterly Excess Cash Flow[1] of the Institutions for operating capital for the Institutions ("**Retained Excess Cash Flow**"). Pursuant to the Purchase Agreement, the remaining (b)(4) of the quarterly Excess Cash Flow (the "**Paid Excess Cash Flow**") shall first be distributed (b)(4) per quarter to DCF for its unrestricted use with (b)(4) of the balance of the quarterly Paid Excess Cash Flow during the first year (b)(4) of the balance of the quarterly Paid Excess Cash Flow in the second year and (b)(4) of the balance of the quarterly Paid Excess Cash Flow in the third year to be paid to EDMC on a quarterly basis as principal payments on the Seller Note until the Seller Note is paid in full. The remaining (b)(4) and (b)(4) of the Paid Excess Cash Flow described in the preceding sentence shall be distributed on a quarterly basis to DCF for its unrestricted use (the "**Residual DCF Excess Cash Flow**").

DCF does not have the financial resources to fund the Closing Cash Payment to EDMC. To further DCF's charitable purpose of the advancement of education, this Letter of Intent outlines the terms and conditions relating to Najafi Companies, LLC ("**Najafi**") or its affiliates (the "**Lender**") providing a line (the "**Line**") to DCF, on a non-recourse basis to DCF, to allow the DCF Buyers to purchase the Institutions and the Assets. Najafi and Lender are unrelated, arm's-length third parties to DCF and the DCF Buyers. Neither Najafi nor Lender nor any of their directors, officers or owners is a founder, director or officer of DCF or any DCF Buyer (i.e., not "insiders" of DCF or any of the DCF Buyers).

II. Najafi Funding Terms

Lender will provide the Line to DCF. DCF will use the proceeds of the Line to make capital contributions to DCF Education Holdings and DCF Education Holdings will in turn make capital contributions to the DCF Buyers to be allocated among the various DCF Buyers in the same manner that the Closing Cash Payment is allocated to each of the DCF Buyers pursuant to the Purchase Agreement. The financial terms of the Line shall be as follows:

1. Obligor: DCF.

2. Amount: An amount equal to the Closing Cash Payment (not to exceed (b)(4) plus the amount for fees and expenses described in Section III.1 of this Letter of Intent.

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[1] Excess Cash Flow is defined in the Seller Note attached to the Purchase Agreement as Net Income, plus, to the extent (but only to the extent) deducted in determining Net Income, without duplication, the sum of: (a) depreciation expense; (b) amortization expense; (c) other non-cash expenses; and (d) tax expense, minus the aggregate amount of all capital expenditures for property and equipment of the Institutions for any 12 month period.

3. Maturity Date: 6-year anniversary date. Unpaid principal due at maturity.

4. Interest: simple interest of (b)(4) [redacted] payable on a quarterly basis.

5. Security: Nonrecourse to DCF except for security interest in the membership interest in DCF Education Holdings and any proceeds therefrom.

6. Prepayments. At all times after the Seller Note is paid in full, (b)(4) [redacted] of Excess Cash Flow for each quarter shall be paid to Lender as a prepayment on the Note until the Note is paid in full.

7. Assignment. Lender may not sell or otherwise assign any of its rights or obligations under the Line (other than to an affiliate of Najafi) without the consent of DCF, which shall not be unreasonably withheld, conditioned or delayed.

8. Conditions. It shall be a condition of Lender's provision of the Line that DCF Education Holdings and/or the DCF Buyers have in place at the closing of the purchase of the Assets of the Institutions a working capital revolving line of credit from a third party lender to cover working capital needs and operating cash flow deficits of the Institutions following the closing (the "**Working Capital Line**"). Further, Lender shall have a period of 30 days after the effective date of the Purchase Agreement to conduct its due diligence investigation of the Assets and the Institutions, and if the results thereof are not satisfactory in Lender's reasonable discretion, Lender shall have no obligations whatsoever to provide the Line or any other financing to DCF. Definitive documentation with respect to the Line will be negotiated in the 30 day period prior to the closing of the purchase of the Assets of the Institutions and executed concurrently with such closing.

III. Other Terms

1. Costs and Expenses. Each of the parties will be responsible for its own costs and expenses that it incurs related to the evaluation or execution of the transactions described in this Letter of Intent; provided that Lender's documented and reasonable third party costs and expenses shall be Pre-Signing Deal Expenses and reimbursed by Sellers as provided in the Purchase Agreement on a pari passu basis with any Pre-Signing Deal Expenses of DCF and the DCF Buyers; and provided further, that the principal balance of the Line shall be increased by the amount of Lender's documented and reasonable third party costs and expenses not otherwise paid as Pre-Signing Deal Expenses, and such unpaid amounts shall be paid to Lender concurrently with the funding of the Line.

2. Publicity. The parties agree to keep the proposed transaction confidential from media, students, and all others until mutual agreement is reached in writing regarding publicity or until otherwise required by law (and as to the latter, the parties will make reasonable efforts to consult with each other and, if practicable, obtain the prior written approval of the other); provided, however, that this prohibition shall not apply to any disclosure to any lender, shareholder, agent,

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consultant or other representative of a party or to any regulatory authority who has a need to know the information.

3. Legal Effect. It is understood that all obligations or commitments of each party hereto to proceed with the transactions contemplated hereunder shall be subject to such party's completion of its due diligence investigation and are subject to the execution and delivery of and, shall only be contained in applicable definitive agreements that have been negotiated, executed, and delivered by the parties. This Letter of Intent and any controversies arising with respect hereto shall be governed by and construed under the laws of the State of Delaware without giving effect to any principle or law that would require application of the law of another jurisdiction.

Other than with respect to this paragraph III(3) and III(6), this Letter of Intent is not binding upon any person and has no legal effect whatsoever. Neither this Letter of Intent nor any party's execution thereof shall constitute an obligation or commitment of any party to enter into any definitive agreement contemplated hereunder or give any party any rights or claims against another in the event any party for any reason terminates negotiations to effect the proposed transactions. All obligations or commitments to proceed with the proposed transactions shall be contained only in the definitive agreements.

4. Counterparts. This Letter of Intent may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

5. Structure Intent. The parties agree and acknowledge that the proposed structure set forth in this Letter of Intent is intended (**"Structure Intent"**) to satisfy all legal and tax requirements necessary for the Institutions to be non-profit institutions under the applicable DOE regulations and for DCF Education Holdings and the DCF Buyers to be disregarded entities for federal income tax purposes included as part of DCF's tax-exempt status under Section 501(c)(3) without causing any adverse effect to DCF's tax-exempt status (whether by creating impermissible "private inurement," impermissible "private benefit," or otherwise) or without imposing "intermediate sanctions" under the applicable Code sections and the regulations thereunder. The parties and their advisors will cooperate in negotiating and finalizing the structure and definitive agreements reflecting the transactions contemplated herein in a manner to effectuate the Structure Intent.

6. Entire Agreement. This Letter of Intent supersedes any and all prior agreements and understandings, oral or written between the parties hereto regarding the subject matter hereof (other than that certain Letter of Exclusivity by and between Najafi and DCF dated November 2, 2016) and shall not be modified except in writing signed by the parties hereto.

If you agree that the above correctly expresses our understanding, please indicate your acceptance of this Letter of Intent by countersigning this letter in the space provided below and return one signed original by close of business on the date hereof to Randall K. Barton, Managing

Director, at 77564 Country Club Drive, Suite 140, Palm Desert, CA 92211, rbarton4953@gmail.com.

Very truly yours,

DREAM CENTER FOUNDATION

By: (b)(6) [redacted]
Name: Matthew Barnett
Title: President

AGREED AND ACCEPTED:

NAJAFI COMPANIES, LLC

By: (b)(6) [redacted]
Name: [redacted]
Title: CFO
Date: January 18, 2017

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DONATION AGREEMENT

THIS DONATION AGREEMENT (the "**Agreement**") is entered into as of this 27th day of August, 2012, by and between THE DREAM CENTER, a California nonprofit religious corporation ("**Dream Center**"), and THE DREAM CENTER FOUNDATION, a California nonprofit public benefit corporation (the "**Foundation**").

BACKGROUND

WHEREAS, Dream Center intends to enter into a new markets tax credit financing (the "**NMTC Financing**") in connection with the financing and construction of certain capital improvements on that certain improved real property located at 2301 Bellevue Avenue in Los Angeles, California, for use as a facility that provides charitable services and programs (such improved real property, the "**Property**," and the financing and improvements thereto, the "**Project**").

WHEREAS, the Foundation is a nonprofit corporation whose primary mission and purpose is to support Dream Center through fundraising and other activities (the "**Foundation Nonprofit Mission**").

WHEREAS, Dream Center desires to donate, contribute and otherwise transfer and assign over to the Foundation a donation in the amount of (b)(4) (b)(4) for the express purpose of furthering the benefits of the NMTC Financing to Dream Center and its nonprofit mission, purposes, and activities (the "**Donation**").

WHEREAS, the Foundation is willing to accept and receive the Donation for the sole and express purpose of utilizing the same to repay that certain one-day loan in connection with making that certain leverage loan pursuant to the NMTC Financing, which such leverage loan will directly benefit Dream Center pursuant to the NMTC Financing and is otherwise consistent with the Foundation Nonprofit Mission.

WHEREAS, this Agreement is being entered into by and among the parties hereto to (i) evidence and document the Donation, and (ii) support recordation of the same on Dream Center's and the Foundation's respective books and records.

AGREEMENT

NOW THEREFORE, the foregoing is expressly incorporated hereinafter by this reference and hereby made a part hereof, the undersigned, intending to be legally bound hereby, covenant and agree as set forth below.

1. <u>Donation</u>. Pursuant to and in support of the Foundation Nonprofit Mission, Dream Center hereby agrees to donate, contribute and otherwise transfer and assign over to the Foundation the Donation, and the Foundation acknowledges and agrees to accept the same.

2. Recordation. Dream Center and the Foundation hereby agree to record the Donation on their respective books and records.

3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of California.

4. Counterparts. This Agreement may be executed in counterparts, each of which shall be treated as an original hereof, but all of which, when taken together, shall constitute one and the same instrument.

5. General Provisions. The descriptive headings of the sections of this Agreement have been inserted herein for convenience of reference only and shall not define or limit the provisions hereof. Time is of the essence of this Agreement. This Agreement may not be amended without the consent of the parties hereto.

[Signatures follow.]

SIGNATURE PAGE TO DONATION AGREEMENT

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

DREAM CENTER:

THE DREAM CENTER,
a California nonprofit religious corporation

(b)(6) [redacted]

By: Matthew Barnett
Its: President

FOUNDATION:

THE DREAM CENTER FOUNDATION,
a California nonprofit public benefit corporation

(b)(6) [redacted]

By: Matthew Barnett
Its: President

JPMORGAN CHASE BANK, N.A.
LOS ANGELES DEVELOPMENT FUND/
NATIONAL NEW MARKETS FUND/
OPPORTUNITY FUND/
DREAM CENTER

Closing Date: August 27, 2012

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February 24, 2017

Dream Center Education Holdings, LLC
7135 E Camelback
Suite F 240
Scottsdale AZ, 85251

Re: Commitment Letter

Ladies and Gentlemen:

Dream Center Education Holdings, LLC, an Arizona nonprofit limited liability company ("DCF Education Holdings"), has requested that its sole member Dream Center Foundation, a California nonprofit corporation ("Dream Center"), commit to providing equity capital to DCF Education Holdings in an aggregate amount of up to (b)(4) "Equity Commitment"), upon the terms and subject to the conditions set forth in this commitment letter (the "Commitment Letter").

Background

Dream Center, DCF Education Holdings and the entities listed on Schedule A hereto (each, a "DCF Education Subsidiary", and collectively, the "DCF Education Subsidiaries") have entered into an Asset Purchase Agreement, dated January 18, 2017, with the sellers named therein (the "Sellers") to purchase from the Sellers substantially all of the assets and business of the post-secondary educational institutions known as South University and Argosy University, as well as the post-secondary educational system known as The Art Institutes (South University, Argosy University and The Art Institutes are collectively referred to as the "Schools"). On February 24, 2017, Dream Center, DCF Education Holdings, the DCF Education Subsidiaries and Sellers entered into an Amended and Restated Asset Purchase Agreement (together with all exhibits and schedules thereto, the "Asset Purchase Agreement") Under the Asset Purchase Agreement, the purchase price for the assets and business is (b)(4) subject to adjustment as provided therein (the "Purchase Price"), which will be paid in the form of the Closing Cash Purchase Price (as defined in the Asset Purchase Agreement) and the Deferred Payments (as defined in the Asset Purchase Agreement).

Dream Center is a nonprofit corporation formed under the laws of California and is a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Schools are currently owned and operated by the Sellers as "for profit institutions" as defined in the applicable Department of Education ("DOE") regulations. Dream Center and DCF Education Holdings intends for Dream Center Education Holdings and the DCF Education Subsidiaries to acquire, own and operate the Schools as "nonprofit institutions" as defined in the applicable DOE regulations and as tax-exempt organizations for the "advancement of education" as defined in Code Section 501(c)(3).

The Equity Commitment

Dream Center is pleased to advise DCF Education Holdings of its commitment to provide the entire amount of the Equity Commitment, subject to the conditions set forth herein, each of which is a material, express condition precedent to Dream Center's obligation to provide the Equity Commitment. The Equity Commitment will be used by DCF Education Holdings and the DCF Education Subsidiaries solely to fund the Closing Cash Purchase Price to the Sellers contemplated by Asset Purchase Agreement.

The funding of the Equity Commitment is conditioned upon the closing of the transactions contemplated by the Asset Purchase Agreement. If for any reason the Asset Purchase Agreement is terminated, the Equity Commitment shall automatically terminate. In addition, the funding of the Equity Commitment is conditioned upon the satisfaction of the following additional conditions:

Dream Center's Receipt of Loan Facility:	Dream Center has received loan proceeds of an amount at least equal to the Equity Commitment from an affiliate of Najafi Company, LLC (the "Lender") on the terms and conditions of that certain Commitment Letter by and between Dream Center and Najafi Companies, LLC of even date herewith or otherwise acceptable to Dream Center in its sole discretion. For avoidance of doubt, Dream Center's commitment to make the Equity Commitment shall be solely from the proceeds of such loan when and if received from Lender.

This Commitment Letter shall not be assignable by DCF Education Holdings without the prior written consent of Dream Center (and any purported assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person or entity other than the parties hereto. This Commitment Letter may not be amended or waived except by an instrument in writing signed by Dream Center and DCF Education Holdings. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter set forth the entire understanding of the parties with respect to the Equity Commitment.

This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of Delaware. IF THIS COMMITMENT LETTER OR ANY ACT, OMISSION OR EVENT HEREUNDER OR THEREUNDER BECOMES THE SUBJECT OF A DISPUTE, DREAM CENTER AND DCF EDUCATION HOLDINGS EACH HEREBY WAIVE TRIAL BY JURY, AND ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

This Commitment Letter is delivered to DCF Education Holdings on the understanding that neither this Commitment Letter nor any of its terms or substance shall be disclosed, directly or indirectly, to any other person except (a) to DCF Education Holdings' officers, agents and advisors who are directly involved in the consideration of this matter, (b) to Education

Management II LLC and its officers, agents and advisors as provided in Section 5.6 of the Asset Purchase Agreement, (c) to the Department of Education, accrediting bodies or other regulatory bodies or (d) as may be compelled in a judicial or administrative proceeding or as otherwise required by law (in which case DCF Education Holdings agrees to inform us promptly thereof). Officers, directors, employees and agents of Dream Center and its affiliates shall at all times have the right to share among themselves information received from DCF Education Holdings and its officers, directors, employees and agents.

The confidentiality provisions contained herein shall remain in full force and effect regardless of whether definitive equity financing documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or Dream Center's commitment hereunder.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms hereof by returning to us an executed counterpart hereof not later than 5:00 p.m., Arizona time, on February 24, 2017. Dream Center's commitment will expire at such time in the event Dream Center has not received such executed counterpart in accordance with the immediately preceding sentence. Further, this Commitment Letter will expire if the Equity Commitment is not closed by December 5, 2017. This Commitment Letter supersedes any and all prior versions hereof and thereof.

[Signature Page to Follow]

THIS COMMITMENT LETTER REPRESENTS THE FINAL AGREEMENT BETWEEN DCF EDUCATION HOLDINGS AND DREAM CENTER WITH RESPECT TO THE COMMITMENT OF DREAM CENTER TO MAKE THE EQUITY COMMITMENT DESCRIBED HEREIN, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Very truly yours,

Dream Center Foundation, a California nonprofit corporation

By: ___________________________________
Name: Randall K. Barton
Title: Managing Director

Accepted and agreed to as of
February 24, 2017, by:

Dream Center Education Holdings, LLC

(b)(6)

By
Name: Brent Richardson
Title: Manager

THIS COMMITMENT LETTER REPRESENTS THE FINAL AGREEMENT BETWEEN DCF EDUCATION HOLDINGS AND DREAM CENTER WITH RESPECT TO THE COMMITMENT OF DREAM CENTER TO MAKE THE EQUITY COMMITMENT DESCRIBED HEREIN, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Very truly yours,

Dream Center Foundation, a California nonprofit corporation

(b)(6)

By:

Name: Randall K. Barton
Title: Managing Director

Accepted and agreed to as of
February 24, 2017, by:

Dream Center Education Holdings, LLC

By: ______________________________
Name: Brent Richardson
Title: Manager

Schedule A
DCF Education Subsidiaries

Dream Center Education Management, LLC, an Arizona nonprofit limited liability company

The Art Institutes International, LLC, an Arizona nonprofit limited liability company

Dream Center South University, LLC, an Arizona nonprofit limited liability company

Dream Center Argosy University of California, LLC, an Arizona nonprofit limited liability company

All other direct and indirect subsidiaries of DCF Education Holdings that are or will be formed to own and operate the Schools.

February 24, 2017

Dream Center Foundation
77564 Country Club Drive
Suite 140
Palm Desert, CA 92211
Attention: Randall K. Barton, Managing Director

Re: Commitment Letter

Ladies and Gentlemen:

Dream Center Foundation, a California nonprofit corporation (the "Borrower"), Dream Center Education Holdings, LLC, an Arizona nonprofit limited liability company ("DCF Education Holdings"), and the entities listed on Schedule A hereto (each, a "DCF Education Subsidiary", and collectively, the "DCF Education Subsidiaries"), have requested that Najafi Companies, LLC ("Najafi") commit to cause one of its affiliates (the "Lender") to provide a credit facility in an aggregate amount of up to (b)(4) [redacted] plus an amount equal to the Lender's documented and reasonable third party costs (the "Facility"), upon the terms and subject to the conditions set forth in this commitment letter (the "Commitment Letter") and in the Term Sheet attached hereto as Schedule B (the "Term Sheet").

Background

The Borrower, DCF Education Holdings and the DCF Education Subsidiaries have entered into an Asset Purchase Agreement, dated January 18, 2017, with the sellers named therein (the "Sellers"), to purchase from the Sellers substantially all of the assets and business of the post-secondary educational institutions known as South University and Argosy University, as well as the post-secondary educational system known as The Art Institutes (South University, Argosy University and The Art Institutes are collectively referred to as the "Schools"). On February 24, 2017, the Borrower, DCF Education Holding, the DCF Education Subsidiaries and the Sellers entered into an Amended and Restated Purchase Agreement (together with all exhibits and schedules thereto, the "Asset Purchase Agreement"). The Borrower has provided to the Lender a true, correct and complete copy of the Asset Purchase Agreement. Under the Asset Purchase Agreement, the purchase price for the assets and business is (b)(4) [redacted] subject to adjustment as provided therein (the "Purchase Price"), which will be paid in the form of the Closing Cash Purchase Price (as defined in the Asset Purchase Agreement) and the Deferred Payments (as defined in the Asset Purchase Agreement).

The Borrower has represented that it is a nonprofit corporation formed under the laws of California and is a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Schools are currently owned and operated by the Sellers as "for profit institutions" as defined in the applicable Department of Education ("DOE") regulations. The Borrower has represented that it intends to acquire, own and operate the Schools as "nonprofit institutions" as defined in the applicable DOE regulations and as tax-exempt organizations for the "advancement of education" as defined in Code Section 501(c)(3).

To effectuate the purchase, the Borrower formed DCF Education Holdings as a wholly-owned subsidiary, which in turn formed the DCF Education Subsidiaries to purchase the Schools and their corresponding business and assets. For regulatory and administrative convenience, the DCF Education Subsidiaries will at closing mirror the Sellers' entities that own the Schools and the corresponding business and assets.

The Commitment

Najafi is pleased to advise the Borrower of its commitment to provide the entire amount of the Facility to the Lender and cause the Lender to provide the entire amount of the Facility to the Borrower, in each case subject to the conditions set forth herein and in the Term Sheet, each of which is a material, express condition precedent to Najafi's and the Lender's obligation to provide the Facility. Najafi reserves the right to allocate the Commitment among its affiliates and assign some or all of its rights to and delegate some or all of its responsibilities hereunder to one of its affiliates; provided that such allocation or assignment shall not relieve Najafi or its obligations hereunder. The Facility will be used by the Borrower solely to make an equity capital contribution to DCF Education Holdings for DCF Education Holdings and the DCF Education Subsidiaries to fund the Closing Cash Purchase Price to the Sellers contemplated by Asset Purchase Agreement, and to pay the fees and expenses of the Lender as provided in the Term Sheet to the extent such fees and expenses have not previously been reimbursed by Education Management II, LLC. As consideration for the Lender's commitment hereunder, the Borrower agrees to pay to the Lender the fees and other amounts set forth in the Term Sheet. DCF Education Holdings and the DCF Education Subsidiaries jointly and severally agree (a) to indemnify and hold harmless the Lender and its affiliates and their respective officers, directors, managers, members, employees, advisors and agents (each, an "indemnified person") from and against any and all losses, claims, damages and liabilities to which any such indemnified person may become subject arising out of or in connection with this Commitment Letter, the Term Sheet, the Facility, the use of the proceeds thereof or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any indemnified person is a party thereto, and to reimburse each indemnified person upon demand for any legal or other expenses incurred in connection with investigating or defending any of the foregoing, provided that the foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities or related expenses to the extent they are found by a final, non-appealable judgment of a court to arise from the willful misconduct or gross negligence of such indemnified person, and (b) to reimburse the Lender and its affiliates on demand for all out-of-pocket expenses, including due diligence expenses, consultants' fees and expenses (if any), travel expenses, and reasonable fees, time charges and disbursements of counsel incurred in connection with the Facility and any related documentation (including this Commitment Letter, the Term Sheet and the definitive financing documentation) or the administration, extension, amendment, modification or waiver thereof. No indemnified person shall be liable to the Borrower or any other person or entity for any damages, including any special, indirect, consequential or punitive damages, which may be incurred or alleged as a result of this Commitment Letter, the Term Sheet or the transactions contemplated hereby.

This Commitment Letter shall not be assignable by the Borrower without the prior written consent of Najafi (and any purported assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person or entity other than the parties hereto and the indemnified persons. This Commitment Letter may not be amended or waived except by an instrument in writing signed by Najafi and DCF. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter and the Term Sheet set forth the entire understanding of the parties with respect to the Facility.

This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of Delaware. IF THIS COMMITMENT LETTER, THE TERM SHEET OR ANY ACT, OMISSION OR EVENT HEREUNDER OR THEREUNDER BECOMES THE SUBJECT OF A DISPUTE, THE BORROWER AND THE LENDER EACH HEREBY WAIVE TRIAL BY JURY, AND ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

This Commitment Letter is delivered to the Borrower on the understanding that neither this Commitment Letter or the Term Sheet nor any of their terms or substance shall be disclosed, directly or indirectly, to any other person except (a) to the Borrower's officers, agents and advisors who are directly involved in the consideration of this matter, (b) to Education Management II LLC and its officers, agents and advisors as provided in Section 5.6 of the Asset Purchase Agreement, (c) to the Department of Education, accrediting bodies or other regulatory bodies or (d) as may be compelled in a judicial or administrative proceeding or as otherwise required by law (in which case the Borrower agrees to inform us promptly thereof). Officers, directors, employees and agents of Najafi and its affiliates shall at all times have the right to share among themselves information received from the Borrower and its officers, directors, employees and agents.

The Borrower acknowledges that Najafi or its affiliates, including Lender, may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Borrower, DCF Education Holdings and/or one or more of the DCF Education Subsidiaries may have conflicting interests regarding the transactions described herein or otherwise. Neither Najafi nor any of its affiliates, including Lender, will use confidential information obtained from the Borrower by virtue of the transactions contemplated by this Commitment Letter or their other relationships with the Borrower in connection with the performance by Najafi or any of its affiliates, including Lender, of services for other companies, and neither Najafi nor any of its affiliates, including Lender, will furnish any such information to other companies. The Borrower also acknowledges that Najafi and its affiliates, including Lender, have no obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to the Borrower, confidential information obtained from other companies.

The indemnification and confidentiality provisions contained herein and in the Term Sheet shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or Najafi's commitment hereunder.

The Borrower hereby authorizes the Lender, at its sole expense, but without any prior approval by the Borrower, to publish such tombstones and give such other publicity to the Facility as the Lender may from time to time determine in its sole discretion. The foregoing authorization shall remain in effect unless the Borrower notifies the Lender in writing that such authorization is revoked.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms hereof and of the Term Sheet by returning to us an executed counterpart hereof not later than 5:00 p.m., Arizona time, on February 24, 2017. Najafi's commitment will expire at such time in the event Najafi has not received such executed counterpart in accordance with the immediately preceding sentence. Further, this Commitment Letter will expire if the Facility is not closed by December 5, 2017, and may terminate at such earlier date as set forth in the Term Sheet. This Commitment Letter and Term Sheet supersede any and all prior versions hereof and thereof.

THIS COMMITMENT LETTER REPRESENTS THE FINAL AGREEMENT BETWEEN THE BORROWER AND NAJAFI WITH RESPECT TO THE COMMITMENT OF NAJAFI TO PROVIDE THE ENTIRE AMOUNT OF THE FACILITY TO THE LENDER AND CAUSE THE LENDER TO MAKE THE LOAN DESCRIBED HEREIN, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[The remainder of this page is intentionally left blank]

Najafi is pleased to have been given the opportunity to assist you in connection with this important financing.

Very truly yours,

Najafi Companies, LLC

(b)(6) [redacted]

By: [redacted]

Name: Tina Lowder-Hall

Title: CFO

Accepted and agreed to as of
February 24, 2017, by:

Dream Center Foundation

(b)(6) [redacted]

By: [redacted]

Name: Randall K. Barton

Title: Managing Director

Schedule A
DCF Education Subsidiaries

Dream Center Education Management, LLC, an Arizona nonprofit limited liability company

The Art Institutes International, LLC, an Arizona nonprofit limited liability company

Dream Center South University, LLC, an Arizona nonprofit limited liability company

Dream Center Argosy University of California, LLC, an Arizona nonprofit limited liability company

All other direct and indirect subsidiaries of DCF Education Holdings that are or will be formed to own and operate the Schools.

Schedule B
Term Sheet

February 24, 2017

This Term Sheet is delivered with a commitment letter of even date herewith (the "Commitment Letter") from Najafi Companies, LLC ("Najafi") to the Borrower. Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to such terms in the Commitment Letter. This Term Sheet includes only a brief description of the principal terms of the Facility. The definitive terms of the Facility will be documented in a loan agreement, promissory note, pledge agreement and such other agreements, instruments, certificates and documents called for by the loan agreement or that Najafi may otherwise require consistent with the terms of the Commitment Letter, including this Term Sheet (collectively, the "Loan Documents").

I. Parties

Borrower and Guarantors:	DCF will be the Borrower. DCF Education Holdings and the DCF Education Subsidiaries will be guarantors on a joint and several basis.
Lender:	An affiliate of Najafi (the "Lender") will be the Lender, together with such of its affiliates to whom rights may be assigned or responsibilities delegated in connection with any allocation of the commitment by the Lender.

II. Credit Facility

Type and Amount:	A term loan (the "Loan") to be fully funded at closing in the amount of (i) the Closing Cash Purchase Price, not to exceed (b)(4) [redacted] plus (ii) the Lender's documented and reasonable third party fees, expenses and costs to the extent not previously reimbursed by Education Management II, LLC (such aggregate amount, the "Aggregate Commitment").
Term and Maturity:	Twenty-two (22) years after payment in full of the Deferred Payments, but in no event later than the twenty-third (23rd) anniversary of the Closing Date, as defined below.
Purpose:	The proceeds of the Loan are to be used by the Borrower solely to make an equity capital contribution to DCF Education Holdings for DCF Education Holdings and the DCF Education Subsidiaries to fund the Closing Cash Purchase Price contemplated by Asset Purchase Agreement, and to pay the documented and reasonable third party fees, expenses and costs of the Lender to the extent not previously reimbursed by Education Management II, LLC.

Amortization:	Interest only during the term of the Loan until the Deferred Payments are made. After the Deferred Payments are paid in full, principal and interest shall be fully amortized in equal quarterly payments over the remaining term.
Interest:	The greater of (b)(4) [redacted] or the 90 day LIBOR rate plus (b)(4) [redacted], payable quarterly beginning on the date that is three (3) months following the Closing Date.
Default Rate:	After default, the interest rate will be the greater of (b)(4) [redacted] or the 90 day LIBOR rate plu (b)(4) [redacted]
Late Fees:	If any payment is not received by the Lender within ten (10) days after its due date, the Borrower shall pay a late fee of (b)(4) [redacted] of the past due amount.
Rate Basis:	All per annum rates shall be calculated on the basis of a year of 360 days for actual days elapsed.
Prepayment:	The Loan may not be prepaid.
Assignment by the Lender:	The Lender may not assign the Loan or any of its rights or obligations thereunder, except to affiliates, without the consent of the Borrower, which shall not be unreasonably withheld, conditioned or delayed.

III. Collateral and Other Credit Support

Collateral:	The Loan will be secured by a first priority perfected security interest and pledge of the equity held by the Borrower in DCF Education Holdings (the "Collateral"). The documents encumbering the foregoing Collateral are collectively referred to as the "Collateral Documents". Whether or not the equity interests comprising the Collateral are certificated, the Lender shall file UCC financing statements with respect to the Borrower to evidence the Lender's security interest in the Collateral.[1]
Recourse:	The Loan (and any and all amounts owed by the Borrower pursuant to the Loan Documents or in connection with the Loan Documents) will be non-recourse to DCF except as to the Collateral and proceeds from the Collateral. The guaranty of DCF Education Holdings and the DCF Education Subsidiaries shall be recourse to DCF Education Holdings and the DCF Education Subsidiaries.

IV. Conditions to Closing

[1] Note to Borrower: Existing liens in favor of U.S. Bank to be terminated at closing.

The funding of the Loan is conditioned upon the closing of the transactions contemplated by the Asset Purchase Agreement, including the satisfaction of all of the conditions set forth therein to the satisfaction of the Lender in its commercially reasonable discretion. Without limiting the generality of the foregoing, all third party consents, Pre-Acquisition Review Responses, Educational Agency approvals and antitrust approvals must be acceptable to the Lender in its commercially reasonable discretion, and DCF Education Holdings and the DCF Education Subsidiaries shall have been approved to operate the Schools as nonprofit institutions and tax-exempt organizations. If for any reason the Asset Purchase Agreement is terminated, the Commitment shall automatically terminate. In addition, the funding of the Loan is conditioned upon the satisfaction of each of the following additional conditions:

Pre-Closing Access:	Through the closing, the Borrower shall obtain for the Lender reasonable access to the Sellers and the Schools, subject to any restrictions on access set forth in the Asset Purchase Agreement, and shall provide the Lender, upon receipt from the Sellers, with copies of all notices from the Sellers, interim financial statements, enrollment reports, correspondence from antitrust authorities and Educational Agencies and other reports, notices and correspondence as and when received by the Borrower through the Closing Date.
Closing Date:	The closing of the Loan and the transactions contemplated by the Purchase Agreement shall have occurred not later than December 5, 2017, unless such date is extended by the Lender in its sole discretion. The date on which the closing occurs is referred to herein as the "Closing Date".
No Changes to Asset Purchase Agreement:	The Borrower shall not have entered into any amendment of, and shall not have waived any right or condition of, the Asset Purchase Agreement without the prior written consent of the Lender. The Lender may grant or withhold its consent to any such amendment or waiver in the Lender's sole discretion.
Working Capital Line Of Credit:	The working capital line of credit (the "Working Capital Line of Credit") shall have been issued and established in accordance with the provisions of the Asset Purchase Agreement on terms acceptable to Lender in its commercially reasonable discretion.
Loan Documents:	The Lender and the Borrower shall have negotiated and entered into definitive Loan Documents including, but not limited to, a Term Loan and Security Agreement, the Guaranties, the Collateral Documents, and an Intercreditor Agreement with the provider of the Working Capital Line of Credit, together with good standing certificates, bring-down certificates, incumbency certificates, certified charters and resolutions, UCC financing statements and such other similar documents and instruments as

are customary for transactions of this type as the Lender may reasonably request.

Legal Opinion:	The Lender shall have received a legal opinion from counsel to the Borrower, DCF Education Holdings and the DCF Education Subsidiaries as to the authority of the Borrower, DCF Education Holdings and the DCF Education Subsidiaries to enter into the Loan Documents to which they are a party, the validity and enforceability of the Loan Documents to which they are a party against them, the perfection of the Security Interest in the Collateral and other customary matters.
Third Party Documents:	The Lender shall have received fully executed copies of (i) the Asset Purchase Agreement and all closing documents, agreements and instruments required in connection therewith, (ii) all documents respecting the Working Capital Line of Credit; and (iii) any other third party agreements relating to the Schools or management of the Schools reasonably requested by the Lender.
Insurance:	The Lender shall have received evidence of the property, liability, and other insurance of the Borrower, DCF Education Holdings and the DCF Education Subsidiaries in such amounts and with such coverage required by the Lender, naming the Lender as an additional insured or loss payee thereon.
Representations:	The representations and warranties by the Borrower in the Loan Documents shall be true and correct in all respects.
No Defaults:	Neither the Borrower, DCF Education Holdings nor any DCF Education Subsidiary shall be in material default of the Asset Purchase Agreement or any other material contract or commitment that would adversely impact in any material way the Borrower's ability to operate the Schools, and no event of material default of the Asset Purchase Agreement or such other material contracts or commitments shall be in existence at the time of, or after giving effect to the making of, the Loan.
No Material Adverse Changes:	Since the date hereof, there shall not have occurred any Material Adverse Effect (as defined in the Asset Purchase Agreement).

V. <u>The Loan Documents</u>

The Loan Documents shall contain representations, warranties, covenants and events of default customary for financings of this type and other terms deemed appropriate by the Lender, including the following:

Representations and	The Borrower will be required to provide representations and warranties comparable to those provided to the Sellers in the

Warranties:	Asset Purchase Agreement, covering the Asset Purchase Agreement and the Loan Documents, together with representations that the Borrower has no knowledge (defined as the actual current knowledge of Randall K. Barton or Brent Richardson) that the representations and warranties provided by the Sellers in the Asset Purchase Agreement are not true and correct in all material respects. In addition, the Borrower will be required to represent that DCF Education Holdings and the DCF Education Subsidiaries have all regulatory permits in place to operate the schools as nonprofit institutions for Department of Education and accreditation purposes.
Affirmative Covenants:	Affirmative covenants are expected to include, but may not be limited to: (i) maintenance of insurance, (ii) preservation of legal existence, (iii) maintenance of books and records, (iv) Lender inspection rights, (v) notices of litigation, claims, defaults and other material events, (vi) compliance with laws except where failure to do would not reasonably be expected to have a material adverse effect, (vii) maintenance of good title to properties and assets, (viii) customary further assurances, (ix) maintenance of employee benefit plans, (x) financial covenants, and (xi) board observation rights for the Lender, all of which will apply to the Borrower, DCF Education Holdings and the DCF Education Subsidiaries.
Negative Covenants:	Negative covenants are expected to include, but may not be limited to: (i) prohibition against distributions other than permitted distributions (which shall include to make the Deferred Payments), (ii) sale of equity interests, change in control transactions, or any change in ownership, (iii) incurrence of debt (including new bonds, letters of credit or other financial assurances) other than permitted debt (which shall include the Working Capital Line of Credit, unsecured trade debt and other agreed-upon indebtedness), (iv) creation of guaranties, (v) continuity of operations, (vi) limitations on related party transactions, (vii) modification of charter documents, (viii) creation of subsidiaries, (ix) material acquisitions and dispositions of assets outside of the ordinary course of business, (x) amendments to or new management agreements, (xi) change in nonprofit or tax-exempt status, or (xii) change of auditors or fiscal year. The negative covenants will apply to DCF Education Holdings and the DCF Education Subsidiaries and to the Collateral, and will also apply to the Borrower, but solely with respect to the educational business.
Covenants Related to Indemnification	The Borrower shall be required to give the Lender prompt notice of matters that become known after the closing for which the

Claims:	Borrower may have indemnification claims against the Sellers under the Asset Purchase Agreement. The Borrower will agree to assert all of such claims against the Sellers unless the Lender agrees that a claim not be asserted.
Reporting Requirements:	Monthly consolidated balance sheet, income statement and statement of cash flows, and each compared to approved budget, within 30 days following the end of each month for DCF Education Holdings and the DCF Education Subsidiaries on a consolidated basis. Quarterly consolidated balance sheet, income statement and statement of cash flows, and each compared to approved budget, within 45 days following the quarter end for DCF Education Holdings and the DCF Education Subsidiaries on a consolidated basis. Annual audited consolidated balance sheet, income statement and statement of cash flows within 120 days following the end of each year for DCF Education Holdings and the DCF Education Subsidiaries on a consolidated basis. Annual operating budget and capital budget through the 2018 fiscal year at closing, and for subsequent fiscal years not later than one month prior to commencement of the fiscal year. Any other reports required to be provided under the Working Capital Line of Credit.
Defaults:	Defaults will include (i) failure to pay the Loan in accordance with its terms, (ii) failure to observe any other provision of the Loan Documents or Collateral Documents, (iii) defaults under the Working Capital Line of Credit, (iv) a material loss not covered by insurance with respect to the Schools, (v) a School ceases to be properly accredited and a replacement accreditation that maintains eligibility for Title IV is not promptly obtained, (vi) a School is sold or closed without the Lender's prior consent, (vii) a bankruptcy filing by, an assignment for the benefit of creditors by, or the liquidation or dissolution of, the Borrower, DCF Education Holdings or any DCF Education Subsidiary, (viii) a bankruptcy is filed against the Borrower, DCF Education Holdings or any DCF Education Subsidiary and not stayed within sixty (60) days, or (ix) a change in ownership or control of any of the Borrower, DCF Education Holdings or a DCF Education Subsidiary. Notice and cure provisions will be mutually agreed to by the Lender and the Borrower in the Loan Documents.

Expenses and Indemnification:	The Borrower shall pay (a) all out-of-pocket expenses of the Lender associated with the preparation, execution, delivery and administration of the Loan Documents and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of counsel) to the extent not previously reimbursed by Education Management II, LLC to be paid solely out of the Loan proceeds as part of the Aggregate Commitment, (b) all out-of-pocket expenses of the Lender (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Loan Documents, and (c) all other third party charges, including those related to the Lender's due diligence investigation, including for UCC and litigation searches. The Lender (and its affiliates and the Lender's and its affiliates' respective officers, directors, managers, members, employees, advisors and agents) shall have no liability for, and shall be indemnified and held harmless by DCF Education Holdings and the DCF Education Subsidiaries against, any loss, liability, cost or expense incurred in respect of the Loan or the use or the proposed use of proceeds thereof (except to the extent resulting from the gross negligence or willful misconduct of the indemnified party).
Governing Law:	The Loan Documents will be governed by Delaware law.
Dispute Resolution:	Any disputes arising under the Loan Documents will be settled before a court, the parties knowingly and voluntarily waiving all rights to trial by jury.

* * *

This Term Sheet is intended as an outline of the material terms of the Loan only, and does not purport to summarize all the conditions, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the financing contemplated hereby.

DREAMCENTER
FOUNDATION

January 18, 2017

CONFIDENTIAL

Mr. Jahm Najafi
Najafi Companies, LLC
2525 E. Camelback Road, Suite 850
Phoenix, AZ 85016

Re: Letter of Intent for the Financing of Dream Center's Purchase and Ownership of Argosy University, South University, and The Arts Institutes

Dear Mr. Jahm Najafi:

Effective as of the date of this Letter of Intent, the Dream Center Foundation ("**DCF**"), Dream Center Education Holdings, LLC ("**DCF Education Holdings**") and its direct and indirect subsidiaries (collectively with DCF Education Holdings, the "**DCF Buyers**"), and Education Management Corporation and its direct and indirect subsidiaries (collectively, "**EDMC**"), are entering into an Asset Purchase Agreement (the "**Purchase Agreement**"), pursuant to which the DCF Buyers would purchase substantially all of the assets (the "**Assets**") owned by EDMC and primarily used in connection with the operation of the post-secondary educational institutions known as Argosy University, South University and the "core" campuses (i.e., the campuses that are not in "teach out") of the post-secondary institution known as The Art Institutes (collectively, the "**Institutions**") on the terms and conditions set forth in the Purchase Agreement. Capitalized terms not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

I. Background

DCF is a nonprofit corporation formed under the laws of California and is a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"). The Institutions are currently owned and operated by EDMC as "for profit institutions" as defined in the applicable Department of Education ("**DOE**") regulations. DCF intends to cause the DCF Buyers to acquire, own and operate the Institutions as "nonprofit institutions" as defined in the applicable DOE regulations and as tax-exempt organizations for the "advancement of education" as defined in Code Section 501(c)(3).

DCF owns (b)(4) of the membership interest in DCF Education Holdings resulting in DCF Education Holdings being a disregarded entity for federal income tax purposes. DCF Education Holdings in turn owns 100% of the remaining DCF Buyers resulting in each of the DCF Buyers being a disregarded entity for federal income tax purposes.

Pursuant to the Purchase Agreement, the purchase price for the Assets is the sum of (i) (b)(4) (b)(4) payable in cash at closing (the "**Closing Cash Payment**"); plus (ii) a promissory note payable to EDMC (the "**Seller Note**") in the principal amount equal to the sum of (A) $50 million, plus (B) the Pre-Signing Deal Expenses, plus (C) the aggregate amount of Post-Signing Deal Expenses. The Purchase Agreement requires that the DCF Buyers retain (b)(4) of the quarterly Excess Cash Flow[1] of the Institutions for operating capital for the Institutions ("**Retained Excess Cash Flow**"). Pursuant to the Purchase Agreement, the remaining (b)(4) of the quarterly Excess Cash Flow (the "**Paid Excess Cash Flow**") shall first be distributed (b)(4) o DCF for its unrestricted use with (b)(4) of the balance of the quarterly Paid Excess Cash Flow during the first year, (b)(4) of the balance of the quarterly Paid Excess Cash Flow in the second year and (b)(4) of the balance of the quarterly Paid Excess Cash Flow in the third year to be paid to EDMC on a quarterly basis as principal payments on the Seller Note until the Seller Note is paid in full. The remaining (b)(4) an (b)(4) of the Paid Excess Cash Flow described in the preceding sentence shall be distributed on a quarterly basis to DCF for its unrestricted use (the "**Residual DCF Excess Cash Flow**").

DCF does not have the financial resources to fund the Closing Cash Payment to EDMC. To further DCF's charitable purpose of the advancement of education, this Letter of Intent outlines the terms and conditions relating to Najafi Companies, LLC ("**Najafi**") or its affiliates (the "**Lender**") providing a line (the "**Line**") to DCF, on a non-recourse basis to DCF, to allow the DCF Buyers to purchase the Institutions and the Assets. Najafi and Lender are unrelated, arm's-length third parties to DCF and the DCF Buyers. Neither Najafi nor Lender nor any of their directors, officers or owners is a founder, director or officer of DCF or any DCF Buyer (i.e., not "insiders" of DCF or any of the DCF Buyers).

II. Najafi Funding Terms

Lender will provide the Line to DCF. DCF will use the proceeds of the Line to make capital contributions to DCF Education Holdings and DCF Education Holdings will in turn make capital contributions to the DCF Buyers to be allocated among the various DCF Buyers in the same manner that the Closing Cash Payment is allocated to each of the DCF Buyers pursuant to the Purchase Agreement. The financial terms of the Line shall be as follows:

1. Obligor: DCF.

2. Amount: An amount equal to the Closing Cash Payment (not to exceed (b)(4) plus the amount for fees and expenses described in Section III.1 of this Letter of Intent.

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[1] Excess Cash Flow is defined in the Seller Note attached to the Purchase Agreement as Net Income, plus, to the extent (but only to the extent) deducted in determining Net Income, without duplication, the sum of: (a) depreciation expense; (b) amortization expense; (c) other non-cash expenses; and (d) tax expense, minus the aggregate amount of all capital expenditures for property and equipment of the Institutions for any 12 month period.

3. Maturity Date: 6-year anniversary date. Unpaid principal due at maturity.

4. Interest: simple interest of (b)(4) [redacted] payable on a quarterly basis.

5. Security: Nonrecourse to DCF except for security interest in the membership interest in DCF Education Holdings and any proceeds therefrom.

6. Prepayments. At all times after the Seller Note is paid in full, (b)(4) [redacted] of Excess Cash Flow for each quarter shall be paid to Lender as a prepayment on the Note until the Note is paid in full.

7. Assignment. Lender may not sell or otherwise assign any of its rights or obligations under the Line (other than to an affiliate of Najafi) without the consent of DCF, which shall not be unreasonably withheld, conditioned or delayed.

8. Conditions. It shall be a condition of Lender's provision of the Line that DCF Education Holdings and/or the DCF Buyers have in place at the closing of the purchase of the Assets of the Institutions a working capital revolving line of credit from a third party lender to cover working capital needs and operating cash flow deficits of the Institutions following the closing (the "**Working Capital Line**"). Further, Lender shall have a period of 30 days after the effective date of the Purchase Agreement to conduct its due diligence investigation of the Assets and the Institutions, and if the results thereof are not satisfactory in Lender's reasonable discretion, Lender shall have no obligations whatsoever to provide the Line or any other financing to DCF. Definitive documentation with respect to the Line will be negotiated in the 30 day period prior to the closing of the purchase of the Assets of the Institutions and executed concurrently with such closing.

III. Other Terms

1. Costs and Expenses. Each of the parties will be responsible for its own costs and expenses that it incurs related to the evaluation or execution of the transactions described in this Letter of Intent; provided that Lender's documented and reasonable third party costs and expenses shall be Pre-Signing Deal Expenses and reimbursed by Sellers as provided in the Purchase Agreement on a pari passu basis with any Pre-Signing Deal Expenses of DCF and the DCF Buyers; and provided further, that the principal balance of the Line shall be increased by the amount of Lender's documented and reasonable third party costs and expenses not otherwise paid as Pre-Signing Deal Expenses, and such unpaid amounts shall be paid to Lender concurrently with the funding of the Line.

2. Publicity. The parties agree to keep the proposed transaction confidential from media, students, and all others until mutual agreement is reached in writing regarding publicity or until otherwise required by law (and as to the latter, the parties will make reasonable efforts to consult with each other and, if practicable, obtain the prior written approval of the other); provided, however, that this prohibition shall not apply to any disclosure to any lender, shareholder, agent,

consultant or other representative of a party or to any regulatory authority who has a need to know the information.

3. Legal Effect. It is understood that all obligations or commitments of each party hereto to proceed with the transactions contemplated hereunder shall be subject to such party's completion of its due diligence investigation and are subject to the execution and delivery of and, shall only be contained in applicable definitive agreements that have been negotiated, executed, and delivered by the parties. This Letter of Intent and any controversies arising with respect hereto shall be governed by and construed under the laws of the State of Delaware without giving effect to any principle or law that would require application of the law of another jurisdiction.

Other than with respect to this paragraph III(3) and III(6), this Letter of Intent is not binding upon any person and has no legal effect whatsoever. Neither this Letter of Intent nor any party's execution thereof shall constitute an obligation or commitment of any party to enter into any definitive agreement contemplated hereunder or give any party any rights or claims against another in the event any party for any reason terminates negotiations to effect the proposed transactions. All obligations or commitments to proceed with the proposed transactions shall be contained only in the definitive agreements.

4. Counterparts. This Letter of Intent may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

5. Structure Intent. The parties agree and acknowledge that the proposed structure set forth in this Letter of Intent is intended ("**Structure Intent**") to satisfy all legal and tax requirements necessary for the Institutions to be non-profit institutions under the applicable DOE regulations and for DCF Education Holdings and the DCF Buyers to be disregarded entities for federal income tax purposes included as part of DCF's tax-exempt status under Section 501(c)(3) without causing any adverse effect to DCF's tax-exempt status (whether by creating impermissible "private inurement," impermissible "private benefit," or otherwise) or without imposing "intermediate sanctions" under the applicable Code sections and the regulations thereunder. The parties and their advisors will cooperate in negotiating and finalizing the structure and definitive agreements reflecting the transactions contemplated herein in a manner to effectuate the Structure Intent.

6. Entire Agreement. This Letter of Intent supersedes any and all prior agreements and understandings, oral or written between the parties hereto regarding the subject matter hereof (other than that certain Letter of Exclusivity by and between Najafi and DCF dated November 2, 2016) and shall not be modified except in writing signed by the parties hereto.

If you agree that the above correctly expresses our understanding, please indicate your acceptance of this Letter of Intent by countersigning this letter in the space provided below and return one signed original by close of business on the date hereof to Randall K. Barton, Managing

Director, at 77564 Country Club Drive, Suite 140, Palm Desert, CA 92211, rbarton4953@gmail.com.

Very truly yours,

DREAM CENTER FOUNDATION

By:__ (b)(6) [redacted]
Name: Matthew Barnett
Title: President

AGREED AND ACCEPTED:

NAJAFI COMPANIES, LLC

By:__ (b)(6) [redacted]
Name: Tina Rhodes-Hall
Title: CFO
Date: January 18 2017

2438952.2

From: Coyle, Meghan
Sent: Monday, March 27, 2017 11:27 AM
To: Mangold, Donna
Subject: RE: ATTORNEY CLIENT CONFIDENTIAL COMMUNICATION RE: Follow up for EDMC/Dream Center docs

They apparently *had* sent the documents, (b)(4) [redacted] whatever reason, the first 1-6 items of their submission never made it to my inbox.

From: Mangold, Donna
Sent: Wednesday, March 22, 2017 10:29 AM
To: Coyle, Meghan
Subject: RE: ATTORNEY CLIENT CONFIDENTIAL COMMUNICATION RE: Follow up for EDMC/Dream Center docs

(b)(5) [redacted]

From: Coyle, Meghan
Sent: Wednesday, March 22, 2017 10:27 AM
To: Mangold, Donna
Subject: RE: ATTORNEY CLIENT CONFIDENTIAL COMMUNICATION RE: Follow up for EDMC/Dream Center docs

Hey, Donna—

Sorry, I was reading my emails from top to bottom and read your email after responding a few minutes ago.

By the way, the email from Ron Holt (b)(5) [redacted]
(b)(5) [redacted]

I'll definitely check in with everyone when I have all the documents.

-Meghan

From: Mangold, Donna
Sent: Wednesday, March 22, 2017 9:44 AM
To: Coyle, Meghan
Cc: Frola, Michael; Urwitz, Jay; Finley, Steve; Arthur, Julie; Sikora, Tara; Hill, Tiffany
Subject: ATTORNEY CLIENT CONFIDENTIAL COMMUNICATION RE: Follow up for EDMC/Dream Center docs

Meghan, have we heard anything in response to this request? Ron Holt is making inquiry of Steve about the status of our review on the conversion, but there is no reference in Ron's e-mail about these requested documents.

These initial requests relate to supporting an LOC as a condition for the CIO. (b)(5) [redacted]
(b)(5) [redacted]

From: Mangold, Donna
Sent: Thursday, February 16, 2017 11:49 AM
To: Coyle, Meghan

Cc: Frola, Michael; Urwitz, Jay; Finley, Steve; Arthur, Julie; Sikora, Tara; Hill, Tiffany
Subject: Follow up for EDMC/Dream Center docs

Let me know if anyone has any questions or suggestions. (b)(5)
(b)(5)

(b)(5)

Donna Mangold
202-453-6710

From: Miller, Lia [mailto:lmmiller@edmc.edu]
Sent: Monday, March 27, 2017 10:50 AM
To: Frola, Michael; Coyle, Meghan
Cc: Them, Richard
Subject: FW: Upcoming preacquisition review

-Lia

From: Miller, Lia
Sent: Monday, February 27, 2017 5:24 PM
To: meghan.coyle@ed.gov
Cc: Them, Richard (richard.them@edmc.edu)
Subject: RE: Upcoming preacquisition review

Attached are the documents for item 6.

-Lia

From: Miller, Lia
Sent: Monday, February 27, 2017 5:23 PM
To: meghan.coyle@ed.gov
Cc: Them, Richard (richard.them@edmc.edu)
Subject: RE: Upcoming preacquisition review

Hi Meghan

Attached are items 1 through 5. I will send 6 in a separate e-mail do to the size.

We will send items 7 and 8 when available.

Thanks.

Lia Miller
EDMC - Student Finance & Compliance
Business Analyst II
PH: 412-995-7416
Fax: 412-995-7553
lmmiller@edmc.edu

From: Coyle, Meghan [mailto:Meghan.Coyle@ed.gov]
Sent: Friday, February 17, 2017 10:51 AM
To: Them, Richard
Subject: Upcoming preacquisition review

Hi, Richard—

For purposes of the Department's preacquisition review, please provide the following documents and information:

1. Letter of intent (DCF/Najafi)
2. Najafi Debt Commitment letter
3. DCF Equity Commitment letter
4. Purchase Agreement between DCF and 2301 LA Holdings for 2301 Bellevue

5. Closing binder(s) index(es) for purchase/financing/refinancing of Dream Center Foundation's primary campus facilities to 2301 LA Holdings, including any transaction with LADF VI LLC.
6. All documents representing the "one day loan" and the "Note Receivable" ($34.8 million) (including by way of example only -- note agreement(s), promissory note(s), amendments, modifications, pledge or security agreements)
7. DCF Loan Agreement with Tommy Barnett
8. A description of DCF's plan for working capital for the operation of the purchased assets following the transaction.

Items 1-3 are referred to in Section 5.6 of the Asset Purchase Agreement with EDMC.
Item 6 is described in the Dream Center's 12/31/15 financial statements (note 7).
Item 7 is described in the Dream Center's 12/31/15 financial statements (note 8).

This is a preliminary request for information and after the requested information and documents are received and reviewed, we will likely contact you for additional materials.

Please let us know if you have any questions.

Thanks,

Meghan

Meghan Coyle (née Gladden)
Eligibility Analyst
Multi-Regional and Foreign Schools Participation Division
U.S. Department of Education
61 Forsyth Street, Suite 18T40
Atlanta, GA 30303
404-974-9302

From:	Coyle, Meghan
Sent:	Wednesday, April 12, 2017 12:00 PM
To:	Frola, Michael
Subject:	RE: Upcoming preacquisition review - EDMC
Attachments:	Exclusivity Letter November 2 2016 Fully Executed (D0720934).pdf

PRIVILEGED, PREDECISIONAL, AND DELIBERATIVE COMMUNICATION. DO NOT RELEASE OR OTHERWISE DISSEMINATE.

Mike,

The exclusivity letter is attached. Also, I wanted to run a few things by you before sending to the entire group.

(b)(5)
[redacted]

(b)(5)
[redacted]

Also, a little more on the first point:

(b)(5)
[redacted]

(b)(5)

-Meghan

From: Frola, Michael
Sent: Monday, April 10, 2017 3:41 PM
To: Coyle, Meghan; Mangold, Donna; Urwitz, Jay; Finley, Steve
Cc: Arthur, Julie
Subject: RE: Upcoming preacquisition review - EDMC

Yes, please.
Thanks,
Mike

November 2, 2016

Dream Center Foundation
2301 Bellevue Avenue
Lost Angeles, CA 90026

Dear Dream Center Foundation:

LETTER OF EXCLUSIVITY

This Letter of Exclusivity (the "Letter") is made with respect to a proposed transaction involving Najafi Companies, LLC or an affiliate ("Najafi"), the Dream Center Foundation (the "Foundation"), and one or more for-profit universities currently owned by EDMC (the "Target").

Najafi and the Foundation are contemplating a transaction (the "Transaction") through which the Foundation would acquire one or more for-profit universities currently owned by EDMC, with acquisition financing and/or working capital financing provided by Najafi. The result of the Transaction is expected to be the transition of any acquired for-profit universities into not-for-profit universities.

1. Exclusivity. In consideration of the considerable expense to be incurred by Najafi and the Foundation in connection with the Transaction, each of Najafi and the Foundation hereby agree that their pursuit of the Transaction shall be on an exclusive basis, and each shall not, directly or indirectly, participate in any transaction whatsoever involving the Target except with each other. For greater certainty, each of Najafi and the Foundation agree that it will not, directly or indirectly, (a) solicit, initiate, encourage, facilitate or induce any inquiries or proposals from any person or entity (other than each other) with respect to any transaction whatsoever involving the Target; (b) engage or participate in negotiations or discussions concerning, provide any information to any person or entity (other than each other) relating to, or take any action to facilitate any inquiries or the making of any offer or proposal with respect to any transaction whatsoever involving the Target; (c) agree to, approve or recommend any transaction whatsoever involving the Target that does not involve the other party; or (d) enter into any letter of intent or similar document or any contract, agreement or commitment contemplating or otherwise relating to any transaction whatsoever involving the Target that does not involve the other party. For the avoidance of doubt, Najafi understands that the Foundation has a relationship with Lopes Capital and Brent Richardson (collectively, "Lopes/Richardson"). The Foundation specifically agrees the Foundation and Najafi may pursue the Transaction without Lopes/Richardson, but that Lopes/Richardson may not pursue the Transaction without the Foundation and Najafi. Each of the Foundation and Najafi agree to notify the other if any person or entity makes any proposal, offer, inquiry or contact with them with respect to any transaction involving Target that does not also involve the other.

2. Fees and Expenses. The Foundation and Najafi shall each pay its own expenses (including outside legal and accounting fees, financial advisory fees, and filing fees and expenses)

incident to the negotiation and execution of this Letter and any and all Transaction agreements, regulatory filings and other documents and instruments necessary to effectuate the Transaction.

3. Representations and Warranties. Each of the parties represents and warrants to the other that (a) the execution and delivery of this Letter and performance by it of its obligations contemplated hereunder will not conflict with, or result in any violation of, any agreement, contract, obligation, promise, commitment, undertaking or understanding (whether oral, written or implied) to which such party is a party or by which such party may be bound, and (b) this Letter constitutes the valid and binding obligation of such party, enforceable against such party in accordance with its terms.

4. Governing Law. This Letter shall be governed by and construed in accordance with the internal laws of the State of Arizona, without giving effect to any choice or conflict of law provision or rule (whether of the State of Arizona or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Arizona.

5. Disputes. Any dispute relating to this Letter shall be brought exclusively in the state courts in Los Angeles, California. By execution and delivery of this Letter, with respect to such disputes, each of the parties knowingly, voluntarily and irrevocably: (a) consents, for itself and in respect of its property, to the exclusive jurisdiction of these courts, (b) waives any immunity or objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of forum non conveniens, which it may have from, or to the bringing of, the dispute in such jurisdiction, (c) waives any personal service of any summons, complaint or other process that may be made by any other means permitted by the State of California, (d) waives any right to trial by jury, (e) agrees that any such dispute shall be decided by court trial without a jury, and (f) agrees that any party to this Letter may file an original counterpart or a copy of this Section 4 with any court as written evidence of the consents, waivers and agreements of the parties set forth in this Section 4.

6. Confidentiality. This Letter is confidential. No disclosure of the terms of this Letter, the proposed Transaction or the fact that the proposed Transaction is being discussed will be made by either party (other than to its directors, officers, managers, members, shareholders or advisors) without the prior consent of the other party. Without limiting the generality of the foregoing, the parties agree that the Confidentiality Agreement, dated October 17, 2016, remains in full force and effect in accordance with its terms.

7. Counterparts. This Letter may be executed in counterparts with original or electronic signatures, with each counterpart considered an original instrument and all the counterparts constituting the entire agreement.

8. Expiration. This Letter shall expire if a definitive written agreement relating to the Transaction has not been executed within two (2) years following the date hereof, if not earlier terminated by the mutual agreement of the parties.