Certificate of Authenticity

Davidson County DEEDTRS
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I, WILLIAM M. SEKERKA, do hereby make oath that I am a licensed attorney and/or the custodian of the electronic version of the attached document tendered for registration herewith and that this is a true and correct copy of the original document executed and authenticated according to law.

Signature

State of MICHIGAN

County of BERRIEN

Personally appeared before me, Adam Astopenia, a notary public for this county and state, William M. Sekerka who acknowledges that this certification of an electronic document is true and correct and whose signature I have witnessed.

Notary's Signature

My Commission Expires:_____.

Notary's Seal (If on paper)

ADAM ASTOPENIA
NOTARY PUBLIC - MICHIGAN
Berrien County
My Commission Expires Oct. 07, 2020

This Instrument Prepared By:
State of Tennessee
Real Estate Asset Management
Tennessee Tower, 24th Floor
312 Rosa L. Parks Ave.
Nashville, TN 37243

BANKRUPTCY TRUSTEE'S DEED

THIS INDENTURE WITNESSETH that **DEBORAH J. CARUSO**, in her sole capacity as the duly appointed, qualified and acting chapter 7 trustee for the bankruptcy estate of ITT Educational Services, Inc., and not in her individual capacity (the "Grantor"), which bankruptcy case is pending before the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division, under Bankruptcy Case No. 16-07207-JMC-7, for good and sufficient consideration, and pursuant to an Order of the United States Bankruptcy Court, quitclaims to the State of Tennessee (the "Grantee"), any interest the Grantor may have in the following real estate located in Davidson County (Tennessee), commonly known as 2845 Elm Hill Pike, Nashville, TN 37214, and more particularly described on Exhibit "A" attached and incorporated herein (the "Real Estate"), subject to all real estate and assessment taxes, defects to title, defects in legal descriptions, and all easements, conditions, restrictions, covenants, highways, rights-of-way, reservations, limitations, zoning, regulatory ordinances, and other matters of record. The Real Estate is being conveyed in an "AS IS AND WHERE IS AND WITH ALL FAULTS" condition with no representations or warranties of any kind being made by the Grantor.

This conveyance is made pursuant to the terms and conditions of the Order of the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division, titled *Order Granting Trustee's Motion to Sell Real Estate Located in Nashville, Tennessee, Free and Clear*

ITT Educational Services purchased the property by a Special Warranty Deed recorded on May 6, 2003 as Instrument No. 20030606-0078556.

of All Liens, Encumbrances, Claims and Interests with a Prospective Purchaser Identified But Bids Considered entered on February 10, 2017, a copy of such Order is attached to this Bankruptcy Trustee's Deed as Exhibit "B" and by this reference incorporated herein.

IN WITNESS WHEREOF, the Grantor has executed this Bankruptcy Trustee's Deed this 22 day of Feb, 2017.

Deborah J. Caruso, in her sole capacity as the duly appointed, qualified and acting chapter 7 trustee for the bankruptcy estate of ITT Educational Services, Inc., which bankruptcy case is pending before the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division, under Case No. 16-07207-JMC-7, and not in her individual capacity

STATE OF INDIANA)
) SS:
COUNTY OF Hamilton)

Before me, a Notary Public, in and for said state and county, personally appeared Deborah J. Caruso, Grantor, in her sole capacity as the duly appointed, qualified and acting chapter 7 trustee for the bankruptcy estate of ITT Educational Services, Inc., which bankruptcy case is pending before the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division, under Case No. 16-07207-JMC-7, and not in her individual capacity, who acknowledged the execution of the foregoing Bankruptcy Trustee's Deed, and who, first being duly sworn, stated that the facts contained therein are true.

WITNESS MY HAND AND SEAL THIS 2nd DAY OF February, 2017

Notary Public

DEBRA J. WRIGHT
Notary Public, State of Indiana
Hamilton County
My Commission Expires
March 14, 2021

Printed

Return recorded Deed to:

State of Tennessee
Real Estate Asset Management
Tennessee Tower, 24th Floor
312 Rosa L. Parks Ave.
Nashville, TN 37243

State of Tennessee is tax exempt.

VALUE AFFIDAVIT

STATE OF INDIANA)
) SS:
COUNTY OF Hamilton)

The actual consideration or value, whichever is greater, for this transfer is $5,525,000. Grantee, State of Tennessee, is tax exempt.

Affiant:
Deborah J. Caruso, in her sole capacity as the duly appointed, qualified and acting chapter 7 trustee for the bankruptcy estate of ITT Educational Services, Inc., which bankruptcy case is pending before the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division, under Case No. 16-07207-JMC-7, and not in her individual capacity

Subscribed and sworn to before me this 22nd day of February, 2017.

Notary Public

DEBRA J. WRIGHT
Notary Public, State of Indiana
Hamilton County
My Commission Expires
March 14, 2021

Printed

EXHIBIT A

Legal Description

Land in Davidson County, Tennessee, being Lot No. 1 on the Final Plat of Metropolitan Airport Center, Section 5, Phase 6, of record in Book 9700, Page 806, in the Register's Office for Davidson County, Tennessee, to which plat reference is hereby made for a more complete description.

SO ORDERED: February 10, 2017.

James M. Carr
James M. Carr
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

IN RE:	)	
	)	
ITT EDUCATIONAL SERVICES, INC., *et al.*[1]	)	Case No. 16-07207-JMC-7A
	)	
Debtors.	)	Jointly Administered

ORDER GRANTING TRUSTEE'S MOTION TO SELL REAL ESTATE LOCATED IN NASHVILLE, TENNESSEE, FREE AND CLEAR OF ALL LIENS, ENCUMBRANCES, CLAIMS AND INTERESTS WITH A PROSPECTIVE PURCHASER IDENTIFIED BUT BIDS CONSIDERED

This matter is before the Court on the *Trustee's Motion to Sell Real Estate Located in Nashville, Tennessee, Free and Clear of All Liens, Encumbrances, Claims and Interests with a Prospective Purchaser Identified But Bids Considered* (the "Sale Motion") [Doc 817], filed by Deborah J. Caruso, the chapter 7 trustee in this case (the "Trustee").

The Court, having considered the Sale Motion, having convened a hearing on February 9, 2017, and being otherwise duly advised in the premises, hereby GRANTS the Sale Motion. In entering this order (this "Sale Order") and granting the Sale Motion, the Court finds as follows:

[1] The debtors in these cases, along with the last four digits of their respective federal tax identification numbers are ITT Educational Services, Inc. [1311]; ESI Service Corp. [2117]; and Daniel Webster College, Inc. [5980].

A. The Court has jurisdiction over the Sale Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

B. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

C. The statutory predicates for relief sought in the Sale Motion are sections 105 and 363 of Title 11 of the United States Code (the "Bankruptcy Code") and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

D. On December 8, 2016, this Court entered its *Order Granting Trustee's Motion to Establish Bid Procedures for the Sale of Real Estate Free and Clear of All Liens, Claims, Encumbrances and Interests* (the "Bid Procedures Order") [Doc 738], establishing certain competitive bid procedures (the "Bid Procedures") in connection with the sale of real estate in the Affiliated Debtors'[2] jointly administered bankruptcy cases.

E. The Sale Motion requests authority to sell certain real estate commonly known as 2845 Elm Hill Pike, Nashville, TN 37214 (the "Real Estate"), more particularly described as follows:

> Land in Davidson County, Tennessee, being Lot No. 1 on the Final Plat of Metropolitan Airport Center, Section 5, Phase 6, of record in Book 9700, Page 806, in the Register's Office for Davidson County, Tennessee, to which plat reference is hereby made for a more complete description

(the "Real Estate") and any existing permanent improvements and fixtures attached thereto, free and clear of all liens, encumbrances, claims and interests, to Donelson Investment Partners, LLC (the "Stalking Horse"), pursuant to the Stalking Horse PA, attached to the Sale Motion as Exhibit 1, or to a third party that submits a higher or better bid for the real estate in accordance with the Bid Procedures. As required pursuant to the Stalking Horse PA, the Stalking Horse has tendered

[2] Capitalized terms used but not otherwise defined herein shall have the meanings used in the Sale Motion.

to the Trustee an earnest deposit in the sum of $364,000.00 (the "Stalking Horse Earnest Deposit").

F. Pursuant to the *Notice, Case Management and Administrative Procedures* (the "Case Management Procedures") approved by the Court on October 4, 2016 [Doc 220], the Trustee provided adequate and sufficient notice of the Sale Motion to the following parties (as defined in the Case Management Procedures): (i) the Core Group; (ii) the Request for Notice List; (iii) the Appearance List; (iv) the Davidson County (Tennessee) Trustee; (v) Cerberus; and (vi) the Stalking Horse. Accordingly, a reasonable opportunity to object to the Sale Motion and the relief requested therein has been afforded to all known interested persons and entities and no objections to the Sale Motion were filed.

G. The Trustee received two (2) qualifying bids by the February 2, 2017 bid deadline. Eric Lowman ("Mr. Lowman") submitted a qualifying bid of $3,645,000.00 and has tendered an earnest deposit in the sum of $364,500 (the "Lowman Earnest Deposit"). The State of Tennessee ("SOT") submitted a qualifying bid of $4,100,000.00 and has tendered an earnest deposit in the sum of $410,000.00 (the "SOT Earnest Deposit").

H. On February 8, 2017, pursuant to the Bid Procedures, the Trustee conducted an auction for the sale of the Real Estate (the "Auction"). Following the conclusion of the Auction, the Trustee selected SOT as the prevailing bidder (the "Prevailing Bidder"), with a final bid of $5,525,000.00 (the "Purchase Price"), subject to the terms of the revised purchase agreement between the Prevailing Bidder and the Trustee (the "Prevailing Bidder PA"). The Prevailing Bidder PA is attached and incorporated herein as Exhibit A. In addition, the Trustee designated the Stalking Horse as the backup bidder (the "Backup Bidder"), with a backup bid of $5,500,000.00 (the "Backup Bid"), subject to the terms of the backup bidder purchase agreement

between the Backup Bidder and the Trustee (the "Backup Bidder PA"). The Backup Bidder PA is attached and incorporated herein as Exhibit B.

I. The Real Estate has been reasonably marketed. The marketing and due diligence process directed by the Court has been followed and the determination by the Trustee that the prevailing bid of the Prevailing Bidder is the highest and best bid for the Real Estate is appropriate and correct. Accordingly, it is in the best interest of the Affiliated Debtors' bankruptcy estates and their creditors that the sale of the Real Estate be and hereby is approved pursuant to the terms and conditions of the Prevailing Bidder PA (the "Sale").

J. The Prevailing Bidder is not an insider, as that term is defined in section 101(31) of the Bankruptcy Code.

K. The Prevailing Bidder is a purchaser in good faith, as that term is used in the Bankruptcy Code, and are entitled to the protections of section 363(m) of the Bankruptcy Code. The Prevailing Bidder PA was negotiated and entered into in good faith, based upon arm's length bargaining and without fraud or collusion with any other person (including any other prospective bidder for the Real Estate). There are no undisclosed agreements between the Prevailing Bidder, the Trustee or any other party in interest.

L. The consideration provided by the Prevailing Bidder PA (i) is fair and reasonable; (ii) is the highest and best offer for the Real Estate; (iii) is in the best interest of the Affiliated Debtors' bankruptcy estates; (iv) will provide a greater recovery for the Affiliated Debtors' creditors than would be provided by any other practicable available alternative; and (v) constitutes reasonably equivalent value and full, adequate and fair consideration for the Real Estate under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

M. It is a reasonable exercise of the Trustee's business judgment to sell the Real Estate to the Prevailing Bidder, pursuant to the terms and conditions of the Prevailing Bidder PA.

N. The Trustee has demonstrated that the Sale of the Real Estate free and clear of any interest held pursuant to the 2016 Tax Lien and the prorated portion of the 2017 Tax Lien is permitted pursuant to section 363(f)(3) of the Bankruptcy Code. The Purchase Price is greater than the aggregate value of the 2016 Tax Lien and the prorated portion of the 2017 Tax Lien, and therefore, pursuant to section 363(f)(3) of the Bankruptcy Code, the Trustee is permitted to sell the Real Estate free and clear of the 2016 Tax Lien and the prorated portion of the 2017 Tax Lien.

O. The Trustee has demonstrated that the Sale of the Real Estate free and clear of any interest held pursuant to the Cerberus Deed of Trust is permitted pursuant to section 363(f)(2) of the Bankruptcy Code. Cerberus has consented to the Sale of the Real Estate to the Prevailing Bidder at the Purchase Price, and therefore, pursuant to section 363(f)(2) of the Bankruptcy Code, the Trustee is permitted to sell the Real Estate free and clear of the Cerberus Deed of Trust.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED THAT:

General Provisions

1. The findings above are incorporated herein.

2. The Sale Motion is GRANTED in its entirety as to the Real Estate.

Approval of Sale

3. The Sale constitutes a sale of property of the Affiliated Debtors' bankruptcy estates outside of the ordinary course of business within the meaning of section 363(b) of the Bankruptcy Code.

4. The Sale is in the best interest of the Affiliated Debtors' creditors and the Trustee has demonstrated good, sufficient, and sound business purposes and justification for the Sale.

5. The Prevailing Bidder PA and the transactions contemplated thereby are hereby approved.

6. The sale of the Real Estate to the Prevailing Bidder under the terms and conditions of the Prevailing Bidder PA is approved for the Purchase Price. The Sale of the Real Estate shall be "AS IS AND WHERE IS AND WITH ALL FAULTS" and no representations or warranties of any kind are made by the Trustee.

7. Pursuant to section 363(b) of the Bankruptcy Code and the Prevailing Bidder PA, the Trustee is authorized and empowered to consummate the Sale of the Real Estate under the terms and conditions of the Prevailing Bidder PA.

8. The Trustee is authorized to execute any documentation necessary to effectuate the Sale of the Real Estate, including the execution of a Bankruptcy Trustee's Deed, the Prevailing Bidder PA, and any and all other additional instruments and documents that may be necessary to effectuate the Sale of the Real Estate.

Transfer of Sale Assets

9. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the sale of the Real Estate to the Prevailing Bidder pursuant to the Prevailing Bidder PA and this Sale Order shall be free and clear of any and all liens, encumbrances, claims or interests (including any interest held pursuant to the 2016 Tax Lien, the prorated portion of the 2017 Tax Lien, the Cerberus Deed of Trust and any recorded or unrecorded leases), with all such valid liens, encumbrances, claims and interests attaching to the sale proceeds in the same order, priority and validity that presently exists, subject to all claims of the Trustee; provided however, the Real

Estate shall be sold subject to the Permitted Exceptions as stated in Exhibit "B" to the Prevailing Bidder PA, in addition to those matters that would be disclosed upon a visual inspection of the Real Estate.

10. The Sale shall constitute a legal, valid, and effective transfer of the Real Estate notwithstanding any requirement for approval or consent by any person or entity, and shall vest the Prevailing Bidder with all rights, title and interest of the Affiliated Debtors' bankruptcy estates in and to the Real Estate free and clear of all liens, encumbrances, claims and interests, pursuant to section 363(f) of the Bankruptcy Code.

11. The Trustee is authorized to transfer, via wire transfer, to Meridian Title Company (the "Title Company") the SOT Earnest Deposit in the sum of $410,000.00 to be utilized in connection with the closing.

12. Pursuant to the terms of the Bid Procedures, the bid submitted by Mr. Lowman is hereby rejected by the Trustee, and the Trustee is authorized to return, via wire transfer or check, the Lowman Earnest Deposit in the sum of $364,500.00 to Mr. Lowman.

13. At closing, the Trustee is authorized to direct the Title Company to disburse from the proceeds from the Sale, first to pay the costs and expenses of the Sale, including the commission owed to A&G Realty in the approximate sum of $107,737.50, second to pay all real estate taxes and assessments outstanding and unpaid at the time of closing, including the 2016 Tax Lien and the prorated portion of the 2017 Tax Lien, third to pay any other special assessment liens, utilities, water and sewer charges and any other charges customarily prorated in similar transactions, and fourth to pay the balance of the net sale proceeds to Cerberus, in partial satisfaction of the Cerberus Deed of Trust.

Additional Provisions

14. The Sale of the Real Estate pursuant to the Prevailing Bidder PA constitutes a transfer for reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory possession, or the District of Columbia.

15. In the absence of a stay of the effectiveness of this Sale Order, in the event the Sale of the Real Estate closes at any time after the entry of this Sale Order, then with respect to the transactions approved and authorized herein, the Prevailing Bidder is a purchaser in good faith within the meaning of section 363(m) of the Bankruptcy Code in the event this Sale Order or any authorization contained herein is reversed or modified on appeal.

16. This Sale Order (i) shall be effective as a determination that any and all liens, encumbrances, claims and interests existing on the Real Estate prior to closing have been unconditionally released, discharged, and terminated, and that the conveyances described have been effected, and (ii) shall be binding upon and shall govern the acts of all entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of their office or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the Real Estate, and all such filings and the transfers contemplated by this Sale Order shall be effected without charges, fees, or taxes of any kind; and each of the foregoing persons or entities are hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the

transactions and a certified copy of this Sale Order, if filed, shall be sufficient to release any and all liens, encumbrances, claims or interests.

17. At closing, each of the Affiliated Debtors' creditors, including Cerberus and the Davidson County (Tennessee) Trustee, are authorized and directed to execute such documents and take all other actions as may be necessary to release any liens, encumbrances, claims and interest of any kind against the Real Estate as such liens, encumbrances, claims and interest may have been recorded or otherwise exist. If any person or entity that has filed documents or agreements evidencing liens, encumbrances, claims or interest on the Real Estate shall not have delivered to the Trustee prior to the closing of the Sale, in proper form for filing and executed by the appropriate parties, such documents releasing all liens, encumbrances, claims or interest on the Real Estate, then the Prevailing Bidder and/or the Trustee are hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to such Real Estate.

18. This Court shall retain exclusive jurisdiction to enforce and implement the terms and provisions of this Sale Order and the Prevailing Bidder PA including, but not limited to, retaining jurisdiction to: (i) compel delivery of the Real Estate to the Prevailing Bidder; (ii) interpret, implement and enforce the provisions of this Sale Order and the Prevailing Bidder PA; (iii) protect the Prevailing Bidder against encumbrances in or upon the Real Estate or any claim by any party against the Prevailing Bidder arising out of or related to the operation of the Real Estate; and (iv) compel delivery of the proceeds of the Sale to the Davidson County (Tennessee) Trustee in regards to the 2016 Tax Lien and the prorated portion of the 2017 Tax Lien, and Cerberus, in partial satisfaction of the Cerberus Deed of Trust. Moreover, the Court will retain

jurisdiction to amend this Sale Order or enter supplemental orders which may be required to close the transactions contemplated by the Prevailing Bidder PA.

19. The terms and provisions of this Sale Order and the Prevailing Bidder PA shall be binding in all respects upon, and shall inure to the benefit of the Trustee, the Affiliated Debtors' bankruptcy estates, their creditors, the Prevailing Bidder, and their respective affiliates, successors and assigns, and any affected third parties including, but not limited to all persons holding an encumbrance in or upon the Real Estate, notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which any trustee(s) such terms and provisions likewise shall be binding. The transactions contemplated by this Sale Order shall be specifically performable, enforceable against, binding upon and not subject to rejection by the Stalking Horse or the Trustee or any trustee subsequently appointed under any chapter of the Bankruptcy Code.

20. The Prevailing Bidder PA and any related agreements may be waived, modified, amended or supplemented by agreement of the Trustee and the Prevailing Bidder without further action of the Court; provided however, that any such waiver, modification, amendment or supplement is not material and substantially conforms to and effectuates the Prevailing Bidder PA.

21. The failure to specifically include any particular provisions of the Prevailing Bidder PA or any related agreements in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court, the Trustee and the Prevailing Bidder that the Prevailing Bidder PA and any related agreements are authorized and approved in their entirety with such amendments thereto as may be made by the parties in accordance with this Sale Order prior to closing.

22. The Backup Bidder PA is irrevocable for a period of sixty (60) days from the conclusion of the Auction. The Trustee is authorized to return, via wire transfer or check, the Stalking Horse Earnest Deposit in the sum of $364,500.00 to the Stalking Horse on the earlier of the closing of the Sale or sixty (60) days from the conclusion of the Auction. In the event the Prevailing Bidder fails to timely consummate the Sale, as determined by the Trustee in her discretion, pursuant to the terms of the Prevailing Bidder PA, the Backup Bidder is hereby deemed the successful bidder, pursuant to the terms of the Backup Bidder PA, and the Trustee is authorized to retain the SOT Earnest Deposit as liquidated damages and not a penalty. In such an event, the findings and provisions contained in this Sale Order related to the Prevailing Bidder shall apply to the Backup Bidder and have the same effect as if the Backup Bidder was originally designated as the prevailing bidder at the Auction, and the Backup Bidder shall be deemed the Prevailing Bidder with respect to all provisions in this Sale Order.

23. Pursuant to Bankruptcy Rule 6004(h), the Court hereby expressly finds and concludes that there is no just cause for delay in the implementation of this Sale Order. This Sale Order shall therefore not be stayed for fourteen (14) days after its entry. Notwithstanding any provision of the Bankruptcy Code or the Bankruptcy Rules to the contrary, this Sale Order shall be effective and enforceable immediately upon entry, and any stay thereof, including without limitation Bankruptcy Rule 6004(h), is hereby abrogated.

24. The provisions of this Sale Order are non-severable and mutually dependent.

25. This Sale Order shall constitute a final judgment and order pursuant to 28 U.S.C. § 158(a).

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