

PRIMARY TEACH-OUT AGREEMENT

This Primary Teach-Out Agreement (“**Agreement**”) is made as of the Effective Date (as defined in Section 2.1), by and between Cornish College of the Arts (“**CCA**”) and Seattle University (“**SU**”). CCA and SU may be referred to in this Agreement individually as a “**Party**” and collectively as the “**Parties**.”

WHEREAS, CCA is an institution of higher education located in Seattle, Washington, accredited by the Northwest Commission on Colleges and Universities (“**NWCCU**”) and exempt from approval by the Washington Student Achievement Council (“**WSAC**”) that offers baccalaureate programs in the fine arts and music;

WHEREAS, SU is an institution of higher education also located in Seattle, Washington (less than two miles from CCA), accredited by NWCCU and exempt from approval by WSAC that offers baccalaureate, master’s, and doctoral programs;

WHEREAS, CCA’s Board of Trustees has voted to enter into an asset contribution agreement with SU, and, as a result of such asset contribution agreement, if consummated, CCA will transfer certain assets to SU;

WHEREAS, CCA intends to cease providing education programs as of the end of its spring 2025 academic term and to voluntarily withdraw its institutional accreditation by NWCCU;

WHEREAS, applicable NWCCU accreditation requirements, WSAC closure requirements, and U.S. Department of Education (“**ED**”) regulations obligate CCA to submit to NWCCU, WSAC, and ED a teach-out plan and teach-out agreements for approval;

WHEREAS, SU possesses the necessary resources and experience to administer baccalaureate programs that are of acceptable quality and reasonably similar in content, structure, and schedule to the CCA Programs (as defined in Section 1.1(a)), whether or not such CCA Programs have previously been offered by SU;

WHEREAS, SU intends to conduct the teach out of the CCA Programs at CCA’s campus and facilities for Teach-Out Students (as defined in Section 1.2); and

WHEREAS, CCA wishes to arrange for Eligible Students (as defined in Section 1.1) to transfer to SU to complete their CCA Programs, and SU wishes to accept such students, on the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the foregoing, the Parties agree as follows:

ARTICLE ONE: TERMS OF THE TEACH-OUT

1.1 Eligible Students. “**Eligible Students**” are:

(a) All CCA students who, as of the date of CCA’s ceasing to provide

education programs, are (1) registered and enrolled in an education program listed on Exhibit A (“**CCA Programs**”), subject to the asterisked timing limitation set forth thereon, and (2) in good academic standing as determined by CCA policy.

(b) All prospective CCA students who as of May 1, 2025 have accepted an offer to enroll in a CCA Program for the fall 2025 academic term.

1.2 Teach-Out Students. “**Teach-Out Students**” are Eligible Students who (a) notify CCA no later than May 5, 2025 of their intention to complete their CCA Program at SU and (b) begin their enrollment at SU not later than the start of SU’s fall 2026 academic term.

1.3 CCA Programs. The Parties acknowledge that:

(a) SU will adopt the CCA curriculum to offer the CCA Programs and SU will offer the CCA Programs at CCA’s current campus.

(b) Notwithstanding the above, if a particular Teach-Out Student’s circumstances support a transfer from a CCA Program to a program offered by SU, SU may transfer such student to a SU program if the Teach-Out Student so agrees.

1.4 Transfer and Enrollment. Subject to receipt of any necessary approvals, including from NWCCU, WSAC, and ED, SU will accept for transfer to SU all Teach-Out Students and will expedite the enrollment process, including:

(a) Waiving admission, testing, and other application and admissions fees for Teach-Out Students.

(b) Accepting all credits earned at CCA, including academic credits awarded by CCA as well as any credit that CCA accepted in transfer.

(c) Accepting examination credit, dual credit, training credit, and/or prior learning credit awarded by CCA in accordance with CCA policies.

1.5 Graduation Requirements.

(a) To graduate from SU, Teach-Out Students must satisfy all CCA Program requirements and comply with all SU academic policies; provided, however, that SU will waive any requirement that a student earn at SU any particular percentage of credits applicable to a degree from SU to the extent permissible by law and regulation.

(b) All credits awarded after a Teach-Out Student has been admitted to SU shall be awarded by SU.

(c) SU shall award degrees to all Teach-Out Students that successfully complete their CCA Program.

1.6 Transition Assistance. SU and CCA will

(a) Establish transition teams and teach-out coordinators at both institutions to quickly and effectively address inquiries and expedite transfers for Teach-Out Students pursuant to this Agreement.

(b) Provide guidance to Teach-Out Students and assist them in evaluating the opportunities available under this Agreement, including by providing complete information about SU tuition and fees.

(c) Cooperate to create a smooth financial aid application process with clear timelines and communications for Teach-Out Students.

1.7 Tuition, Fees, and Student Financial Aid.

(a) For academic year 2025-2026, Teach-Out Students will be charged tuition at the same rate as charged to other undergraduate students at SU, provided, however, the tuition for which a Teach-Out Student shall be financially responsible shall be no greater than the result of (i) CCA's tuition for academic year 2025-2026, which is \$41,640, minus (ii) the governmental and nongovernmental grants and scholarships that the Teach-Out Student would have received for tuition at CCA for academic year 2025-2026 ("**Net Tuition**").

(b) For academic years 2026-2027 and beyond, a Teach-Out Student's Net Tuition may be increased by the same percentage as tuition charged to other SU undergraduate students has increased.

(c) Teach-Out Students will be responsible for paying SU's published mandatory, non-mandatory, and program fees for each academic year.

(d) SU will use its standard cost of attendance (i.e., student budget) for Teach-Out Students when calculating a Teach-Out Student's eligibility for financial aid.

(e) Teach-Out Students will be subject to SU policies and procedures relating to tuition payments. SU will be entitled to retain all tuition and fees collected from Teach-Out Students completing a CCA Program pursuant to this Agreement.

1.8 Notice to Potential Teach-Out Students. CCA will prepare a notice or notices to Eligible Students informing them of the opportunity to enroll at SU pursuant to this Agreement. The notice shall identify (1) any difference between tuition and fees charged to Teach-Out Students under this Agreement and CCA's tuition and fees; (2) the procedures that students eligible for a refund of CCA tuition and fees must follow to obtain such a refund; (3) a record retention plan that delineates the final disposition of teach-out records and how students may obtain a copy of their official records, and (4) information on obtaining a closed school discharge of any federal student loans. SU shall have the opportunity to review and approve the form and content of such notifications, such approval not to be unreasonably withheld.

1.9 Individualized Education Reports.

(a) With respect to Eligible Students as defined by Section 1.1(a), CCA shall submit to SU an Education Report listing each such Eligible Student together with an official transcript within seven (7) days of the Effective Date. The term “**Education Report**” means a report that shall include, at a minimum, the Eligible Student’s CCA Program, the courses and requirements the Eligible Student completed at CCA, the courses and requirements that the Eligible Student still needs to complete for the CCA Program, and the governmental and non-governmental grants and scholarships the student would have received for academic year 2025-2026.

(b) With respect to Eligible Students as defined by Section 1.1(b), CCA shall submit to SU an Education Report listing each such Eligible Student no later than May 5, 2025.

(c) CCA shall on a rolling weekly basis provide to SU a report listing each Eligible Student who during the preceding seven (7) days has notified CCA of their intent to participate in the teach out and to complete their CCA Program at SU.

1.10 Student Records. Upon the consummation of the contemplated asset contribution agreement in accordance with the terms of an agreed-upon definitive agreement between the Parties, CCA will transfer to SU through secure methods the official records of all CCA students. SU will house such official records as required by applicable accrediting agency, state, and federal requirements and will issue transcripts as requested in the same way that it does for its own students and graduates. Until such time as CCA transfers its records to SU and SU confirms receipt of such records, CCA shall comply with any and all applicable accrediting agency, state, and federal requirements relating to such records.

1.11 Regulatory Requirements. CCA shall:

(a) Prepare and submit to the NWCCU a separate teach-out plan, subject to advance review and approval by SU, such approval not to be unreasonably withheld, with a copy of this Agreement in accordance with NWCCU requirements.

(b) Comply with all legal, regulatory, and accreditation requirements related to this teach-out and take all actions necessary to provide notice and obtain required authorizations and approvals from applicable accrediting and education agencies and governmental authorities to implement the teach-out, including ED, NWCCU, and WSAC.

ARTICLE TWO: MISCELLANEOUS

2.1 Effective Date. This Agreement shall be effective on the date this Agreement is fully executed by the Parties.

2.2 Termination. This Agreement shall be terminated by any of the following events:

(a) All Teach-Out Students have completed their CCA Programs through SU

or have failed to be continuously enrolled at SU for a period of two semesters.

(b) One Party defaults in any provision of this Agreement and fails to cure the default within thirty (30) days after receipt of notice of such default.

(c) SU does not obtain or maintain authorizations, accreditations, or approvals necessary to offer the CCA Programs to Teach-Out Students.

(d) The Parties do not consummate a broader asset contribution transaction in accordance with the terms of an agreed-upon definitive agreement between the Parties.

2.3 Public Statements. CCA and SU shall refrain from making any public statements or issuing any written materials that reference this Agreement or the relationship between the Parties unless the other Party first approves such communication, with such approval not to be unreasonably withheld.

2.4 Communications with Education Agencies.

(a) **“Education Agency”** means any person, entity or organization, whether governmental, government-chartered, tribal, private or quasi-private, that engages in granting or withholding education approvals for, or otherwise regulates private postsecondary institutions, education programs offered by such institutions, their agents or their employees in accordance with standards relating to the performance, operation, financial condition, or academic standards of such institutions and programs, or the provision of student financial assistance by and to such institutions or their students.

(b) Each Party shall promptly notify the other Party of any material communication it receives from any Education Agency relating to the matters that are the subject of this Agreement and permit the other Party to review in advance any proposed material communication by such Party to any Education Agency. All analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments and proposals made by or on behalf of either Party before with any Education Agency in respect of any filings, shall be disclosed to the other Party hereunder in advance of any filing, submission or attendance, it being the intent that the Parties shall consult and cooperate with one another, and consider in good faith the views of one another, in connection with any such analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments, and proposals and, to the extent permitted by such Education Agency, give the other Party the opportunity to attend and participate at such meeting. The Parties will coordinate and cooperate fully with each other in exchanging such information and providing such assistance as the other Party may reasonably request in connection with the foregoing. The Parties will provide each other with copies of all correspondence, filings or communications between them or any of their representatives, on the one hand, and any Education Agency or members of its staff, on the other hand, with respect to this Agreement. For avoidance of doubt, this Section 2.4(b) applies only with respect to communications pertinent to this Agreement.

2.5 Notices. All notices and other communications which are required or may be given pursuant to the terms of this Agreement shall be in writing, shall be effective when received, and shall in any event be deemed to have been received (a) when delivered, if delivered personally, by email, or by commercial delivery service, (b) three (3) business days after deposit with the U.S. Mail, if mailed by registered or certified mail (return receipt requested), or (c) one business day after the business day of timely deposit with a recognized national courier service for next day delivery (or two (2) business days after such deposit if timely deposited for second business day delivery), if delivered by such means, to the Parties at the following addresses set forth below, or to such other address or addresses as any party shall have designated by notice given in accordance with this Section 2.5.

(a) If to CCA:

Cornish College of the Arts
1000 Lenora Street
Seattle, Washington 98121-2951
Attn: Emily Parkhurst, Interim President
Email: eparkhurst@cornish.edu

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

Faegre Drinker Biddle & Reath LLP
320 S. Canal St., Suite 3300
Chicago, IL 60606
Attn: Luc Attlan
Email: luc.attlan@faegredrinker.com

with an additional copy (which shall not constitute notice) to:

Faegre Drinker Biddle & Reath LLP
1500 K Street NW, Suite 1100
Washington, DC 20005
Attn: Jonathan D. Tarnow
Email: jonathan.tarnow@faegredrinker.com

(b) If to SU:

Seattle University
901 12th Avenue
Seattle, Washington 98122-4411
Attn: Eduardo Peñalver, President
Email: eduardo@seattleu.edu

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

Miller Nash LLP
605 5th Ave S, Suite 900
Seattle, WA 98104
Attn: Danielle M. Hunt
Email: danielle.hunt@millernash.com

2.6 Waiver. No waiver of any provision of this Agreement will be deemed or will constitute a waiver of any other provision hereof (whether or not similar), nor will such waiver constitute a continuing waiver unless otherwise expressly provided.

2.7 Assignment. Neither Party may assign to any other person or entity its rights or obligations under this Agreement or delegate to any other person or entity any rights or obligations under this Agreement; provided, however, that CCA may assign its rights and obligations under this Agreement before or at its dissolution upon prior written notice to SU.

2.8 Headings. The headings to the sections of this Agreement have been included for convenience of reference and shall have no effect on any questions of interpretation or construction of this Agreement.

2.9 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington applicable to contracts executed in and to be performed entirely within that State.

2.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

2.11 Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, rule or regulation, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision has never comprised a part hereof. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid, and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible.

2.12 Entire Agreement. This Agreement (which includes the Exhibit) supersedes any prior or contemporaneous oral or written understandings or communications between the Parties and constitutes the entire agreement of the Parties with respect to the subject matter hereof. This Agreement may not be amended or modified, except in a writing signed by both Parties.

IN WITNESS WHEREOF, the Parties, acting through their duly authorized officers, have executed and delivered this Agreement as of the effective date.

CORNISH COLLEGE OF THE ARTS

By: 
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Name: Emily Parkhurst
Title: Interim President
3/18/2025 | 1:47:45 PM PDT

SEATTLE UNIVERSITY

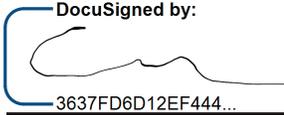
By: 
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Name: Eduardo Peñalver
Title: President
3/18/2025 | 9:52:04 AM PDT

Exhibit A – CCA Programs

1. Bachelor of Fine Arts (“**BFA**”) in Acting/Original Works
2. BFA in Animation
3. BFA in Art
4. BFA in Design
5. BFA in Film
6. BFA in Illustration
7. BFA in Interaction Design
8. BFA in Musical Theater
9. BFA in Performance Production
10. BFA in Dance*
11. BFA in Interior Architecture*
12. BFA in Game Art*
13. Bachelor of Music

* In the event that the Parties have not by June 21, 2025 consummated a broader asset contribution transaction in accordance with the terms of an agreed-upon definitive agreement between the Parties, the Parties agree that CCA, at its sole discretion, may fully implement any alternate teach-out agreements entered into with other institutions of higher education for the BFA in Dance, BFA in Interior Architecture, and BFA in Game Art programs (the “**Asterisked Programs**”) while making clear to students in the Asterisked Programs that they may also have the opportunity to continue in their CCA Program at SU if the broader asset contribution transaction is consummated. The Parties will coordinate on communications to all CCA students that shall be transmitted promptly after execution of the broader asset contribution agreement; the substance of such communications shall convey that (1) the Parties are working towards an arrangement whereby all CCA students will be able to continue in their CCA Program at SU; (2) if such arrangement is not finalized by June 21, 2025, then students in the Asterisked Programs will have the opportunity to pursue alternative teach-out arrangements and, if the broader asset contribution transaction is later consummated, they will also have the opportunity to continue in their CCA Program at SU; and (3) students in the other CCA Programs will have the opportunity to participate in a teach-out arrangement with SU whereby, depending on whether the broader asset contribution agreement is consummated, they either enroll in similar SU programs or continue in their CCA program at SU.