

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM339362

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	ASSIGNMENT OF THE ENTIRE INTEREST AND THE GOODWILL		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
International Studies Abroad, Inc.		04/26/2013	CORPORATION:
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	International Studies Abroad, LLC		
<b>Street Address:</b>	1112 W Ben White Blvd		
<b>City:</b>	AUSTIN		
<b>State/Country:</b>	TEXAS		
<b>Postal Code:</b>	78704		
<b>Entity Type:</b>	LIMITED LIABILITY COMPANY: DELAWARE		
<b>PROPERTY NUMBERS Total: 4</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	3032237	THE WORLD AWAITS...	
<b>Registration Number:</b>	3855273	ISA	
<b>Registration Number:</b>	2359098	ISA	
<b>Registration Number:</b>	2427778	INTERNATIONAL STUDIES ABROAD	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	5124808866		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
<b>Phone:</b>	5124808522		
<b>Email:</b>	bbradley@studiesabroad.com		
<b>Correspondent Name:</b>	Ben Bradley		
<b>Address Line 1:</b>	1112 W Ben White Blvd		
<b>Address Line 4:</b>	Austin, TEXAS 78704		
<b>NAME OF SUBMITTER:</b>	Gustavo Artaza		
<b>SIGNATURE:</b>	/Gustavo Artaza/		
<b>DATE SIGNED:</b>	04/27/2015		
<b>Total Attachments: 55</b>			
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The Parties have duly executed this Unit Purchase Agreement as of the date in its preamble.

**BUYER:**

SEP IV ISA Holdings

By: Seidler Equity Partners IV, L.P., as Managing Partner

By: SEM IV, LLC, its General Partner

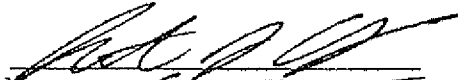
By: \_\_\_\_\_

Name:

Title:

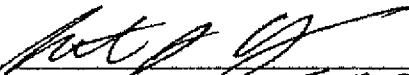
**ISA:**

International Studies Abroad, Inc.

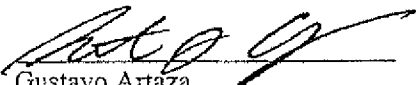
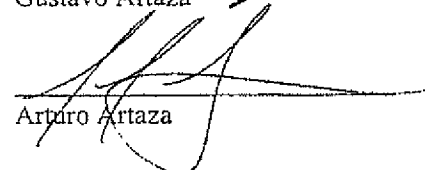
By:   
Name: GUSTAVO J. ARTAZA  
Title: CEO

**NEWCO:**

International Studies Abroad, LLC

By:   
Name: GUSTAVO J. ARTAZA  
Title: CEO

**SHAREHOLDERS:**

  
Gustavo Artaza  
  
Arturo Artaza

## UNIT PURCHASE AGREEMENT

This Unit Purchase Agreement (this “**Agreement**”) is entered into as of April 29, 2013, by International Studies Abroad, Inc., a Texas corporation (“**ISA**”), International Studies Abroad, LLC, a Delaware limited liability company (“**Newco**”), SEP IV ISA Holdings, a Delaware general partnership (“**Buyer**”), Gustavo Artaza (“**GA**”), in his capacity as a shareholder of ISA, the sole member and manager of the Spirit II Family LLC, a Texas limited liability company (the “**GA LLC**”) and as a holder of Units of Newco, and Arturo Artaza (“**AA**”), in his capacity as a shareholder of ISA and as a member and sole manager of Arienzo, LLC, a Texas limited liability company (the “**AA LLC**”). GA and AA are collectively referred to herein as the “**Shareholders.**” **Exhibit A** contains definitions, or references to the definitions, of the capitalized terms used in this Agreement.

### BACKGROUND

- A. ISA and the Shareholders collectively hold 45,000,000 Units, equaling a 100% Overall Percentage Interest, with ISA owning 44,999,970 Units and GA owning 30 Units.
- B. In exchange for the issuance to ISA and the Shareholders of such Units, ISA and the Shareholders have contributed to Newco the Business Assets, and Newco has assumed the Assumed Liabilities relating to the Business, all pursuant to the terms of the Contribution Agreement dated April 26, 2013 (the “**Contribution Date**”) between ISA, GA and Newco (the “**Contribution Agreement**”). The contribution and assumption, and the issuance of the Units to ISA and GA are referred to as the “**Contribution.**”
- C. ISA and the Shareholders desire to sell, collectively, and Buyer desires to purchase, 9,000,000 Units comprising a 20% Overall Percentage Interest (the “**Purchased Units**”) on the terms and conditions described in this Agreement.
- D. The Purchased Units will have the rights, preferences and other characteristics stated in the LLC Agreement. The sale and purchase of the Purchased Units, along with the related transactions contemplated by this Agreement, are referred to as the “**Transactions.**”

### AGREEMENT

The Parties agree as follows:

#### **1. PURCHASE OF INTERESTS; CLOSING**

- 1.1 SALE AND PURCHASE OF PURCHASED UNITS.** ISA and the Shareholders hereby sell and deliver to Buyer the Purchased Units, with ISA selling and delivering 8,999,970 of the Purchased Units and GA selling and delivering 30 of the Purchased Units, and Buyer hereby purchases and receives the Purchased Units from ISA and GA. The Purchased Units will have the rights, preferences and other characteristics stated in the LLC Agreement.

**1.2 PURCHASE PRICE.** The aggregate purchase price (the “**Purchase Price**”) for the Purchased Units to be paid by Buyer is \$9,000,000 payable in cash.

**1.3 THE CLOSING.**

**1.3.1 General.** The closing of the Transactions (the “**Closing**”) is being held simultaneously with the execution and delivery of this Agreement. At the Closing, counterparts of the executed Transaction Documents are being exchanged by facsimile transmission or transmission of PDF files, followed promptly by delivery of manually signed originals.

**1.3.2 Seller Parties Deliveries.** At the Closing, the Seller Parties shall deliver to Buyer the following:

- (a) each Seller Document, duly executed by each Seller Party that is a party to it;
- (b) one or more certificates, each duly executed by a respective officer of each of Newco and ISA in a form or forms provided or approved by Buyer:
  - (i) certifying as to the due approval and authorization of the Contribution, the Transactions and the execution, delivery and performance of the Seller Documents to which any Seller Party is a party (in accordance with applicable Law and the Governing Documents of each of ISA and the Contributed ISA Entities), and, with respect to ISA and Newco, attaching copies of the relevant board and/or shareholder resolutions that include such authorization and approval;
  - (ii) certifying as to (A) the due consummation of the Contribution on the Contribution Date, in accordance with the Contribution Agreement and this Agreement, and (B) the accuracy and completeness of all relevant documentation used to effect and evidence the Contribution attached to the certificate; and
  - (iii) attaching copies of good standing (or similar) certificates (including tax good standing) with respect to each of the Contributed ISA Entities from the jurisdiction of such entity’s formation and each other jurisdiction in which such entity is qualified to do business (other than Korea and Argentina), dated within ten (10) days of the Closing.
- (c) the Consent listed in Item 1 on **Section 2.4 of the Disclosure Schedule**;
- (d) the Release Evidence delivered to Newco as part of the Contribution; and
- (e) the Transition Services Agreement duly executed by Newco, ISA, and the Non-U.S. ISA Entities.

**1.3.3 Buyer Deliveries.** At the Closing, Buyer shall deliver to ISA and the Shareholders:

- (a) each Buyer Document, duly executed by Buyer;
- (b) the Purchase Price in cash by wire transfer of immediately available funds to such account or accounts previously designated in writing by ISA and the Shareholders.

## **2. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF NEWCO, ISA AND THE SHAREHOLDERS**

Except as otherwise set forth in writing in appropriately corresponding sections of the Disclosure Schedule, each of Newco, ISA and the Shareholders represent and warrant to Buyer:

- 2.1 CONTRIBUTION.** ISA and the Shareholders have contributed, conveyed, assigned, transferred and delivered to Newco good title to, or valid and subsisting leasehold interests in, all of the Business Assets that are tangible assets and valid ownership or licensing rights to all of the Business Assets that are intangible assets, free of Encumbrances, such that Newco has succeeded to the ownership of, and currently owns, the Business and all Business Assets. ISA and the Shareholders have delivered to Newco and Buyer complete and accurate copies of duly executed counterparts of the Contribution Agreement. The Business Assets and the Non-U.S. Assets constitute all of the assets, rights, intangible property and tangible property used in the Business. The Business Assets together with the services to be provided by the Non-U.S. ISA Entities pursuant to the Transition Services Agreement are sufficient for Newco to carry on the Business in substantially the same manner as the Business was conducted by the ISA Entities before the Contribution.
- 2.2 ENFORCEABILITY.** Each Seller Document is Enforceable against each Seller Party that is party to it.
- 2.3 ORGANIZATION; GOOD STANDING; AUTHORITY.** Each of Newco, ISA and the Contributed ISA Entities is (a) duly organized, validly existing, and in good standing under the Laws of its jurisdiction of its formation; and (b) duly qualified or licensed to do business as a foreign entity in, and is in good standing under the Laws of, each other jurisdiction in which the conduct of the Business or the ownership or leasing of its assets requires qualification or licensing other than where the failure to so qualify would not reasonably be expected to have a Material Adverse Effect. Newco has full power and authority to own and lease the Business Assets and to conduct the Business. Newco was formed for the purpose of carrying out the Contribution and the Transactions, and has not conducted any other business or activities. True and correct copies of the organizational documents of Newco and the Contributed ISA Entities, in each case as amended to date, have been delivered by ISA to Buyer. **Section 2.3 of the Disclosure Schedule** lists all jurisdictions in which Newco, ISA, and the Contributed ISA Entities are qualified or otherwise registered to do business.
- 2.4 CONSENTS; NO CONFLICT.** **Section 2.4 of the Disclosure Schedule** lists all Consents that any Seller Party must obtain to consummate the Contribution and the Transactions

without violating any Contract or Law. The authorization, execution, delivery and performance of the Seller Documents, and the consummation of the Transactions, do not and will not:

- (a) violate, conflict with, constitute a default or event of default under, or constitute an event giving rise to (or otherwise give rise to) any right of termination, renegotiation, modification, cancellation, suspension or acceleration under any of Newco, ISA, or the Contributed ISA Entities' Governing Documents, Contract or any Law;
- (b) require any notice, Filing or Consent under any Law applicable to any Seller Party, any Business Assets or the Business;
- (c) give any Governmental Agency or other Person the right to (i) challenge the Contribution or any of the Transactions, or (ii) revoke, withdraw, suspend, cancel, terminate or modify any Permit; or
- (d) result in the creation of any Encumbrance on, or any right or remedy of any third Person with respect to or against, any Business Assets, any Units, any Purchased Units, or any outstanding shares of capital stock of ISA.

**2.5 CONDUCT OF BUSINESS.** Neither Newco, ISA nor any of the Contributed ISA Entities is or has ever been a participant in any joint venture, partnership or similar arrangement. Prior to the consummation of the Contribution, ISA, the Contributed ISA Entities and the Shareholders had conducted the Business only through the ISA Entities and not through any other Person.

**2.6 CAPITALIZATION.**

**2.6.1 Newco.** Immediately before the Closing, ISA and the Shareholders currently hold 49,999,970 and 30 Units, respectively, and such Units were the only outstanding equity interests of Newco, free and clear of all Encumbrances, and no other Person had any record or beneficial interest in any equity interests of Newco. All outstanding Units, are duly and validly authorized and issued in accordance with applicable Laws and were not issued in violation of any Contracts. Other than this Agreement, no Contract obligates Newco to issue any debt or equity security of Newco.

**2.6.2 The Contributed ISA Entities.** The authorized, issued and outstanding capital stock and other equity securities of the Contributed ISA Entities and the name of each record holder of shares of capital stock or other equity securities of each of the Contributed ISA Entities are fully and accurately set forth on **Section 2.6.2 of the Disclosure Schedule**. All of the issued and outstanding shares of the Contributed ISA Entities have been duly authorized and validly issued and are fully paid and nonassessable. There is no outstanding subscription, contract, convertible or exchangeable security, option, warrant, call or other right obligating Newco or any other Person to issue, sell, exchange or otherwise dispose of, or to purchase, redeem or otherwise acquire, shares of or securities convertible into or exchangeable for, the capital stock or equity securities of the Contributed ISA Entities. There are no voting trusts,



voting agreements, proxies, shareholder agreements or other arrangements relating to the shares of capital stock of any of the Contributed ISA Entities.

**2.6.3 ISA.** The authorized capital stock of ISA consists of 10,000 shares of capital stock, no par value (the “**ISA Common Stock**”). The authorized, issued and outstanding capital stock of ISA is set forth on **Section 2.6.3 of the Disclosure Schedule**. All of the issued and outstanding shares of ISA Common Stock have been duly authorized and validly issued and are fully paid and nonassessable, with the Shareholders, the GA LLC and the AA LLC collectively being the lawful record and beneficial owner of all of such ISA Common Stock. There is no outstanding subscription, contract, convertible or exchangeable security, option, warrant, call or other right obligating ISA or any other Person to issue, sell, exchange or otherwise dispose of, or to purchase, redeem or otherwise acquire, shares of or securities convertible into or exchangeable for, ISA Common Stock. GA (individually and his capacity as the sole member and manager of the GA LLC) has the sole right to vote or direct the voting of the ISA Common Stock owned by him and by the GA LLC, at his discretion, on any matter submitted to a vote of the stockholders of ISA. AA (individually and his capacity as a member and sole manager of the AA LLC) has the sole right to vote or direct the voting of the ISA Common Stock owned by him and by the AA LLC, at his discretion, on any matter submitted to a vote of the stockholders of ISA. There are no voting trusts, voting agreements, proxies, shareholder agreements or other arrangements relating to the ISA Common Stock.

**2.6.4 Options, Etc.** Except as expressly stated in the LLC Agreement, there are no (a) outstanding options, warrants, subscription rights, claims, liquidity rights or other rights (including conversion, exchange or preemptive rights and rights of first refusal or similar rights) or agreements for, or with respect to, the purchase, sale or redemption of equity interests in Newco, nor are there any commitments or plans to establish any of the foregoing; or (b) agreements granting any person the right to participate in the profits of Newco.

**2.6.5 Voting.** No Seller Party has entered into any agreements with respect to the voting or transfer of interests in ISA, the Contributed ISA Entities or any equity interests in Newco (other than as expressly provided in this Agreement and the LLC Agreement).

**2.6.6 Purchased Units.** Upon completion of the Transactions, (a) the Purchased Units will be duly and validly authorized and issued to Buyer; (b) Buyer will be duly admitted as a member of Newco; and (c) the Purchased Units will not be subject to any Encumbrances, other than transfer restrictions imposed by the LLC Agreement.

## **2.7 CERTAIN FINANCIAL MATTERS.**

**2.7.1 Financials.** Newco has delivered to Buyer true, correct and complete copies of the Financials and the Interim Financials. The Financials and Interim Financials are in accordance with and have been derived from the books and records of ISA, and fairly present the financial condition, assets and liabilities, statements of income, changes in stockholders’ equity and cash flows of ISA and the Contributed ISA Entities as at the

respective dates of and for the periods referred to in the Financials and Interim Financials, all in accordance with GAAP, subject, in the case of the Interim Financials, to the absence of notes (that, if presented, would not differ materially from those included in the Financials). The Financials and Interim Financials reflect the consistent application of GAAP throughout the periods to which they relate.

**2.7.2 Liabilities.** Newco does not have on the Closing Date, any liabilities or obligations of any nature (whether absolute, contingent, liquidated or unliquidated, or due or to become due), except for Disclosed Liabilities or liabilities that are otherwise immaterial, individually or in the aggregate, to the Business. To the Seller Parties' Knowledge, there is no basis for the assertion against Newco of any such liabilities or obligations. None of Newco's indebtedness or liability has been guaranteed or assumed by any other Person.

**2.7.3 Accounts Receivable.** All of the Accounts Receivable reflected on the 2012 Balance Sheet and the Interim Balance Sheet, or arising since the date of the Interim Balance Sheet, (a) represent valid obligations arising from sales actually made, or services actually performed, in the Ordinary Course; and (b) are not subject to any pledge, dispute, defense, setoff or other claim.

**2.7.4 Accounts Payable.** All accounts payable reflected on the 2012 Balance Sheet or the Interim Balance Sheet, or arising since the date of the Interim Balance Sheet, represent valid obligations arising from *bona fide* purchases of assets or services that have actually been delivered or provided to Newco. Newco has paid all of its accounts payable in the Ordinary Course and has not delayed or renegotiated payment of, or refused to pay, any of its accounts payable, except in the Ordinary Course.

**2.7.5 Books, Records and Controls; Grant Fund Accounts.**

- (a) Each of Newco and the Contributed ISA Entities' (a) books and records (i) are true, correct and complete in all material respects and have been maintained in a consistent manner and in accordance with sound business practices, and (ii) accurately reflect all of its transactions in reasonable detail; (b) accounting controls are sufficient to ensure that those transactions are (i) executed in accordance with management's authorizations and recorded in conformity with GAAP, consistently applied, and (ii) recorded as necessary to permit the preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (c) minute books previously provided to Buyer by Newco (i) contain records of all Board, partner, Member and committee meetings of Newco, and the Contributed ISA Entities that are correct and complete in all material respects, and (ii) accurately reflect all other material actions of such bodies or groups (including those taken by written consent); and (d) equity ownership records are accurate and complete and reflect all issuances, transfers, repurchases, redemptions and cancellations of any equity interest in Newco and the Contributed ISA Entities. Access to Newco's (and, prior to the Contribution, ISA and the Contributed ISA Entities') assets has been permitted only in accordance with management authorization.

- (b) To the Seller Parties' Knowledge, there has been no fraud, whether or not material, that involves any employee, contractor or consultant who has had a role in the preparation of the Financials or implementation or management of Newco's, ISA or the Contributed ISA Entities' internal accounting controls, and no Seller Party has received, or is otherwise aware of, any oral or written claim or allegation regarding any such fraud.
- (c) Any and all funds collected and maintained by Newco (or, prior to the Contribution, ISA and the Contributed ISA Entities) pursuant to the grant fund agreements to which such entity is a party or any other agreement whereby any of ISA or the Contributed ISA Entities retain funds for a university or other Person until such time as such university or Person directs its distribution, (i) are not required to be held as segregated cash or in segregated accounts of Newco, the Contributed ISA Entities or the Subsidiaries' or, in the event they are to be so segregated, have been properly segregated and (ii) are held in accordance with any applicable policies, understandings or arrangements with such university applicable to such funds. A complete list of the grant fund agreements to which ISA, Newco or any of the Contributed ISA Entities are a party is set forth on **Section 2.7.5(c) of the Disclosure Schedule.**

**2.7.6 Capital Expenditures.** All capital expenditures that have been made or incurred by or on behalf of Newco, ISA or a Contributed ISA Entity from December 31, 2012 through March 31, 2013 are accurately accounted for and reflected on the Interim Financials. Since March 31, 2013, neither Newco, ISA nor any Contributed ISA Entity has made or committed to make any capital expenditure in excess of \$50,000, either individually or in the aggregate.

## **2.8 REAL PROPERTY.**

**2.8.1 General.** Neither Newco, ISA nor any Contributed ISA Entity owns any real property or has ever owned any real property. Newco (a) has no direct or indirect leasehold or sub-leasehold interest in any real property other than the Leased Real Property; (b) holds a valid and existing leasehold interest in the Leased Real Property; and (c) has not assigned, subleased, licensed, transferred, conveyed, mortgaged, deeded in trust, or otherwise encumbered any interest in such leasehold interest or granted to any third party any rights to use or occupy the Leased Real Property or any portion thereof. To the Seller Parties' Knowledge, there exists no event of default on the part of the landlord or the tenant under any of the Leases and no event has occurred or circumstances exists that, with the delivery of notice, passage of time or both, would constitute such an event of default. The Leased Real Property constitutes all of the real property used in or necessary for the conduct of the Business as presently conducted. There are no Lease-related disputes or disagreements that are pending or, to the Seller Parties' Knowledge, Threatened. To the Seller Parties' Knowledge, no event has occurred or circumstance exists that could reasonably be expected to provide the basis for any such dispute or disagreement. Each Lease is fully effective and affords Newco peaceful and undisturbed possession of the property subject to the Lease.

**2.8.2 Rights, Restrictions, Zoning, Improvements, etc.** As to each parcel of Leased Real Property, there are no (a) subleases, licenses, concessions, or any other Contracts granting to any Person other than Newco any right to the possession, use, occupancy or enjoyment of such Leased Real Property or any portion of such property or any option or right of first offer or refusal to acquire any such rights; or (b) to the Seller Parties' Knowledge, facts or conditions affecting any of the Improvements, that, individually or in the aggregate, could reasonably be expected to materially impair the continued use, occupancy and operation of the Leased Real Property in a manner consistent with the operation of the Business as presently conducted. To the Seller Parties' Knowledge, the Leased Real Property is in material compliance with all applicable building, zoning, subdivision, health and safety and other land use laws (collectively, "**Real Property Laws**") and none of Newco, ISA, or the Contributed ISA Entities has received notice of any violation of any Real Property Law. No Seller Party has received notice of any eminent domain, condemnation or similar taking Proceedings with respect to the Leased Real Property, and to the Seller Parties' Knowledge, no such Proceedings are Threatened. All Improvements are, in all material respects, adequate to operate the Facilities as currently used, and the Facilities are free of any material defects or deficiencies. All utility systems for the Leased Real Property are operational and sufficient for the operation of the Business as presently conducted. To the Seller Parties' Knowledge, there are no facts or conditions affecting any of the Facilities that could reasonably be expected to materially interfere with the current use, occupancy or operation of the Facilities.

**2.9 ADDITIONAL REPRESENTATIONS REGARDING ASSETS.** Newco's tangible assets (whether leased or owned) are in good operating condition and repair (and none is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost).

**2.10 NO MATERIAL ADVERSE EFFECTS; NO LISTED ACTION.** Since December 31, 2012, (a) Newco and ISA have operated the Business only in the Ordinary Course; (b) the Seller Parties have used commercially reasonable efforts to maintain, preserve and protect the assets, business and contractual relationships and goodwill of the Business; and (c) there has been no: (i) Material Adverse Effect; (ii) Listed Action; (iii) property damage or destruction resulting in a loss or cost to Newco, ISA or any of the Contributed Entities of more than \$50,000 in the aggregate, whether or not covered by insurance; or (iv) to the Seller Parties' Knowledge, adverse change or indication or threat of future adverse change in Newco's or the Contributed Entities' cost structure, including transportation costs, supplier costs, officer or employee requests or demands for increases in salary or benefits. No Seller Party is aware of any matter that could reasonably be expected to have a Material Adverse Effect.

**2.11 TAX MATTERS.**

**2.11.1 Returns; Payment.** Each of Newco, ISA, and the Contributed ISA Entities has properly filed, on a timely basis (giving effect to extensions), all Tax Returns it was required to file, and each such Tax Return is correct and complete in all material respects. ISA has delivered to Buyer correct and complete copies of the ISA Tax Returns for the

tax years 2009-2011. All Taxes (whether or not shown on such ISA Tax Returns) due from Newco, ISA and the Contributed ISA Entities have been timely paid. The accrual for Taxes on the Interim Balance Sheet is adequate to cover any and all Taxes (whether or not disputed and whether or not due) of Newco, ISA and the Contributed ISA Entities with respect to all taxable periods ending on or before the date thereof, and neither Newco, ISA, nor any of the Contributed ISA Entities has incurred any liability for Taxes subsequent to that date other than in the Ordinary Course. Neither Newco, ISA nor any of the Contributed ISA Entities has any liability to any of their current or former equity owners to make distributions in respect of taxes for periods or portions thereof ending on or before the Closing Date.

**2.11.2 Withholding.** All Taxes Newco, ISA and the Contributed ISA Entities were required by Law to withhold or to collect for payment (including those pertaining to employees, independent contractors, creditors or partners) have been duly withheld and collected, and have been paid in full or accrued on Newco's, ISA's or the Contributed ISA Entities' books, as applicable. Newco, ISA, and the Contributed ISA Entities have complied with all applicable information-reporting requirements relating to employment and withholding Taxes.

**2.11.3 Audits, Deficiencies, Waivers, Adjustments, Etc.** There are no pending Tax audits or other controversies or claims with respect to Taxes pertaining to the Business, and, to the Seller Parties' Knowledge, no such controversies or claims have been Threatened or are being discussed with Tax authorities. To the Seller Parties' Knowledge, no claim has ever been made by a Tax authority in a jurisdiction where neither Newco, ISA nor any of the Contributed ISA Entities has paid Taxes or filed Tax Returns asserting that Newco, ISA or any of the Contributed ISA Entities is or may be subject to Taxes assessed by such jurisdiction.

**2.11.4 Reportable Transactions.** Neither Newco, ISA, nor any of the Contributed ISA Entities has entered into any transaction that is or would be part of any "reportable transaction" under Sections 6011, 6111 or 6112 of the Code (or any similar state or local Law).

## **2.12 INTELLECTUAL PROPERTY.**

**2.12.1 Definitions.** "Intellectual Property" includes all: (a) corporate names, fictional business names, trade names, Internet domain names (and underlying URL registrations), websites, web addresses, registered and unregistered trademarks, service marks, logos and applications for the foregoing (collectively, "Marks"); (b) patents and patent applications, including continuations, divisionals, continuations in part, or reissues of any patent applications and patents issuing therefrom (collectively, "Patents"); (c) registered or unregistered copyrights in both published works and unpublished works (collectively, "Copyrights"); (d) computer software, data and databases, including object code, source code and related documentation (collectively, "Software"); and (e) know-how, trade secrets and confidential information (including customer and supplier lists or databases, pricing and cost information, operating methods, operational manuals, technology, plans, drawings and blueprints) (collectively, "Trade Secrets"). All such Intellectual Property

owned, used or licensed from third parties by Newco, ISA or the Contributed ISA Entities is referred to as the “**Business IP.**”

**2.12.2 Description.** Section 2.12.2 of the Disclosure Schedule contains accurate and complete lists of all Marks (except for unregistered trademarks) and Copyrights (except for unregistered copyrights) included in the Business IP, together with, as to each item (for purposes of this Section 2.12.2 only, an “item”) listed, (a) a brief description of the item, (b) the item’s application or registration number, if any, (c) the jurisdiction(s) and date of each item’s application or registration, if any, and (d) an indication of whether the item is owned or licensed by Newco, ISA, or the Contributed ISA Entities. All products and materials containing a Mark bear the proper U.S. federal registration notice where permitted by Law, and all Copyrighted materials bear the appropriate copyright notice or symbol. Neither Newco, ISA nor any of the Contributed ISA Entities owns or holds any Patents or makes or sells any products under any Patents.

**2.12.3 Title.** Newco exclusively owns all right, title and interest in and to, or, to the Seller Parties’ Knowledge, has a valid written license to use, all of the Business IP, free and clear of all Encumbrances and adverse claims and has the right to use all Business IP without payment or other liability to a third party. There is no loss or expiration of any Intellectual Property that is pending or, to the Seller Parties’ Knowledge, Threatened.

**2.12.4 Compliance.** All registered Marks owned by ISA, Newco or the Contributed Entities currently comply in all material respects with applicable formal legal requirements and are valid and Enforceable. The Seller Parties do not anticipate any cancellation, termination, expiration or abandonment of any of the foregoing (except natural expiration or termination at the end of the full possible term, including extensions and renewals).

**2.12.5 Infringement.** The conduct of the Business, and Newco, ISA and the Contributed ISA Entities’ use of the Business IP, prior to the Closing, did not at any time infringe, misappropriate or otherwise violate any other Person’s rights in any Intellectual Property. Neither Newco, ISA nor any of the Contributed ISA has received any notice of any claimed potential infringement, misappropriation or violation by the Business of any third party Intellectual Property from any other Person nor, to the Seller Parties’ Knowledge, is there any reasonable basis for such a claim. To the Seller Parties’ Knowledge, no Business IP has been or is being infringed, misappropriated or otherwise violated by any other Person, or has been or is being challenged or threatened in any way. No Intellectual Property owned by Newco is involved in any interference, reissue, reexamination, invalidation, cancellation or opposition proceeding, and, to the Seller Parties’ Knowledge, no such action has been Threatened.

**2.12.6 Software.** To the Seller Parties’ Knowledge, each item of Software included in the Business IP is either (a) exclusively owned by Newco (or, prior to the Contribution, ISA and the Contributed ISA Entities); (b) in the public domain or otherwise available to Newco (or, prior to the Contribution, ISA and the Contributed ISA Entities) without the need of a license, lease or consent of any third party; or (c) used under rights granted to under a valid written agreement, license or lease from a third party. The conduct of the

Business has not involved and does not currently require the use of any Software obtained under a licensing or distribution model or agreement that requires, as a condition of use, modification or distribution of such Software, that Software owned by Newco (or, prior to the Contribution, ISA and the Contributed ISA Entities) be disclosed or distributed in source code form (e.g., “open source” software). No Software owned by Newco (or, prior to the Contribution, ISA and the Contributed ISA Entities) has been furnished or disclosed in source code form to any third party, including any escrow agent, nor does there exist any agreement or other obligation that may potentially require the disclosure or distribution of Software source code to any third party, except to customers of the Business in the Ordinary Course with commercially adequate safeguards to prevent customer disclosure and redistribution.

**2.12.7 No Other Claims.** To the Seller Parties’ Knowledge, no current or former employee, contractor, consultant or director of Newco, ISA or the Contributed ISA Entities has or claims any right, title or interest in or to any of the Business IP.

**2.12.8 Trade Secrets.** No material Trade Secret of the Business has been used, divulged or appropriated for the benefit of any Person other than Newco, ISA or the Contributed ISA Entities or to the detriment of Newco, ISA or the Contributed ISA Entities, or the Business. Neither Newco, ISA nor the Contributed ISA Entities has made unlawful use of any third party’s Trade Secrets or other confidential information. Newco (and, prior to the Contribution, ISA and the Contributed ISA Entities) has good title to, and an absolute right to use, the Trade Secrets included in the Business IP. No such Trade Secret is subject to any adverse claim or has been challenged, nor, to the Seller Parties’ Knowledge, Threatened in any way.

**2.12.9 Sufficiency; Development; Protection.** The Business IP constitutes all of the Intellectual Property necessary for the conduct of the Business as now conducted. All Business IP was developed by (a) ISA, the Contributed ISA Entities or Newco employees acting within the scope of their employment and who have assigned exclusive ownership of such Business IP to ISA, the Contributed ISA Entities or Newco by operation of Law or a valid written instrument of assignment; or (b) a Person that has executed valid instruments of assignment to vest exclusive ownership of such Business IP in ISA, the Contributed ISA Entities or Newco. ISA, the Contributed ISA Entities and Newco have taken reasonable and appropriate steps to protect, maintain and safeguard the Business IP, and the secrecy and value of its Trade Secrets. Neither ISA, the Contributed ISA Entities nor Newco has (i) granted any exclusive rights or licenses of Business IP to any third party, or (ii) granted any third party the right to bring infringement actions with respect to, or otherwise to enforce rights with respect to, any of the Business IP.

## **2.13 CONTRACTS.**

**2.13.1 Material Contracts.** Section 2.13.1 of the Disclosure Schedule lists each Contract (collectively, the “Material Contracts”) that, immediately prior to the Closing,

- (a) pertained to the purchase, sale or distribution of goods or services by Newco, ISA or the Contributed ISA Entities involving or calling for the payment or receipt by

Newco, ISA or the Contributed ISA Entities, including all affiliation, financial aid, direct billing, host institution and university agreements, or that otherwise have a value of more than \$50,000 in the aggregate during the 12-month period immediately prior to or after the Closing, other than purchase orders, sales orders or other purchase or sale arrangements entered into in the Ordinary Course;

- (b) was a lease or rental contract for personal property involving or calling for the payment or receipt by Newco, ISA or the Contributed ISA Entities, or having a value, of more than \$50,000 during the 12-month period immediately prior to or after the Closing;
- (c) was in the form of a note, debenture, other evidence of indebtedness, guarantee, loan, letter of credit, surety bond, financing or credit agreement, security or pledge agreement, or other instrument or contract for borrowed money, or pertained to the provision of credit or the pledge or grant of a security interest in any assets, including any agreement or commitment for future loans, credit or financing;
- (d) contained non-competition, non-solicitation or confidentiality covenants by any of Newco, ISA, the Contributed ISA Entities, the Shareholders or any of their respective Affiliates in favor of another Person (or otherwise limited the freedom of any such individuals or entities to engage in any line of business in any area) or by another Person in favor of any of Newco, ISA, the Contributed ISA Entities or any of their respective Affiliates;
- (e) pertained to employees of Newco, ISA, or the Contributed ISA Entities' regarding employment, employment termination, employee severance, consulting services, retention of employees, or payments or other consideration to employees in a change of control;
- (f) granted a power of attorney to another Person;
- (g) committed Newco, ISA, or the Contributed ISA Entities' to capital expenditures after the date of this Agreement in excess of \$50,000;
- (h) contained any take or pay arrangement or provided for Newco, ISA, or the Contributed ISA Entities' to be the exclusive or a preferred provider of any product or service to, or the exclusive recipient of any product or service from, any Person, including pursuant to a most-favored-nations or similar provision;
- (i) pertained to any Business IP (other than off-the-shelf Software);
- (j) was between Newco, ISA, or any of the Contributed ISA Entities, on the one hand, and any Related Person of Newco, ISA or the Contributed ISA Entity or any Related Person of any director, partner, member, officer, manager or employee of Newco, ISA or the Contributed ISA Entities, on the other hand;



- (k) related to the outsourcing of any back office or operational business processes (such as, but not limited to, supply chain management, information technology, human resources, finance and accounting) to any third party;
- (l) contained an express undertaking to be responsible for consequential damages;
- (m) pertained to a capital investment in, loan to or acquisition of the equity interests or assets of, any Person, or the acquisition of any business or third Person (including letters of intent, memoranda of understanding, term sheets and similar instruments, whether or not intended to be binding in whole or in part);
- (n) restricted the ownership, use or transfer of any Business Assets, or pledged or otherwise encumbered any such assets;
- (o) related to the establishment or operation of a partnership or joint venture, or otherwise involves a sharing of profits, losses, costs or liabilities with any Person;
- (p) related to the ownership of, leasing of, leasehold interest or other interest in, title to or use of any real property or any interest in real property (including the Leases);
- (q) was or included a warranty, guaranty, indemnity or similar undertaking;
- (r) was with a Governmental Agency, other than Contracts with customers in the Ordinary Course;
- (s) was not entered into in the Ordinary Course; or
- (t) is not otherwise listed above but (i) provided or called for Newco, ISA or any of the Contributed ISA Entities to (A) receive, or pay, more than \$50,000 during the 12-month period immediately prior to or after the Closing, or (B) purchase or supply a maximum or minimum amount of goods or services, and which, in each case, was not terminable by Newco, ISA or any of the Contributed ISA Entities without penalty on not more than 90 days' notice; (ii) included as a counterparty any supplier or customer listed on **Section 2.14 of the Disclosure Schedule**, or (iii) is otherwise material to the Business.

**2.13.2 Copies.** ISA has delivered to Buyer true, correct and complete copies of all of the Material Contracts or any other Contract required to be listed on any section of the Disclosure Schedule, and true, correct and complete summaries of any such Contracts that are oral.

**2.13.3 Validity.** Each Contract listed or required to be listed in **Section 2.13.1 of the Disclosure Schedule** is Enforceable against Newco (or, prior to the Contribution, a ISA or a Contributed ISA Entity) and, to the Seller Parties' Knowledge, the other party to such Contract.

**2.13.4 Compliance.** Immediately prior to the Closing, Newco (or, prior to the Contribution, ISA or the Contributed ISA Entities) and, to the Seller Parties' Knowledge, the other parties to the Material Contracts were in compliance with such Contracts in all material respects. No Material Contract violates or conflicts with any applicable Law. No event (including the Contribution) has occurred or circumstance exists that (with or without notice or lapse of time) could result in a material violation, breach, default, acceleration of obligations, or creation of any Encumbrance on any Business Asset, under any such Material Contract, by any of ISA, the Contributed ISA Entities or Newco, or to the Seller Parties' Knowledge, by any other party to such Material Contract.

**2.13.5 No Renegotiation.** There are no pending or, to the Seller Parties' Knowledge, Threatened, renegotiations of, or adjustments to, any material amounts paid or payable to Newco, ISA, or any of the Contributed ISA Entities under any Material Contracts, and no Person has the contractual or statutory right to demand or require such renegotiation or adjustment. To the Seller Parties' Knowledge, no customer has indicated a possible intention to terminate any Material Contract.

**2.13.6 Purchase Commitments.** No purchase commitments under any of the Material Contracts are in excess of the normal requirements of the Business in the Ordinary Course or at a price that is excessive relative to prevailing practices in the industry for arms-length transactions.

**2.13.7 Termination and Repayment of Certain Loans.** Effective before or on the Closing Date, (a) all indebtedness and other obligations of Newco (or, prior to the Contribution, ISA and the Contributed ISA Entities) for borrowed money evidenced by those notes, guarantees, loans, letters of credit, financing or credit agreements, security or pledge agreements, and other instruments or contracts for borrowed money that are set forth on **Section 2.13.7 of the Disclosure Schedule** (such Contracts, the "**Repaid Loan Contracts,**" and the indebtedness and other obligations for borrowed money evidenced thereby, the "**Repaid Loans**") have been fully repaid, together with any applicable fees or expenses, and (b) all Repaid Loan Contracts have been terminated, and neither Newco, ISA, the Contributed ISA Entities nor any counterparty to any Repaid Loan Contract has, nor will they have from and after the Closing, any outstanding rights, obligations or liabilities thereunder. The Seller Parties have delivered to Buyer duly executed payoff letter(s) and effective termination statements under the Uniform Commercial Code and other instruments or invoices necessary to extinguish all Repaid Loans.

**2.13.8 Termination of Certain Contracts.** Effective before or on the Closing Date, Newco has terminated those Contracts set forth on **Section 2.13.8 of the Disclosure Schedule**, and neither Newco, ISA, any of the Contributed ISA Entities, nor any counterparty to any such Contract has, nor will they have from and after the Closing, any outstanding rights, obligations or liabilities under any such Contracts.

**2.14 SUPPLIERS AND CUSTOMERS.** **Section 2.14 of the Disclosure Schedule** lists the twenty (20) largest suppliers (on a consolidated basis, including affiliated groups of suppliers) of goods or services to, and the twenty (20) largest customers (on a consolidated basis, including affiliated groups of customers) of, the Business (in each case measured by

aggregate dollar volume of transactions with such suppliers and customers and their respective affiliates) during calendar year 2012 and the first three (3) months of calendar year 2013 and indicates the aggregate dollar amounts and percentages attributed to each such supplier or customer (or affiliated group of suppliers or customers) for such periods. Neither Newco, ISA, nor any of the Contributed ISA Entities is involved in any dispute with any such supplier or customer. To the Seller Parties' Knowledge, (a) no such supplier or customer is considering termination, nonrenewal, or any adverse modification of its arrangements pertaining to the Business; and (b) there are no facts or circumstances (other than the Transactions) related to any such supplier or customer that are reasonably likely to cause a cessation or material reduction of its dealings with Newco, ISA, nor any of the Contributed ISA Entities.

## **2.15 PERMITS; LEGAL COMPLIANCE.**

**2.15.1 Governmental Permits.** Newco and the Contributed Entities hold all Permits required for the lawful ownership or use of the Business Assets and the lawful operation of the Business. Such Permits are, following the Contribution, validly held by, and are applicable to, Newco; and are valid, unimpaired and in full force and effect, and are not adversely affected by the Contribution or the Transactions. None of ISA nor any of the Contributed ISA Entities was, immediately before the Contribution, and Newco is not on the date of this Agreement, in default under or violation of any Permit in any material respect. To the Seller Parties' Knowledge, there are no pending, Threatened or imminent Proceedings, notices, charges, claims, suspensions, modifications or terminations of any such Permit. There are no pending applications or requests by or on behalf of Newco, ISA nor any of the Contributed ISA Entities for (a) modifications to, or amendments of, any Permits, or (b) new Permits. None of Newco, ISA nor any of the Contributed ISA Entities has, in the last three years, entered into any agreement with, had any dispute with, or, to the Seller Parties' Knowledge, been investigated or examined by, any Governmental Agency or community group.

**2.15.2 General Legal Compliance.** ISA, the Contributed Entities and the Shareholders before the Contribution, and Newco after the Contribution, have operated the Business in compliance with all Laws (including Environmental Laws, Employment Laws, Employee Benefit Laws, Privacy Laws, Occupational Health and Safety Laws, Laws relating to health information privacy and security, including the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and state privacy Laws, and Laws pertaining to trade and business practices, the importation and exportation of goods, and the Facilities) in all material respects, and have properly made all Filings required under applicable Laws. During the past five years, (a) none of ISA, a Contributed ISA Entity, Shareholder nor Newco has received or otherwise become aware of any notice or claim to the contrary from any Governmental Agency or other Person; and (b) none of ISA, a Contributed ISA Entity, Shareholder nor Newco has conducted any internal investigation, or engaged any third-party legal, accounting, environmental or other professionals to conduct any investigation, or prepare any reports or analyses, concerning compliance with, or any actual, alleged or potential material violation of, any applicable Laws by ISA, the Contributed ISA Entities or Newco, or any of their officers, directors, employees or agents (except for materials provided pursuant to **Section 2.16.3**).

## **2.16 ENVIRONMENTAL MATTERS.**

**2.16.1 Liabilities.** (a) Immediately before the Contribution, none of ISA nor any of the Contributed ISA Entities had any actual or claimed Environmental Liabilities, and Newco has no such liabilities on the date of this Agreement; and (b) to the Seller Parties' Knowledge, no facts or circumstances exist that could reasonably be expected to result in any Environmental Liabilities for Newco.

**2.16.2 Hazardous Materials.** (a) There are no Hazardous Materials present on or in the Environment at any of the Facilities, any other properties in which ISA, the Contributed ISA Entities, or Newco has, or has had, an interest, or any geologically or hydrologically adjoining properties (together, the "**Subject Properties**"); (b) none of Newco, ISA or the Contributed ISA Entities, any Related Person of Newco, ISA or the Contributed ISA Entities, or to the Sellers' Parties' Knowledge, any other Person has permitted or conducted any Hazardous Activity with respect to any Subject Properties; and (c) to the Seller Parties' Knowledge, there has been no Release or Threat of Release, of any Hazardous Materials at or from any Subject Properties, whether by ISA, the Contributed ISA Entities, Newco or any other Person.

**2.16.3 Reports, Etc.** Section 2.16.3 of the Disclosure Schedule lists all Permits, reports, assessments, studies, analyses or tests that are in the Seller Parties' possession or control and pertain to Environmental Laws, Environmental Liabilities, Hazardous Materials or Hazardous Activities in, on or under the Facilities. Newco has provided to Buyer true and complete copies of all such materials.

**2.16.4 Liens.** No facts or circumstances exist that would be expected to result in any Encumbrance on any Business Assets in favor of any Governmental Agency.

**2.16.5 Other Environmental Matters.** To the Seller Parties' Knowledge, there are no underground storage tanks located on or underneath, nor have any such tanks been removed from, the Facilities. No Facilities contain or include any dump, landfill, wetlands or toxic mold. None of ISA, the Contributed ISA Entities nor Newco has, by Contract, consent order or other instrument, or by operation of Law, assumed any obligations or liabilities of any other Person arising under any Environmental Law.

## **2.17 EMPLOYEES.**

**2.17.1 List.** Section 2.17.1 of the Disclosure Schedule lists (a) the names, office locations and compensation of all employees of Newco and the Contributed ISA Entities (including an indication as to whether each employee is full or part-time) (collectively, the "**Newco Employees**"); and (b) the names and titles of all of officers and directors or Newco and the Contributed ISA Entities.

**2.17.2 Confidentiality; Work Product.** Each Newco Employee listed on Section 2.17.2 of the Disclosure Schedule is subject to written, binding confidentiality and work product/inventions obligations to Newco.

**2.17.3 Payment Obligations.** The consummation of the Transactions will not accelerate or increase any liability to any Newco Employee for payments related to severance, termination, accrued vacation or personal time, accrued days of sick pay or any similar payment pertaining to any period before the Closing Date.

**2.17.4 Violations.** No Newco Employee or consultant of Newco is in violation of any Contract, or any judgment, decree or order of any Governmental Entity, relating to the right of any such individual to be employed by, or to contract with, Newco, ISA, or the Contributed ISA Entities. No Seller Party has received, or is otherwise aware of, any notice alleging that any such violation has occurred.

**2.17.5 Notice of Termination.** No Newco Employee earning more than \$100,000 in total annual compensation has told any of the Seller Parties (orally or in writing) in the last two years that he or she intends to terminate his or her employment.

**2.17.6 Independent Contractors.** Each individual who has rendered services to ISA, the Contributed ISA Entities, or Newco and has been or is classified as an independent contractor or other non-employee status for any purpose (including for purposes of Taxes and Tax reporting and under Employee Benefit Plans) has been properly so classified.

## **2.18 EMPLOYEE BENEFITS.**

**2.18.1 List.** Section 2.18.1 of the Disclosure Schedule lists all of the following to which ISA and the Contributed ISA Entities were before the Contribution or Newco is after the Contribution a party or otherwise subject to liability or by which any Business Assets are bound, legally or otherwise: (a) Employee Benefit Plans; (b) any other profit-sharing, deferred compensation, bonus, option, equity purchase, phantom equity, pension, retainer, consulting, retirement, severance, welfare or incentive plan, agreement or arrangement; (c) any plan, agreement or arrangement providing for “fringe benefits” or perquisites to employees, officers, directors or agents, including benefits relating to automobiles, clubs, vacation, child care, parenting, sabbatical, sick leave, medical benefits, dental benefits, hospitalization, life insurance and other types of insurance; (d) any employment agreement; and (e) any other similar arrangements involving direct or indirect compensation. Except in the Ordinary Course, there are no negotiations, demands or proposals that are pending or have been made that concern matters now covered, or that would be covered, by plans, agreements or arrangements of the type described in this section (the plans, arrangements, agreements and other items described in clauses (b), (c), (d) and (e) above are collectively referred to as “**Other Plans**”). The Seller Parties have delivered the following documents to the Buyer with respect to each Employee Benefit Plan or Other Plan: (1) correct and complete copies of all documents embodying such Employee Benefit Plan or Other Plan, (2) the most recent summary plan description together with the summary or summaries of material modifications thereto, if any, (3) the three (3) most recent annual actuarial valuations, if any, (4) all Internal Revenue Service or Department of Labor determination, opinion, notification and advisory letters, (5) the three (3) most recent annual reports (Form Series 5500 and all schedules and financial statements attached thereto), if any, (6) all material

correspondence to or from any Governmental Agency received in the last three (3) years, and (7) all discrimination tests for the most recent three plan years.

**2.18.2 Compliance with Plans.** As applicable, ISA, the Contributed ISA Entities, and Newco have performed all of the material employer obligations under all such Employee Benefit Plans and Other Plans, including the full payment when due of required contributions or other payments. There has been no act or omission by any of ISA, the Contributed ISA Entities, or Newco that has given rise to, or may give rise to fines, penalties, Taxes or related charges under Section 502(c), (i), or (1) or Section 4071 of ERISA or Chapter 43 of the Code.

**2.18.3 Qualification.** Each Employee Benefit Plan that is intended to qualify under Section 401(a) of the Code is so qualified, and each trust under each such Employee Benefit Plan is exempt from Tax under Section 501(a) of the Code. To the Seller Parties' Knowledge, no event has occurred that will or could give rise to disqualification or loss of Tax-exempt status of any such Employee Benefit Plan or trust under such sections. No Employee Benefit Plan or benefit plan maintained, sponsored, contributed to or required to be contributed to within the six year period preceding the Contribution Date by any current or former ERISA Affiliate is or was (x) a plan subject to Section 412 of the Code or Section 302 or Title IV of ERISA or (y) a Multiemployer Plan.

**2.18.4 No Prohibited Transactions.** With respect to each Employee Benefit Plan, no non-exempt "prohibited transaction" (within the meaning of Section 4975(c) of the Code or Section 406 of ERISA) has occurred which could reasonably be expected to result in a material liability after the Contribution Date.

**2.18.5 Group Health Plans.** Each Employee Benefit Plan has been operated in compliance in all material respects with the group health plan continuation coverage requirements of Section 4980B of the Code to the extent such requirements are applicable. Except to the extent required under Section 4980B of the Code, none of ISA, the Contributed ISA Entities, nor Newco provided health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employees.

**2.18.6 No Acceleration of Benefits.** The consummation of the Transactions (alone or together with any other event which, standing alone, would not by itself trigger such entitlement or acceleration) will not accelerate the time of vesting, funding or payment or increase any of the rights or benefits to which the employees or former employees of ISA, the Contributed ISA Entities, or Newco may be entitled under any Employee Benefit Plan or Other Plan listed, or required to be listed, on **Section 2.18.1 of the Disclosure Schedule**. There is no contract, plan or arrangement covering any employee or former employee of ISA, the Contributed ISA Entities, or Newco that, individually or collectively, could give rise to the payment as a result of the transactions contemplated by this Agreement of any amount that would not be deductible by reason of Section 280G of the Code.

**2.18.7 Bonus Matters.** The total amount of all bonuses that have been or will be paid to employees of ISA, the Contributed ISA Entities and Newco with respect to 2013 will not

exceed \$400,000 in the aggregate, and all such bonuses have been properly and adequately accrued for, and are accurately reflected on, the Financials and the Interim Financials.

**2.18.8 Accrued Vacation.** The total amount of vacation accrued by any employee of ISA, the Contributed ISA Entities, or Newco as of the date of this Agreement does not exceed six (6) weeks and any amounts payable to any employee of ISA, the Contributed ISA Entities, or Newco, and all such vacation accruals have been properly and adequately accrued for, and are accurately reflected on, the Financials and the Interim Financials.

**2.18.9 International Plans.** None of ISA, the Contributed ISA Entities nor Newco have any material liability under any Employee Benefit Plan or Other Plan maintained outside the jurisdiction of the United States or covering any employee residing or working outside the United States.

**2.19 LABOR MATTERS.** None of ISA, the Contributed ISA Entities, or Newco has any collective bargaining or similar Contracts with respect to its employees. There has not been, there is not presently pending or existing and, to the Seller Parties' Knowledge, there is not Threatened with respect to any of ISA, the Contributed ISA Entities, or Newco, (a) any strike, slowdown, picketing, work stoppage or employee grievance process; (b) any union organizational activity, or application for certification of a collective bargaining agent; or (c) other labor or employment dispute. To the Seller Parties' Knowledge, no event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute.

**2.20 INSURANCE.** Section 2.20 of the Disclosure Schedule lists all policies of insurance and bonds maintained or used in connection with the Business and in effect immediately prior to the Closing (the "Insurance Policies") and indicates with respect to each Insurance Policy: the insured, the insurer, the premium, the type of coverage, the policy limit and the expiration date. Immediately prior to the Closing, the Insurance Policies (a) are, and will have been during the three years prior to the Closing, (i) valid, in full force and effect, and Enforceable, (ii) adequate for the Business, with coverage of the kind, against such risks and in the amounts as is prudent and consistent with (A) the prevailing insurance practices for comparable businesses, and (B) and past practices; and (iii) maintained with reputable insurance companies reasonably believed by the Seller Parties to be financially sound; (b) except for policies providing benefits under an Employee Benefit Plan, name only Newco or a Contributed ISA Entity as the beneficiary; (c) to the Seller Parties' Knowledge, provide, and will have provided during the three years prior to the Closing, coverage in amount and scope required by any applicable Law or Contract; and (d) are not affected by the Contribution or the Transactions. Newco has delivered true, correct and complete copies of the Insurance Policies to Buyer. ISA, the Contributed ISA Entities, and Newco, as applicable, have paid all premiums due, and have otherwise performed all of their obligations, under each Insurance Policy. ISA, the Contributed ISA Entities, and Newco have timely filed claims or notices with its insurers with respect to all matters and occurrences for which it believes it has coverage. During the past five years, none of ISA, the Contributed ISA Entities, nor Newco has (w) been denied any insurance coverage that it has requested; (x) reduced the scope or changed the

nature of its insurance coverage; (y) been refused any insurance coverage sought or applied for; or (z) received any cancellation notice or notice or other indication that ISA, the Contributed ISA Entities, or Newco would have any difficulty renewing any of the Insurance Policies without material increases in premiums. No Seller Party has any reason to believe that Newco will not be able to renew its existing insurance coverage, on substantially equivalent terms and conditions, as and when such coverages expire, or that Newco will not be able to realize the benefits of the Insurance Policies. Newco does not have any Contract or other arrangement (other than insurance policies) for the transfer or sharing of any risk. The products liability and personal injury insurance maintained by ISA, the Contributed ISA Entities, and Newco have been on an "occurrence" basis since 2009.

**2.21 PROCEEDINGS.** Section 2.21 of the Disclosure Schedule lists and describes all Proceedings (whether past, pending or Threatened) that have been brought or, to the Seller Parties' Knowledge, Threatened within the last five (5) years (including any such Proceedings that were settled before the institution of formal proceedings) (a) against any of ISA, the Contributed ISA Entities, Newco, the Business Assets or, with respect to the Business, the Shareholders or any member, partner, manager, officer or director of ISA, the Contributed ISA Entities, or Newco; (b) with respect to the Contribution or the Transactions; or (c) related to any Employee Benefit Plans or Other Plans, or their assets. To the Seller Parties' Knowledge, no facts exist that could reasonably be expected to give rise to any such actions, suits or claims. No such Proceedings will, even if decided adversely to Newco or the Business, have a Material Adverse Effect, either individually or in the aggregate. Neither ISA, the Contributed ISA Entities, Newco nor the Shareholders, in connection with the Business Assets, is subject or party to any judgment, order, or other direction of or stipulation with any court or other Governmental Agency. Section 2.21 of the Disclosure Schedule also lists and describes all Proceedings brought by any of ISA, the Contributed ISA Entities, Newco, or by the Shareholders with respect to the Business, within the last five (5) years (including any such Proceedings that were settled before the institution of formal proceedings).

**2.22 RELATED PERSONS.** Other than with respect to the equity interests in ISA, Newco and the Non-U.S. ISA Entities, no Related Person of Newco, ISA, or the Contributed ISA Entities, and, to the Seller Parties' Knowledge, no Related Person of any director, manager, partner, member, officer or employee of Newco, ISA, or the Contributed ISA Entities has, during the past five (5) years, had (a) any direct or indirect financial, ownership or other interest in any property (whether real, personal or mixed and whether tangible or intangible) used in or pertaining to the Business; or (b) any record or beneficial ownership interest in the equity, revenues or profits of, or any position as an employee, officer, director, manager, partner, member or consultant with, a Person that (i) has had business dealings, or a material financial interest in any transaction, with ISA, the Contributed ISA Entities, or Newco; or (ii) is engaged, directly or indirectly, in competition in any respect with any line of products or services of ISA, the Contributed ISA Entities, or Newco in any market. No Related Person of ISA, the Contributed ISA Entities, or Newco is a party to any Contract with, or has any claim or right against, such entity, other than employment-related claims or rights. None of ISA, the Contributed ISA Entities, nor Newco has directly or indirectly guaranteed or assumed any obligation



of any Related Person. Since December 31, 2012, none of ISA, Newco or any Contributed ISA Entity has made or agreed to make any distributions or non-Ordinary Course payments to any Person.

- 2.23 CERTAIN PAYMENTS.** During the last five years, none of ISA, the Contributed ISA Entities nor Newco, nor any director, officer, manager, partner, member, agent, or employee of ISA, the Contributed ISA Entities or Newco, nor the Shareholders, nor any other Person associated with or acting for or on behalf of ISA, the Contributed ISA Entities, Newco or the Shareholders, has, directly or indirectly, done any of the following in connection with the Business: (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback or other payment to any Person, private or public, regardless of form, whether in money, property or services (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured, (iii) to obtain special concessions, or for special concessions already obtained, or (iv) in violation of any Law; or (b) established or maintained any fund or asset that has not been recorded in any of ISA, a Contributed ISA Entity's or Newco's books and records.
- 2.24 DISCLOSURE.** No representation, warranty or other statement by any Seller Party in this Agreement or in any of the other Seller Documents, contains an untrue statement of a material fact, or omits to state a material fact necessary to make such statements not misleading.
- 2.25 BROKERS.** No Seller Party has any obligation to pay any compensation or expenses to any broker or finder or similar Person in connection with this Agreement or the Transactions.
- 2.26 NO OTHER REPRESENTATIONS OR WARRANTIES; PROJECTIONS.** Except for the representations and warranties made by ISA and the Shareholders set forth in Article 2 of this Agreement, neither ISA nor the Shareholders has made and shall not be deemed to have made any representation or warranty of any kind. Neither ISA, any Shareholder, nor their respective Affiliates or representatives, makes or has made any representation or warranty to Buyer or any of its Affiliates or representatives with respect to any projections, forecasts, or other estimates, plans or budgets of future revenues, expenses or expenditures, future results of operations (or any component thereof), future cash flows (or any component thereof) or future financial condition (or any component thereof) of Newco or the Contributed ISA Entities or the future business, operations or affairs of Newco or the Contributed ISA Entities heretofore or hereafter delivered to or made available to Buyer or its representatives or Affiliates.

### **3. BUYER'S REPRESENTATIONS AND WARRANTIES**

Buyer represents and warrants to ISA and the Shareholders as follows:

- 3.1 ORGANIZATION; GOOD STANDING; AUTHORITY.** Buyer is duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has full power and authority to own and lease its assets and conduct its business as now conducted.

- 3.2 ENFORCEABILITY.** This Agreement and the other Buyer Documents are Enforceable against Buyer.
- 3.3 RESTRICTIONS.** The authorization, execution, delivery and performance of the Buyer Documents and the consummation of the Transactions do not and will not:
- (a) violate or conflict with any provision of Buyer's Governing Documents;
  - (b) violate, conflict with, result in a breach of or constitute a default under, or require any notice or consent under, any contract to which Buyer is a party or is bound or to which any of its assets or business is subject; or
  - (c) violate, conflict with, or require any Filing or consent under, any Law applicable to Buyer.
- 3.4 PROCEEDINGS.** There is no pending Proceeding that has been commenced or, to Buyer's Knowledge, Threatened against Buyer with respect to the Transactions.
- 3.5 INVESTMENT REPRESENTATIONS.** Buyer is acquiring the Purchased Units for investment and not with a view to their sale or distribution within the meaning of Section 2(11) of the Securities Act. Buyer is an "accredited investor," as that term is defined under Rule 501 of Regulation D promulgated under the Securities Act.

#### **4. ADDITIONAL COVENANTS**

- 4.1 FURTHER ASSURANCES.** Each Party will, at the reasonable request of any other Party, take additional actions, or execute and deliver additional documents, to evidence or confirm the completion of the Contribution or the Transactions or the fulfillment of such other Party's obligations under this Agreement or the Ancillary Agreements.
- 4.2 CONFIDENTIALITY.** The Parties confirm that the confidentiality provisions of Section 14.10 of the LLC Agreement will apply to this Agreement, the Ancillary Agreements and the Transactions.
- 4.3 MATTERS NOT COMPLETED AT CLOSING.** To the extent that any assignments, waivers, consents and similar matters or transactions required by the Contribution Agreement or this Agreement are not completed by the Closing, the parties will cooperate fully with each other to implement Sections 1.1 and 1.3 of the Contribution Agreement.
- 4.4 NON-COMPETITION; NON-INTERFERENCE.**
- 4.4.1** ISA shall not for a period of three (3) years after the date it no longer owns any Units of Newco engage in any business that competes with the Business anywhere in the world, either directly or indirectly and whether as a manager, owner, operator, partner, member, equityholder, lender, principal, employee, director, officer, consultant, agent or otherwise.

**4.4.2** ISA will not, for a period two (2) years after the date it no longer owns any Units of Newco, directly or indirectly, for whatever reason, whether for its own account or for the account of any other Person, (a) employ or otherwise engage in any capacity, or offer employment or any such engagement to, or solicit for employment or any such engagement, or otherwise encourage to leave the employ of Newco or its subsidiaries, any Person who is then (or was during the prior year) an employee of the Business (each a “**Protected Employee**”) or (b) induce or influence any direct or indirect customer, supplier or other Person that has business dealings with Newco or its subsidiaries to discontinue or reduce the extent of such dealings, or otherwise to divert business elsewhere. Notwithstanding the foregoing, **Section 4.4.2(a)** does not prohibit (i) general recruitment efforts carried out through a public or general solicitation and not directed or intended toward employees of Newco or its subsidiaries, or (ii) hiring or soliciting a Protected Employee if he or she has not been employed by Newco or its subsidiaries for a period of at least six (6) months as long as the termination or cessation of such Protected Employee’s employment did not arise as a result of or in connection with a breach of this **Section 4.4.2**.

**4.4.3** The Restricted Parties acknowledge that in view of the nature of the Business and the business objectives of Buyer in acquiring an interest in Newco, the foregoing territorial and time limitations are reasonable and properly required for the adequate protection of Buyer and that in the event that any such territorial or time limitation is deemed to be unreasonable and is then reduced by a court of competent jurisdiction, then, as reduced, the territorial and/or time limitation shall be enforced.

**4.4.4** The Restricted Parties further acknowledge, as applicable, that (i) the foregoing territorial and time restrictions are essential to protect the goodwill and going concern value of the Business, (ii) the goodwill and going concern value of the Business comprise an essential portion of the consideration received by ISA and the Shareholders under this Agreement for which Buyer is paying the Purchase Price and (iii) Buyer would not enter into this Agreement without ISA and the Shareholders’ agreement to the provisions of this **Section 4.4**. ISA and the Shareholders acknowledge that the remedy at law for any breach by ISA or the Shareholders of the agreements contained in this **Section 4.4** will be inadequate and that Buyer will be entitled to seek injunctive relief. ISA and the Shareholders acknowledge that this **Section 4.4** constitutes an independent and severable covenant and if any or all of the provisions of this **Section 4.4** are held to be unenforceable for any reason whatsoever, it will not in any way invalidate or affect the remainder of this Agreement, which will remain in full force and effect.

#### **4.5 COOPERATION ON TAX RETURNS AND TAX PROCEEDINGS; 754 ELECTION.**

**4.5.1** The Parties shall cooperate fully as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns and any audit, litigation or other proceeding (each a “**Tax Proceeding**”) with respect to Taxes imposed on or with respect to the assets, operations or activities of Newco and the Contributed ISA Entities. Such cooperation shall include the retention and (upon the other party’s request) the provision of records and information which are reasonably relevant to any such Tax Return or Tax Proceeding and making employees available on a mutually convenient basis to provide

additional information and explanation of any material provided hereunder. Notwithstanding the above, the control and conduct of any Tax Proceeding that is a third-party claim shall be governed by **Section 5**.

**4.5.2** The parties agree that acquisition of the Purchased Units by Buyer shall be reported as the purchase of membership interests in Newco from ISA and the Shareholders and not a purchase of assets by Buyer. Newco will cause to be filed an election under Section 754 of the Code for the taxable period that includes the sale of the Purchased Assets.

**4.6 OPENING BALANCE SHEET.** Newco shall prepare and deliver to ISA and Buyer as promptly as practicable but in no event later than thirty (30) days after the Closing Date, an unaudited consolidated balance sheet of Newco (the “**Opening Balance Sheet**”) as of the Closing Date. The Opening Balance Sheet shall be prepared in accordance with the application of the accounting principles applied in the preparation of the Interim Balance Sheet (all in accordance with GAAP).

**4.7 LEASES.** From and after the Closing, the Leases shall remain in effect at their current rental rates and terms; provided, however, that the parties acknowledge and agree that each Lease, other than the Austin Lease, may be amended to provide for an annual rent escalation of 4% without the consent of Buyer. For the avoidance of doubt, the Austin Lease shall continue with its current rent schedule and term and may not be amended without the prior written consent of the Buyer.

**4.8 RELATED PARTY AGREEMENTS.** From and after the Closing, the Related Party agreements set forth on **Schedule 4.8** shall continue in full force and effect in accordance with their respective terms and may not be amended or otherwise modified without the express written consent of Buyer.

## **5. INDEMNIFICATION**

**5.1 BY ISA.** ISA will (without any right of contribution, indemnification, reimbursement or comparable right against or from Newco) indemnify, defend and hold harmless Buyer and its Affiliates, promptly upon demand at any time and from time to time, against any and all of their Losses arising out of or in connection with:

**5.1.1** any breach of any representation or warranty made by any Seller Party in any Seller Document or in any certificate delivered pursuant to this Agreement or the Contribution Agreement;

**5.1.2** any breach or non-fulfillment of any covenant or agreement made by any Seller Party in this Agreement or the Contribution Agreement;

**5.1.3** without limiting the foregoing, any liabilities or obligations of, or Proceedings against, ISA, Newco, or the Contributed ISA Entities that relate in any way to the Business and that arise solely with respect to any period(s) before the Closing, except those that constitute Assumed Liabilities; and

**5.1.4** the failure by any Seller Party to obtain the Consents.

**5.2 BY BUYER.** Buyer will indemnify, defend and hold harmless Newco, ISA, the Shareholders and their Affiliates, promptly upon demand at any time and from time to time, against any and all of their Losses arising out of or in connection with:

**5.2.1** any breach of any representation or warranty made by Buyer in this Agreement; and

**5.2.2** any breach or non-fulfillment of any covenant or agreement made by Buyer in this Agreement.

**5.3 BY NEWCO.** Newco will indemnify, defend and hold harmless ISA, the Shareholders, and their Affiliates promptly upon demand at any time and from time to time, against any and all of their Losses arising out of or in connection with:

**5.3.1** the Assumed Liabilities after the Closing; and

**5.3.2** the conduct of the Business after the Closing.

**5.4 INDEMNIFICATION PROCEDURES; LIMITS.**

**5.4.1 Survival.** Notwithstanding any examination or investigation made by or for any Party, all representations, warranties, indemnities, covenants and agreements made by the Seller Parties in the Seller Documents and by Buyer in the Buyer Documents will survive the Closing, subject to the following limitations:

- (a) No Indemnified Party will be entitled to indemnification for Losses arising out of matters referred to in **Sections 5.1** or **5.2**, as applicable, unless the Indemnified Party has given written notice to the other Party or Parties, stating its claim for indemnification in reasonable detail, on or before the earlier of (i) final completion of the audit of Newco's financial statements for the fiscal year ended December 31, 2013, and (ii) December 31, 2014; provided, however, that this time limitation will not apply to the following items:
  - (i) any claim by Buyer or its Affiliates for any breach of the representations and warranties in **Sections 2.1** (Contribution), **2.2** (Enforceability), **2.3** (Organization; Good Standing; Authority), **2.6** (Capitalization), **2.16** (Environmental Matters), **2.18** (Employee Benefits), **2.22** (Related Persons), or **2.24** (Brokers);
  - (ii) any claim by Newco, ISA, the Shareholders or their respective Affiliates for any breach of the representations and warranties in **Sections 3.1** (Organization; Good Standing; Authority), or **3.2** (Enforceability);
  - (iii) any claim by Buyer or its Affiliates for any breach of the representations and warranties in **Section 2.11** (Tax Matters) if the Indemnified Party has given written notice to the other Party or Parties, stating its claim for

indemnification in reasonable detail, at any time before the sixtieth (60<sup>th</sup>) day following the expiration of the applicable statute of limitations, relating to the Taxes discussed in that section;

- (iv) any claim by Buyer or its Affiliates for any breach of a representation and warranty of the Seller Parties where the Seller Parties had Knowledge of the breach at or before the time the representation and warranty was made;
- (v) any claim by Buyer or its Affiliates brought pursuant to **Section 5.1.2**;
- (vi) any claim by Newco, ISA, the Shareholders or their Affiliates for any breach of a Buyer representation and warranty where Buyer had Knowledge of the breach at or before the time the representation and warranty was made;
- (vii) any claim by Newco, ISA, the Shareholders or their Affiliates brought pursuant to **Section 5.2.2**; and
- (viii) any claim based on fraud.

#### **5.4.2 Thresholds and Limitations.**

- (a) Buyer and its Affiliates will not be entitled to indemnification for Losses arising out of matters referred to in **Section 5.1** unless and until (and only to the extent that) their aggregate Losses in connection with such matters exceed \$100,000. Newco, ISA, the Shareholders and their Affiliates will not be entitled to indemnification for Losses arising out of matters referred to in **Section 5.2** unless and until (and only to the extent that) their aggregate Losses in connection with such matters exceed \$100,000.
- (b) The following items will not be required to exceed the thresholds stated in **Section 5.4.2(a)** before Losses are indemnified (i.e., they will be indemnified from the first dollar), but they will count toward those thresholds for purposes of other indemnified matters:
  - (i) any claim by Buyer or its Affiliates for any breach of the representations and warranties in **Sections 2.1** (Contribution), **2.2** (Enforceability), **2.3** (Organization; Good Standing; Authority), **2.6** (Capitalization), **2.11** (Tax Matters), **2.16** (Environmental Matters), **2.18** (Employee Benefits), **2.22** (Related Persons) or **2.24** (Brokers);
  - (ii) any claim by Buyer or its Affiliates for any breach of a representation and warranty of the Seller Parties where the Seller Parties had Knowledge of the breach at or before the time the representation and warranty was made;
  - (iii) any claim by Buyer or its Affiliates brought pursuant to **Section 5.1.2**;

- (iv) any claim by Newco, ISA, the Shareholders or their Affiliates for indemnification as to Assumed Liabilities under **Section 5.3**; and
  - (v) any claim by Newco, ISA, the Shareholders or their Affiliates for a breach by Buyer of the representations in **Sections 3.1** (Organization; Good Standing; Authority) or **3.2** (Enforceability);
  - (vi) any claim by Newco, ISA, the Shareholders or their Affiliates for any breach of a Buyer representation and warranty where Buyer had Knowledge of the breach at or before the time the representation and warranty was made;
  - (vii) any claim by Newco, ISA, the Shareholders or their Affiliates brought pursuant to **Section 5.2.2**; and
  - (viii) any claim based on fraud.
- (c) The indemnity obligations of:
- (i) ISA for Losses pursuant to **Section 5.1** will be limited, in the aggregate, to an amount equal to the Purchase Price (the “**Cap**”); and
  - (ii) Buyer for Losses pursuant to **Section 5.2** will be limited, in the aggregate, to the Cap;

*provided, however,* that, notwithstanding anything to the contrary in this Agreement, the indemnity obligations of (x) ISA pursuant to **Section 5.1** in connection with any claim by Buyer or its Affiliates for any breach of a representation or warranty of the Seller Parties where the Seller Parties had Knowledge of the breach at or before the time the representation or warranty was made will not be subject to the Cap; and (y) Buyer for Losses pursuant to **Section 5.2** in connection with any claim by Newco, ISA, the Shareholders or their Affiliates for any breach of a representation or warranty of Buyer where Buyer had Knowledge of the breach at or before the time the representation or warranty was made will not be subject to the Cap.

**5.5 EXCLUSIVE REMEDY.** Except with respect to fraud or intentional or willful misrepresentation by or on behalf of the Seller Parties, an indemnitee’s rights under this Article 5 constitute such indemnitee’s sole and exclusive remedy for Losses with respect to any inaccuracy in, or breach of, any representation or warranty or breach of any covenant or agreement of the Seller Parties in this Agreement or failure by the Seller Parties to perform any covenant or agreement in this Agreement.

**5.6 DEFENSE.**

**5.6.1 Notice.** If the Indemnified Party has a claim for Losses for which it is indemnified under this Agreement, it will promptly notify the Indemnifier. Failure to do

so will not relieve the Indemnifier from its indemnity obligations, except to the extent the defense of the action is actually prejudiced by the failure.

**5.6.2 Assumption of Defense.** The Indemnifier can, at its cost and expense, participate in the defense of any third-party action giving rise to a claim for Losses and can assume the defense of such action with counsel satisfactory, in the exercise of reasonable judgment, to the Indemnified Party so long as:

- (a) within fifteen (15) days after receipt of a written notice of a claim for indemnification, the Indemnifier confirms in writing that the Indemnifier will indemnify the Indemnified Party from and against the Losses the Indemnified Party may incur as a result of or arising out of the third-party claim;
- (b) the Indemnifier provides the Indemnified Party with evidence reasonably acceptable to the Indemnified Party that the Indemnifier has the financial resources to defend against the third-party claim and to fulfill its indemnification obligations under this Agreement with respect to all Losses that are reasonably likely to result from or arise out of the third-party claim;
- (c) the Indemnifier conducts the defense with counsel reasonably acceptable to the Indemnified Party;
- (d) the third-party claim does not seek an order, injunction, non-monetary or other equitable relief against the Indemnified Party which the Indemnified Party determines reasonably and in good faith could, if successful, materially interfere with or adversely affect the business, operations, assets, or condition (financial or otherwise) of the Indemnified Party; and
- (e) the Indemnifier conducts the defense of the third-party claim actively and diligently, keeps the Indemnified Party informed of material developments with respect to the third-party claim, and consults with the Indemnified Party prior to making material strategic decisions with respect to the defense or settlement of the third-party claim.

**5.6.3 Participation by Indemnified Party.** So long as the Indemnifier is conducting the defense of the third-party claim, and the conditions set forth in **Section 5.6.2** are being met:

- (a) the Indemnified Party will be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in such defense; provided, however, that the employment of such counsel will be at the expense of the Indemnifier if the Indemnified Party determines in good faith that such participation is appropriate in light of defenses not available to the Indemnifier, conflicts of interest or other similar circumstances;
- (b) the Indemnifier will obtain the prior written approval of the Indemnified Party before entering into any settlement of such claim or ceasing to defend against such claim if such settlement or cessation of defense will materially interfere with



or adversely affect the Business or otherwise subject the Indemnified Party to any order, injunction, non-monetary or other equitable relief or restriction (with such approval not to be unreasonably withheld or delayed); and

- (c) no Indemnifier will consent to the entry of any judgment or enter into any settlement that does not include each third-party claimant or plaintiff giving to each Indemnified Party an unconditional release from all liability in respect of such claim.

**5.6.4 Defense by Indemnified Party.** If any condition in **Section 5.6.2** ceases to be satisfied, the Indemnified Party will, after reasonable written notice to the Indemnifier, have the right to defend the claim in the way it deems appropriate, at the cost and expense of the Indemnifier, and the Indemnifier will promptly reimburse the Indemnified Party for such costs and expenses in accordance with this **Section 5**.

**5.7 NO THIRD-PARTY CLAIM REQUIRED.** The Parties' respective indemnification obligations under this Agreement apply regardless of whether or not a third-party action or claim is involved.

**5.8 INVESTIGATION; KNOWLEDGE.** A Party's right to indemnification under this **Section 5** will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the Closing Date, with respect to the accuracy or inaccuracy of or compliance with any representation, warranty, covenant or agreement.

## 6. GENERAL PROVISIONS

**6.1 NOTICES.** All notices, consents, waivers or other communications in connection with this Agreement must be in writing. Notices will be considered given (a) when sent if sent by facsimile transmission or electronic mail in PDF format; or (b) when received if sent (i) by registered or certified mail, postage prepaid, return receipt requested, or (ii) by nationally-recognized commercial courier or by fax, in each case to the appropriate street addresses, fax numbers or electronic mail addresses as follows (except as otherwise specified in writing by one Party to the other):

<u><b>If to any or all Seller Parties:</b></u>	<u><b>with copies (which shall not constitute notice) to:</b></u>
International Studies Abroad, Inc. 1112 W. Ben White Blvd. Austin, TX 78704  Attention: Gustavo Artaza Telephone: (512) 480-8522	Vinson & Elkins LLP 2801 Via Fortuna, Suite 100 Austin, TX 78746-7568  Attention: J. Wesley Jones, Esq. Telephone: (512) 542-8703

Fax: (512) 480-8866 E-mail: gustavo@studiesabroad.com	Fax: (512) 236-3412 E-mail: wjones@velaw.com
<b><u>If to Buyer:</u></b>	<b><u>with copies (which shall not constitute notice) to:</u></b>
Seidler Equity Partners IV, L.P. 4640 Admiralty Way, Suite 1200 Marina del Rey, CA 90292 Attention: Christopher Eastland Telephone: (213) 683-4594 Fax: (213) 624-0691 E-mail: chris@sepfunds.com	O'Melveny & Myers LLP 610 Newport Center Drive, 17th Floor Newport Beach, CA 92660  Attention: J. Jay Herron, Esq. & Nikole M. Kingston Esq. Telephone: (949) 823-6900 Fax: (949) 823-6994 E-mail: jherron@omm.com nkingston@omm.com  and  Michael Fairclough, General Counsel Seidler Kutsenda Management Company, LLC 4640 Admiralty Way, Suite 1200 Marina del Rey, CA 90292  Tel: 213-683-4551 Fax: 213-624-0691 E-mail: mfairclough@seidlerc.com

**6.2 EXPENSES.** Each of ISA, on the one hand, and Buyer, on the other hand, will bear its respective expenses incurred in connection with the preparation, negotiation and execution of the Buyer Documents and the Seller Documents, and the completion of the Transactions, including all fees and expenses of such Parties' respective counsel (internal and outside), and consultants. Newco shall pay any fee due upon completion of the Transactions to McColl Partners, LLC pursuant to that certain letter agreement dated October 20, 2011 between McColl Partners, LLC and ISA.

**6.3 COMPLETE AGREEMENT.** This Agreement and the documents attached to it, or referred to in it, and the Non-Disclosure Agreement, constitute the complete and exclusive statement of agreement of the Parties as to the matters this Agreement and those documents cover. This Agreement and those documents replace and supersede all prior written or oral agreements, understandings or statements of the Parties concerning those matters, including the Letter of Intent and Summary of Terms dated November 5, 2012 between ISA and Buyer and the Summary of Terms dated April 8, 2013 between ISA and Buyer.

- 6.4 ASSIGNMENT; BENEFICIARIES.** No Party can assign any of its rights under this Agreement without the other Parties' prior written consent. Subject to the foregoing, this Agreement will apply to, be binding on, and inure to the benefit of the Parties' respective successors and permitted assigns. Nothing in this Agreement gives any rights or remedies to any Person other than the Parties and their respective permitted successors and assigns, nor does anything in this Agreement relieve or discharge any obligation or liability of any third Person to any Party.
- 6.5 INTERPRETATION.** The Section headings in this Agreement are for convenience and will not affect the meaning or interpretation of this Agreement. All Exhibits and Schedules to this Agreement are incorporated in it. No presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel, notwithstanding any statute or rule of law to the contrary. All references in this Agreement to designated "Sections," "Exhibits" or "Schedules" are to the Sections, Exhibits and Schedules of this Agreement, unless otherwise indicated. The term "including" and its variants do not imply any limitation. Any reference to any document or Law will mean such document or Law as amended, supplemented or otherwise modified. Items "delivered" by ISA, Newco or the Shareholders to Buyer include the documents ISA, Newco or the Shareholders made available to Buyer through an electronic dataroom.
- 6.6 SEVERABILITY.** The Parties intend that this Agreement be deemed, and interpreted as being valid and Enforceable to the maximum extent possible. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect, provided that the invalid or unenforceable provision is not an essential element of this Agreement. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.
- 6.7 GOVERNING LAW.** The internal laws of the State of Delaware (without reference to its rules as to conflict of laws) will govern the interpretation and enforcement of this Agreement.
- 6.8 CONSENT TO JURISDICTION.** Each Party hereto irrevocably submits to the exclusive jurisdiction of federal and state courts in the State of Delaware for purposes of any Proceeding arising out of this Agreement or any transaction contemplated hereby. Each of the parties hereto hereby waives, and agrees not to assert in any such dispute, in each case to the fullest extent permitted by applicable Law, any claim that (a) such party if not personally subject to the jurisdiction of such courts, (b) such party and such party's property is immune from any legal process issued by such courts of (c) any Proceeding commenced in such courts is brought in an inconvenient forum.
- 6.9 COUNTERPARTS.** This Agreement may be executed in multiple counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. The Parties authorize one another to detach and combine original signature pages and consolidate them into a single identical original, and any one of such completely executed counterparts will be sufficient proof of this Agreement. Any

photographic, photocopy or similar reproduction copy of this Agreement, or any PDF file of this Agreement, or any copy of this Agreement sent by facsimile transmission, in each case with all signatures reproduced on one or more sets of signature pages, will be considered for all purposes as if it were a manually-executed counterpart of this Agreement.

- 6.10 PUBLICITY.** No Party will issue any press release or other public notice concerning this Agreement or the Transactions, without the mutual consent of Buyer and ISA, such consent not to be unreasonably withheld.
- 6.11 ATTORNEY'S FEES.** In any Proceeding for breach of, or to enforce, this Agreement, the prevailing Party will be entitled to recover from the non-prevailing Party or Parties the costs and expenses the prevailing Party incurs in connection with the Proceeding (including reasonable legal fees and expenses, the costs of investigation, the costs of any accounting or other professional advisers engaged to assist the prevailing Party, and other out-of-pocket costs), in addition to any equitable or other relief to which such Party may be entitled.
- 6.12 LIMITATION ON LIABILITY.** In no event will any Affiliate of a Buyer or any direct or indirect owner, officer, director, partner, member, manager or employee of any Buyer Affiliate, be personally liable for any obligation of such Buyer under any Buyer Document.
- 6.13 AMENDMENT; WAIVERS.** The Parties can amend this Agreement (either retrospectively or prospectively) only by a written instrument signed by all Parties. Any waiver of any right or obligation under this Agreement must be signed by the waiving Party. A waiver with respect to a particular instance or situation, will not be deemed to be a waiver of other instance or situation (whether or not similar), nor will it be deemed as a continuing waiver beyond any period specified in the waiver. No failure by any Party to insist on the strict performance of any provision of this Agreement, or to exercise any right or remedy, will be deemed a waiver of such performance, right or remedy, or of any other provision of this Agreement.
- 6.14 SPECIFIC PERFORMANCE.** Each of the Parties hereto acknowledges and agrees that the other Parties would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached or violated. Accordingly, each of the Parties agrees that, without posting bond or other undertaking, the other Parties will be entitled to an injunction or injunctions to prevent breaches or violations of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any claim, action, cause of action or suit (whether in contract or tort or otherwise), litigation (whether at law or in equity, whether civil or criminal), controversy, assessment, arbitration, investigation, hearing, charge, complaint, demand, notice or proceeding to, from, by or before any Governmental Agency having jurisdiction over the Parties and the matter in addition to any other remedy to which it may be entitled, at law or in equity. Each party hereto further agrees that, in the event of any action for specific performance in respect of such breach or violation, it will not assert the defense that a remedy at law would be

adequate or that the consideration reflected in this Agreement was inadequate or that the terms of this Agreement were not just and reasonable.

**6.15 ARBITRATION.** Any controversy or claim arising out of or relating to this Agreement or the Transactions, or the breach, termination or validity of this Agreement (including the determination of the scope or applicability of this agreement to arbitrate) (in any such case, a “**Dispute**”), but excluding any controversy or claim arising out of or relating directly to the Employment Agreements (or the breach, termination or validity thereof), will be resolved as follows, unless other procedures for the resolution of the matter are stated in this Agreement:

**6.15.1 Efforts to Resolve.** The Parties will use reasonable efforts to resolve the Dispute through direct discussions during the thirty (30) days after a Party gives the other Parties written notice of a Dispute.

**6.15.2 Procedures.** Failing such resolution, any Party can submit the Dispute to arbitration by delivering written notice to the other Parties. The Dispute will be finally settled by binding arbitration in Phoenix, Arizona, before a single arbitrator. The arbitration will be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures (or pursuant to its Streamlined Arbitration Rules and Procedures then in effect if the amount in controversy is \$250,000 or less). The arbitrator will be chosen in accordance with applicable JAMS rules and procedures then in effect. Judgment upon the arbitration award may be entered by any court having jurisdiction. The arbitration award, including the determination of any amount of damages suffered by any Party by reason of the acts or omissions of any other Party, will be final and binding upon the Parties to the maximum extent permitted by law. This **Section 6.15** will not preclude the Parties from seeking provisional or interim relief from a court of competent jurisdiction before the appointment of an arbitrator.

**6.15.3 Continue to Perform.** When a Dispute occurs, and while it is under arbitration, the Parties will continue to fulfill their respective obligations, and will be entitled to exercise their respective rights under this Agreement.

**6.15.4 Confidentiality.** The Dispute resolution proceedings contemplated by this **Section 6.15** (and all related claims, defenses and proceedings, including the existence of the Dispute and the fact that there is an arbitration proceeding) will be kept confidential and private as permitted by law (except as necessary to enter judgment upon the award or as otherwise required by applicable Law). The Parties therefore cannot disclose the existence, content or results of any proceedings conducted in accordance with this provision (other than to their employees, officers, directors, advisors, consultants, accountants, counsel, or agents who need to know such information), and any materials submitted in connection with those proceedings will not be admissible in any other Proceeding; provided, however, that this confidentiality provision will not prevent a petition to vacate or enforce an arbitral award, and will not bar disclosures required by law.

**6.15.5 Binding Nature.** The Parties intend that this **Section 6.15** be valid, binding, enforceable and irrevocable.

*[Signature page follows.]*

The Parties have duly executed this Unit Purchase Agreement as of the date in its preamble.

**BUYER:**

SEP IV ISA Holdings

By: Seidler Equity Partners IV, L.P., as Managing Partner

By: SEM IV, LLC, its General Partner

By: \_\_\_\_\_  
Name: Christopher Eastland  
Title: Vice President

**ISA:**

International Studies Abroad, Inc.

By: \_\_\_\_\_  
Name:  
Title:

**NEWCO:**

International Studies Abroad, LLC

By: \_\_\_\_\_  
Name:  
Title:

**SHAREHOLDERS:**

\_\_\_\_\_  
Gustavo Artaza

\_\_\_\_\_  
Arturo Artaza

**EXHIBIT A**  
**DEFINITIONS**

“**2012 Balance Sheet**” means the unaudited consolidated balance sheet of ISA and the Contributed ISA Entities as of December 31, 2012 (including the notes thereto) and the related unaudited consolidated statements of income, stockholders’ equity and cash flows for the fiscal year then ended.

“**AA**” is defined in the Preamble.

“**AA LLC**” is defined in the Preamble.

“**Accounts Receivable**” means Newco’s accounts receivable as of the Closing Date, net of an allowance for uncollectable accounts, determined in accordance with GAAP, consistently applied.

“**Affiliate**” means, with respect to any specified Person: (a) any Person that directly or indirectly Controls, is Controlled by, or is under common Control with, such specified Person; (b) any Person that is an officer, director, partner, manager, trustee or employee of, or serves in a similar capacity with respect to, such specified Person (or a Person who meets the tests of clauses (a), (b) and (c) of this definition with respect to such specified Person); (c) any Person that, directly or indirectly, is the beneficial owner of 25% or more of any class of equity securities of, or otherwise has a substantial beneficial interest in, the specified Person or of which the specified Person is directly or indirectly the owner of 25% or more of any class of equity securities or in which the specified Person has a substantial beneficial interest; or (d) any spouse of the specified Person.

“**Agreement**” means this Unit Purchase Agreement, as amended.

“**AGU**” means AGU, LLC, a Texas limited liability company.

“**Ancillary Agreements**” means (a) the LLC Agreement; (b) the Contribution Documents; (c) the Employment Agreements; (d) the Non-Competition Agreements; (e) the Transition Services Agreement; and (f) any other agreements, documents, instruments or certificates referenced in or executed or delivered in connection with any of the foregoing.

“**Assumed Liabilities**” is defined in the Contribution Agreement.

“**Austin Lease**” is defined in the Contribution Agreement.

“**Bill of Sale**” is defined in the Contribution Agreement.

“**Board**” means Newco’s Board of Managers and, as the context requires, ISA’s Board of Directors.

“**Business**” means the business of the ISA Entities as conducted within the year preceding the date of this Agreement, including operations, activities, results, financial and other condition, assets and personnel.



“**Business Assets**” means (i) the Business and all of the assets and property of Newco and its subsidiaries on the date of this Agreement (which are one and the same), of every kind and nature, real or personal, tangible or intangible, used in or in connection with or necessary to the Business.

“**Business Day**” means any day other than (i) a day which is a Saturday or Sunday, or (ii) a day on which banks are required or permitted to be closed in the State of New York, in the United States.

“**Business IP**” is defined in **Section 2.12.1**.

“**Buyer**” is defined in the Preamble of this Agreement.

“**Buyer Documents**” means this Agreement, the LLC Agreement and each other certificate delivered by Buyer in connection with this Agreement.

“**Cap**” is defined in **Section 5.4.2(c)(i)**.

“**CERCLA**” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq.

“**Closing**” is defined in **Section 1.3.1**.

“**Closing Date**” means the date of the Closing.

“**COBRA**” means Section 4980B of the Code and similar group health plan continuation coverage requirements under applicable state law.

“**Code**” means the Internal Revenue Code of 1986.

“**Consents**” means all consents, approvals or waivers from Governmental Agencies and third parties necessary for the execution, delivery and performance by the Seller Parties of the Seller Documents and the consummation of the Transactions without violating any Contract or Law.

“**Contracts**” means all contracts of any kind to which Newco or a Contributed Entity is (or ISA was, prior to the Contribution) a party or that otherwise relate to the Business or its assets, along with any written or oral amendments, supplements or other modifications to such Contracts.

“**Contributed ISA Entities**” means, collectively, AGU, LPI, Veritas and the Subsidiaries.

“**Contribution**” is defined in **Background paragraph B**.

“**Contribution Agreement**” is defined in **Background paragraph B**.

“**Contribution Date**” is defined in **Background paragraph B**.

“**Contribution Documents**” means the Contribution Agreement, the Bill of Sale, the Trademark Assignments, and the Consents.

“**Control**” (including any correlative words), as used with respect to any Person other than an individual, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

“**Copyrights**” is defined in **Section 2.12.1**.

“**Disclosed Liabilities**” means (a) liabilities reflected on the 2012 Balance Sheet or the Interim Balance Sheet, other than the Repaid Loans and (b) Ordinary Course operating liabilities incurred since the date of the Interim Balance Sheet.

“**Disclosure Schedule**” means the Disclosure Schedule attached as **Exhibit B**, which includes each of the individual Schedules. Any reference to a Schedule number means the Section of the Disclosure Schedule bearing the same number. Any information disclosed in one section of the Disclosure Schedules shall be deemed to be disclosed and incorporated in any other section of the Disclosure Schedule to the extent it is reasonably apparent upon reading such disclosure, without independent knowledge on the part of the reader regarding the matter disclosed, that the disclosure is responsive to such section number.

“**Dispute**” is defined in **Section 6.15**.

“**Employee Benefit Laws**” means ERISA, COBRA and all other Laws pertaining to employee benefits (including retirement plans, health plans, etc.).

“**Employee Benefit Plan**” means any “employee benefit plan” as defined in Section 3(3) of ERISA (but whether or not subject to ERISA) maintained or contributed to by ISA, any Contributed ISA Entity or Newco or with respect to which ISA, any Contributed ISA Entity or Newco are subject to liability or could reasonably be expected to have liability.

“**Employment Agreements**” means that Employment Agreements, dated as of the date hereof, between Newco and each of the Shareholders.

“**Employment Laws**” means all Laws relating to employment practices, terms and conditions of employment (including employment eligibility under the Immigration Reform and Control Act of 1986), wages and hours, overtime, breaks, working conditions, equal employment opportunity, employee disabilities, sexual harassment, age or any other form of discrimination, collective bargaining, labor relations, plant closings or layoffs, and the payment of social security and similar Taxes related to employment.

“**Encumbrances**” means liens, mortgages, pledges, security interests, restrictions, prior assignments, options, encumbrances, charges, agreements or claims of any kind, except Permitted Encumbrances.

“**Enforceable**” with reference to a Party’s obligations under an agreement means that (a) the Party has the corporate, limited liability company or partnership power and authority to

enter into and perform the agreement (or as to individuals, the legal capacity to enter into and perform the agreement); (b) the execution, delivery and performance of the agreement have been duly authorized, in the case of an entity, by all necessary corporate, limited liability or partnership action, as applicable); (c) the agreement has been duly executed and delivered on behalf of that Party; (d) the agreement constitutes the Party's valid, legal and binding obligation; and (e) the agreement is enforceable against the Party in accordance with the agreement's terms, except to the extent that enforcement may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and subject also to limitations imposed by considerations of public policy and to the availability of equitable remedies if equitable remedies are sought.

**“Environment”** means soil, land surface or subsurface strata, surface waters, ground water, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life and includes any other element of the natural environment.

**“Environmental Laws”** means all of the following pertaining to the prevention, avoidance, punishment or remediation of the consequences of actions that damage, or threaten the protection of, the Environment, or worker or occupational health and safety: Laws, licenses, orders, approvals, plans, decrees, notices, directives, consent agreements, authorizations, legally binding guidelines or policies and similar provisions issued, promulgated or rendered by, or entered into with, any Governmental Agency.

**“Environmental Liabilities”** means any cost, damages, expense, liability, fees, interest, charges or other obligation whatsoever, or other responsibility arising from or under Environmental Law and consisting of or relating to (a) any environmental, health or safety matters; (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands, investigative costs, remedial costs or inspection costs arising under Environmental Law; or (c) financial responsibility under Environmental Law for cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions (**“Cleanup”**) required by applicable Environmental Law (whether or not the Cleanup has been required or requested by any Governmental Agency or any other Person) and for any natural resource damages; or any other compliance, corrective, investigative or remedial measures required under Environmental Law. The terms **“removal,” “remedial,”** and **“response action,”** include the types of activities covered by CERCLA.

**“ERISA”** means the Employee Retirement Income Security Act of 1974.

**“ERISA Affiliate”** means any Person that, together with ISA, the Contributed ISA Entities or Newco, would be deemed a “single employer” within the meaning of Section 414(b), (c), (m) or (o) of the Code.

**“Facilities”** means any Leased Real Property, Improvements or equipment owned, leased or operated by ISA or the Contributed ISA Entities before the Contribution and Newco or the Contributed Entities after the Contribution.

**“Filings”** means all filings, reports, notices, certificates, forms or other documents filed with or submitted to Governmental Agencies.

“**Financials**” means (i) the audited consolidated balance sheet of ISA and the Contributed USA Entities as of December 31, 2011 (including the notes thereto) and the related audited consolidated statements of income, stockholders’ equity and cash flows for the fiscal year then ended, and (ii) the 2012 Balance Sheet.

“**GA**” is defined in the Preamble.

“**GA LLC**” is defined in the Preamble.

“**GAAP**” means generally accepted United States accounting principles, applied on a basis consistent with the basis on which the Financials were prepared.

“**Governing Documents**” means (a) as to any company (limited liability or otherwise), its certificate or articles of formation or organization and its limited liability company agreement or other operating agreement; (b) as to any partnership, its certificate of formation (if applicable) and partnership agreement; and (c) as to any corporation, its certificate or articles of incorporation and its bylaws.

“**Governmental Agencies**” means federal, state and local governments, and their subdivisions, districts, departments, agencies, courts, tribunals or other instrumentalities or bodies.

“**Hazardous Activity**” means the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment or use (including any withdrawal or other use of groundwater) of Hazardous Materials in, on, under, about, or from the Facilities or any part of, and any other act or thing that increases the danger, or risk of danger, or poses an unreasonable risk of harm to persons or property on or off the Facilities, or that could adversely affect the Facilities or Newco.

“**Hazardous Materials**” means any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law or that may serve as a basis for liability under Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all petroleum derivatives or synthetic substitutes for petroleum and asbestos or asbestos-containing materials, polychlorinated biphenyls, pesticides and radon gas, infectious or medical wastes, explosives and radioactive materials.

“**HIPAA**” is defined in **Section 2.15.2**.

“**Improvements**” means all buildings and other improvements included within the Leased Real Property.

“**Indemnified Party**” means a Party or Parties entitled to indemnification under **Section 5**.

“**Indemnifier**” means a Party or Parties obligated to provide indemnification under **Section 5**.

“**Insurance Policies**” is defined in **Section 2.20**.

“**Intellectual Property**” is defined in **Section 2.12.1**.

“**Interim Balance Sheet**” means ISA’s estimated balance sheet as of March 31, 2013.

“**Interim Financials**” means the Interim Balance Sheet, income statement, statement of changes in partners’ capital and statement of cash flows for the 3 months ended March 31, 2013.

“**IRS**” means the Internal Revenue Service of the United States of America.

“**ISA**” is defined in the Preamble of this Agreement.

“**ISA China**” means International Studies Abroad (ISA) China LLC, a Texas limited liability company.

“**ISA Common Stock**” is defined in **Section 2.6.3**.

“**ISA Entities**” means, collectively, ISA, the Contributed ISA Entities and the Non-U.S. ISA Entities.

“**ISA Tax Returns**” means, collectively, the Tax Returns of each of ISA and the Contributed ISA Entities.

“**ISA World Holding**” means ISA World Holding, LLC, a Delaware limited liability company.

“**Knowledge**” of a Person means the Person’s actual knowledge after reasonable investigation (including review of documents and inquiry of those officers, employees, associates and other personnel responsible for or knowledgeable about the subject matter in question). In **Section 2**, the use of “**To the Seller Parties’ Knowledge**” or similar phrases means the collective Knowledge of the Seller Parties, Rafael Hoye, Lauren Alexander and Thomas Henson.

“**Laws**” means (a) any federal, state, local, foreign and industry law, statute, regulation, rule, ordinance, code or other provision of law or other governmental requirement; and/or (b) any order, judgment, decree or other direction of a court or other tribunal; and/or (c) any Permit.

“**Leased Real Property**” means the properties subject to the Leases (including all leasehold or subleasehold estates and other rights to use or occupy such property and the related buildings, structures, improvements or fixtures).

“**Leases**” means the lease agreements set forth on **Schedule 1.1(a)** attached hereto.<sup>1</sup>

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<sup>1</sup> **Note to Draft:** List of Leases to be inserted.

“**Listed Action**” means any of the following actions by ISA, Newco (other than as part of the Contribution or as expressly contemplated by this Agreement) since December 31, 2012:

- (a) amending any of its Governing Documents;
- (b) issuing any additional equity interests, or issuing, selling or granting any option or right to acquire or otherwise dispose of any of its equity interests, or allowing any transfer of any equity interests in ISA or Newco;
- (c) declaring or paying any dividends or making any other distribution in cash or property in respect of its equity interests;
- (d) repurchasing or redeeming any equity interests;
- (e) except for current obligations and liabilities incurred in the Ordinary Course, incurring or performing, paying or otherwise discharging, any obligation or liability (absolute or contingent);
- (f) entering into any employment agreement with, or becoming liable for any bonus, profit-sharing or incentive payment to any of its officers, directors or employees, or increasing the annual compensation or benefits of any of its officers, directors or employees by more than five percent (5%) in the aggregate over the prior year’s annual compensation and benefits payable to such officer, director or employee, except pursuant to presently existing plans, arrangements or agreements disclosed in this Agreement or on any Schedule;
- (g) selling, transferring or purchasing any properties or assets, tangible or intangible, other than routine sales, transfers and purchases in the Ordinary Course;
- (h) making any material changes in its customary method of operations, including policies and practices relating to marketing, selling, pricing and the maintenance of business premises, fixtures, furniture and equipment;
- (i) modifying, amending or canceling any of its existing leases, or entering into any Contracts other than in the Ordinary Course, or entering into any loan, credit or similar agreements;
- (j) making any investments other than in certificates of deposit or short-term commercial paper;
- (k) mortgaging, pledging, transferring a security interest in, or creating any lien with respect to any of the Business Assets outside the Ordinary Course;
- (l) initiating or settling any Proceeding (other than Proceedings in the Ordinary Course to recover amounts owed to Newco);
- (m) waiving any material right, or cancellation of any material debt or claim;

(n) making any change in cash management practices (including the collection of receivables, payment of payables, maintenance of inventory control and sales, billing, pricing and credit practices, and other financial reporting systems);

(o) making, revoking or changing any material Tax election or method of Tax accounting, or making any change to Newco's or any Contributed ISA Entity's financial accounting methods, except as may be required by GAAP; or

(p) starting a study abroad program in any new foreign city or discontinuing a study abroad program in any existing foreign city;

(q) discontinuing its affiliation with any university that has previously provided revenues in excess of \$50,000 in any fiscal year; or

(p) making any arrangement or commitment, directly or indirectly, to do any of the things described in (a) through (o) above.

**"LLC Agreement"** means the Amended and Restated Limited Liability Company Agreement of Newco dated the date of the Closing Date and executed and delivered by the Shareholders, Buyer, and the other persons who later become members thereof, reflecting the issuance of the Purchased Units to Buyer, and the admission of Buyer as a member of Newco. The capital accounts of the Members as of the Closing Date, after taking into account the Transactions, are as stated on Exhibit B to the LLC Agreement.

**"Losses"** means all losses, liabilities, claims, actions, damages, diminution of value and expenses, including reasonable attorneys' fees and disbursements and whether or not involving a third-party claim. Once it has been determined that a breach of a representation or warranty has occurred, any references in such breached representation or warranty to materiality, Material Adverse Effect or any threshold of damage or loss will be disregarded in determining the amount of Losses.

**"LPI"** means Learning Programs International, Inc., a Texas corporation.

**"Marks"** is defined in **Section 2.12.1**.

**"Material Adverse Effect"** means any change in or effect on the Business Assets, the Assumed Liabilities or the Business that would (a) be materially adverse to the business results, operations, condition (financial or otherwise), assets or properties of the Business; (b) materially impair the validity or enforceability of this Agreement or any other Seller Document; or (c) materially adversely affect any Seller Party's ability to perform its obligations under this Agreement, or any other Seller Document, or in connection with the Transactions; provided, however, that in no event shall any of the following either alone or in combination, constitute a Material Adverse Effect: (i) any occurrence, condition, change, event or effect resulting from or related to changes in general economic or financial market conditions, except in the event, and only to the extent, that such occurrence condition, change, event or effect has had a disproportionate effect on Newco and its subsidiaries or the Business, as compared to other Persons engaged in Newco's industry; (ii) any occurrence, condition, change, event or effect that affects Newco's industry generally except in the event, and only to the extent, that such

occurrence, condition, change event or effect has had a disproportionate effect on Newco and its subsidiaries or the Business, as compared to other Persons engaged in Newco's industry; (iii) the outbreak or escalation of hostilities involving the United States, the declaration by the United States of war or the occurrence of any natural disasters and acts of terrorism, except in the event, and only to the extent, of any damage or destruction to or loss of Newco's or its subsidiaries' physical properties; (iv) any occurrence, condition, change, event or effect resulting from or relating to the announcement or pendency of the transactions contemplated hereby and any litigation resulting therefrom (provided, however, that this clause (iv) shall not diminish the effect of and shall be disregarded for purposes of, the representations and warranties of the Seller Parties relating to legal proceedings, required consents, approvals, change in control provisions or similar rights of acceleration, termination, modification or waiver based upon the entering of this Agreement); (v) any change in GAAP, or in the interpretation thereof, as imposed upon Newco or the subsidiaries or their respective businesses, or any change in Law, or in the interpretation thereof; or (vi) any occurrence, condition, change, event or effect resulting from compliance by Newco and its subsidiaries with the terms of this Agreement and each other agreement to be executed in connection herewith and therewith, or actions permitted by this Agreement (or otherwise consented to in writing by Buyer).

**"Material Contracts"** is defined in **Section 2.13.1**.

**"Member"** is defined in the LLC Agreement.

**"Multiemployer Plan"** means any Employee Benefit Plan which is a "multiemployer plan" as defined in Section 3(37) of ERISA.

**"Newco"** is defined in the Preamble of this Agreement.

**"Newco Employees"** is defined in **Section 2.17.1**.

**"Non-Competition Agreements"** means the Non-Competition Agreements, dated as of the date hereof, between Newco and each of the Shareholders.

**"Non-U.S. Assets"** is defined in the Contribution Agreement.

**"Non-U.S. ISA Entities"** is defined in the Contribution Agreement.

**"Occupational Safety and Health Law"** means any Law designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

**"Opening Balance Sheet"** is defined in **Section 4.6**.

**"Ordinary Course"** means an action taken in connection with the Business that is consistent with the past practices taken in the ordinary course of the normal day-to-day operations of the Business.



“**Other Plans**” is defined in **Section 2.18.1**.

“**Overall Percentage Interest**” is defined in the LLC Agreement.

“**Party**” means any party to this Agreement.

“**Patents**” is defined in **Section 2.12.1**.

“**Permits**” means any of the following held by or applicable to ISA or the Contributed Entities before the Contribution, Newco or the Contributed Entities after the Contribution, the Business Assets or the Business: all licenses, permits, orders, consents, approvals, registrations, authorizations, franchises, qualifications or waivers issued, granted, given or otherwise made available by, or under the authority of, any Governmental Agency or pursuant to any Law.

“**Permitted Encumbrances**” means (a) liens for Taxes, assessments, governmental charges or levies not due or payable as of the Closing; (b) material men’s, mechanics’, carriers’, warehouse men’s, landlords’, workmen’s, repairmen’s, employees’ or other similar liens arising in the Ordinary Course for obligations not past due; (c) any restrictions on transfer imposed by applicable securities Laws; (d) liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the Ordinary Course; and (e) other immaterial imperfections of title, if any.

“**Person**” means any individual, sole proprietorship, corporation, limited liability company, business trust, unincorporated organization, association, company, partnership, joint venture, Governmental Agency or other entity.

“**Privacy Laws**” means all Laws pertaining to the collection collected, use, importation, exportation, storage and protection of personally identifiable information, and all other information related to individuals protected by Laws.

“**Proceeding**” means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Agency or arbitrator.

“**Protected Employee**” is defined in **Section 4.4.2**.

“**Purchase Price**” is defined in **Section 1.2**.

“**Purchased Units**” is defined in **Background paragraph C**.

“**Qualified Plan**” means any Plan subject to (or intended to be subject to) the qualification requirements of Section 401(a) of the Code.

“**Real Property**” means all Leased Real Property.

“**Real Property Laws**” is defined in **Section 2.8.2**.

**“Related Person”** means with respect to a specified individual (a) each other member of his or her Family; (b) any Person directly or indirectly controlled by the individual or one or more members of his or her family (spouse, parent, child, sibling, parents-in-law, siblings-in-law); (c) any Person in which the individual or members of his or her family hold (individually or in the aggregate) a material interest; and (d) any Person with respect to which he or she or one or more members of his or her family serves as a director, officer, partner, manager, member, executor or trustee (or in a similar capacity). With respect to a specified Person other than an individual, **“Related Person”** means (i) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with the specified Person; (ii) any Person that holds a material interest in the specified Person; (iii) each Person that serves as a director, officer, partner, manager, executor or trustee of the specified Person (or in a similar capacity); (iv) any Person in which the specified Person holds a material interest; (v) any Person with respect to which the specified Person serves as a general partner, manager or trustee (or in a similar capacity); and (vi) any Related Person of any individual described in clause (ii) or (iii).

**“Release”** means any spilling, leaking, pumping, pouring, emitting, discharging, depositing, escaping, leaching, dumping or other releasing into the Environment, whether intentional or unintentional.

**“Release Evidence”** is defined in the Contribution Agreement.

**“Repaid Loan Contracts”** is defined in **Section 2.13.7**

**“Repaid Loans”** is defined in **Section 2.13.7**.

**“Restricted Parties”** means, collectively, ISA and the Shareholders.

**“Securities Act”** means the Securities Act of 1933.

**“Seller Documents”** means (i) this Agreement and any other certificate delivered by any Seller Party in connection with this Agreement and (ii) the Ancillary Agreements.

**“Seller Parties”** means, collectively, ISA, Newco and the Shareholders.

**“Shareholders”** is defined in the Preamble of this Agreement.

**“Software”** is defined in **Section 2.12.1**.

**“Subject Properties”** is defined in **Section 2.16.2**.

**“Subsidiaries”** means ISA World Holding and ISA China.

**“Tax”** or **“Taxes”** means (a) all forms of federal, state, local or foreign taxation, charges, levies or other assessments, whether direct or indirect and whether levied by reference to net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, franchise, profits, license, withholding (whether with respect to receipts or payments), payroll, privilege, employment, excise, severance, capital gains, transfer gains, stamp, occupation, premium or

similar tax measured by insurance premiums, real and personal property, environmental or windfall profit tax, custom, duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, and any interest or any penalty, addition to tax or additional amount, imposed by any taxing authority; and (b) liability for the payment of any amounts of the type described in clause (a) of this definition as a result of being a transferee or successor or pursuant to an obligation to indemnify any other Person.

“**Tax Proceeding**” is defined in **Section 4.5**

“**Tax Returns**” means any return (including any information return), report, statement, schedule, notice, form or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Agency in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Law relating to any Tax.

“**Threatened**” means a claim, Proceeding, dispute, action or other matter as to which a written or oral notice, demand, statement or other reasonable indication has been given.

“**Threat of Release**” means a substantial likelihood of a Release that could require action in order to prevent or mitigate damage to the Environment that could result from the Release.

“**Trade Secrets**” is defined in **Section 2.12.1**.

“**Trademark Assignments**” is defined in the Contribution Agreement.

“**Transaction Documents**” means the Seller Documents and Buyer Documents.

“**Transactions**” is defined in **Background paragraph D**.

“**Transition Services Agreement**” means that certain Transition Services Agreement, dated as of the date hereof, between Newco, ISA, and the Non-U.S. ISA Entities.

“**Units**” is defined in the LLC Agreement.

“**Veritas**” means Veritas Abroad, Inc., a Texas corporation.

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**UNIT PURCHASE AGREEMENT**

dated as of April 29, 2013

among

**SEP IV ISA HOLDINGS**

**INTERNATIONAL STUDIES ABROAD, INC.**

**INTERNATIONAL STUDIES ABROAD, LLC**

**GUSTAVO ARTAZA**

and

**ARTURO ARTAZA**

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**EXHIBITS**

Exhibit A - Definitions

Exhibit B - Disclosure Schedule

## ASSIGNMENT OF TRADEMARKS

THIS ASSIGNMENT OF TRADEMARKS (this "Assignment") is made as of April 26, 2013 by and between International Studies Abroad, Inc., a Texas corporation ("Assignor") and International Studies Abroad, LLC, a Delaware limited liability company ("Assignee").

### BACKGROUND

A. Assignor has adopted, used and is using, and is the owner of the trademarks that are registered in the United States Trademark Office and are listed on Exhibit A, (the "Trademarks").

B. This Assignment is being executed and delivered pursuant to the Contribution Agreement dated April 26, 2013 (the "Contribution Agreement") among Assignee, Assignor, and the other parties thereto.

### AGREEMENT

Assignor and Assignee agree as follows:

1. For good and valuable consideration, receipt of which is hereby acknowledged, and pursuant to the Contribution Agreement, Assignor unconditionally and irrevocably contributes, conveys, assigns, transfers and delivers to Assignee, its successors and assigns, all of Assignor's right, title and interest throughout the world in and to the Trademarks and to the registrations therefor, together with the goodwill and the portion of the business associated with the Trademarks and registrations and all claims for damages and equitable relief by reason of past infringement of the Trademarks, with the right to sue for and collect the same for its own account.

2. Assignor hereby authorizes and requests the Commissioner of Patents and Trademarks, and the corresponding entities or agencies in any applicable foreign countries, to record Assignee as the assignee and owner of the Trademarks.

*[Remainder of Page Intentionally Left Blank]*



IN WITNESS WHEREOF executed on the day and year first above written.

ASSIGNOR: INTERNATIONAL STUDIES ABROAD, INC.

By: [Signature]  
Name: GUSTAVO J ARTAZA  
Title: CEO  
Date:

ASSIGNEE: INTERNATIONAL STUDIES ABROAD, LLC

By: [Signature]  
Name: GUSTAVO J ARTAZA  
Title: CEO  
Date:

STATE OF Texas )  
COUNTY OF Travis )

On 4-26-13, before me, Ivan A. Lopez, a Notary Public in and for said State, personally appeared Gustavo J. Artaza and [Signature], each personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature [Signature] (Seal)

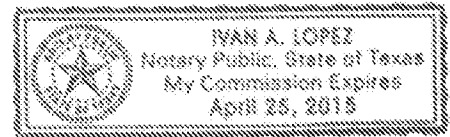



EXHIBIT A  
THE TRADEMARKS

Trademarks	Application or Registration Number
"The World Awaits..."	3032237
	3855273
"ISA"	2359098
"International Studies Abroad"	2427778

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