

INCOME SHARE AGREEMENT (ISA) FINAL DISCLOSURE

PARTICIPANT:

John Lynch
1402 Comfort St
Lansing, Michigan
48915

INSTITUTION:

Rithm, Inc.
500 Sansome Street Suite 300
San Francisco, California
94111

RIGHT TO CANCEL

You have a right to cancel this transaction, without penalty, by midnight on December 21, 2018. If you cancel by this date, you are canceling the contract in its entirety, including the disclosures. You may cancel by writing us at Vemo Education, 3905 Tampa Rd #2453, Oldsmar, FL, 34677. A mailed cancellation letter will be deemed timely if postmarked not later than the cancellation date listed above.

ISA Amount	Income Share	Maximum Number of Payments	Payment Cap
\$ 23,000.00	17.00%	24	\$ 34,500.00

The cost of the services you will receive through this ISA

The percent of your gross monthly earned income that you will pay

The maximum number of monthly payments you may have to make

The maximum amount you could pay

ITEMIZED TOTAL ISA AMOUNT

Amount paid to you	\$0
Amount credited to others on your behalf: Rithm School	+ \$ 23,000.00
ISA Amount	= \$ 23,000

ABOUT YOUR CONTRACT TERMS

- **Your Income Share is the percentage of your future earned income you will owe in return for the ISA Amount credited to your account.** It is not an interest rate or annual percentage rate.
- **Your Income Share is fixed.** This means that it will never differ from the income share percentage shown above.
- **Your payments will vary based on your earned income.** The total amount you will pay may be more or less than your ISA Amount.
- **The maximum you will pay is \$ 34,500 over the Payment Term, regardless of your earned income.** You may also prepay this amount, less any payments made to date plus any outstanding fees, in order to extinguish your obligation before the payment term ends.

FEES: **Late Fee** – The lesser of \$5 and 5% of the payment amount due. **Returned Payment Fee** – \$25.

Payment Illustration

An ISA is different from a loan (which has principal and interest payments) or a conventional tuition payment plan (which requires payment in full and may include interest charges). An ISA requires you to pay a fixed percentage of your earned income each month for a fixed period of time. The table below compares illustrative monthly and total ISA payments for different levels of earned income.

Annual Earned Income	\$ 23,000.00 ISA 17.00% income share, Up to 24 monthly payments		
	Monthly Payment	Number of Payments	Total Payment
\$ 65,000	\$ 921	24	\$ 22,100
\$ 85,000	\$ 1,204	24	\$ 28,900
\$ 105,000	\$ 1,488	24	\$ 34,500
\$ 125,000	\$ 1,771	20	\$ 34,500
\$ 135,000	\$ 1,913	19	\$ 34,500

- This illustration assumes that you make up to 24 monthly payments tied to gross earned income and that your income is constant.
- When you return to school or when your monthly earned income is less than \$ 5,000.00 (equivalent to \$ 60,000/year), your account will be placed in a deferment status, and you will not make payments for every month your income is below this threshold.
- If your cumulative payments reach the Payment Cap, then you will make no further payments, and your account will be closed in good standing.
- Since your earnings may change over time, your actual payments may also vary over time, so this illustration may not apply to your specific circumstances.
- All payments have been rounded to the nearest dollar.

Final Disclosure Reference Notes

When do payments begin?

You will begin making payments on the first day of the month following a **Grace Period** of 3 months after you complete or withdraw from your program.

What will you pay under an ISA?

- You will pay a percentage of your earned income.
- Monthly payment = **Income Share** × monthly earned income
- The total amount you will be required to pay may be more or less than the **ISA Amount**. It will depend on your future earned income.

What documents will you need to provide for us to calculate what you owe?

<i>By one month before first due date</i>	<i>By April 30 each year and every time your income changes</i>	<i>Upon request</i>
<p>Pay stub, letter from your employer, self-employment contract, consulting agreement, or other verifiable source (dated within 30 days).</p> <p>This is used to calculate your <i>initial</i> required payments. If you do not provide this documentation or documentation for deferment, we will assume your earned income matches the average full-time income for occupations directly related to your program (determined based on Bureau of the Census and Bureau of Labor Statistics data).</p>	<p>1. By April 30 each year, a year-end pay stub, Form W-2, Form 1099, or Schedule K-1 for all sources of earned income and validation of the dates of your employment (showing <i>prior</i> year's earnings)</p> <p>This is used for <i>reconciliation</i>. You must reimburse us for any underpayments, and we will credit your account for any overpayments—or refund the excess amount if your payment term has ended.</p> <p>2. Every time your income changes AND by April 30 each year, a pay stub, letter from your employer, self-employment contract, consulting agreement, or other verifiable source (showing <i>current</i> earnings)</p> <p>This is used to <i>re-calculate</i> your required payments. If you do not to provide this documentation, we will assume your earned income has increased by ten (10) percent, and change your monthly payment accordingly, effective June 1 each year.</p>	<p>We may obtain your authorization to access your tax return information directly from the IRS or similar taxing authority for any and all years of your payment term.</p> <p>This may be used for <i>reconciliation</i>.</p>

Can you end your payment obligation early?

You may extinguish your ISA *before* the **Payment Term** ends by paying a **Prepayment Amount** equal to:

\$ 34,500 – payments already made + any outstanding fees.

When do payments pause?

After you leave the program, your account will be placed in a deferment status and you will not make payments if you:

- have enrolled at least half time in higher education or training,
- earn less than \$ 5,000.00 (equivalent to \$ 60,000/year), including if you are unemployed or not in the labor force.

We may extend your **Payment Term** by one month for each month of deferment, up to 36 months.

See your Additional Terms for further information about payment, prepayment, deferment, and nonpayment.

**RITHM SCHOOL WILL ENFORCE THE TERMS OF ITS ISAS
TO THE FULLEST EXTENT ALLOWED BY LAW**