

ENROLLMENT AGREEMENT



CREATE TOMORROW

5099 E. Grant Road, Suite 100 • Tucson, AZ 85712
Toll-Free: 866.690.8850 • www.artinstitutes.edu/tucson

Student Name _____
(Last Name) (First Name) (Middle)

Address _____
(Street or P.O. Box)

(City) (State) (Zip)

Telephone (_____) _____ Program _____

Start Date _____ Admissions Representative _____

CHECK QUARTER STARTING DATE:

- FA II November 11, 2010* SP I April 4, 2011 SU II August 18, 2011*
 W I January 10, 2011 SP II May 12, 2011* FA I October 3, 2011
 W II February 17, 2011* SU I July 11, 2011 Other _____

* denotes mid-quarter start

PROGRAM FOR WHICH YOU ARE APPLYING (CHECK ONE):

BACHELOR OF ARTS DEGREE PROGRAMS:

- Advertising**
Twelve 11-week quarters
(132 academic weeks, 180 credits, 2464/2510 clock hours)
 Culinary Arts
Twelve 11-week quarters
(132 academic weeks, 180 credits, 2801 clock hours)
 Digital Filmmaking & Video Production
Twelve 11-week quarters
(132 academic weeks, 180 credits, 2464/2510 clock hours)
 Digital Photography
Twelve 11-week quarters
(132 academic weeks, 180 credits, 2464/2510 clock hours)
 Fashion Design
Twelve 11-week quarters
(132 academic weeks, 180 credits, 2376/2556 clock hours)
 Fashion Marketing
Twelve 11-week quarters
(132 academic weeks, 180 credits, 2464/2510 clock hours)
 Graphic Design
Twelve 11-week quarters
(132 academic weeks, 180 credits, 2464/2510 clock hours)

- Interior Design**
Twelve 11-week quarters
(132 academic weeks, 180 credits, 2464/2510 clock hours)
 Media Arts & Animation
Twelve 11-week quarters
(132 academic weeks, 180 credits, 2464/2510 clock hours)
 Web Design and Interactive Media
Twelve 11-week quarters
(132 academic weeks, 180 credits, 2464/2510 clock hours)

ASSOCIATE OF APPLIED SCIENCE DEGREE PROGRAMS:

- Baking & Pastry Arts**
Six 11-week quarters
(66 academic weeks, 90 credits, 1463 clock hours)
 Culinary Arts
Six 11-week quarters
(66 academic weeks, 90 credits, 1463 clock hours)
 Graphic Design
Six 11-week quarters
(66 academic weeks, 90 credits, 1232/1278 clock hours)

STUDENT ACKNOWLEDGMENTS

I have received and read a copy of The Art Institute of Tucson ("The Art Institute") current catalog, the provisions of which I accept. I have read and understand all provisions of this agreement, and I have been given a copy of it for my records. (Parents must also sign if you are under 18 years of age.) I understand that my enrollment and The Art Institute of Tucson obligations under this Enrollment Agreement (except the cancellation and refund provisions) may be terminated by The Art Institute of Tucson if I fail to comply with The Art Institute's attendance, conduct, academic, and/or financial requirements. I understand that The Art Institute also reserves the right to deny my

enrollment if The Art Institute determines (i) that I have demonstrated poor academic potential as determined through evaluation of transcript records or any other academic evaluations deemed appropriate for the program selected, and/or (ii) that I do not meet all financial obligations related to enrollment and continuing enrollment. I understand that my financial obligations to The Art Institute must be paid in full before a diploma or degree may be awarded and before transcripts will be issued.

I accept that, to the extent permitted by law, I am responsible for all reasonable collection agency and attorney fees incurred in attempting to collect my unpaid debt to The Art Institute.

The Enrollment Agreement and catalog, together with other published Art Institute policies, procedures, student conduct codes, and separate student housing agreement, if any, shall constitute the entire agreement between the student and The Art Institute. I understand and agree that they supersede any prior or contemporaneous oral or written agreements or statements and may not be modified without the written agreement of The Art Institute President.

I also understand that this agreement constitutes a binding contract upon acceptance by The Art Institute. Any holder of this consumer credit contract is subject to all

claims and defenses which the debtor could assert against the seller of goods or services obtained pursuant hereto or with the proceeds hereof. Recovery here under by the debtor shall not exceed amounts paid by the debtor. My signature below signifies that I have read and understand all aspects of this agreement and do recognize my legal responsibilities in regard to this contract.

I understand that this Agreement becomes a legally binding document after I sign it and it is accepted by The Art Institute of Tucson. I understand the total amount for the course of instruction for _____ is \$ _____ at the per credit rate shown below. However, I also understand that the per credit hour rate will increase at least once per year which will increase the total amount for the program. My signature below certifies that I have read, understood, and agreed to my rights and responsibilities, and that the school's cancellation and refund policies have been clearly explained to me and that I received a copy of this Agreement. I agree that I am responsible for this amount. If I get a student loan, I am responsible for repaying the loan amount plus any interest.

Student's Signature _____

Date _____

Signature of Authorized Art Institute Official _____

Date _____

Parent's Signature (If student is under 18 years of age) _____

Date _____

Title of Art Institute Official _____

The current tuition and fees applicable to The Art Institute's programs are as follows:
(Tuition is currently charged at \$481 per credit hour)

FINANCIAL INFORMATION¹

Current Schedule of Charges

	ADVERTISING (BA) (12 Quarters)	BAKING & PASTRY (AAS) (7 Quarters)	CULINARY ARTS (BA) (12 Quarters)	CULINARY ARTS (AAS) (7 Quarters)	DIGITAL FILMMAKING & VIDEO PRODUCTION (BA) (12 Quarters)	DIGITAL PHOTOGRAPHY (BA) (12 Quarters)	FASHION DESIGN (BA) (12 Quarters)	FASHION MARKETING (BA) (12 Quarters)	GRAPHIC DESIGN (BA) (12 Quarters)	GRAPHIC DESIGN (AAS) (7 Quarters)	INTERIOR DESIGN (BA) (12 Quarters)	MEDIA ARTS & ANIMATION (BA) (12 Quarters)	WEB DESIGN & INTERACTIVE MEDIA (BA) (12 Quarters)
Tuition per Quarter (16 credits) ²	\$7,696	\$7,696	\$7,696	\$7,696	\$7,696	\$7,696	\$7,696	\$7,696	\$7,696	\$7,696	\$7,696	\$7,696	\$7,696
Application Fee ³	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Enrollment Fee ³	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Activity Fee	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Lab Fee Per Quarter ⁴	-	\$300	\$300	\$300	-	-	-	-	-	-	-	-	-
Current Tuition Fees For Programs ⁵	\$86,580	\$43,290	\$86,580	\$43,290	\$86,580	\$86,580	\$86,580	\$86,580	\$86,580	\$43,290	\$86,580	\$86,580	\$86,580
Starting Kit Fee ⁶	\$1,159	\$840	\$840	\$840	\$922	\$1,882	\$1,344	\$871	\$1,042	\$1,042	\$1,362	\$856	\$1,010
Digital Resource Fee ⁷	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600

(AAS) = ASSOCIATE OF APPLIED SCIENCE (BA) = BACHELOR OF ARTS

¹ A separate financial plan exists, which complies with the Truth in Lending Regulation Z, and is part of this agreement.

² Tuition per Quarter does not include cost of textbooks or course materials which will vary by program.

³ The Application Fee and Enrollment Fee are paid by new and transfer students only.

⁴ The Lab Fee is subject to change.

⁵ The total tuition charge for any program will be increased from the above stated charges if a student is required to take developmental studies courses. Additional tuition for those courses can vary between \$1,443 - \$2,880, depending on number of developmental courses required. The total tuition cost will increase with each per credit tuition increase. The total tuition charge listed above does not include the Application Fee, Enrollment Fee, Lab Fee or cost for Starting Kit.

⁶ Starting Kit is optional and the price of the kit is subject to change based on contents included.

⁷ The Digital Resource Fee includes the cost of the digital textbook as well as other digital resources, which are integrated into the course and vary by program. The fee includes all applicable taxes. This estimated fee assumes all courses require a digital resource; however currently not all courses use digital resources. Courses that include a digital resource will be noted in the registration material and the fee will be charged automatically in addition to tuition. If a course does not use digital resources, the student remains responsible for purchasing the required text and materials. The digital resource fee is \$50 per course.

RIGHT TO CANCEL WITHOUT PENALTY OR OBLIGATION

THE APPLICANT MAY CANCEL THIS CONTRACT AND RECEIVE A FULL REFUND OF ALL MONIES PAID TO DATE IF CANCELLATION IS MADE IN WRITING TO THE DIRECTOR OF ADMISSIONS AND IS POST MARKED OR DELIVERED TO THE ART INSTITUTE AT THE ADDRESS STATED HEREIN WITHIN FIVE (5) BUSINESS DAYS AFTER THE DATE OF SIGNATURE. YOU MAY ALSO CANCEL YOUR ENROLLMENT IF UPON A DOCTOR'S ORDER, YOU CANNOT PHYSICALLY RECEIVE THE SERVICES, OR YOU MAY CANCEL YOUR ENROLLMENT IF THE SERVICE CEASES TO BE OFFERED BY THE ART INSTITUTE. (SEE REVERSE SIDE FOR REFUND POLICY PRIOR TO MATRICULATION.)

Please do not sign this Enrollment Agreement before you read it in its entirety; both sides constitute the entire enrollment agreement. You will be given an exact copy of the agreement you sign. Please also note that the provisions of any attached rider(s) signed by you are also part of the Enrollment Agreement.

HOLDER IN DUE COURSE STATEMENT

Any holder of this consumer credit contract is subject to all claims and defenses which the debtor could assert against the seller of goods or services obtained pursuant hereto or with the proceeds hereof. Recovery hereunder by the debtor shall not exceed amounts paid by the debtor. (FTC Rule effective 5-14-76.)

PROGRAM PRICING STATEMENT

The student is responsible for tuition and fees pertaining to the program's required course of study. The tuition and fees contained in this Enrollment Agreement are subject to change. The per credit hour rate is subject to an increase at least once per calendar year which will increase the total amount for the program. The adjustment to the per credit hour rate may occur before the student begins classes and the student's program will be calculated using the new rate.

Any changes to tuition and fees will be published to students. Reentering students will be subject to the current per credit hour tuition charge at the time of re-enrollment. Each school quarter is approximately 11 weeks. An application fee of \$50.00 is to be submitted with the Application for Admission.

The enrollment fee of \$100 is due within 10 days after this Enrollment Agreement is signed. Special U.S. and overseas trips are voluntary and are not included in regular tuition and fees. Balances need to be made before each quarter's start.

If a student elects to enter into a financial plan, the financial plan will be in compliance with the Federal Truth in Lending installment requirements and will become a part of this Enrollment Agreement.

The starting kit consists of some of the basic equipment, first-quarter textbooks and materials needed for beginning each program. A list of the components of the starting kit is provided to each enrolled student. These materials may be purchased at The Art Institute or at most supply stores. In addition to the starting kit, the average costs of consumable supplies, text books, and equipment by program are as follows:

Advertising (BA)
Supplies: \$100/Mo.
Texts: \$45/Mo.
Tuition payments must be received by the first of every month.

Baking & Pastry (AAS)
Texts: \$45/Mo.
Tuition payments must be received by the first of every month.

Culinary Arts (AAS / BA)
Texts: \$45/Mo.
Tuition payments must be received by the first of every month.

Digital Filmmaking & Video Production (BA)
Supplies: \$100/Mo.
Texts: \$45/Mo.
Tuition payments must be received by the first of every month.

Digital Photography (BA)
Supplies: \$100/Mo.
Texts: \$45/Mo.
Tuition payments must be received by the first of every month.

Fashion Design (BA)
Supplies: \$100/Mo.
Texts: \$45/Mo.
Tuition payments must be received by the first of every month.

Fashion Marketing (BA)
Supplies: \$100/Mo.
Texts: \$45/Mo.
Tuition payments must be received by the first of every month.

Graphic Design (AAS / BA)
Supplies: \$100/Mo.
Texts: \$45/Mo.
Tuition payments must be received by the first of every month.

Interior Design (BA)
Supplies: \$100/Mo.
Texts: \$45/Mo.
Tuition payments must be received by the first of every month.

Media Arts & Animation (BA)
Supplies: \$100/Mo.
Texts: \$45/Mo.
Tuition payments must be received by the first of every month.

Web Design & Interactive Media (BA)
Supplies: \$100/Mo.
Texts: \$45/Mo.
Tuition payments must be received by the first of every month.

THE APPLICATION PROCESS

As part of the application process, applicants are required to independently conceive and write one essay of no less than 150 words, stating how their education at The Art Institute will help them to attain their career goals. Applicants must also present a record of accomplishments in core academic courses as evidenced through transcript grade point average or upon evaluation of GED scores. Successful admission into The Art Institute and a satisfactory program start is dependent on the level of accomplishment exhibited in the essay, all grade point averages, evaluation of GED scores, a review of the results of any nationally-based exam (preferred but not required) such as the SAT or ACT, a personal interview with an Assistant Director of Admissions, and meeting all other requirements stated in this Agreement.

Applicants who do not submit a transcript or GED scores will be required to take additional testing, the results of which will be reviewed by the Admissions Committee. The Committee can then grant conditional acceptance, but

applicants still will be required to submit an official transcript or GED scores by a date established by the Director of Admissions.

First quarter tuition and fees for new students become due 60 days prior to entry. Thereafter, quarterly tuition for each succeeding quarter is due upon registration, approximately two weeks prior to the end of each academic quarter. Students may not register for any academic quarter of study unless all tuition and fees that are due have been paid, or unless the student has made arrangements for an approved alternative payment plan. There is a \$25 fee imposed on continuing students for late registration. There is a \$25 fee imposed for checks presented that are returned from the bank as insufficient or uncollectible.

Tuition is charged on a quarter-by-quarter basis. Students are not obligated beyond the quarter they are currently attending.

ACCUPLACER Testing

The Art Institute tests incoming students as to their preparedness to undertake college-level coursework in English and/or mathematics. The ACCUPLACER test from the College Board is used for this determination. All students who have taken the GED will be required to take the specified sections of the ACCUPLACER (refer to exemptions below). Students identified as needing additional skills in English or math may be required to enroll in one to two developmental studies courses offered by The Art Institute. Such courses are valued at three credits, are a full quarter in length and are charged at the current per credit charge. Students enrolled in developmental studies courses may be required to take from three to nine credits which are in addition to their normal program of study requirements. Students are permitted to attempt a developmental course no more than three times in total. Developmental studies courses are not calculated in the credits needed for graduation; therefore, enrollment in developmental studies courses may extend the length of a student's program of study.

Students in the following categories will not be required to complete assessment testing.*

- Students who have advanced college degrees (for example; B.A., B.S., M.A. or M.S., and/or any doctoral level degree) and who have submitted official transcripts documenting such degree(s).
- Students who have an associate's degree with a general education curriculum and who have submitted official transcripts documenting such degree.
- Students who have taken the ACT and have achieved a score of 16 or better in subject areas (official score report is required).
- Students who have taken the SAT and have achieved a score of 500 or better on the verbal and non-verbal sections (official score report is required).
- Candidates who have been awarded transfer of credit in English Composition and/or College Algebra from an accredited institution.
- International students will be assessed for English and Math, regardless of the level of the degree they hold outside the U.S.

Proficiency tests for the following courses are available:

- College Algebra
- Computer Applications

For all other subject areas proficiency exams require the approval of the Dean of Academic Affairs.

All proficiency exams require prepayment of a nonrefundable \$100 fee.

English Language Proficiency

The Art Institute programs are taught in English and are technical in nature; therefore, all students are required to demonstrate proficiency in the English language and satisfy all admissions requirements and procedures. Furthermore, all applicants to The Art Institute whose first language is not English must demonstrate competence in the English language. Demonstration that English is an applicant's "first" language can be satisfied if the applicant submits a diploma from a secondary school or above in a system in which English is the official language of instruction. If English is not the applicant's "first" language, the applicant will need to meet the minimum English Language Proficiency standard through submission of an official Test of English as a Foreign Language (TOEFL) or its TOEFL Internet (iBT) equivalent. A minimum score of 480 on the written TOEFL or 55 on the TOEFL Internet (iBT) is required for diploma programs. A minimum of 500 on the written TOEFL or 61 on the TOEFL Internet (iBT) is required for all associate and bachelor's level degree programs.

Applicants should contact the Admissions Office to determine other examinations for which official scores, equivalent to TOEFL, are acceptable as an alternative to TOEFL.

The above stated English language proficiency requirements are effective November 1, 2004.

Policies and Procedures

The student is on a continuing quarter-by-quarter enrollment basis and agrees to comply with all published Art Institute policies and procedures. The Art Institute reserves the right to add, delete, or modify its policies and procedures.

Student Withdrawal

The student may voluntarily withdraw from The Art Institute by notifying the Registrar's office in writing or in person. The refund policies outlined in this agreement shall apply in the event that a student withdraws, is suspended, or is terminated from school.

Class Sessions

Classes are in session six days a week, Monday through Saturday. Students are scheduled by The Art Institute to meet their total weekly hour requirement through a combination of morning, afternoon, and evening classes. The weekly hour requirement is scheduled to be completed in a minimum of three days and a maximum of six days during each week. Individual times and days of attendance vary by department and quarter level and are assigned and generally announced to students in advance of each quarterly start date.

Total Weekly Attendance

A total weekly attendance of 20 hours per week is required for all programs, except Culinary Arts, which attends on average 23 hours per week. The Art Institute reserves the right to modify curriculum and class schedules as it deems necessary. When size and curriculum permit, classes may be combined to contribute to the level of interaction among students. Days of attendance will vary for students according to their program of study and may change from quarter to quarter.

Instructional Equipment

Use of instructional equipment will be made available according to the program curriculum to enable the student to acquire an understanding of those fundamental principles of such equipment which the student would be expected to encounter in an entry-level position in the field. Such equipment must be shared by students accordingly. The Art Institute cannot guarantee students hands-on usage of such equipment beyond that called for in the curriculum. To complete the requirements of his/her program, the student may have to schedule use of the equipment outside normal class hours.

Homework

In addition to regular attendance at scheduled classes, the student will be required to devote additional time each week outside the classroom studying and working on assigned projects.

Curriculum

The Art Institute reserves the right to revise course content, course titles, and the sequencing of classes, subject to applicable regulatory approval.

Transferability of Credits

The Art Institute of Tucson is accredited by the Accrediting Council for Independent Colleges and Schools to award associate's degrees and bachelor's degrees. The Accrediting Council for Independent Colleges and Schools is listed as a nationally recognized accrediting agency by the United States Department of Education and is recognized by the Council for Higher Education Accreditation. ACICS can be contacted at 750 First Street NE, Suite 980, Washington, D.C. 20002. Telephone: 1.202.336.6780.

The Art Institute of Tucson is authorized by the Arizona State Board for Private Post-secondary Education (1400 West Washington Street, Room 2560, Phoenix, AZ 85007, 1.602.542.5709, <http://azppse.state.az.us>).

The fact that a school is licensed and accredited is not necessarily an indication that credits earned at that school will be accepted by another school. In the U.S. higher education system, transferability of credit is determined by the receiving institution taking into account such factors course content, grades, accreditation and licensing.

The goal of The Art Institute is to help you to prepare for entry-level employment in your chosen field of study. The value of degree programs like those offered by The Art Institute is their deliberate focus on marketable skills. The credits earned are not intended as a stepping-stone for transfer to another institution. For this reason, it is unlikely that the academic credits you earn at The Art Institute will transfer to another school.

Programs offered by one school within The Art Institutes system may be similar to but not identical to programs offered at another school within the system. This is due to differences imposed by state law, use of different instructional models, and local employer needs. Therefore, if you decide to transfer to another school within The Art Institutes system, not all of the credits you earn at The Art Institute may be transferable into that school's program.

If you are considering transferring to either another Art Institutes school or an unaffiliated school, it is your responsibility to determine whether that school will accept your Art Institute credits. We encourage you to make this determination as early as possible. The Art Institute does not imply, promise, or guarantee transferability of its credits to any other institution.

Employment Assistance

The Art Institute does not guarantee employment or any particular level of compensation prior to or following graduation. The Art Institute does, however, offer assistance in finding employment to all eligible graduates at no additional charge. Graduates who confine employment considerations to the metropolitan area served by The Art Institute may limit the particular employment opportunities available to them.

Opportunities for the employment of nonimmigrant aliens in the United States are severely limited by the federal regulations imposed by the Department of Homeland Security-United States Citizenship and Immigration Services. Nonimmigrant aliens are urged to consult with independent legal counsel regarding eligibility for employment authorization following graduation.

Cancellation of Start Date

Cancellation of a scheduled class start date for any program shall entitle the enrollee to elect either: (1) a guaranteed reservation in the next scheduled class for that program, or (2) cancellation of enrollment with a full refund of all monies paid.

REFUND POLICY PRIOR TO MATRICULATION

Applicants may cancel their enrollment in person or in writing before the beginning of classes. An applicant not requesting cancellation before the scheduled starting date indicated on this Enrollment Agreement will be considered a student.

1. All monies paid by applicants will be refunded if they are not accepted for admission.
2. All monies paid by the applicant will be refunded if requested by the applicant in writing within five business days after signing this Enrollment Agreement and making an initial payment.
3. Applicants requesting cancellation more than five business days after signing the Enrollment Agreement will receive a refund of all monies paid to The Art Institute, less the \$50 application fee and the \$100 enrollment fee. If an applicant decides to reactivate their enrollment within 4 class start dates from their initial enrollment date (initial enrollment date included in the 4 class start dates), the applicant will not have to resubmit the \$50 application fee and the \$100 enrollment fee.
4. Applicants who postpone starting school after the original start date noted on the Enrollment Agreement are required to reapply and will be subject to the tuition, fees and other conditions on the revised Enrollment Agreement.
5. Refunds will be made within 30 calendar days after the applicant's/student's request or within 30 calendar days after his/her first scheduled class day.

REFUND POLICY AFTER MATRICULATION, ALL QUARTERS

If the student is terminated by The Art Institute during any quarter of study:

1. Prepaid tuition and fees for any period beyond the student's current quarter will be refunded in full.
2. The Art Institute shall determine the date of withdrawal from within 15 days after the last date of attendance and shall pay the refund within 30 days of making that determination. The refund shall be paid to the student, unless payment to a lender or other entity is required by the terms of a student financial aid program in which the school participates.
3. The student may voluntarily withdraw from school by notifying the Registrar's office in person or in writing. The termination date will be the student's last date of attendance, unless an earlier written notice is received. For a student who attended a previous quarter of study and did not indicate that s/he was not returning, refunds will be made within 30 days of the first scheduled day of class in the quarter in which the student was expected to return.
4. In the event of a fully documented extreme illness or personal emergency that makes it impractical for the student to complete the program, The Art Institute may modify the tuition refund policy as deemed appropriate to the circumstances.
5. A separate lease agreement and refund policy exists for students who lease housing accommodations arranged by The Art Institute. The Art Institute reserves the right to apply any student payment, or any refund due to a student, to any student financial account that is in arrears.
6. Each academic quarter is 11 weeks in duration. The calculation of refunds is based upon the last day of attendance within the quarter. Any portion of a week's attendance is considered a full week of attendance for refund purposes.
7. In the event The Art Institute cancels or changes a course or program of study in such a way that a student who had started the program or course is unable to complete it, The Art Institute will refund all monies paid by the student for the course or program within 30 days.
8. Examples of the calculation of the tuition and fee refund policy are available upon request from the Student Accounting office.
9. Students may drop/add classes during the first week of the quarter and tuition will be adjusted accordingly. Students may not add classes to their schedule after the first week of the quarter. Tuition will not be adjusted for any classes dropped after week one unless the student completely withdraws from the program (see refund policy below).
10. Any changes made to a student's schedule may change the student's financial aid eligibility.

REFUND CALCULATIONS

In the event of withdrawal from the program by the student or termination by The Art Institute, The Art Institute will retain earned tuition and fees assessed by The Art Institute as follows:

Return of Federal Title IV Aid:

In compliance with Federal regulations, the school will determine how much Federal student financial assistance the student has earned or not earned when a student withdraws from school.

The school will calculate the percentage and amount of awarded Federal student financial assistance that the student has earned if the student withdraws up through the 60 percent point of the term. If the student has completed more than 60 percent of the term, the student earns 100 percent of the Federal student financial assistance.

The amount earned will be based on the percentage of the term that was completed in days up to and including the last date of attendance. To calculate the amount earned, the school will determine the percentage by dividing the number of calendar days completed in the term up to and including the Last date of attendance by the total number of calendar days in the term.

If the student received more than the amount of Federal student financial assistance earned, the difference will be returned to the Federal student financial assistance programs from which funds were received in the following order: Unsubsidized Stafford Loan, Unsubsidized Direct Loan, Subsidized Stafford Loan, Subsidized Direct Loan, Perkins Loan, PLUS Loan, Pell Grant, ACG, SMART, SEOG. Funds will be returned to the aid source within 45 days of the date that the school determines that the student has withdrawn.

If more Federal student financial assistance has been earned than has been received, the student may be eligible for a post-withdrawal disbursement. The school will notify the student of any post-withdrawal disbursement for which the student may be eligible and what steps need to be taken for the Federal financial assistance funds to be received.

If Federal student financial assistance funds need to be returned, the institution must return a portion or all of the - unearned funds equal to the lesser of:

- The institutional charges multiplied by the percentage of the unearned Federal student financial assistance funds; or
- The entire amount of unearned funds.

If there are remaining unearned Federal financial aid funds to be returned, the student must return any loan funds that remain to be returned in accordance with the terms and conditions of the promissory note. If the remaining amount of funds to be returned include grant funds, the student must return any amount of the overpayment that is more than half of the grant funds received. The school will notify the student as to the amount owed and how and where it should be returned.

To officially withdraw, the student will need to notify the Registrar's office. The registrar will assist the student to complete the withdrawal process and will determine the last date of attendance and the date of determination.

Adjustment of Charges

In accordance with the Arizona State Board for Private Postsecondary Education, the following refunds of paid tuition will be made for a student who withdraws from or is terminated by The Art Institute:

- a. Before beginning classes in a time period, a refund of 100% of the tuition charges for the time period.
- b. If 10% or less of the time period has expired, a refund of at least 90% of the tuition charges for the time period.
- c. If more than 10% but less than or equal to 20% of the time period has expired, a refund of at least 80% of the tuition charges for the time period.
- d. If more than 20% but less than or equal to 30% of the time period has expired, a refund of at least 70% of the tuition charges for the time period.
- e. If more than 30% but less than or equal to 40% of the time period has expired, a refund of at least 60% of the tuition charges for the time period.
- f. If more than 40% but less than or equal to 50% of the time period has expired, a refund of at least 50% of the tuition charges for the time period.
- g. If more than 50% of the time period has expired, no refund or a refund in an amount determined by the institution.

Examples of the calculations for this new policy are available in the Student Accounting office.

Non-payment of Charges

Non-payment of tuition, housing, fees and/or other charges due to The Art Institute will result in you being obligated for additional collection costs, collection agency costs and legal costs. In addition, we reserve the right to report your failure to pay amounts owed to one or more national credit bureau organizations and not release your academic transcript until all your debts to us are paid in full.

Kit Return Policy

Students who leave school during the first six weeks of the first quarter of attendance may return the Starting Kit and individual components of the Starting Kit within 20 days of the student's last day of class attendance. A refund or a credit will be given if the item being returned is in good condition and is resalable.

Interest on Outstanding Balances

The student understands and agrees that s/he will be liable for interest charges that will be assessed on his/her account balance until the balance is paid in full. Interest will be charged at 12% per annum on the student's adjusted outstanding balance at the end of each month. The adjusted outstanding balance is defined as all charges incurred by the student for attendance at the school at the end of the prior month, including but not limited to tuition, fees, housing charges, late registration fees, fines, damages, etc., less the total amount paid to the student's account at the end of the current month including financial aid that the student has been awarded but has not been paid for the quarter provided that the student and/or the student's parent(s) have completed all of the requirements for the award. The student understands and agrees that his/her adjusted outstanding balance is different from his/her student payment plan and that the student's financial aid award may be reduced or eliminated if the student does not complete all of requirements for financial aid.

Handling of Student Complaints

If a student feels that a concern or complaint has not been adequately resolved using the Student Complaint Procedure described in The Art Institute catalog, the student may direct his/her complaint or concern in writing to the Executive Director of the Arizona State Board for Private Postsecondary Education, 1400 W. Washington, Room 260, Phoenix, AZ 85007, or to ACICS at 750 first street N.E., Suite 980, Washington, D.C. 20002-434.

Arbitration

You and The Art Institute agree that any dispute or claim between you and (or any company affiliated with The Art Institute or any of its officers, directors, trustees, employees or agents) arising out of or relating to this enrollment agreement or, absent such agreement, your enrollment or attendance at The Art Institute, whether such dispute arises before, during, or after your attendance and whether the dispute is based on contract, tort, statute, or otherwise, shall be, at your or The Art Institute's election, submitted to and resolved by individual binding arbitration pursuant to the terms described herein. If you decide to initiate arbitration, you may select either, JAMS or the National Arbitration Forum ("NAF") to serve as the arbitration administrator pursuant to its rules of procedure. If The Art Institute intends to initiate arbitration, it will notify you in writing by regular mail at your latest address on file with The Art Institute, and you will have 20 days from the date of the letter to select one of these organizations as the administrator. If you fail to select an administrator within that 20-day period, The Art Institute will select one.

The Art Institute agrees that it will not elect to arbitrate any individual claim of less than \$5,000 that you bring in small claims court (or in a similar court of limited jurisdiction subject to expedited procedures). If that claim is transferred or appealed to a different court, however, or if your claim exceeds \$5,000, The Art Institute reserves the right to elect arbitration and, if it does so, you agree that the matter will be resolved by binding arbitration pursuant to the terms of this Section.

IF EITHER YOU OR THE ART INSTITUTE CHOOSES ARBITRATION, NEITHER PARTY WILL HAVE THE RIGHT TO A JURY TRIAL, TO ENGAGE IN DISCOVERY, EXCEPT AS PROVIDED IN THE APPLICABLE ARBITRATION RULES, OR OTHERWISE TO LITIGATE THE DISPUTE OR CLAIM IN ANY COURT (OTHER THAN IN SMALL CLAIMS OR SIMILAR COURT, AS SET FORTH IN THE PRECEDING PARAGRAPH, OR IN AN ACTION TO ENFORCE THE ARBITRATOR'S AWARD). FURTHER, YOU WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM SUBJECT TO ARBITRATION. THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING. OTHER RIGHTS THAT YOU OR THE ART INSTITUTE WOULD HAVE IN COURT ALSO MAY NOT BE AVAILABLE IN ARBITRATION.

The arbitrator shall have no authority to arbitrate claims on a class action basis, and claims brought by or against you may not be joined or consolidated with claims brought by or against any other person. Any arbitration hearing shall take place in the federal judicial district in which you reside. Upon your written request, The Art Institute will pay the filing fees charged by the arbitration administrator, up to a maximum of \$3,500 per claim. Each party will bear the expense of its own attorneys, experts and witnesses, regardless of which party prevails, unless applicable law or this Agreement gives a right to recover any of those fees from the other party. If the arbitrator determines that any claim or defense is frivolous or wrongfully intended to oppress the other party, the arbitrator may award sanctions in the form of fees and expenses reasonably incurred by the other party (including arbitration administration fees, arbitrators' fees, and attorney, expert and witness fees), to the extent such fees and expenses could be imposed under Rule 11 of the Federal Rules of Civil Procedure.

The Federal Arbitration Act ("FAA"), 9 U.S.C. § 1, et seq., shall govern this arbitration provision. This arbitration provision shall survive the termination of your relationship with The Art Institute. If you have a question about the arbitration administrators mentioned above, you can contact them as follows: JAMS, 45 Broadway, 28th Floor, New York, NY, 10006, 800-352-5267; National Arbitration Forum, P.O. Box 50191, Minneapolis, MN, 55405, 800-474-2371.

The above supersedes any inconsistent arbitration provision published in any other document.

Sale, Discount, or Transfer of Agreement

The student consents to the sale, discount, or other transfer of this Agreement with the understanding that in such event, the cancellation and refund policies would continue to apply.

Online Courses

Certain courses may be offered in an online format where students can participate remotely via computer and specialized software. Students wishing to take a class online will be charged an additional \$100 online lab fee per course for administrative and support services. Online classes are 6 or 11 weeks in duration. They are delivered in an asynchronous electronic mode which means that you can work on the course anytime within a 24-hour period. You will be required to log in to the course 4 out of each 7 days in the class week (each of the 4 log-ins should be during a separate 24-hour period). Prior to registration each quarter, The Art Institute provides students with a list of courses to be offered online and the technology requirements specified for each course. These listings are available in the Registrar's office and on the online Web site at The Art Institute regularly reevaluates the hardware and software needs to ensure that students taking online courses are utilizing technology in parity with students taking the same course on-site. All students taking online courses are required to take an academic orientation to online learning prior to the beginning of their course(s).

Refund Policy for Online Course Withdrawal

Students who withdraw from a Session I or Session II online course after the drop/add period are treated the same way as if they withdrew from a residential class. Session II classes begin the day after the Session I classes ends and runs five weeks. The ending date of the second session may not coincide with the ending date of the on-ground classes.

Mid-Quarter Sessions Refund Policy after Matriculation, All Quarters

This academic quarter is approximately 5 weeks in duration.

Adjustments of the Tuition and Fee Charges

In accordance with school policy, the school will earn tuition and fees for the mid-quarter as follows:
Week One 25%
Week Two 50%
Week Three 75%
After Week Three 100%

Student Right to Know

According to regulations published by the Department of Education based on the Student Right-to-Know Act, the graduation/completion rates for first-time, full-time students who entered school and graduated/completed within 150% of the normal time to complete the program, as published in the catalog must be made available to current and prospective students. You may obtain this information in the Admissions Office.

Information in the Catalog or Student Handbook Will Apply Except for the Following Changes:

Add/Drop period is two days from the start of the mid-quarter session. If you drop or add one or more class, your financial aid eligibility may change. Please see your Financial Aid Officer before you drop or add a class.