

RETAIL INSTALLMENT CONTRACT

RETAIL SELLER: LAMBDA INC.

250 Montgomery Street, 16th Floor, San Francisco, California 94104
www.lambdaschool.com

BUYER'S NAME: {BUYER'S NAME}
BUYER'S PHONE NUMBER: {BUYER'S PHONE NUMBER}
BUYER'S ADDRESS: {BUYER'S ADDRESS}

By signing this Retail Installment Contract (this "Agreement"), the Student (also, "You," "Your" or "Borrower"), choose to receive the education services on credit under the terms disclosed in this Agreement. You agree to pay the Seller or any assignee (also, "We," "Us", or "Lambda School") the Amount Financed in U.S. funds according to the Truth-in-Lending Disclosure ("TIL Disclosure") provided in connection with this Agreement. The TIL Disclosure is included as part of this Agreement.

IMPORTANT TERMS – PLEASE READ THIS

1. **DESCRIPTION OF SERVICES SOLD ON CREDIT.** Educational services offered by Lambda School.
2. **CASH PRICE/AMOUNT FINANCED.** The cash price is \$30,000. The cash price is equal to the "Amount Financed" under this Agreement. The "Amount Financed" under this Agreement is the amount referred to as the "Total Loan Amount" minus any applicable pre-paid finance charge as stated in the TIL Disclosure provided to You in connection with Your acceptance of this Agreement. The terms of the TIL Disclosure provided to You are incorporated into and made a part of this Agreement by reference. The cash price is the price at which Lambda School offers to sell for cash that portion of the educational services provided to You by Lambda School that are being funded through this Agreement.
3. **PROMISE TO PAY.** In consideration for educational services that you have purchased from Lambda School, You promise to pay Lambda School, in accordance with the terms of this Agreement and the TIL Disclosure provided to You which is incorporated in and made a part of this Agreement, the Amount Financed, and applicable finance charges and other charges or fees added to the Amount Financed as described in this Agreement. Your payment term and monthly payment amount will be determined based on a percentage of Your Earned Income as described in more detail in this Agreement. You acknowledge that this extension of credit is a qualified educational loan and is subject to the limitations on dischargeability in bankruptcy contained in Section 523(a)(8) of the United States Bankruptcy Code.
4. **PAYMENTS.**
 - 4.1 ***Earned Income.*** For purposes of this agreement, "earned income" means all you are paid or that you earn in all your qualified positions. Earned income is Your gross income—Your income before taxes or any other withholdings (including contributions to retirement plans and savings plans). For example, the US Internal Revenue Service for the 2019 reporting year defines income to include on an annual basis (a) the sum of Line 1 (Wages, salaries, tips, etc.), Line 7a (Other income), and Line 8a (Business income or loss) of IRS Form 1040, as reported or required to be reported on U.S. federal income Tax returns. All of those are examples of Earned Income.



Earned Income does not include (1) income earned by Your children or spouse (if any), (2) any money You inherit, (3) any amounts paid to You under the Social Security disability insurance program (title II of the Social Security Act) or the Supplemental Security Income program (title XVI of the Social Security Act), or (4) any amounts paid to You under the Child Nutrition Act of 1966.

For purposes of this agreement, “qualified position” means work as an employee, independent contractor, or business owner in a field related to, or position requiring knowledge of, one or more of software, data science, full-stack web, iOS/Android development, cybersecurity, information technology, UX, and web and app development and design and any other field or position for which you would not have been qualified, or not have been considered or promoted into, but for your participation in your Lambda School program or the job placement efforts of Lambda School.

If a position would otherwise be a qualified position, it will not be relevant that your Lambda School program was in a discipline not directly related to that position.

Examples of titles for positions that would qualify include software engineer, data scientist, web developer, and app developer. Positions in quality assurance, sales, product management, or other fields that may seem unrelated to your Lambda School program might nevertheless qualify if your work actually calls on skills related to your Lambda School program. A position at a company that doesn’t sell technology products or offer technology services might also qualify—for example, a web-developer position for any kind of company.

It will be up to Lambda School to decide whether income you earned can be attributed to a qualified position. You must provide Lambda School any information it asks for to allow it to decide whether income you earned should be attributed to a qualified position.

4.2 When You Must Start Making Your Monthly Payment. After You have completed, withdraw from, or are withdrawn from (for any reason) your Lambda School program, You are required to begin making payments. You will have a one-month grace period before Your first payment is due. The first month for which You are required to make a monthly payment is the second full month in which Your Earned Income begins. Here are two examples:

- If You graduate from Lambda School on 15 May and on 5 June You start a job for which You are paid monthly \$4,166.67 or more and in June You are paid \$4,166.67 or more, the first month for which You must make a monthly payment is August.
- If You graduate from Lambda School on 15 May and on 20 June You start a job for which You are paid monthly \$4,166.67 but in June You are paid less than \$4,166.67, the first month for which You must make a monthly payment is August.

For purposes of this agreement only, You have completed your Lambda School program upon the earlier of (1) the date for completing your program specified in Your enrollment agreement or (2) Your acceptance of a qualified position for which you are responsible for the entire amount of tuition funding allocated to Your program. Your monthly payment for a given month is due on the first business day of the following month.

Payments will end when You have paid \$30,000, which is the total amount due under this Agreement.

4.3 *Determining Your Monthly Payment.* The amount of each of Your monthly payments is equal to 17% of Your Earned Income in the previous month from all your qualified positions. You are not required to make a monthly payment if Your earned income for the previous month is less than \$4,166.67.

4.4 *Establishing Your Earned Income.* You must inform Lambda School no later than five days after starting work and monthly payments will begin. Every three months or as requested by Lambda School thereafter You must inform Lambda School of the name of Your employer, Your job title, and Your Earned Income.

You must submit to Lambda School via Lambda School's online portal the following documentation evidencing Your Earned Income:

- Before Your first monthly payment and every time Your Earned Income increases or decreases, a pay stub, letter from Your employer, independent-contractor agreement, or other evidence of Your monthly income.
- By 30 April each year, a year-end pay stub, form W-2, form 1099, schedule K-1, or other official documentation showing your sources of Earned Income and the dates of Your employment for the previous calendar year.
- If Lambda School requests it, a completed and signed IRS form 4506-T (or any successor form) designating Lambda School as the recipient of Your tax return information for returns covering any months for which You are required to make a monthly payment, dated no earlier than 30 days before the date You provide it Lambda School.

You authorize Lambda School to verify Your Earned Income and Your credit history by checking with Your employer (for example through the employer's verification line), credit reporting agencies, payroll providers, or other services. You acknowledge that Lambda School may adjust Your monthly payments to reflect any information so discovered. And Lambda School might review public information about Your employment and income, such as Your profile on social media or job sites. Lambda School will act reasonably in verifying Your Earned Income but ultimately it will be up to Lambda School to decide whether Your documentation or other materials sufficiently prove Your Earned Income.

You must notify Lambda School no later than 30 days if You change Your tax filing status from single filing to joint filing (or vice-versa), so Lambda School knows whether to exclude earnings of Your spouse when calculating Your Earned Income.

4.5 *Setting Your Monthly Payments.* Based on the information You provide, Lambda School will determine the amount of Your monthly payments.

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monthly payments.

Lambda School may estimate one or more of Your monthly payments for any period during which You fail to submit to Lambda School documentation evidencing Your earned income as required under this Agreement. In making such an estimate, Lambda school may assume that Your earned income is equivalent to the average full-time income for occupations related to Your Lambda School program.

At any time You may ask Lambda School to confirm the amount of Your next monthly payment.

- 4.6** ***Application of Payments.*** Payments You make will be applied in the following order: first to past due balances and then pro-rata to balances due under this Agreement. Your obligation to make payments under this Agreement is not contingent upon Lambda School's delivery of service.

5. HOW TO MAKE MONTHLY PAYMENTS.

- 5.1** ***Loan Servicer and Other Lambda School Partners.*** Lambda School has appointed a loan servicer to administer students' monthly payments and this Agreement generally. Lambda School might on one or more occasions replace the loan servicer, or itself act as or serve some functions of the loan servicer. You acknowledge that any loan servicer and its or Lambda School's partners will be authorized to act on behalf of Lambda School for all purposes relating to this Agreement. You may also need to accept or be subject to terms, policies, or other practices of the loan servicer or other partners.
- 5.2** ***Payment Options.*** The loan servicer will offer you the option of making Your monthly payments by automated clearing house (ACH) payment—You would authorize the loan servicer to deduct from the designated account, as it comes due, the amount of each monthly payment, until such time as You withdraw Your authorization. Or You could instead elect to pay by another method approved by Lambda School or the loan servicer. Lambda School or the loan servicer might in the future provide additional payment options or programs, but You might not be eligible for any such programs.
- 5.3** ***Your Designated Bank Account.*** At the request of the loan servicer, You must establish and maintain through the online portal during the term of this Agreement a bank account with a financial institution designated by the loan servicer. The loan servicer will be permitted to view Your transactions on that account. That information will help determine the amount of Your monthly payments. You may maintain other bank accounts too, but You must deposit all of Your Earned Income after taxes or any other withholdings (including contributions to retirement plans and savings plans) into Your designated bank account. It would violate this Agreement for You to deposit some of Your Earned Income after taxes or any other withholdings (including contributions to retirement plans and savings plans) in a bank account other than Your designated bank account.

The loan servicer sends or calls with payment reminders and account statements by email, phone, or SMS, or all of these—do whatever is necessary to make sure You receive them. If You



don't receive a reminder to make a monthly payment, that will not affect the due date of that monthly payment.

6. **ONLINE PORTAL.** The loan servicer maintains an online portal that will allow You to access a copy of this Agreement, documentation relating to Your account, and information about Your payment terms, including the amount of Your next monthly payment and when it's due and any past due amounts. Through this portal You will be able to update Your information, upload documents, and change how You authorize payment of monthly amounts.
7. **ACCOUNT RECONCILIATION.** Lambda School might review Your account at any time to ensure that Your monthly payments accurately reflect your Earned Income.

If You underpaid or failed to pay one or more monthly payments, Lambda School will notify You in writing of what You owe and any late charges. At Lambda School's discretion, any amount you owe will be added to one of Your future monthly payments, will be spread evenly over up to six future monthly payments, or, if You are not required to make a monthly payment or if this Agreement has been terminated, will be billed to You separately.

If You overpaid, Lambda School will notify You of the overpayment and reduce Your next one or more monthly payments by the amount of the overpayment. If Lambda School discovers an overpayment after this Agreement has terminated, it will refund the excess amount to You.

8. **CHANGE OF STATUS.**

8.1 *Withdrawing Early.* If you terminate this agreement during the allowable full cancellation period specified in your enrollment agreement, you will not owe Lambda School anything under this agreement. If after the cancellation period has passed You withdraw from Your program or are dismissed from the program, under Your enrollment agreement You might be required to pay Lambda School an amount up to the maximum total amount You are required to pay under this Agreement. You may also be owed a refund pursuant to Lambda School's refund policy which be reflected as a reduction of the amount owed under this agreement. You must notify Lambda School if You wish to withdraw from the program. The amount you will owe will be as set forth in your enrollment agreement.

8.2 *Disability.* If You die or become totally disabled, as determined by the U.S. Social Security Administration, due to a condition that began or deteriorated after the date of this Agreement, You will not be required to pay Lambda School what You owe under this Agreement during the period of total disability.

9. **PREPAYMENT.** You have the right to prepay all or any part of the outstanding balance at any time without penalty.
10. **DEFAULT.** You will be in default of this Agreement if any one of the following occurs:
 - You do not pay a monthly payment in full when due or otherwise don't do something you promise to do in this Agreement or Your enrollment agreement.



- You provide an inaccurate statement of fact in this Agreement or Your enrollment agreement.
- You provide inaccurate or incomplete information in Your Lambda School application, Your enrollment agreement, or any other written communication with Lambda School.
- You begin a voluntary bankruptcy case under title 11 of the United States Code.
- Anyone begins an involuntary bankruptcy case against You under title 11 of the United States Code and either (1) the case is not dismissed by midnight at the end of the 60th day after it is begun or (2) the court hearing the case issues an order approving the case.
- You fail generally to pay Your debts as they become due (other than any debts for which You dispute in good faith Your liability or the amount) or You acknowledge in writing that You are unable to do so.

11. REMEDIES IN THE EVENT OF DEFAULT. If You are in default under this Agreement, at Lambda School's required You must pay Lambda School the entire amount you owe under this Agreement. Lambda School will also have all other remedies available by law.

12. DISPUTES.

12.1 *Arbitration.* As the exclusive means of initiating adversarial proceedings to resolve any dispute arising out of this Agreement, your Lambda School tuition, or Your payments to Lambda School (other than any proceeding commenced by either party seeking an injunction, a restraining order, or any other equitable remedy or a proceeding commenced by either party in small claims court), either party may demand that the dispute be resolved by binding arbitration administered by the American Arbitration Association in accordance with its Consumer Arbitration Rules available at www.adr.org. If AAA is completely unavailable, and if You and Lambda School cannot agree on a substitute, then either You or Lambda School may request that a court appoint a substitute. The rules in this arbitration agreement will be followed if there is disagreement between the Agreement and the arbitration forum's procedures. Judgment on any award rendered in any such arbitration may be entered in any court having jurisdiction. This arbitration agreement is governed by the Federal Arbitration Act (FAA).

Any such arbitration must be conducted by one arbiter and must be conducted in San Francisco, California, the county with a major commercial airport nearest to where You live, or another mutually agreed location. If the claim is for \$25,000 or less, You may choose whether the arbitration will be conducted (1) solely on the basis of documents submitted to the arbiter or (2) by means of a hearing conducted by telephone.

12.2 *No Class Action.* YOU AND LAMBDA SCHOOL MAY EACH BRING CLAIMS AGAINST THE OTHER ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. CLAIMS OF TWO OR MORE PERSONS MAY NOT BE JOINED OR CONSOLIDATED IN THE SAME ARBITRATION UNLESS THEY ARISE FROM THE SAME TRANSACTION.



12.3 *Jury Trial.* You and Lambda School hereby waive Your respective right to a trial by jury in any proceedings arising out of this Agreement, or Your payments to Lambda School.

13. CREDIT QUALIFICATION. Lambda School may check Your credit with a credit reporting agency.

14. YOUR INFORMATION AND YOUR PRIVACY. Lambda School may use information You provide Lambda School under this Agreement to improve its administration of other retail installment contracts with its students and for its other operations, including working with its partners in performing under this Agreement. Otherwise, Lambda School may disclose information You provide Lambda School under this Agreement only if it is aggregated with information from other students or has removed from it all information that identifies it as originating with You. Lambda School owns any information derived from or based on the information You provide Lambda School. Lambda School maintains a privacy notice at www.lambdaschool.com/privacy. If You have any concerns about how Lambda School treats Your information, please contact Lambda School through its website.

15. CONTACTING EACH OTHER.

15.1 *Valid Notice.* For a notice under this Agreement to be valid, it must be in writing and delivered by email to the email address stated at the top of this Agreement (in the case of an email message from You to Lambda School) or to the most current email address in Lambda School's records (in the case of an email message from Lambda School to You), or submitted to the online portal. It will be deemed to have been received when sent, even if the sender receives a machine-generated message that delivery has failed.

If a party sending an email notice under this Agreement receives a machine-generated message that delivery has failed, for that notice to be valid the sender must deliver to the intended recipient a tangible copy of that notice with end-to-end tracking and all fees prepaid to the address stated at the top of this Agreement (in the case of delivery by You to Lambda School) or to the most current address in Lambda School's records (in the case of notice from Lambda School to You).

15.2 *Other Communications.* For any reason related to this Agreement, including any amounts You owe, Lambda School may contact You at any physical or electronic addresses or numbers (including wireless cellular telephone numbers, ported landline numbers, VOIP, or other services) You have provided Lambda School or provide Lambda School in the future. Lambda School may use any means of communication, including postal mail, electronic mail, voice calls, text messaging, and recorded message using automatic-dialing devices. You may ask that Lambda School not contact You using one or more of these means of contacting You, and the law might impose restrictions on how Lambda School contacts You.

You agree that we may monitor and record telephone calls regarding Your account to assure the quality of our service or for other reasons. You agree that we may call You, using an automatic telephone dialing system or otherwise, and leave You a voice, prerecorded, or artificial voice message, or send You a text, e-mail, or other electronic message for any purpose related to the servicing and collection of Your account with us (each a "Communication"). You agree that we may send a Communication to any telephone numbers, including cellular telephone numbers, or e-mail addresses You provided to us in connection with the origination



of this Agreement or at any time in the future. You acknowledge and confirm that You have the authority to provide the consent because You are either the subscriber of the telephone number(s) or You are the non-subscriber customary user who has authority to provide the consent. You also agree that we may include Your personal information in a Communication. You agree that we will not charge You for a Communication, but Your service provider may. In addition, You understand and agree that we may always communicate with You in in any manner permissible by law that does not require Your prior consent.

15.3 *Changing your Contact Information.* You must notify Lambda School no later than 30 days after change in Your primary residence, Your phone number, email address, or any other contact information You previously provides Lambda School.

16. ELECTRONIC DELIVERY. Per the terms of the E-Sign disclosure You executed in connection with this Agreement You acknowledge that You have consented to electronic delivery of all documentation. This documentation will also be accessible through the online portal.

17. GOVERNING LAW. California law governs all adversarial proceedings arising out of this Agreement, or Your payments to Lambda School.

18. TRANSFERS. You may not transfer (1) any discretion granted under this Agreement, (2) any right to satisfy a condition under this Agreement, (3) any remedy under this Agreement, or (4) any obligation imposed under this Agreement. Any purported transfer in violation of the previous sentence will be void.

Lambda School might transfer all or part of its interest in this Agreement. If Lambda School transfers its entire interest in this Agreement to someone else and by mistake You pay Lambda School, Lambda School has the choice of forwarding Your payment to the transferee or its project manager, returning the payment to You, or handle it in any other way Lambda School thinks reasonable.

19. WARRANTIES.

19.1 *Your Application.* You state that all information you provided in your Lambda School application was complete and accurate when you submitted Your application.

19.2 *Your Age.* You state that you are the age of majority or older in the state where You currently reside. (The age of majority is the age at which You are considered an adult and responsible for Your actions in the legal sense.)

19.3 *Citizenship.* You state that You are a citizen of the United States, a permanent resident of the United States, or a Deferred Action for Childhood Arrivals (DACA) recipient.

20. LAMBDA SCHOOL'S LIABILITY IS LIMITED. The liability of Lambda School under this Agreement is limited to the aggregate of all payments You make to Lambda School under this Agreement.

21. MODIFYING UNENFORCEABLE PROVISIONS. You acknowledge that if a dispute between the parties arises out of this Agreement, Your Lambda School tuition, or Your payments to Lambda School, You would want the court to interpret this Agreement as follows:



- With respect to any provision that it holds to be unenforceable, by modifying that provision to the minimum extent necessary to make it enforceable or, if that modification is not permitted by law, by disregarding that provision.
- If an unenforceable provision is modified or disregarded in accordance with this section, by holding that the rest of the Agreement will remain in effect as written.
- By holding that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.
- If modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this Agreement, by holding the entire Agreement unenforceable.

22. CONFLICT BETWEEN TIL DISCLOSURE AND THIS AGREEMENT. You understand and agree that if the information in Your TIL Disclosure conflicts with the information in this Agreement, the information in Your TIL Disclosure shall apply with respect to items required to be disclosed under Federal law.



SIGNATURE PAGE

NOTICE TO BORROWER:

1. Do not sign this Agreement before You read it or if it contains any blank spaces.
2. You are entitled to an exact and completely filled-in copy of the contract You sign. Keep it to protect Your legal rights.
3. Under the present law, You have the right, among others, to pay off in advance the full amount due at any time and, under certain circumstances, obtain a partial refund or rebate of the finance charge (a/k/a time price differential).
4. The finance charge does not exceed 0% per annum computed monthly.
5. **NOTICE TO CALIFORNIA RESIDENTS:** The applicant, if married, may apply for a separate account.
6. **NOTICE TO CALIFORNIA RESIDENTS:** YOU MAY ASSERT AGAINST THE HOLDER OF THE PROMISSORY NOTE YOU SIGNED IN ORDER TO FINANCE THE COST OF THE EDUCATIONAL PROGRAM ALL OF THE CLAIMS AND DEFENSES THAT YOU COULD ASSERT AGAINST THIS INSTITUTION, UP TO THE AMOUNT YOU HAVE ALREADY PAID UNDER THE PROMISSORY NOTE.
7. **NOTICE:** ANY HOLDER OF THIS RETAIL INSTALLMENT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

RETAIL INSTALLMENT CONTRACT

I acknowledge that I have read and received a copy of this Agreement, which terms include dispute resolution by binding individual arbitration instead of jury trials or class actions.

SELLER

BORROWER

LAMBDA INC.

(Signature)

(Date)

(Student's Signature)

(Date)