

SHAREHOLDER AGREEMENT

This Shareholder Agreement (this “**Agreement**”), dated as of _____, _____ (the “**Closing Date**”), is entered into among Alliant International University, Inc., a California benefit corporation (the “**Company**”), [Old Alliant Name], a California nonprofit public benefit corporation (“**Old Alliant**”), and AME Education Corporation, a Delaware corporation (“**AME**”). The Company, [Old Alliant] and AME are sometimes referred to herein individually as a “**party**” and collectively as the “**parties**.” Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement, as defined below.

RECITALS

WHEREAS, the Company and Old Alliant entered into an Asset Purchase Agreement dated as of [•] (the “**Purchase Agreement**”) pursuant to which the Company will acquire substantially all of the assets of Old Alliant;

WHEREAS, AME owns [•%] of the issued and outstanding shares of capital stock of the Company;

WHEREAS, Old Alliant owns [•%] of the issued and outstanding shares of capital stock of the Company;

WHEREAS, the Company agreed, upon the terms and conditions set forth in the Purchase Agreement, to acquire from Old Alliant substantially all the assets and assume substantially all the liabilities of Old Alliant related to the Alliant International University (the “**University**”);

WHEREAS, as a condition to closing of the Purchase Agreement, the shareholders of the Company and the Company shall be required to enter into this Agreement; and

NOW, THEREFORE, in consideration of the mutual agreements and covenants set forth herein and intending to be legally bound hereby, Old Alliant, AME and the Company hereby agree as follows:

**ARTICLE I
BOARD OF TRUSTEES**

Section 1.01 Board of Trustees of the University. The parties agree without the consent of Old Alliant so long as Old Alliant has the right to designate one Director under the Voting Agreement, the general oversight and direction of Alliant International

University (the “**University**”) operations and educational functions would be governed by a self-perpetuating governing body of the Company denominated as the “Board of Trustees” consisting of no more than seventeen (17) persons and composed in a manner that is compliant with the Western Association of Schools and Colleges, Senior College and University Commission (“**WASC**”), Policy on Independent Governing Boards (“**Policy**”). No less than five (5) of the persons selected to serve on the Board of Trustees will be selected from trustees nominated by Old Alliant (so long as Old Alliant has the right to designate one Director under the Voting Agreement) of which at least three (3) of those so selected must be “independent” as defined in the Policy (as amended by WASC from time to time). AME shall have the right to designate all other nominees to the Board of Trustees. The parties agree that the Board of Directors will appoint the inaugural members of the Board of Trustees from nominees provided by Old Alliant and AME in accordance with the nomination rights established in the Bylaws of Board of Trustees. Thereafter, Old Alliant’s and AME’s nominees for the Board of Trustees shall be delivered to the Governance Committee of the Board of Trustees, which would review all nominees to determine whether such individuals meet the qualifications for membership to the Board of Trustees, and if so qualified, would deliver the nominees to the Board of Trustees for election. In accordance with the Bylaws of the Board of Trustees, the Board of Trustees shall elect all duly qualified nominees of Old Alliant and AME in accordance with their rights hereunder and under the Bylaws of the Board of Trustees, subject in all cases to a proper balancing of the total membership of the Board of Trustees by the Board of Trustees to ensure compliance with the Policy.

Section 1.02 Pursuant to and in accordance with the Bylaws of the Board of Trustees, the parties agree that the Board of Trustees will also have non-voting observers who shall be authorized to participate in the deliberations of the Board of Trustees, who are selected by the student, faculty and staff governance bodies of the University.

ARTICLE II CAPITAL INVESTMENT

Section 2.01 Financial Commitment. Subject to Article III hereof, AME shall invest in and/or lend to, or cause to be invested in and/or loaned to, the Company an amount of not less than the amount established pursuant to a business plan and schedule of investment developed by and approved by the parties prior to Closing to be used for facilities expansion, deferred maintenance and working capital (“**AME Capital Commitment**”). The Company shall obtain a funding commitment letter from its investors to fund the purchase of Company securities to fund the AME Capital Commitment, with Old Alliant as a third party beneficiary as of the Closing Date, unless the Company has sufficient funds reserved to complete the AME Capital Commitment as of the Closing Date. The parties agree that the contemplated application of such investment funds would be applied principally in pursuit of the following, such investments to be made in accordance with a budget approved by the Board of Directors:

- The establishment and maintenance of an internal capital fund of the Company to support the redevelopment of existing academic programs and the development of new academic programs;
- Investment to expand and improve the technological infrastructure of the University with the primary objectives of improving (i) the student learning experience, (ii) the management information systems, and (iii) enrollment management;
- Investment to remediate deferred maintenance priority items (i) on the San Diego campus subject to the Company either acquiring the site or having a long-term lease entered into in accordance with the Purchase Agreement and (ii) the San Francisco Law School buildings conditioned on the Company acquiring the applicable site at Closing or entering into a long-term lease entered in accordance with the Purchase Agreement;
- Investment to seed the establishment of a center to support the engagement of students in professional pursuits and networking with the purpose of improving student placement and service after graduation;
- A program to support student internship placement prior to graduation; and
- Investment to seed a faculty research and professional practice initiative.

Section 2.02 Commitment from Old Alliant. Following the Closing, Old Alliant may, in its sole discretion, establish, and contribute its assets to, a trust, foundation or other non-profit entity that is created or caused to be created by Old Alliant or its directors or members that holds the assets of Old Alliant (including the remaining portion of the proceeds from the sale of its assets to the Company under the Purchase Agreement) and using those assets, together with any other assets that it may acquire, for a non-profit purpose that is the same or similar as that of Old Alliant at the time of such assignment (a “**Permitted Successor Trust**”). Old Alliant or, if applicable, the Permitted Successor Trust, may agree to support, in its sole discretion, among other causes, and subject to the ultimate direction of its board of trustees or successor governing body: postsecondary educational programs and students pursuing postsecondary educational programs such as those offered by the University, among others, in the communities where it offers such programs; community services and clinics in aid of the postsecondary educational programs of the University, among others; programs of research and investigation, including such programs initiated by faculty and students of the University.

ARTICLE III CERTAIN COVENANTS

Section 3.01 Public Benefit Purposes, Benefit Corporation Status, Amendment to Articles of Incorporation and Bylaws. So long as Old Alliant has the right to designate a Director pursuant to the Voting Agreement, without the consent of Old Alliant, the Company will not amend its Articles of Incorporation, Bylaws or the Bylaws of the Board of Trustees, which (i) changes the mission, values or governance of the academic operations of the University, (ii) the specific public benefit purposes of the Company as set forth in the Company's Articles of Incorporation as filed with the California Secretary of State or set forth in the Bylaws of the Company, (iii) the Company's benefit corporation status, or (iv) to increase or decrease the size of the Board of Directors of the Company, except in each case, to the extent any such changes are required as a matter of law, to maintain the Company or University's compliance with applicable laws or regulations, to comply with court orders, or to maintain other covenants of commitments of the Company or University to maintain accreditations or regulatory approvals.

Section 3.02 Amendment to Articles of Incorporation. ~~Without the prior written~~ So long as Old Alliant has the right to appoint one director under the Voting Agreement, without the consent of Old Alliant, the parties agree ~~(and agree not to take any action in contravention) that the Corporation shall not, either, directly or indirectly, by amendment of the Corporation's articles of incorporation or by laws, by merger, consolidation or otherwise, do any of the following: (i) require Old Alliant to purchase any securities of the Corporation as a requirement to prevent (x) the conversion of Old Alliant's shares of~~ approve any amendment to the Articles of Incorporation which amends the rights of the Series A Preferred Stock ~~into another class or series of securities of the Corporation or (y) adversely affecting the extant rights, privileges and preferences of Old Alliant's shares of Series A Preferred Stock; or (ii) alter the rights, privileges and preferences of Old Alliant's shares of Series A Preferred Stock~~ held by Old Alliant in a manner that is disproportionate to the rights, ~~privileges and preferences~~ of the other holders of Series A Preferred Stock with respect thereto. For purposes of clarity, no consent of Old Alliant will be required in connection with an amendment to the Articles of Incorporation if such amendment ~~affects~~ effects all the shares of Series A Preferred Stock in the same manner ~~provided that Old Alliant is not required to purchase any new equity of the Company to maintain its rights~~. For instance ~~but not limitation~~, no consent of Old Alliant will be required if the Company Board and shareholders approve a new Series B Preferred Stock if such Preferred Stock had a senior liquidation preference over all of the existing shares of Series A Preferred Stock, but consent ~~of Old Alliant~~ would be required, if the new Series B Preferred Stock was senior ~~senior~~ senior to only the Series A Preferred Stock owned by Old Alliant. ~~Also for instance but not limitation, no consent of Old Alliant will be required if the Company Board and shareholders approve a new Series B Preferred Stock, but consent of Old Alliant would be required if in order to~~

~~maintain any of its rights, privileges or preferences as a Series A Preferred stockholder, Old Alliant will be required to purchase any Series B Preferred Stock.~~

Section 3.03 Recapture of the Name of California School of Professional Psychology. In the event the Company ceases to use the name “California School of Professional Psychology” or “San Francisco Law School”, to operate academic programs, then at no cost, the Company agrees to transfer the trademark to such name to Old Alliant; provided that Old Alliant shall prepare the necessary legal documents to effect such transfer at its sole cost and expense.

Section 3.04 IPO. Subject to applicable law and regulatory restrictions, so long as Old Alliant has the right to designate a Director under the Voting Agreement, in the event, the Company closes a firmly underwritten initial public offering of shares of capital stock of the Company (“*IPO*”) registered under the Securities Act of 1933, as amended) the Company agrees to use commercially reasonable efforts to sell to Old Alliant (or a nominee of Old Alliant so long as Old Alliant can control the voting of such shares) at or prior to the closing of the IPO in a private sale of restricted Common Stock of at least 5.0% of the aggregate number of shares to be sold in connection with the IPO at the same price as the price offered in the IPO pursuant to a customary purchase agreement as mutually agreed in form and substance by the Company and Old Alliant.

Section 3.05 Right to Participate in Sale Process.

(a) So long as Old Alliant has the right to designate a Director under the Voting Agreement, the Company shall provide to Old Alliant prior notice of the closing of any potential sale of the Company approved by the Board of Directors (including sale of any principal asset of the Company or all or substantially all of the assets or sale of the Company by way of merger or other reorganization, or stock transaction) (a “*Sale*”). After such notice, Old Alliant shall be afforded the right to review applicable information of the Company regarding the potential Sale and shall have the right to participate in such Sale process and to make an offer in connection with such Sale in accordance with the Sale process approved by the Board of Directors. In connection with any Sale, the Board of Directors shall evaluate all offers consistent with its obligations under the Company’s Articles of Incorporation, including without limitation, the objective of maintaining benefit corporation status and the specific public benefit purposes stated in the Articles after the consummation of the Sale. The foregoing provisions shall not limit the Drag Along Right under the Voting Agreement.

(b) Old Alliant’s rights in Section 3.05(a) not apply to any of the following:

(i) Any sale to Persons who are Affiliates of AME or the Company; *provided, that* such Affiliates agree in writing to assume, perform and discharge all the obligations of AME and the Company hereunder in accordance with the terms hereof;

(ii) Any sale, reorganization, refinancing or other transaction or series of related transactions after which one or more of fund managed by University Ventures

Funds Management, LLC, or a controlled subsidiary or portfolio company of any of them, or any Affiliate of or successor to any of the foregoing holds, directly or indirectly, 50% or more of the equity interests of the Company; *provided, that* such person agrees with Old Alliant in writing to assume, perform and discharge all the obligations of AME and the Company hereunder in accordance with the terms hereof; or

(iii) Any sale effected in connection with or after the closing of a public offering of any class of securities pursuant to a registration statement filed under the Securities Act of 1933, as amended.

(c) Neither AME nor the Company shall have any obligation to consummate any sale of assets contemplated under this Section 3.05.

Section 3.06 Accreditation and Compliance with Applicable Education Laws. The Company agrees to use commercially reasonable efforts to manage and operate the University (i) so as to maintain the University's accreditation under WASC; ~~COAMFTE, CBBS, CTTC, CBE~~ and APA (or their successor entities) ~~and all~~ or other current applicable accreditation bodies as determined by the Board of Directors and (ii) in material compliance with ~~all~~ applicable Education Laws.

ARTICLE IV LIMITATIONS

Section 4.01 Compliance with All Laws and Agreements. Notwithstanding any other provision of this Agreement, none of AME, the Company, the Board, or the University shall be required to:

(a) take any action hereunder that would violate, or that it reasonably believes would violate, any applicable law, governmental order, or Educational Law to which it is subject or any fiduciary or other legal duty that it may have; *provided, that* in such event the parties shall negotiate in good faith to modify the required or proposed action that would cause such violation so as to effect the original intent of the parties as closely as possible;

(b) take any action for which any approval or authorization under any law or Educational Law is required prior to the taking of such action until that approval or authorization has been obtained; *provided, that* in such event the parties shall use their commercially reasonable efforts to obtain as promptly as practicable any such approval required under any law or Educational Law for the taking of any action required hereunder; or

(c) to make any expenditure that would reasonably be expected to result in the Company becoming insolvent under any applicable law.

Section 4.02 Force Majeure. All obligations of AME and the Company set forth in this Agreement shall be suspended during the period, and to the extent that AME or the Company is prevented or hindered from undertaking such obligations due to any of the following that is beyond its reasonable control: (i) acts of God, (ii) flood, fire or

explosion, (iii) war, invasion, riot or other civil unrest, (iv) governmental order, law or Educational Law, (v) embargoes or blockades in effect on or after the date of this Agreement, (vi) action by any governmental authority or Educational Agency, (vii) national or regional emergency, (viii) strikes, labor stoppages or slowdowns or other labor disturbances, or (ix) any other event which is beyond the reasonable control of AME; *provided, that* the party whose performance has been prevented or hindered shall (A) promptly notify the other parties in writing that its performance will be or has been suspended in accordance with this Section 4.03, (B) use commercially reasonable efforts to minimize the duration and effect of such suspension, and (C) begin to perform the affected obligations as promptly as practicable after the suspension has terminated. The periods provided herein for the performance of the parties' respective obligations hereunder shall be extended for an additional period equal to the duration of any suspension hereunder.

Section 4.03

ARTICLE V TERMINATION

Section 5.01 Termination of Agreement. This Agreement shall immediately terminate (i) upon any closing of a sale of the Deemed Liquidation Event (as defined in the Articles of Incorporation); (ii) with respect to any particular provision hereof, on the date specified in that provision; (iii) on the date that Old Alliant or, if Old Alliant has assigned this Agreement to a Permitted Successor Trust, that Permitted Successor Trust, is dissolved or liquidated, or all or substantially all of its assets are sold, distributed or otherwise transferred to another party, or if the power to direct or cause the direction of the management and policies of Old Alliant (or, if applicable, a Permitted Successor Trust) ceases to be vested in its board of trustees (or similar governing body) whether as a result of a bankruptcy proceeding, receivership, conservatorship or similar process.

Section 5.02 Effect of Termination. Upon termination of this Agreement pursuant to Section 5.01, all obligations of the parties hereto shall terminate.

ARTICLE VI MISCELLANEOUS

Section 6.01 Notices. Unless otherwise provided in this Agreement, any notice required or permitted shall be given in writing and shall be deemed effectively given upon the earlier of (a) personal delivery to the party to be notified, (b) the next business day after dispatch via nationally recognized overnight courier, all addressed to the party to be notified at the address indicated for such party below, or at such other address as such party may designate by ten business days' advance written notice to the other party or (c) if receipt is confirmed (whether electronically, automatically or otherwise), by telecopier or e-mail. Notices should be provided in accordance with this Section 6.01 at the following addresses (or at such other address for a party as shall be specified in a

notice given in accordance with this Section 6.01):

If to AME, to:

AME Education Corporation
8697 S. Blue Creek Rd.
Evergreen, CO 80439
Attention: David J. Figuli, CEO
E-mail: david@universityventuresfund.com

With a copy (which shall not constitute notice) to:

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
Attn: Larry Kane
Facsimile: (312) 569-3000
Email: lkane@orrick.com

If to Old Alliant, to:

[Old Alliant Address]

Attention:
Facsimile:
E-mail:

With a copy (which shall not constitute notice) to:

Hanson Bridgett LLP
425 Market Street, 26th Floor
San Francisco, CA 94105
Attn: Jonathan S. Storper
Facsimile: (415) 995-3466
Email: jstorper@hansonbridgett.com

Section 6.02 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 6.03 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 6.04 Assignment. No party may assign any of its rights or obligations hereunder without the prior written consent of the other parties; provided, however that AME may assign this agreement without the consent of Old Alliant to (i) any AME Affiliate, (ii) any successor or assignee of AME in connection with the sale of all or substantially all of AME's assets; or (iii) any person which acquires the shares of the Company owned by AME in compliance with the Right of First Refusal and Co-Sale Agreement of the Company dated as of the date hereof as amended from time to time, so long as in each such assignee agrees to be bound by the terms of this Agreement.

Section 6.05 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

Section 6.06 Amendment and Modification. This Agreement may only be

amended, modified or supplemented by an agreement in writing signed by each party hereto.

Section 6.07 Choice of Law. This Agreement shall be governed by and construed under, and the rights of the parties determined, in accordance with the Laws of the State of California (without reference to the choice of Law provisions thereof).

Section 6.08 Arbitration.

(a) Any unresolved controversy or claim arising out of or relating to this Agreement, except as (i) otherwise provided in this Agreement, or (ii) any such controversies or claims arising out of either party's intellectual property rights for which a provisional remedy or equitable relief is sought, shall be submitted to arbitration by one arbitrator mutually agreed upon by the parties, and if no agreement can be reached within thirty (30) days after names of potential arbitrators have been proposed by the American Arbitration Association (the "AAA"), then by one arbitrator having reasonable experience in corporate finance transactions of the type provided for in this Agreement and who is chosen by the AAA. The arbitration shall take place in San Francisco, California, in accordance with the AAA rules then in effect, and judgment upon any award rendered in such arbitration will be binding and may be entered in any court having jurisdiction thereof. There shall be limited discovery prior to the arbitration hearing as follows (a) exchange of witness lists and copies of documentary evidence and documents relating to or arising out of the issues to be arbitrated, (b) depositions of all party witnesses; and (c) such other depositions as may be allowed by the arbitrators upon a showing of good cause. Depositions shall be conducted in accordance with the California Code of Civil Procedure, the arbitrator shall be required to provide in writing to the parties the basis for the award or order of such arbitrator, and a court reporter shall record all hearings, with such record constituting the official transcript of such proceedings.

(b) The prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled. Each of the parties to this Agreement consents to personal jurisdiction for any equitable action sought in the U.S. District Court for the Northern District of California or any court of the State of California having subject matter jurisdiction.

Section 6.09 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 6.10 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to equitable relief, including

injunctive relief or specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK –
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ALLIANT INTERNATIONAL UNIVERSITY,
INC.

By _____

Name:

Title:

AME EDUCATION CORPORATION

By _____

Name:

Title:

[OLD ALLIANT NAME]



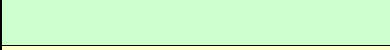
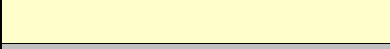

By _____

Name:

Title:

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Padding cell	

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