

**Teach-Out and Program Articulation Agreement
Between Southern New Hampshire University and Daniel Webster College
September 12, 2016**

Introduction: Daniel Webster College (“Daniel Webster”) is a private college founded in 1965 and accredited by the Commission on Institutions of Higher Education of the New England Association of Schools and Colleges (“NEASC”). Daniel Webster is a wholly own subsidiary of ITT Educational Services, Inc., a for profit educational services corporation headquartered in Indiana, (“ITT”). ITT has announced that it is ceasing operations, many Daniel Webster students are left in need of an accredited local institution at which to complete their education.

The intention of this Teach-Out and Program Articulation Agreement (“Agreement”) is to memorialize the understanding of Daniel Webster, ITT, and SNHU to meet the immediate and ongoing needs of Daniel Webster’s students to ensure the equitable treatment of students and a reasonable opportunity for students to complete their program of study.

Now therefore, in exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

SNHU, Daniel Webster, ITT are entering into this Agreement to provide an opportunity for the students of Daniel Webster to complete their education at SNHU.

The terms of this Agreement are meant to reflect the Teach Out Plan attached hereto as Exhibit A, which may be supplemented by mutual written agreement of SNHU and Daniel Webster.

This Agreement will enable Daniel Webster students, who are enrolled for the Fall 2016 semester, to complete their undergraduate or graduate studies at SNHU. Specifically, SNHU and Daniel Webster agree to the following:

1. Teach-Out Terms:

- A. The Agreement will become effective on the date on which both the Commission on Institutions of Higher Education of NEASC and the New Hampshire Higher Education Commission have expressed their approval of all terms of the Agreement. (the “Approval Date”). SNHU will be responsible for the status of Daniel Webster as an accredited and licensed institution following the Approval Date. If the Approval Date has not occurred on or before September 16, 2016, this Agreement shall be null and void.
- B. SNHU’s obligations pursuant to this Agreement for the Teach-Out shall terminate when all Daniel Webster students accepted by SNHU pursuant to this Agreement have graduated from SNHU or Daniel Webster, have failed to be continuously enrolled at SNHU, or four years from the date of this Agreement, whichever comes first.
- C. Students who transfer into SNHU with 90 completed credits or more will graduate with a Daniel Webster degree, so long as they complete all graduation requirements by August 31, 2017. Commission on Institutions of Higher Education of NEASC will permit the awarding of Daniel Webster degrees as noted in the paragraph through the August 31, 2017 solely and exclusively for the purposes of this teach out. Students who enter SNHU with fewer than 90 completed credits at the time of transfer will receive an SNHU degree at the time of graduation.
- D. SNHU will waive admission application fees for students transferring to SNHU through this Agreement.

- E. SNHU will accept without application of its normal transfer application process (application fees, letters of reference, essays) all currently enrolled Daniel Webster students. Students accepted as part of this Teach Out must then meet all applicable SNHU academic standards (including minimum GPA) for all subsequent coursework offered through SNHU.
- F. SNHU agrees to honor the current rate of tuition and fees for all Daniel Webster students for one academic year starting with the Fall 2016 term, after which SNHU's standard tuition and fee rates will apply. All students choosing to transfer into the SNHU College of Online and Continuing Education division shall pay the tuition and fees applicable to that division, which as of the date of this Agreement are lower than the current Daniel Webster tuition and fees. Following this initial one-year period, tuition, room, and board will be charged at SNHU's normal rates and may increase in future years. SNHU will be responsible for advising all students attending SNHU pursuant to the terms of this Agreement of any tuition, room and board or other fees or charges that are more than or in addition to those charged by Daniel Webster.
- G. During the first academic year (beginning Fall 2016) SNHU agrees to match all non-athletic institutional aid that was being offered by Daniel Webster to each student and agrees to provide all forms of Federal financial aid, available to each student who has submitted a 16-17 FAFSA. Daniel Webster will provide to SNHU a copy of each student's Financial Aid Award Letter for the 2016-2017 award year. During the term of this Agreement, all scholarships and grants will be renewable based on a student maintaining a Satisfactory Academic Progress at SNHU.
- H. SNHU will accept all earned credit (inclusive of those credits earned at Daniel Webster and those credits awarded by Daniel Webster) based on Daniel Webster's completed evaluation of applicable credit.
- I. After acceptance and upon receipt of Daniel Webster academic records (including an updated degree audit from the Daniel Webster registrar), students being taught-out pursuant to this Agreement will be assigned an SNHU academic advisor to work with them to build an individualized academic plan for degree completion.
- J. Any Daniel Webster student who fails to apply to SNHU by December 31, 2016 shall be excluded from this Agreement. Any student who meets this deadline for application will be included as a student of SNHU pursuant to this Agreement, regardless of any additional time required for SNHU to process the student's application.
- K. Daniel Webster shall transfer to SNHU, and SNHU shall retain in accordance with applicable regulatory requirements, all records of all Daniel Webster students, past or present. Daniel Webster will provide the records within 14 days of each student finalizing his or her SNHU enrollment. All student records will be managed according to the requirements of the Family Educational Rights and Privacy Act.
- L. SNHU will review Daniel Webster students who are not in good Academic or Social Standing as of September 1, 2016; will be reviewed on a case by case basis at the beginning of this Agreement (teach out). Those students permitted to continue, will remain on probation during the Fall 2016 semester and will fall under the SNHU's policies and programs, to evaluate and support, obtaining and maintaining Satisfactory Academic Progress. Students must be in good academic and good social standing to continue enrollment beyond December 31, 2016.

- M. ITT and Daniel Webster agree that all public announcements or student communication regarding this Teach Out to be made by ITT or Daniel Webster will be made in cooperation with, and subject to review and approval by, SNHU's communications department. SNHU agrees that all public announcements or student communication regarding this Teach Out to be made by SNHU will be made in cooperation with, and subject to review and approval by, ITT.
- N. As SNHU and Daniel Webster work through the individual student and program arrangements, the parties agree to provide specific Teach Out details as requested by NEASC and the New Hampshire Department of Higher Education.

2. Daniel Webster Employees and Staff:

- A. As of September 19, 2016, SNHU will officially hire all existing Daniel Webster employees in a temporary employee status with no SNHU benefit eligibility. SNHU will help offset COBRA benefit costs of terminated Daniel Webster employees who accept SNHU temporary employment status as determined by SNHU.
- B. The parties agree and understand that SNHU may, but is under no obligation to, offer permanent full time employment at SNHU to any Daniel Webster faculty, staff, or employee, at SNHU's sole discretion.

3. Facilities and Materials Use License: In order to effectuate the Teach Out, ITT and Daniel Webster will license the Daniel Webster facilities, academic materials, databases, equipment, and supplies necessary to run all existing Daniel Webster academic programs which are available and already acquired and maintained by Daniel Webster College to SNHU under the following terms:

For the Purposes of this section, Daniel Webster and ITT shall be collectively referred to as the "Licensor" and SNHU shall be referred to as "Licensee":

- A. **Grant of License.** The Licensor grants to Licensee, its officers, servants, agents, and employees a revocable, nonexclusive right to use the facilities of its campus located at 20 University Drive, Nashua, NH and any other educational buildings owned, leased and operated by the Licensor (the "Licensed Area") and to use all paid-for academic materials, databases, equipment (including all engineering and aviation program equipment such as lathes, wind-tunnels, etc.), and supplies available and already acquired and maintained by Daniel Webster College (the "Licensed Materials") for the purposes of teaching out Daniel Webster students and in accordance with the terms and conditions of this License, as further detailed below.
- B. **Consideration.** In consideration for the License, Licensee agrees to reimburse Licensor for the reasonable and quantifiable operating costs of the facilities subject to the License, including without limitation, taxes, insurance, utilities and maintenance costs (the "License Costs").
- C. **Nature of License.** The parties understand that: i) this Agreement is a personal license and not a real property lease, ii) the relationship hereunder is that of licensor and licensee as contracting parties and not that of a landlord and tenant, and iii) this Agreement does not convey an interest in real estate.
- D. **Term.** This License shall remain in force from the Approval Date to June 1, 2017, or as otherwise agreed in writing, (the "License Term"). This License may be renewed by mutual agreement of the parties memorialized in writing. Notwithstanding the foregoing, the Licensee may cancel this License at any time upon thirty (30) days' prior written notice to the Licensor.

E. Licensee's Obligations

- (i) Licensee agrees to occupy the Licensed Area and use the Licensed Materials in a safe and careful manner and in accordance with all of Licensor's policies provided to Licensee, and in compliance with all applicable state and federal laws.
- (ii) Licensee and Licensor shall designate contact persons who shall be responsible for meeting with Licensor's representatives for the purposes of planning and facilitating Licensee's use of the Licensed Area and the Licensed Materials.

F. Condition of Licensed Area

- i) Licensee acknowledges and agrees that it accepts the Licensed Area and Licensed Materials in "as is" condition. Licensor agrees to make only any repairs and maintenance that become necessary during the period of the License to the Licensed Area and Licensed Materials necessary to allow the safe operation of the facility and use of the Licensed Materials during the course of the License. Licensee agrees to leave the Licensed Area in as good condition as the Licensed Area was in at the beginning of this License, reasonable wear and tear accepted. Licensee shall make no temporary or permanent modifications to the Licensed Area without the prior written consent of Licensor, and Licensee shall be solely responsible for the cost of any damage, including loss or theft, to the Facilities and any equipment or property caused by the negligence or willful misconduct of Licensee, its officers, employees, agents, invitees or third party vendor.

G. Disposition of the Licensed Materials Upon Expiration of License

During the License Term, Licensee will be provided the opportunity to conduct due diligence to inventory, review, and inspect the Licensed Materials. To the extent that Licensee desires to acquire ownership of any Licensed Materials, Licensee will notify Licensor in writing at least 30 days prior to the expiration of the License Term and the parties will enter into good faith negotiations concerning their sale to Licensee. If the parties are unable to agree on the terms of such sale prior to the expiration of the License Term, thereafter Licensor shall be free to retain, sell or otherwise dispose of such Licensed Materials in its discretion.

H. Payment: Licensor hereby authorizes SNHU, effective as of the Approval Date, to process payments for the License Costs directly with the applicable vendors and providers. SNHU and Daniel Webster will agree upon facilities or locations not needed for the Teach Out which will be excluded from the Licensed Area, and any costs associated with excluded facilities or locations will not be included in the License Cost. Specifically at 100 Perimeter Road, will not be used in this teach out agreement. SNHU will not be responsible for costs or processing of debts and obligations due to vendors and providers of the Licensed Area prior to the Approval Date. Daniel Webster and SNHU shall cooperate in the coordination of accounting for and paying License Costs.

I. Prior Liabilities: For purpose of clarity, SNHU is not assuming the liabilities of Daniel Webster and ITT for debts, obligations, liabilities, balances due for any actions or inactions which occurred prior to the signing date of this Teach Out. For example, but not limited to, SNHU is not liable for prior student balances and accounts receivable balances pending, or any contract and agreements with any past amounts due, taxes related to the for profit operation of the institution, etc.

J. Insurance: Licensor shall maintain the insurance policies listed on Exhibit B through December 31, 2016.

- K. **Notice:** Unless otherwise specified, any notice hereunder shall be in writing and shall be deemed delivered when delivered by first class mail to either party or the actual date received by that party.

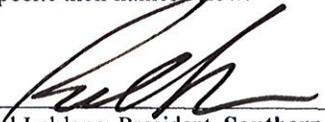
Licensee: Southern New Hampshire University
Office of General Counsel and Compliance
2500 North River Road
Manchester, NH 03106

Licensor: ITT Educational Services, Inc.
13000 N Meridian St.
Carmel, IN 46032
Attention: General Counsel

4. Other

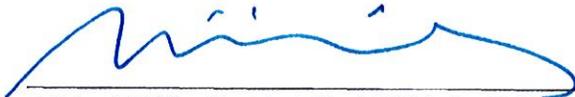
- A. **Indemnification.** ITT and Daniel Webster agree to indemnify, hold harmless and defend SNHU and its trustees, officers, servants, employees and agents from and against any action, claim, cost, damage, demand, expense, loss, liability, or third party claim, including reasonable attorney's and expert fees and costs (collectively "**Liabilities**"), arising from or relating to: (i) the negligence or willful misconduct of ITT, its employees, its agents and/or its third party vendors/subcontractors; or (ii) the performance or non-performance of ITT's or Daniel Webster's obligations hereunder; or (iii) any alleged or actual breach by ITT or Daniel Webster of any provision of this Agreement.
- B. SNHU agrees to indemnify, hold harmless and defend ITT and Daniel Webster and its trustees, officers, employees and agents from and against any Liabilities, arising from or relating to:
(i) the negligence or willful misconduct of SNHU, its employees and/or its agents or its third party vendors/subcontractors; or (ii) the performance or non-performance of SNHU's obligations hereunder; or (iii) any alleged or actual breach by SNHU of any provision of this Agreement.
- C. The obligations of the parties shall not be limited by any obligation or any term or condition of any insurance policy. The obligations set forth in Sections 4(A) – (C) above shall survive the expiration or termination of this Agreement.
- D. **Governing Law.** The parties agree that this Agreement shall be governed by the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof. The parties agree that any dispute, claim, and/or action arising out of or relating in any way to this Agreement or the relationship between the parties must and shall be brought exclusively in a state or federal court located in the State of New Hampshire. Daniel Webster and ITT expressly consent to the jurisdiction of the state and federal courts of the State of New Hampshire in any action brought by Daniel Webster, ITT, or SNHU arising out of or relating to this Agreement or the relationship between the parties, waiving any claim or defense that such forum is not convenient or proper.
- E. The parties each represent, by the respective e signatures below, that they each have the requisite authority and approvals to commit to the terms of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth opposite their names below:



Paul Leblanc, President, **Southern New Hampshire University**

9/13/14
Date



Michael Diffily, President, **Daniel Webster College**

9-13-14
Date



Kevin M. Modany, CEO, **ITT Technical Institute**

9/13/16
Date

Exhibit A

Teach Out Plan for the Students of Daniel Webster College

NEASC Standards for Accreditation 4.9 states that “When programs are eliminated or program requirements are changed, the institution makes appropriate arrangements for enrolled students so that they may complete their education with a minimum of disruption.” This Teach Out plan is drafted to meet that standard for Daniel Webster College Students.

The development of the *Teach-Out* of Daniel Webster College’s programs illustrates Southern New Hampshire University’s goal to provide educational programs and make arrangements, which ensure that all current enrolled DWC students can complete their education with minimum disruption.

This *Teach-Out*, provides a place for the students to complete their educational programs, including all programs currently offered in AY 2016/2017 catalog. DWC Programs and Courses would be added to the SNHU system and catalog. SNHU will continue these programs through the teach-out and explore the transition of these programs to be included in the SNHU program offerings. Student support services will be maintained and supplemented to ensure that DWC students’ needs are met.

SNHU commits to meet NEASC standards to meet and will submit any new programs to the commission as substantive changes. Similarly, SNHU will meet all NH Commission of Higher Education standards, and coordinate the required submissions to the state for the authority to award degrees.

The teach out of DWC’s programs in direct alignment with SNHU’s mission. At its core, SNHU is committed to students and education of students across the globe.

Southern New Hampshire University transforms the lives of students. Our success is defined by our students’ success. By relentlessly challenging the status quo and providing the best support in higher education, Southern New Hampshire University expands access to education by creating high quality, affordable and innovative pathways to meet the unique needs of each and every student.

SNHU, through this agreement will deliver DWC’s education programs at a tuition, room and board level equivalent to that of DWC. Throughout this Teach-Out, any and all additional charges will be communicated to students.

Exhibit B

Southern New Hampshire University Insurance Requirements

Daniel Webster agrees to maintain insurance policies of the type and including coverage and limits provided hereinafter during the Term of the Contract:

Commercial General Liability

Minimum Limit \$1,000,000 each occurrence and \$2,000,000 annual aggregate
Including operations/products/completed operations liability, contractual liability, personal and advertising injury, and damage to rented premises liability

Workers' Compensation NH Statutory Requirements

Employers' Liability \$500,000/\$500,000/\$500,000

Business Automobile Liability Minimum limit \$1,000,000

For owned (if any), hired, and non-owned vehicles

Excess Liability

Minimum limit \$3,000,000

Professional Liability

Minimum limit \$2,000,000 if professional service provided

All insurance required hereunder shall have a rating of at least A-VIII in the latest edition of AM Best's Insurance Reports. It is the intent of the SNHU and Daniel Webster that all such liability policies purchased by Daniel Webster shall be primary with regard to any liability insurance carried by the SNHU. All such insurance policies must be paid and in force. The General, Excess, and Automobile liability policies shall be endorsed to include Southern New Hampshire University (SNHU), The Trustees of SNHU, its officers, employees, agents and assigns as additional insured. Each policy shall contain an endorsement waiving all rights of subrogation against Southern New Hampshire University. Daniel Webster shall provide to the SNHU a certificate of insurance no later than ten (10) days after the Approval Date setting forth the coverage as required above together with the insurance company's name, policy number and expiration dates of the insurance. Daniel Webster shall endeavor to provide at least thirty (30) days written notice to the SNHU of any policy cancellation, non-renewal, or material alteration. The above insurance requirements shall not be construed as limiting in any way the extent to which Daniel Webster may be held responsible for the payment of damages to SNHU or to any persons resulting from its operations or the activities of any person or persons for which it is liable. Any subcontractors hired by Daniel Webster will meet the requirements stated above. Failure of Daniel Webster to provide the certificates referenced hereunder, or failure of the SNHU to specifically request such certificates shall in no way limit or release Daniel Webster of its obligations or liabilities under this Agreement.