

Excerpts, selected by the HELP Committee, from a larger document
produced by the company

- 3.1.3 On a monthly basis and consistent with all federal, state and local laws and ED policy regarding the use of NSLDS data, Client shall provide Horizon with two NSLDS reports, DER001 and the DRC015, on borrowers entering repayment from 10/01/2008 and forward or provide access to Horizon to obtain such report itself. In the event that Horizon enters NSLDS to obtain the report itself, Horizon will utilize its own HEC access point logon, utilizing Horizon's own logon and password.

Client shall be responsible for the accuracy of the information at the time it is submitted to Horizon and represents that it will be authorized to disclose such information to Horizon.

3.2 Student Loan Default Prevention Services

- 3.2.1 Using computer software it has developed ("LoanTracker"), Horizon shall process information provided by Client, or, with Client's permission, the guarantors, servicers, or direct lending servicers, concerning student loan borrowers at VATTEROTT EDUCATION CENTERS, including with respect to federal student financial aid programs under Title IV of the Higher Education Act, as amended (the "Title IV, HEA programs"), and provide Client with the loan counseling services contained in the *Student Services Procedures* attached hereto as Exhibit A, and by this reference incorporated herein.
- 3.2.2 Except as provided in this contract, Client shall be solely responsible for the administration of student loans covered under this contract.
- 3.2.3 Horizon shall make available a "Default Prevention Management Report" as shown in Exhibit D on demand.
- 3.2.4 Horizon shall process electronic information received from guaranty agencies, servicers, or direct lending servicers on at least a monthly basis, and will be processed within 24 hours if the electronic information is received in a standard format.
- 3.2.5 Horizon shall process guaranty agencies, servicers, or direct loan servicer preclaims notices electronically within 24 hours upon receipt of the preclaim notice.
- 3.2.6 Horizon shall work with guaranty agencies, servicers, or direct loan servicers on a daily basis to correct any problems that are identified in the DPMR's as well as claim recall procedures.
- 3.2.7 Horizon shall work with each active servicer on a daily basis to establish Deferment / Forbearance programs and procedures.

3.3 Representations and Warranties.

- 3.3.1 To the extent that Horizon maintains education or other records for Client, Horizon agrees to maintain such records in accordance with the requirements of the Family Educational Rights and Privacy Act, 20 U.S.C. 1232g, and its implementing regulations, 34 C.F.R. pt. 99, as each may be amended from time to time (collectively "FERPA") and other applicable laws. Without limiting the foregoing, Horizon agrees that it shall not disclose or allow access to personally identifiable information from an education record of any student enrolled in Client without the prior written consent of the eligible student (as defined in 34 C.F.R. 99.3) except as permitted by law and as authorized by Client. To the extent that Client discloses personally identifiable information from education records to Horizon under this contract, Horizon agrees that its officers, employees, and agents shall use and have access to the information only for the purposes for which disclosure is made.

Exhibit C
Student Services Fee Schedule

I. Monthly Fees:

The fees due Horizon from Client for its services during any term of this contract is as follows:

Delinquency Counseling Fee:

The monthly service fee per delinquent borrower account shall be ten dollars (\$ 10) per month, unless otherwise provided by written amendment hereto. The monthly fee includes working active delinquent borrowers for the current and future cohort years that could default on or before the calculation cutoff date.

Credit for Horizon Educational Resources Literature: Horizon will provide Client, at Client's request, a credit to purchase Horizon Educational Resources default prevention literature or branded trinkets to provide to students while in-school or in a grace period. The credit will be equal to 5% of the delinquency counseling fee, not to exceed \$1,000.00 per month.

Grace Counseling Fee:

The cost for these services is \$3 per graduate and \$ 6 per withdrawal, billed upon placement.

Skip tracing costs are not included in the grace period fees listed above. Skip tracing costs varies and is based on the extent of the services provided. Skip tracing costs during the grace period will be provided to Client prior to performing such service.

II. Fee Increase

Subject to section 18.0, Contract Changes, of this contract, annually for the upcoming renewal period, Horizon may request an adjustment to the monthly loan counseling service fee set forth hereinbelow by notifying Client at least ninety (90) days prior to the expiration period as discussed in section 4.0.

Initials:

Client: PSB

Horizon: RJP