

DO NOT TYPE IN THESE SPACES

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

On July 25, 2017, Aspen Group, Inc. (the “Company”) closed on a \$10 million senior secured term loan (“Facility”) with Runway Growth Credit Fund (formerly known as GSV Growth Credit Fund) (“Runway”) and the Company borrowed \$5 million under the Facility with the remaining \$5 million to be drawn following the closing of the Company’s acquisition of substantially all the assets of the United States University (“USU”), subject to receipt of all required regulatory approvals. ~~End~~



(d) Exhibits.

10.1	Loan and Security Agreement dated July 25, 2017*
10.2	Registration Rights Agreement dated July 25, 2017
10.3	Warrant Agreement dated July 25, 2017*

* Certain schedules, appendices and exhibits to this agreement have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished supplementally to the Securities and Exchange Commission staff upon request.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

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This LOAN AND SECURITY AGREEMENT (this "Agreement") dated as of July 25, 2017 (the "Agreement Date") is entered into by and among [Company Name], a Maryland corporation ("Company"), and [Lender Name], a Delaware corporation ("Lender").

Accounting terms not defined in this Agreement shall be construed in accordance with GAAP, and calculations and determinations shall be made following GAAP, consistently applied. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth on Exhibit A. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein. As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. Unless otherwise specified, all references in this Agreement or any Annex or Schedule hereto to a "Section," "subsection," "Exhibit," "Annex," or "Schedule" shall refer to the corresponding Section, subsection, Exhibit, Annex, or Schedule in or to this Agreement. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein); (b) references to any law, statute or regulation shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law, statute or regulation; (c) any reference herein to any Person shall be construed to include its successors and assigns.

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further that those representations and warranties expressly referring to a sp

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. Each Loan Party hereby pledges, assigns and grants to Lender a security interest in all the Equity Interests in which such Loan Party has any interest, including the Shares, together with all proceeds and substitutions thereof.



default under any agreement to which it is a party or by which it is bound in which the default would reasonably be expected to have a Material Adverse Effect.

(a) Each Loan Party has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens.

(b) Except for the Collateral Accounts described in the Perfection Certificate or in a notice timely delivered pursuant to Section 6.6, no Loan Party has Collateral Accounts at or with any bank, broker or other financial institution, and each Loan Party has taken such actions as are necessary to give Lender a perfected security interest therein as required pursuant to the terms of Section 6.6(b). The Accounts are bona fide, existing obligations of the Account Debtors.

(c) The Collateral is located only at the locations identified in the Perfection Certificate and other Permitted Locations. The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate or as disclosed in writing pursuant to Section 6.12.

(d) Each Loan Party is the sole owner of the Intellectual Property which it owns or purports to own except for (a) licenses constituting "Permitted Transfers", (b) open-source software, (c) over-the-counter software that is commercially available to the public, (d) material Intellectual Property licensed to such Loan Party and noted on the Perfection Certificate or as disclosed pursuant to Section 6.7(b), and (e) immaterial Intellectual Property licensed to such Loan Party. No part of the Intellectual Property which a Loan Party owns or purports to own and which is material to such Loan Party's business has been judged invalid or unenforceable, in whole or in part. To the best of each Loan Party's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a Material Adverse Effect. Except as noted on the Perfection Certificate or as disclosed pursuant to Section 6.7(b), no Loan Party is a party to, nor is it bound by, any Restricted License.

. Except as set forth in the Perfection Certificate or as disclosed in writing pursuant to Section 6.2, there are no actions, suits, litigations or proceedings, at law or in equity, pending, or, to the knowledge of any Responsible Officer, threatened in writing, by or against a Loan Party or any of its Subsidiaries involving more than, individually or in the aggregate, One Hundred Thousand Dollars (\$100,000) or in which any adverse decision has had or would reasonably be expected to have any Material Adverse Effect.

. All consolidated financial statements for Borrower and any of its Subsidiaries delivered to Lender fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations as of the respective dates thereof and the results of operations of Borrower and its Subsidiaries for the respective periods then ended, except that the unaudited interim financial statements may not require all footnotes required by GAAP and are subject to normal year-end audit adjustments. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Lender.

. The fair salable value of Borrower's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of Borrower's consolidated liabilities; the Loan Parties are not left with unreasonably small capital after the transactions in this Agreement; and the Loan Parties are able to pay their debts (including trade debts) as they mature.

. Each Loan Party and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted except where failure to do so would not reasonably be expected to result in a Material Adverse Effect.

. Each Loan Party has delivered to Lender a capitalization table that is true, correct and complete in all material respects with respect to all issued and outstanding Equity Interests in each Loan Party and each of its Subsidiaries, as of the Closing Date. No Loan Party has any Subsidiaries, except as noted on the Perfection Certificate or as disclosed to Lender pursuant to Section 6.11

below. No Loan Party owns any stock, partnership, or other ownership interest or other Equity Interests except for Permitted Investments.

. Each Loan Party and each Subsidiary have timely filed all required tax returns and reports (or appropriate extensions therefor), and each Loan Party and each Subsidiary has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by such Loan Party or such Subsidiary, as applicable, except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Ten Thousand Dollars (\$10,000). The Loan Parties are unaware of any claims or adjustments proposed for any Loan Party's or any Subsidiary's prior tax years which would result in a material amount of additional taxes becoming due and payable by any Loan Party or any Subsidiary.

Each Loan Party has full power and authority to create a first lien on its Shares and no disability or contractual obligation exists that would prohibit such Loan Party from pledging its Shares pursuant to this Agreement. To each Loan Party's knowledge, other than the outstanding warrants and options of Borrower publically disclosed, there are no subscriptions, warrants, rights of first refusal or other restrictions on transfer relative to, or options exercisable with respect to its Shares. The Shares have been and will be duly authorized and validly issued, and are fully paid and non-assessable. To each Loan Party's knowledge, the Shares are not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and such Loan Party knows of no reasonable grounds for the institution of any such proceedings.

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. No written representation, warranty or other statement of any Loan Party or any of its Subsidiaries in any certificate or written statement given to Lender by or on behalf of any Loan Party or any of its Subsidiaries, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Lender, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading in light of the circumstances under which they were made (it being recognized by Lender that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

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therefor. Subject to Section 3.3(b), for each Collateral Account (other than an Excluded Account) that a Loan Party at any time maintains, such Loan Party shall cause the applicable bank, broker or financial institution at or with which any Collateral Account (other than an Excluded Account) is maintained to execute and deliver an Account Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Lender's Lien in such Collateral Account in accordance with the terms hereunder which Account Control Agreement may not be terminated without the prior written consent of Lender.

(a) ~~Use of Financially Responsible Efforts~~ The Loan Party shall use reasonable efforts to protect, defend and maintain the validity and enforceability of its Lien in such Collateral Account. If the Loan Party becomes aware of any event or condition that may materially and adversely affect the validity or enforceability of its Lien in such Collateral Account, the Loan Party shall promptly advise Lender in writing of material information that may otherwise be applicable to such Collateral Account.

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. Loan Parties shall at all times maintain Cash or Cash Equivalents in Collateral Accounts, in each case, subject to an Account Control Agreement in favor of Lender, of an amount which shall be the greater of the absolute values of (a) the sum of six (6) months of projected negative cash flow from operations plus six (6) months of projected capital expenditures on property, plant and/or equipment including any leasing expenditure(s) or (b) six (6) months of negative net income based on an annual budget as approved

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notice of the proposed date of each Next Round, which notice shall include the proposed terms, conditions and pricing of such Next Round. The rights granted under this Section 6.14 shall survive termination of this Agreement for a period of five (5) years.

. Execute any further instruments and take further action as Lender reasonably requests to perfect or continue Lender's Lien in the Collateral or to effect the purposes of this Agreement.

No Loan Party shall, or shall cause or permit any of its Subsidiaries to, do any of the following:

. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "Transfer"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Permitted Transfers.

(a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by such Loan Party and such Subsidiary or incidental activities or businesses related to the businesses currently engaged in by such Loan Party and such Subsidiary, as applicable, or reasonably related thereto, including the consummation of the USU Acquisition; (b) liquidate or dissolve, except if the USU Acquisition does not close, Borrower may dissolve Newco; (c) without the consent of Lender, which may not be unreasonably withheld, suffer the resignation or departure of any Key Person, other than through death, disability or voluntary resignation; (d) suffer the resignation or departure of any Key Person through death, disability or voluntary resignation and not name an interim replacement within thirty (30) days or a permanent replacement within one hundred and eighty (180) days of such Key Person's resignation or departure, in each case, acceptable to Borrower's Board; (e) fail to provide notice to Lender of any Key Person departing from or ceasing to be employed by Borrower within five (5) Business Days after departure or cessation of employment from Borrower; (f) fail to have Michael Mathews serve as Chief Executive Officer of Borrower for a period greater than thirty (30) days over the term of this Agreement, except as provided in the foregoing clause (b); (g) have a Change in Control, or (h) without at least ten (10) days prior written notice to Lender add any new offices or business locations, including warehouses (unless such new offices or business locations already qualifies as a Permitted Location).

. Other than the USU Acquisition, merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary) or enter into any agreement to do any of the same. A Subsidiary that is not a Loan Party may merge or consolidate into another Subsidiary that is not a Loan Party or into a Loan Party, if the survivor of such merger or consolidation is a Loan Party. A Subsidiary that is a Loan Party may merge or consolidate into another Loan Party.

. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Acco cA

Contribution Amounts with respect to all Guarantors multiplied by, (b) the aggregate amount paid or distributed on or before such date by all Guarantors under this Guaranty in respect of the obligations Guaranteed. “ ” means, with respect to any Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Guarantor under this Guaranty that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided, solely for purposes of calculating the Fair Share Contribution Amount with respect to any Guarantor for purposes of this Section 8.2, any assets or liabilities of such Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Guarantor. “ ” means, with respect to any Guarantor as of any date of determination, an amount equal to (A) the aggregate amount of all payments and distributions made on or before such date by such Guarantor in respect of this Guaranty (including, without limitation, in respect of this Section 8.2), minus (B) the aggregate amount of all payments received on or before such date by such Guarantor from the other Guarantors as contributions under this Section 8.2. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Guarantor. The allocation among Guarantors of their obligations as set forth in this Section 8.2 shall not be construed in any way to limit the liability of any Guarantor hereunder. Each Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 8.2.

. Subject to Section 8.2, Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which Lender may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of Borrower to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), Guarantors will upon demand pay, or cause to be paid, in cash, to Lender, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for Borrower’s becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against Borrower for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to Lender as aforesaid.

Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

- (a) ~~this Guaranty~~ is a guaranty of payment when due and not of collectability. This Guaranty is a prima ~~id~~ ~~flow~~:
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the financial condition of Borrower. Each Guarantor has adequate means to obtain information from Borrower on a continuing basis concerning the financial condition of Borrower and its ability to perform its obligations under the Loan Documents, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of Borrower and of all circumstances bearing upon the risk of non-payment of the Guaranteed Obligations. Each Guarantor hereby waives and relinquishes any duty on the part of Lender to disclose any matter, fact or thing relating to the business, operations or conditions of Borrower now known or hereafter known by Lender.

(a) So long as any Guaranteed Obligations remain outstanding, no Guarantor shall, without the prior written consent of Lender, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency case or proceeding or against Borrower or any other Guarantor. The obligations of Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Borrower or any other Guarantor or by any defense which Borrower or any other Guarantor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of Guarantors and Lender that the Guaranteed Obligations which are guaranteed by Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve Borrower of any portion of such Guaranteed Obligations. Guarantors will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay Lender, or allow the claim of Lender in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

(c) In the event that all or any portion of the Guaranteed Obligations are paid by Borrower, the obligations of Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from Lender as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder

. If all of the Equity Interests of any Guarantor or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) in accordance with the terms and conditions hereof, the Guaranty of such Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by Lender or any other Person effective as of the time of such sale or disposition.

Any one of the following shall constitute an event of default (an “~~event of default~~”) under this Agreement:

(1. Borrower fails to make any payment of principal or interest on any Credit Extension when due within three (3) days after such payment is due and payable (which three (3) day cure period shall not apply to payments due on the Term Loan Maturity Date), or (2. any Loan Party fails to pay any other Obligations within three (3) days after such Obligations are due and payable (which three (3) day cure period shall not apply to payments due on the Term Loan Maturity Date). During the cure period, Lender shall not be deemed to have waived its rights.

Party by any Governmental Authority, and the same are not, within twenty (20) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree).

. Any Loan Party or any Person acting for such Loan Party makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Lender or to induce Lender to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made.

. Any document, instrument, or agreement evidencing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect (unless such Subordinated Debt is paid off in accordance with its terms), any Person shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further or liability obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement.

. Any Governmental Approval is ~~not~~ (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal (i) causes, or could reasonably be expected to cause, a Material Adverse Effect, or (ii) adversely affects the legal ~~qualification of the Loan Party to hold such Governmental Approval in any applicable jurisdiction and such~~ ^{qualification of the Loan Party to hold such Governmental Approval in any applicable jurisdiction and such} revocation, rescission, suspension, modification, or non-renewal.

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. If an Event of Default has occurred and is continuing, Lender shall have the right to apply in any order any funds in its possession, whether payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Lender shall pay any surplus to Borrower by credit to the Deposit Account designated by Borrower or to other Persons legally entitled thereto; Borrower shall remain liable to Lender for any deficiency. If Lender, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Lender shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Lender of cash therefor.

. So long as Lender complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Lender, Lender shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. The Loan Parties' bear all risk of loss, damage or destruction of the Collateral.

. Lender's failure, at any time or times, to require strict performance by each Loan Party of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Lender's rights and remedies under this Agreement and the other Loan Documents are cumulative. Lender has all rights and remedies provided under the Code, by law, or in equity. Lender's exercise of one right or remedy is not an election and shall not preclude Lender from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Lender's waiver of any Event of Default is not a continuing waiver. Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

. Each Loan Party waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments or chattel paper.

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon transmission, when sent by electronic mail; (b) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (c) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, or email address indicated below. Lender and Loan Parties may change their respective mailing or electronic mail addresses by giving the other party written notice thereof in accordance with the terms of this Section 11.

If to a Loan Party: c/o Aspen Group, Inc.
46 E. 21st Street, 3rd Floor
New York, NY 10010

If to Lender:

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under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure § 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph. This Section 12 shall survive the termination of this Agreement.

. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than contingent indemnification obligations as to which no claim has been asserted or is known to exist and any other obligations which, by their terms, ar

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As used in this Agreement, the following capitalized terms have the following meanings:

“ ” means any “account” as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to any Person; provided that such defined term shall not include those “accounts” solely composed of Title IV funds or monies.

“ ” means any control agreement entered into among the depository institution at which a Loan Party maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower or any other Loan Party maintains a Securities Account or a Commodity Account, a Loan Party, and Lender pursuant to which Lender obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

“ ” means any “account debtor” as defined in the Code with such additions to such term as may hereafter be made.

“ ” means, with respect to any Person, each other Person that owns or controls, directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person’s managers and members.

“ ” is defined in Section 8.2.

“ ” is defined in the preamble of this Agreement.

“ ” means Executive Order No. 13,224 as of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, 66 U.S. Fed. Reg. 49,079 (2001).

“ ” at a variable annual rate equal to the applicable LIBOR, plus ten percent (10.0%).

“ ” means the Automatic Payment Authorization in substantially the form of Exhibit F.

“ ” means, with respect to any Person, the board of directors, board of managers, managers or other similar bodies or authorities performing similar governing functions for such Person.

“ ” is defined in the preamble hereof.

“ ” means any day that is not a Saturday, Sunday or a day on which commercial banks in the State of California are required or permitted to be closed.

“ ” means all unencumbered and unrestricted cash and cash equivalents.

“ ” means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc.; (c) certificates of deposit issued by any bank with assets of at least \$500,000,000 maturing no more than one year from the date of investment therein; and (d) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

“ ” means any of the following (or any combination of the following) whether arising from any single transaction event or series of related transactions or events that, individually or in the aggregate, result in: (a) the holders of Borrower’s Equity Interests who were not holders of Equity Interest as of the Closing Date, cease to own at least thirty-five percent (35%) of the Voting Stock of Borrower; (b) any “person” or “group” (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of a sufficient number of Equity Interests of Borrower ordinarily entitled to vote in the election of directors, empowering such “person” or “group” to elect a majority of the members of Borrower’s Board, who did not have such power before such transaction, except as a result of a bona fide equity financing or series of financings from investors reasonably acceptable to Borrower; or (c) a Loan Party ceasing to own and control, free and clear of any Liens (other than Permitted Liens), directly or indirectly, all of the Equity Interests in each of its Subsidiaries or failing to have the power to direct or cause the direction of the management and policies of each such Subsidiary, except as provided in Section 7.2(b).

“ ” is defined in Section 13.3.

“ ” is defined in the preamble hereof.

“ ” means the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of California; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priosests

executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

“ ” is defined in Section 8.1.

“ ” means (a) Aspen University, (b) Newco and (c) any other Person providing a Guaranty, pursuant to Section 8 or otherwise, in favor of Lender or providing collateral, security or other credit support for all or any portion of the Obligations.

“ ” means any (a) the guaranty of each Guarantor pursuant to Section 8 and (b) each other guaranty, in form and substance satisfactory to Lender, made by any Guarantor to guarantee of all or any part of the Obligations.

“ ” means (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

“ ” is defined in Section 13.3.

“ ” means any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

“ ” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following:

- (a) its Copyrights, Trademarks and Patents;
- (b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;
- (c) any and all source code;
- (d) any and all design rights which may be available to such Person; and
- (e) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“ ” means for any fiscal period, interest expense (whether cash or non-cash) determined in accordance with GAAP for the relevant period ending on such date, including, in any event, interest expense with respect to any Credit Extension and other Indebtedness of Borrower and its Subsidiaries, including, without limitation or duplication, all commissions, discounts, or related amortization and other fees and charges with respect to letters of credit and bankers’ acceptance financing and the net costs associated with interest rate swap, cap, and similar arrangements, and the interest portion of any deferred payment obligation (including leases of all types).

“ ” means the period from and including the Closing Date and through and including the twenty-fourth (24th) Payment Date following the Closing Date; provided that after the twenty-fourth (24th) Payment Date has passed, if Borrower achieves the Operating Milestone at the end of any month and so long as no Default or Event of Default has occurred and is continuing, the Interest-Only Period shall be extended until the end of the fiscal quarter immediately following such month in which the Operating Milestone was achieved.

“ ” means all “inventory” as defined in the Code in effect on Date foll “i n an an f



“ ” means:

- (a) Borrower’s Indebtedness to Lender under this Agreement and the other Loan Documents;
- (b) Indebtedness existing on the Closing Date and shown on the Perfection Certificate;
- (c) Subordinated Debt;
- (d) unsecured Indebtedness to trade creditors incurred in the Ordinary Course of Business;
- (e) Indebtedness incurred as a result of endorsing negotiable instruments received in the Ordinary Course of Business;
- (f) Indebtedness secured by Liens permitted under clauses (a) and (c) of the definition of “Permitted Liens” hereunder;
- (g) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness described in clause (b) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon a Loan Party or its Subsidiary, as the case may be; and
- (h) other unsecured Indebtedness in an aggregate amount not to exceed One Hundred Thousand Dollars (\$100,000).

“ ” means:

- (a) Investments (including, without limitation, Subsidiaries) existing on the Closing Date and shown on the Perfection Certificate;
- (b) (i) Investments consisting of Cash Equivalents, and (ii) any Investments permitted by Borrower’s investment policy, as amended from time to time, provided that such investment policy (and any such amendment thereto) has been approved in writing by Lender;
- (c) Investments consisting of repurchases of Borrower’s Equity Interests from former employees, officers and directors of Loan Parties to the extent permitted under Section 7.7;
- (d) Investments (i) among Loan Parties, and (ii) of Loan Parties in Subsidiaries which are not Loan Parties, provided that such Investments shall not exceed One Hundred Thousand Dollars (\$100,000) per fiscal year of Borrower;
- (e) Investments not to exceed One Hundred Thousand Dollars (\$100,000) outstanding in the aggregate at any time consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the Ordinary Course of Business, and (ii) loans not involving the net transfer of cash proceeds to employees, officers or directors relating to the purchase of Equity Interests of Borrower pursuant to employee stock purchase plans or other similar agreements approved by Borrower’s Board;
- (f) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the Ordinary Course of Business;
- (g) Investments consisting of Deposit Accounts in which Lender has a perfected security interest; and



1.4 “ ” means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.5 “ ” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.6 “ ” means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.7 “ ” means the issuance of (a) shares of Common Stock or options to employees, officers, directors or consultants of the Company pursuant to the Company’s 2012 Equity Incentive Plan or any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose, (b) securities upon the exercise or exchange of or conversion of any securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, including pursuant to any anti-dilution provision in such securities, (c) securities issuable pursuant to certain anti-dilution rights under agreements entered into prior to the date of this Agreement, provided that such agreements have not been amended since the date of this Agreement to include or amend (to increase the number of shares issuable or the applicable price for such issuance) any anti-dilution rights in such agreements, and (d) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company (including the contemplated acquisition of United States University), provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

1.8 “ ” means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.9 “ ” means, collectively, all shares of capital stock or other equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such shares or equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such shares or equity securities.

1.10 “ ” means an

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counsel for the Holder (“ ”), which shall not exceed \$10,000, shall be borne and paid by the Company.

2.6 Delay of Registration. The Holder shall not have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.7 Indemnification. If any í If any “ 5

(a)

(b)

(c)

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless

2.8

(a)

(b)

(c)

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(a) the closing of an Acquisition, as such term is defined in the Warrant; and

(b) such time as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of the Holder's shares without limitation during a three-month period without registration.

3. Rights to Future Stock Issuances.

3.1 Right of First Offer. Subject to the terms and conditions of this Subsection 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to the Holder. The Holder shall be entitled to apportion the right of first offer hereby granted to it, in such proportions as it deems appropriate, among (i) itself and (ii) its Affiliates.

(a) The Company shall give notice (the " ") to the Holder, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within 20 days after the Offer Notice is given, the Holder may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by the Holder (including all shares of Common Stock then issuable)

(c)

(d)

Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

RUNWAY GROWTH CREDIT FUND INC.

Attn: Thomas B. Raterman
205 N. Michigan Ave., Suite 930
Chicago, IL 60601
Email address: tr@runwaygrowth.com

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

Latham & Watkins LLP
Attn: Haim Zaltzman
505 Montgomery Street, Suite 2000
San Francisco, CA 94111
Telephone: (415) 391-0600
Facsimile: (650) 463-2600
Email: haim.zaltzman@lw.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

ASPEN GROUP, INC.

Attn: Michael D. Mathews
46 E. 21st Street
Third Floor New York, NY 10010
Email: Michael.mathews@aspen.edu

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

Nason, Yeager, Gerson, White & Lioce, P.A.
Attention: Michael D. Harris
3001 PGA Boulevard, Suite 305
Palm Beach Gardens, FL 33410
Email: mharris@nasonyeager.com

4.6 Amendments and Waivers

4.7

4.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated in

4.9

4.10





IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

By: _____

Name:

Title:

Address: _____

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, Holder as follows:

(a) The initial Warrant Price first set forth above is not greater than the average closing price of a share of the Class on the principal Trading Market in which shares of the Class are traded as of the Issue Date hereof for the ten (10) consecutive trading days ending on the trading day immediately prior to the Issue Date hereof.

(b) The number of Shares for which this Warrant is exercisable on and as of the Issue Date hereof represents not less than 1.25% of the Company's total issued and outstanding shares of common stock, calculated on and as of the Issue Date hereof on a fully-diluted, common stock-equivalent basis assuming (i) the conversion into common stock of all outstanding securities and instruments (including, without limitation, securities deemed to be outstanding pursuant to clause (ii) of this Section 3.1(b)) convertible by their terms into shares of common stock (regardless of whether such securities or instruments are by their terms now so convertible), (ii) the exercise in full of all outstanding options, warrants (including, without limitation, this Warrant) and other rights to purchase or acquire shares of common stock or securities exercisable for or convertible into shares of common stock (regardless of whether such options, warrants or other rights to purchase or acquire are by their terms then exercisable), and (iii) the inclusion of all shares of common stock reserved for issuance under all of the Company's incentive stock and stock option plans and not then subject to outstanding grants or options.

(c) All Shares which may be issued upon the exercise of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class and other securities, if any, as will be sufficient to permit the exercise in full of this Warrant.

(d)

3.2

(a)

(b)

(c)

(d)

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SECTION 4. REPRESENTATIONS, WARRANTIES OF HOLDER.

Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of ~~Regulation D promulgated under the Act.~~ ~~the Act.~~

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Reserved.

4.7 No Voting Rights.

5.1

(a)

(b)

5.2 Legends. Each certificate evidencing the Shares, if any, shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “

5.3

5.4

5.5

With a copy (which shall not constitute notice) to:
Nason, Yeager, Gerson, White & Lioce, P.A.
Attention: Michael D. Harris
3001 PGA Boulevard, Suite 305
Palm Beach Gardens, FL 33410
Email: mharris@nasonyeager.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. " _____ " means any day that is not a Saturday, Sunday or a day on which commercial banks in the State of California are required or permitted to be closed.

