MEMORANDUM OF AGREEMENT

Agreement made this 1st day of December, 2015 by and between Local 2110, Technical, Office and Professional Union, UAW AFL-CIO (the "Union") and Technical Career Institutes, Inc. ("TCI"). This Agreement: (a) modifies and extends the collective bargaining agreement covering a unit of office clerical employees, which collective bargaining agreement expired by its terms on October 9, 2015; (b) modifies and extends the collective bargaining agreement covering a unit that previously consisted of instructors, laboratory technicians and maintenance employees and has since been divided into (a) a unit of instructors, adjuncts and tutors, and (b) a unit of technicians and maintenance employees based upon the certified results of an NLRB election, which collective bargaining agreement expired by its terms on October 9, 2015.

1. Extension of Agreements. All terms and conditions of the collective bargaining agreements shall continue and remain in full force and effect through the term of this Agreement, except as modified herein. In the event of a conflict, the terms of this Agreement shall supersede any conflicting terms of the collective bargaining agreements.

2. Term. The term is October 10, 2015 through October 9, 2017.

3. Vacations/Furlough Days. The provisions of the collective bargaining agreements that provide for substitution of three unpaid furlough days for three paid vacation days shall not apply to non-faculty employees.

4. Holidays. Columbus Day and Presidents Day shall be restored as holidays.

5. Wages/Compensation.

   a. TCI agrees that the terms on wages set forth in this sec. 5 shall apply both to Union and non-Union staff, effective December 5, 2015.

   b. Management shall give the Union at least one week's notice and an opportunity to discuss any planned salary increases. This requirement is in addition to existing terms of the collective bargaining agreements governing salary increase decisions.

   c. Management shall not implement short-term layoffs during the term of the Agreement for purposes of cash flow relief. This restriction shall not abridge Management's right to implement permanent layoffs.

   d. Honorary Chair pay shall be suspended.

   e. All pay grade minimums shall be reduced by 20%.

   f. All salaries shall be reduced by 20%

g. The salary reductions provided under sec. 5(f) shall be eligible for restoration on the following terms:

   i. For purposes of this sec. 5(g), composite score benchmarks shall be 2.0 or above for 2016 and 1.6 or above for 2017.

   ii. Restoration shall take the form of a percentage increase to wages. The percentage shall be calculated as (1) excess dollar amount over which the composite score benchmark is exceeded, divided by (2) total annual W-2 payroll of then current employees for the year.

   iii. Restoration shall be implemented only to the extent that restoration does not take the composite score below the benchmark for the year in which restoration is implemented.

   iv. Restoration shall be implemented only after TCI's letter of credit is released by authority of DOE and agreement of the investor.

   v. Restoration shall be implemented as a percentage adjustment to wages rates only to staff employed at the time of restoration. Persons not employed at the time of restoration shall be ineligible under this sec. 5(g).

h. Salaries shall be subject to adjustments under the following terms:

   i. For purposes of this sec. 5(h), net tuition revenue targets are: Spring 2016 - $11,817,600.00, Summer 2016 - $8,807,805.00, and Fall 2016 - $11,903,770.00. Net Tuition Revenue is: Billed Student Tuition Revenue for all students, including fees, but excluding books $X,XXX,XXX, Less: Financial Aid Grants ($XXX,XXX), Less: Student withdrawals up to post-purge ($XXX,XXX) Equals Net Tuition Revenue $X,XXX,XXX].

   ii. Net tuition revenue shall be analyzed post-purge in each semester of 2016.

   iii. If net tuition revenue in any semester exceeds the target revenue for that semester, the excess amount shall be credited toward the subsequent semester analysis.

   iv. If net tuition revenue in any given semester (inclusive of any carry over as per sec. 5(h)(iii)) falls short of target revenue, then wages over the subsequent eleven pay

periods shall be reduced on a pro rata basis so that the total amount of the wage reduction equals the amount of the net tuition revenue shortfall for the semester, except that in the event of a Fall shortfall, the reductions may be accelerated to the extent necessary to ensure that a composite score of at least 1.6 is achieved.

v. Total annual reductions under this sec. 5(h) shall not exceed 5% of annual payroll.

vi. If net tuition revenue for the year meets or exceeds targeted net tuition revenue, then (1) the excess shall be paid out to staff on a pro rata basis to the extent that payment does not take the composite score below 1.6, and (2) the provisions of Section 5(h) shall not apply in 2017, except as in 5(h)vii, below. Payments under this sec. 5(h)(vi) shall be made on a lump sum basis after TCI's letter of credit is released by authority of DOE and agreement of the investor.

vii. If total net tuition revenue for 2016 falls short of targeted net tuition revenue, then this sec. 5(h) shall apply in 2017, except that the targets set forth in sec. 5(h)(i) shall be subject to reopener and TCI and the Union shall negotiate targets for 2017. If agreement is not reached by November 15, 2016, the parties shall submit the issue to Arbitrator Martin Scheinman for binding arbitration. In the event that Arbitrator Scheinman's schedule does not allow for an Award to be rendered prior to February 1, 2017, then the issue shall be submitted next to Arbitrator Howard Edelman; and if Arbitrator Edelman's schedule does not permit, then to Arbitrator Marlene Gold.

6. Health Insurance.

a. TCI's employer contributions toward health and dental insurance premiums for 2016 shall be at the same rates paid in 2015.

b. TCI shall offer an inducement to voluntary waiver of health and dental insurance (either complete waiver or reduction from family to individual coverage). The inducement shall take the form of an adjustment to wages equal to 25% of the savings realized by TCI as a result of the employee's waiver. Proof of other coverage shall be required as a condition of this inducement. The inducement shall continue monthly for so long as, and to the extent that, savings are realized during employee's employment, and shall cease in the event that the employee restores coverage to previous

levels. Employee's ability to restore coverage shall be governed by plan documents and/or applicable law.

c. Employer contributions toward health and dental insurance premiums shall be suspended during any non-FMLA-qualifying unpaid leave of absence of one semester or greater.

7. Faculty evaluations. The labor-management committee shall undertake a review of faculty evaluation practices and procedures. Management shall have the discretion to adopt or reject any recommendations from the labor-management committee concerning faculty evaluations. Any policies or practices implemented in accordance with this sec. 7 shall supersede any conflicting terms of the collective bargaining agreements. Recommendation shall be made only if the majority of union representatives are in agreement and say so in writing.

8. Severance.

a. Employees shall be eligible for severance in accordance with the following terms:

i. Employee must elect on or before December 21, 2015;

ii. Employee must remain employed and faithfully discharge his/her duties through the conclusion of the Fall 2015 semester. Earlier termination of employment by reason of voluntary resignation or for just cause shall preclude eligibility.

iii. Employee must execute and deliver a general release, a copy of which is attached hereto.

b. If the foregoing conditions are met, then the employee shall receive severance payments in such amount as the employee would receive in the event of a permanent layoff.

c. These payments shall be in addition to any other separation pay to which the employee may be entitled; however, the total payments made by TCI to employees electing severance under this sec. 8 shall be capped at $350,000.00. In the event that total payments would exceed this cap, then the payments shall be subject to reduction, on a basis to be mutually agreed upon by TCI and the Union, so as to meet the cap. Payment of all separation pay shall be made in equal installments over six pay periods, commencing on February 5, 2016.

d. TCI will not oppose any unemployment application for any employee who elects to voluntarily leave through the conclusion of the Spring 2016 semester.

9. Additional severance. On or before December 21, 2015, Management may provide the Union a list of up to five employees in Admissions who, based upon Management's assessment of overall performance, would be appropriate candidates for separation from employment. Those employees whose employment is separated under this section would be eligible for separation pay in accordance with the terms of sec. 8(b). Any payments under this sec. 9 shall not count against the cap set forth in sec. 8(c). Each employee shall have the opportunity to elect to participate in this separation; however, this sec. 9 is without prejudice to TCI's right to impose discipline for just cause, up to and including discharge, or the Union's right to grieve and/or arbitrate any such discipline, and an employee's election not to participate voluntarily shall not preclude or otherwise serve as a defense against disciplinary action. The Union shall meet with each employee to discuss the benefits of voluntary participation in separation under this section. TCI will not oppose any unemployment application made by those who separate from TCI pursuant to this provision.

10. Probationary period - Admissions. The probationary period in Admissions for new employees shall be six months. Upon advanced notice to the Union and the affected employee, the probationary period may be extended an additional three months for a maximum of nine months.

11. Additional Union representation at TCI Board meetings. For so long as the Union is entitled to representation on the TCI Board under the collective bargaining agreements, the Union may also designate one non-voting observer to attend TCI Board meetings. The choice of non-voting observer shall be subject to Board approval, which shall not be unreasonably withheld. It is understood that the non-voting observer may be excluded from any Board discussion of pending grievances/arbitrations, bargaining strategy or other matters where TCI and the Union's interests are in conflict.

12. Labor-management enrollment committee. An advisory committee shall be formed consisting of at least 8 employees, divided equally between union and non-union personnel. The committee shall meet at least once per month to discuss TCI's enrollment function. The Union shall designate union members and Management shall designate non-union members. All committee members shall receive regular enrollment reports. The committee shall be chaired by a non-union committee member of Management's choosing.

13. E-books. The labor-management committee shall undertake a review of practices and procedures concerning e-book utilization. Management shall have the discretion to adopt or reject any recommendations from the labor-management committee concerning e-book utilization. Any policies or practices implemented in accordance with this sec. 13 shall supersede any conflicting terms of the collective bargaining agreements. Recommendation shall be made only if the majority of union representatives are in agreement and say so in writing.

14. Pending grievances/disputes. TCI and the Union shall confer in good faith to resolve all pending grievances/arbitrations/charges/disputes. The parties shall endeavor to confer prior to the Union's ratification meeting; however, the failure to do so

shall not preclude later discussion nor delay the timing of the ratification meeting. Without waiving any rights, Management agrees to include the issue of primary discipline-electrical/computer on the list of matters to be addressed.

15. Integrated agreements. The parties agree to confer in good faith to prepare and execute integrated versions of the collective bargaining agreements.

16. Ratification. This MOA shall be subject to ratification by the Union's membership and TCI's Board of Directors.

Local 2110, Technical, Office and Professional Union, UAW, AFL-CIO

Technical Career Institutes, Inc.

EMPLOYEE GENERAL RELEASE

_____, (the "Employee"), in consideration of the benefits for which the Employee is eligible under the terms of the _____, 2015 Memorandum of Agreement between Technical Career Institutes, Inc. (the "Company") and Local 2110, Technical, Office and Professional Union, UAW AFL-CIO (the "Union"), a copy of which is annexed, generally releases and discharges the Company and its parent and predecessor companies, their respective past and present owners, directors, officers, agents, servants, employees, successors and assigns, from any and all claims of any nature whatsoever, known or unknown, which the Employee now has or claims to have, from the beginning of time to the date of this general release, including, without limitation, claims under common law, federal, state or local statute relating to the Employee's employment with the Company or the termination of the Employee's employment. This general release applies to rights and claims arising under the Age Discrimination in Employment Act of 1967 (29 U.S.C. §621 et seq.).

This release applies to all claims, known or unknown, arising at or before the time the release is signed.

This release does not apply to claims for unemployment compensation benefits arising on or after the date this release is signed. Additionally, this release does not apply to claims for vested benefits under any pension or retirement plan or to claims for benefits under the Company's group medical benefits plan.

The Employee acknowledges the following:

1. Employee has read and understands this release;
2. Employee was provided at least forty-five (45) days to consider Employee's rights and obligations under this release before signing;
3. The period of time Employee had to consider Employee's rights and obligations under this release was reasonable;
4. Before executing this release, the Company advised Employee to consult with an attorney and informed him as to the group of employees who are eligible for benefits, the eligibility requirements for benefits and the job titles and ages of all eligible employees;

5. Employee has elected to sign this release and release the Company from any and all claims in exchange for valuable consideration which is in addition to anything of value to which Employee is already entitled.
6. The general release in this agreement constitutes a waiver of all rights and claims he may have under the Age Discrimination in Employment Act of 1967 (29 U.S.C. §621 et seq.).
7. For a period of seven (7) days following the execution of this agreement, Employee may revoke this release. This release shall not become effective or enforceable until this seven (7) day revocation period has expired without the Employee having exercised his right to revoke.
8. Employee has been fully and fairly represented by the Union in the negotiations at issue and generally releases the Union, its officers, organizers, directors, successors and assigns, employees and agents from all claims in law or equity, whether known or unknown, under any federal, state or local law.

_____ Date: _____

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Simon Tello
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SMS
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