UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **January 31, 2019.**
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-38175

Aspen Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-1933597**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
276 Fifth Avenue, Suite 505, New York, New York	**10001**
(Address of principal executive offices)	*(Zip Code)*

Registrants telephone number: (646) 448-5144

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☑
Non-accelerated filer ☐	Smaller reporting company ☑
Emerging growth company ☐	

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Class	Outstanding as of March 11, 2019
Common Stock, $0.001 par value per share	18,489,202 shares

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	January 31, 2019 (unaudited)	April 30, 2018
Assets		
Current assets:		
Cash	$ 4,197,235	$ 14,612,559
Restricted cash	192,692	190,506
Accounts receivable, net of allowance of $903,450 and $468,174, respectively	9,278,751	6,802,723
Prepaid expenses	343,215	199,406
Other receivables	79,235	184,569
Total current assets	14,091,128	21,989,763
Property and equipment:		
Call center equipment	173,077	140,509
Computer and office equipment	301,548	230,810
Furniture and fixtures	1,310,139	932,454
Software	3,869,750	2,878,753
	5,654,514	4,182,526
Less accumulated depreciation and amortization	(1,622,908)	(1,320,360)
Total property and equipment, net	4,031,606	2,862,166
Goodwill	5,011,432	5,011,432
Intangible assets, net	8,816,667	9,641,667
Courseware and accreditation, net	179,154	138,159
Accounts receivable, secured - net of allowance of $625,963, and $625,963, respectively	45,329	45,329
Long term contractual accounts receivable	2,568,532	1,315,050
Debt issue cost, net	330,414	—
Other assets	607,812	584,966
Total assets	$ 35,682,074	$ 41,588,532

(Continued)

The accompanying condensed notes are an integral part of these unaudited consolidated financial statements.

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)

	January 31, 2019 (unaudited)	April 30, 2018
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,709,233	$ 2,227,214
Accrued expenses	570,806	658,854
Deferred revenue	2,699,227	1,814,136
Refunds due students	1,370,060	815,841
Deferred rent, current portion	18,818	8,160
Convertible notes payable, current portion	1,050,000	1,050,000
Other current liabilities	291,703	203,371
Total current liabilities	7,709,847	6,777,576
Convertible note	—	1,000,000
Deferred rent	705,420	77,365
Total liabilities	8,415,267	7,854,941
Commitments and contingencies - See Note 6		
Stockholders' equity:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized, 0 issued and outstanding at January 31, 2019 and April 30, 2018	—	—
Common stock, $0.001 par value; 250,000,000 shares authorized,18,505,869 issued and 18,489,202 outstanding at January 31, 2019, 18,333,521 issued and 18,316,854 outstanding at April 30,2018	18,506	18,334
Additional paid-in capital	67,758,344	66,557,005
Treasury stock (16,667 shares)	(70,000)	(70,000)
Accumulated deficit	(40,440,043)	(32,771,748)
Total stockholders' equity	27,266,807	33,733,591
Total liabilities and stockholders' equity	$ 35,682,074	$ 41,588,532

The accompanying condensed notes are an integral part of these unaudited consolidated financial statements.

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2019	2018	2019	2018
Revenues	$ 8,494,627	$ 5,701,958	$ 23,811,275	$ 14,796,483
Operating expenses				
Cost of revenues (exclusive of depreciation and amortization shown separately below)	4,076,980	2,665,664	11,664,887	6,282,814
General and administrative	6,284,041	4,677,359	18,318,061	10,975,085
Depreciation and amortization	555,292	347,894	1,577,464	631,969
Total operating expenses	10,916,313	7,690,917	31,560,412	17,889,868
Operating loss	(2,421,686)	(1,988,959)	(7,749,137)	(3,093,385)
Other income (expense):				
Other income	142,180	46,179	240,074	88,067
Gain on extinguishment of warrant liability	—	52,500	—	52,500
Interest expense	(76,434)	(257,665)	(159,232)	(443,757)
Total other income (expense), net	65,746	(158,986)	80,842	(303,190)
Loss before income taxes	(2,355,940)	(2,147,945)	(7,668,295)	(3,396,575)
Income tax expense (benefit)	—	—	—	—
Net loss	$ (2,355,940)	$ (2,147,945)	$ (7,668,295)	$ (3,396,575)
Net loss per share allocable to common stockholders – basic and diluted	$ (0.13)	$ (0.15)	$ (0.42)	$ (0.25)
Weighted average number of common shares outstanding: basic and diluted	18,398,095	14,491,634	18,350,360	13,862,992

The accompanying condensed notes are an integral part of these unaudited consolidated financial statements.

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2019 AND 2018
(Unaudited)

For the nine months ended January 31, 2019	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
Balance at April 30, 2018	18,333,521	$ 18,334	$ 66,557,005	$ (70,000)	$(32,771,748)	$ 33,733,591
Stock-based compensation	—	—	866,129	—	—	866,129
Common stock issued for cashless stock options exercised	86,635	87	(87)	—	—	—
Common stock issued for stock options exercised for cash	49,792	49	110,094	—	—	110,143
Relative fair value of warrants issued with debt	—	—	255,071	—	—	255,071
Common stock issued for cashless warrant exercise	35,921	36	(36)	—	—	—
Purchase of treasury stock, net of broker fees	—	—	—	(7,370,000)	—	(7,370,000)
Re-sale of treasury stock, net of broker fees	—	—	—	7,370,000	—	7,370,000
Fees associated with equity raise	—	—	(29,832)	—	—	(29,832)
Net loss, for the nine months ended January 31, 2019	—	—	—	—	(7,668,295)	(7,668,295)
Balance at January 31, 2019 (Unaudited)	**18,505,869**	**$ 18,506**	**$ 67,758,344**	**$ (70,000)**	**$(40,440,043)**	**$ 27,266,807**

For the three months ended January 31, 2019	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
Balance at October 31, 2018 (Unaudited)	18,391,092	$ 18,391	$ 67,102,509	$ (70,000)	$(38,084,103)	$ 28,966,797
Stock-based compensation	—	—	350,838	—	—	350,838
Common stock issued for cashless stock options exercised	55,871	56	(56)	—	—	—
Common stock issued for stock options exercised for cash	22,985	23	50,018	—	—	50,041
Relative fair value of warrants issued with debt	—	—	255,071	—	—	255,071
Common stock issued for cashless warrant exercise	35,921	36	(36)	—	—	—
Net loss, for the three months ended January 31, 2019	—	—	—	—	(2,355,940)	(2,355,940)
Balance at January 31, 2019 (Unaudited)	**18,505,869**	**$ 18,506**	**$ 67,758,344**	**$ (70,000)**	**$(40,440,043)**	**$ 27,266,807**

(Continued)

The accompanying condensed notes are an integral part of these unaudited consolidated financial statements.

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (CONTINUED)
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2019 AND 2018
(Unaudited)

For the nine months ended January 31, 2018	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
Balance at April 30, 2017	13,504,012	$ 13,504	$ 33,607,423	$ (70,000)	$(25,710,687)	$ 7,840,240
Fees associated with equity raise	—	—	(14,033)	—	—	(14,033)
Restricted stock issued for services	10,000	10	88,690	—	—	88,700
Stock-based compensation	—	—	466,468	—	—	466,468
Common stock issued for acquisition	1,203,209	1,203	10,214,041	—	—	10,215,244
Common stock issued for cashless warrant exercise	162,072	162	(162)	—	—	—
Common stock issued for warrants exercised for cash	79,442	79	196,301	—	—	196,380
Common stock issued for stock options exercised	113,597	114	402,382	—	—	402,496
Warrants issued with senior secured term loan	—	—	478,428	—	—	478,428
Net loss, for the Nine months ended January 31, 2018	—	—	—	—	(3,396,575)	(3,396,575)
Balance at January 31, 2018 (Unaudited)	**15,072,332**	**$ 15,072**	**$ 45,439,538**	**$ (70,000)**	**$(29,107,262)**	**$ 16,277,348**

For the three months ended January 31, 2018	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
Balance at October 31, 2017 (Unaudited)	13,613,996	$ 13,613	$ 34,471,602	$ (70,000)	$(26,959,317)	$ 7,455,898
Fees associated with equity raise	—	—	(9,326)	—	—	(9,326)
Restricted stock issued for services	10,000	10	88,690	—	—	88,700
Stock-based compensation	—	—	162,544	—	—	162,544
Common stock issued for acquisition	1,203,209	1,203	10,214,041	—	—	10,215,244
Common stock issued for cashless warrant exercise	83,544	83	(83)	—	—	—
Common stock issued for warrants exercised for cash	64,584	65	162,717	—	—	162,782
Common stock issued for stock options exercised	96,999	98	349,353	—	—	349,451
Net loss, for the three months ended January 31, 2018	—	—	—	—	(2,147,945)	(2,147,945)
Balance at January 31, 2018 (Unaudited)	**15,072,332**	**$ 15,072**	**$ 45,439,538**	**$ (70,000)**	**$(29,107,262)**	**$ 16,277,348**

The accompanying condensed notes are an integral part of these unaudited consolidated financial statements.

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine months ended January 31,	
	2019	**2018**
Cash flows from operating activities:		
Net loss	$ (7,668,295)	$ (3,396,575)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	480,066	298,144
Gain on extinguishment of warrant liability	—	(52,500)
Depreciation and amortization	1,577,464	631,969
Stock-based compensation	866,129	466,468
Loss on asset disposition	—	27,590
Amortization of debt discounts	—	99,726
Amortization of debt issue costs	24,657	—
Amortization of prepaid shares for services	8,285	37,039
Changes in operating assets and liabilities:		
Accounts receivable	(4,209,576)	(4,534,118)
Prepaid expenses	(152,094)	(59,451)
Accrued interest receivable	—	(45,400)
Other receivables	105,334	(152,398)
Other assets	(22,846)	(528,789)
Accounts payable	(517,981)	366,044
Accrued expenses	(88,048)	218,476
Deferred rent	638,713	22,087
Refunds due students	554,219	420,146
Deferred revenue	885,091	2,340,461
Other liabilities	88,332	186,134
Net cash used in operating activities	(7,430,550)	(3,654,947)
Cash flows from investing activities:		
Purchases of courseware and accreditation	(89,573)	(33,369)
Purchases of property and equipment	(1,873,326)	(1,171,473)
Proceeds from promissory note receivable	—	900,000
Cash paid in asset acquisition	—	(2,589,719)
Proceeds from promissory note interest receivable	—	53,400
Net cash used in investing activities	(1,962,899)	(2,841,161)
Cash flows from financing activities:		
Disbursements for equity offering costs	(29,832)	(14,033)
Repayment of convertible note payable	(1,000,000)	—
Proceeds from senior secured term loan	—	7,500,000
Proceeds of warrant and stock options exercised	110,143	598,876
Purchase of treasury stock	(7,370,000)	—
Re-sale of treasury stock	7,370,000	—
Offering costs paid on debt financing	(100,000)	(351,366)
Net cash provided by (used in) financing activities	(1,019,689)	7,733,477
Net increase (decrease) in cash and cash equivalents	(10,413,138)	1,237,369
Cash, restricted cash, and cash equivalents at beginning of period	14,803,065	2,756,217
Cash and cash equivalents at end of period	$ 4,389,927	$ 3,993,586

(Continued)

The accompanying condensed notes are an integral part of these unaudited consolidated financial statements.

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(Unaudited)

	For the Nine months ended January 31,	
	2019	**2018**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 163,139	$ 316,781
Cash paid for income taxes	$ —	$ —
Supplemental disclosure of non-cash investing and financing activities		
Warrants issued as part of revolving credit facility	$ 255,071	$ —
Warrants issued as part of senior secured loan	$ —	$ 478,428
Assets acquired net of liabilities assumed for non-cash consideration	$ —	$ 12,215,244

The following table provides a reconciliation of cash and restricted cash reported within the consolidated balance sheet that sum to the total of the same such amounts shown in the consolidated statement of cash flows:

	For the Nine months ended January 31,	
	2018	**2017**
Cash	$ 4,197,235	$ 3,803,080
Restricted cash	192,692	190,506
Total cash and restricted cash	$ 4,389,927	$ 3,993,586

The accompanying condensed notes are an integral part of these unaudited consolidated financial statements.

ASPEN GROUP, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2019
(Unaudited)

Note 1. Nature of Operations and Liquidity

Overview

Aspen Group, Inc. (together with its subsidiaries, the "Company," "Aspen," or "AGI") is a holding company, which has three subsidiaries. They are Aspen University, Inc. ("Aspen University") organized in 1987, Aspen Nursing, Inc. (a subsidiary of Aspen University) and United States University, Inc. ("USU") formed in May 2017. USU was the vehicle we used to acquire United States University on December 1, 2017. (See Note 8). When we refer to USU in this Report, we refer to either the online university which has operated under the name United States University or our subsidiary which operates this university, as the context illustrates.

AGI is an education technology holding company that leverages its infrastructure and expertise to allow its two universities, Aspen University and United States University, to deliver on the vision of making college affordable again. Because we believe higher education should be a catalyst to our students' long-term economic success, we exert financial prudence by offering affordable tuition that is one of the greatest values in higher education. In 2014, Aspen University unveiled a monthly payment plan aimed at reversing the college-debt sentence plaguing working-class Americans. The monthly payment plan offers Aspen University bachelor students (except RN to BSN) the opportunity to pay their tuition at $250/month for 72 months ($18,000), nursing bachelor students (RN to BSN) $250/month for 39 months ($9,750), master students $325/month for 36 months ($11,700) and doctoral students $375/month for 72 months ($27,000), interest free, thereby giving students a monthly payment tuition payment option versus taking out a federal financial aid loan.

USU began offering monthly payment plans in the summer of 2017. Today, monthly payment plans are available for the RN to BSN program ($250/month), MBA/M.A.Ed/MSN programs ($325/month), and the MSN-FNP program ($375/month).

Additionally, Aspen University began its first semester in July 2018 for its previously announced pre-licensure Bachelor of Science in Nursing (BSN) degree program at its initial campus in Phoenix, Arizona. As a result of overwhelming demand in the Phoenix metro area, Aspen University began offering both day (July, November, and March semesters) and evening/weekend (January, May, and September semesters) programs in January 2019, equaling six semester starts per year. Aspen's innovative hybrid (online/on-campus) program allows most of the credits to be completed online (83 of 120 credits or 69%), with pricing offered at Aspen's current low tuition rates of $150/credit hour for online general education courses and $325/credit hour for online core nursing courses. For high school students with no prior college credits, the total cost of attendance is less than $50,000.

Since 1993, Aspen University has been nationally accredited by the Distance Education and Accrediting Council ("DEAC"), a national accrediting agency recognized by the U.S. Department of Education (the "DOE"). In February 2019, the DEAC informed Aspen University that it had renewed its accreditation for five years through January 2024.

Since 2009, USU has been regionally accredited by WASC Senior College and University Commission. ("WSCUC"). In March 2019, the Company was informed of WSCUC's formal acceptance of USU's Special Visit Review which resulted in confirmation of the university's accreditation.

Both universities are qualified to participate under the Higher Education Act of 1965, as amended (HEA) and the Federal student financial assistance programs (Title IV, HEA programs). USU has a provisional certification resulting from the AGI ownership change of control on December 1, 2017.

Basis of Presentation

A. Interim Financial Statements

The interim consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). In the opinion of the Company's management, all adjustments (consisting of normal recurring adjustments and reclassifications and non-recurring adjustments) necessary to present fairly our results of operations for the nine months ended January 31, 2019 and 2018, our cash flows for the nine months ended January 31, 2019 and 2018, and our financial position as of January 31, 2019 have been made. The results of operations for such interim periods are not necessarily indicative of the operating results to be expected for the full year.

Certain information and disclosures normally included in the notes to the annual consolidated financial statements have been condensed or omitted from these interim consolidated financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Report on Form 10-K for the period ended April 30, 2018 as filed with the SEC on July 13, 2018. The April 30, 2018 balance sheet is derived from those statements.

B. Liquidity

At January 31, 2019, the Company had a cash balance of $4,197,235 with an additional $192,692 in restricted cash.

In April 2018, the Company raised $23,023,000 in equity through the sale of 3,220,000 shares at $7.15 per share. With the proceeds, the Company repaid a $7.5 million senior secured term loan.

On November 5, 2018 the Company entered into a three year, senior unsecured revolving credit facility. There is currently no outstanding balance under that facility.

The Company paid $1,160,000 of principal and accrued interest related to a convertible note on December 3, 2018, as explained in Note 5. The Company also anticipates ongoing investment spending, including an expected investment of approximately $600,000 related to the new campus for its Pre-Licensure BSN Program with Honor Health.

During the nine months ending January 31, 2019 the Company used cash of $10,413,138, which included using $7,430,550 in operating activities. The Company expects revenue growth to continue, and expenses to grow at a slower pace. As a result, the Company expects cash used in operations to decline in future quarters as compared to the quarter ending January 31, 2019.

As disclosed in more detail in Note 11 subsequent events, in March 2019, the Company entered into loan agreements and received proceeds of $10 million. In connection with the loan agreements, the Company issued 18 month senior secured promissory notes, with the right to extend the term of the loan for an additional 12 months by paying a 1% one-time extension fee. Also, on February 25, 2019, the Company repaid the remaining $1 million of principal and paid $80,000 of interest under the convertible note due December 1, 2019, which was the final payment due from the acquisition of USU. (See Note 11)

The Company has considered its liquidity position and believes its current resources are adequate to meet anticipated liquidity needs.

Note 2. Significant Accounting Policies

Principles of Consolidation

The unaudited consolidated financial statements include the accounts of AGI and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the unaudited consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements. Actual results could differ from those estimates. Significant estimates in the accompanying unaudited consolidated financial statements include the allowance for doubtful accounts and other receivables, the valuation of collateral on certain receivables, estimates of the fair value of assets acquired and liabilities assumed in a business combination, amortization periods and valuation of courseware, intangibles and software development costs, valuation of beneficial conversion features in convertible debt, valuation of goodwill, valuation of loss contingencies, valuation of stock-based compensation and the valuation allowance on deferred tax assets.

Cash, Cash Equivalents, and Restricted Cash

For the purposes of the unaudited consolidated statements of cash flows, the Company considers all highly liquid investments with an original maturity of six months or less when purchased to be cash equivalents. There were no cash equivalents at January 31, 2019 and April 30, 2018. The Company maintains its cash in bank and financial institution deposits that at times may exceed federally insured limits of $250,000 per financial institution. The Company has not experienced any losses in such accounts from inception through January 31, 2019. As of January 31, 2019 and April 30, 2018, there were deposits totaling $4,016,715 and $14,422,499 respectively, held in two separate institutions greater than the federally insured limits.

Restricted cash consists of $120,864 which is collateral for a letter of credit issued by the bank and required under the USU facility operating lease and $71,828 which is collateral for a letter of credit issued by the bank and related to USU's receipt of Title IV funds and is required by DOE in connection with the change of control of USU. (See Note 6)

Goodwill and Intangibles

Goodwill represents the excess of the purchase price of USU over the fair market value of assets acquired and liabilities assumed from Educacion Significativa, LLC. Goodwill has an indefinite life and is not amortized. Goodwill is tested annually for impairment.

Intangible assets represent both indefinite lived and definite lived assets. Accreditation and regulatory approvals and trade name and trademarks are deemed to have indefinite useful lives and accordingly are not amortized but are tested annually for impairment. Student relationships and curriculums are deemed to have definite lives and are amortized accordingly.

Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The Company classifies assets and liabilities recorded at fair value under the fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. The fair value measurements are classified under the following hierarchy:

> Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets and liabilities in active markets;
> Level 2—Observable inputs, other than quoted market prices, that are either directly or indirectly observable in the marketplace for identical or similar assets and liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities; and
> Level 3—Unobservable inputs that are supported by little or no market activity that are significant to the fair value of assets or liabilities.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments.

Accounts Receivable and Allowance for Doubtful Accounts Receivable

All students are required to select both a primary and secondary payment option with respect to amounts due to Aspen for tuition, fees and other expenses. The monthly payment plan represents approximately 70% of the payments that are made by students, making it the most common payment type. In instances where a student selects financial aid as the primary payment option, he or she often selects personal cash as the secondary option. If a student who has selected financial aid as his or her primary payment option withdraws prior to the end of a course but after the date that Aspen's institutional refund period has expired, the student will have incurred the obligation to pay the full cost of the course. If the withdrawal occurs before the date at which the student has earned 100% of his or her financial aid, Aspen will have to return all or a portion of the Title IV funds to the DOE and the student will owe Aspen all amounts incurred that are in excess of the amount of financial aid that the student earned and that Aspen is entitled to retain. In this case, Aspen must collect the receivable using the student's second payment option.

For accounts receivable from students, Aspen records an allowance for doubtful accounts for estimated losses resulting from the inability, failure or refusal of its students to make required payments, which includes the recovery of financial aid funds advanced to a student for amounts in excess of the student's cost of tuition and related fees. Aspen determines the adequacy of its allowance for doubtful accounts using a general reserve method based on an analysis of its historical bad debt experience, current economic trends, and the aging of the accounts receivable and each student's status. Aspen estimates the amounts to increase the allowance based upon the risk presented by the age of the receivables and student status. Aspen writes off accounts receivable balances at the time the balances are deemed uncollectible. Aspen continues to reflect accounts receivable with an offsetting allowance as long as management believes there is a reasonable possibility of collection.

For accounts receivable from primary payors other than students, Aspen estimates its allowance for doubtful accounts by evaluating specific accounts where information indicates the customers may have an inability to meet financial obligations, such as bankruptcy proceedings and receivable amounts outstanding for an extended period beyond contractual terms. In these cases, Aspen uses assumptions and judgment, based on the best available facts and circumstances, to record a specific allowance for those customers against amounts due to reduce the receivable to the amount expected to be collected. These specific allowances are re-evaluated and adjusted as additional information is received. The amounts calculated are analyzed to determine the total amount of the allowance. Aspen may also record a general allowance as necessary.

Direct write-offs are taken in the period when Aspen has exhausted its efforts to collect overdue and unpaid receivables or otherwise evaluate other circumstances that indicate that Aspen should abandon such efforts. (See Note 10)

When a student signs up for the monthly payment plan, there is a contractual amount that the Company can expect to earn over the life of the student's program. This contractual amount cannot be recorded as the student does have the option to stop attending. As a student takes a class, revenue is earned over the class term. Some students accelerate their program, taking two or more classes every eight week period, which increases the student's accounts receivable balance. If any portion of that balance will be paid in a period greater than 12 months, that portion is reflected as long-term accounts receivable. At January 31, 2019 and April 30, 2018, those balances are $2,568,532 and $1,315,050, respectively. The Company has determined that the long term accounts receivable do not constitute a significant financing component as the list price, cash selling price and promised consideration are equal. Further, the interest free financing portion of the monthly payment plans are not considered significant to the contract.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets per the following table.

Category	Useful Life
Call center equipment	5 years
Computer and office equipment	5 years
Furniture and fixtures	7 years
Library (online)	3 years
Software	5 years

Costs incurred to develop internal-use software during the preliminary project stage are expensed as incurred. Internal-use software development costs are capitalized during the application development stage, which is after: (i) the preliminary project stage is completed; and (ii) management authorizes and commits to funding the project and it is probable the project will be completed and used to perform the function intended. Capitalization ceases at the point the software project is substantially complete and ready for its intended use, and after all substantial testing is completed. Upgrades and enhancements are capitalized if it is probable that those expenditures will result in additional functionality. Depreciation is provided for on a straight-line basis over the expected useful life of five years of the internal-use software development costs and related upgrades and enhancements. When existing software is replaced with new software, the unamortized costs of the old software are expensed when the new software is ready for its intended use.

Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful lives of the leasehold improvements.

Upon the retirement or disposition of property and equipment, the related cost and accumulated depreciation are removed and a gain or loss is recorded in the consolidated statements of operations. Repairs and maintenance costs are expensed in the period incurred.

Courseware and Accreditation

The Company records the costs of courseware and accreditation in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 350 "Intangibles - Goodwill and Other".

Generally, costs of courseware creation and enhancement are capitalized. Accreditation renewal or extension costs related to intangible assets are capitalized as incurred. Courseware is stated at cost less accumulated amortization. Amortization is provided for on a straight-line basis over the expected useful life of five years.

Long-Lived Assets

The Company assesses potential impairment to its long-lived assets when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events and circumstances considered by the Company in determining whether the carrying value of identifiable intangible assets and other long-lived assets may not be recoverable include, but are not limited to: significant changes in performance relative to expected operating results, significant changes in the use of the assets, significant negative industry or economic trends, a significant decline in the Company's stock price for a sustained period of time, and changes in the Company's business strategy. An impairment loss is recorded when the carrying amount of the long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Any required impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds fair value and is recorded as a reduction in the carrying value of the related asset and an expense to operating results.

Refunds Due Students

The Company receives Title IV funds from the Department of Education to cover tuition and living expenses. After deducting tuition and fees, the Company sends checks for the remaining balances to the students.

Leases

The Company enters into various lease agreements in conducting its business. At the inception of each lease, the Company evaluates the lease agreement to determine whether the lease is an operating or capital lease. Leases may contain initial periods of free rent and/or periodic escalations. When such items are included in a lease agreement, the Company records rent expense on a straight-line basis over the initial term of a lease. The difference between the rent payment and the straight-line rent expense is recorded as a deferred rent liability. The Company expenses any additional payments under its operating leases for taxes, insurance or other operating expenses as incurred.

Treasury Stock

Purchases and sales of treasury stock are accounted for using the cost method. Under this method, shares acquired are recorded at the acquisition price directly to the treasury stock account. Upon sale, the treasury stock account is reduced by the original acquisition price of the shares and any difference is recorded in equity. This method does not allow the company to recognize a gain or loss to income from the purchase and sale of treasury stock.

Revenue Recognition and Deferred Revenue

On May 1, 2018, the company adopted Accounting Standards Codification 606 (ASC 606). ASC 606 is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer purchase orders, including significant judgments. Our adoption of this ASU, resulted in no change to our results of operations or our balance sheet.

Revenues consist primarily of tuition and course fees derived from courses taught by the Company online as well as from related educational resources and services that the Company provides to its students. Under topic 606, this tuition revenue is recognized pro-rata over the applicable period of instruction and are not considered separate performance obligations. Non-tuition related revenue and fees are recognized as services are provided or when the goods are received by the student. (See note 10)

The Company had revenues from students outside the United States representing 1.7% and 2.1% of the revenues for the nine months ended January 31, 2019 and 2018 respectively.

Cost of Revenues

Cost of revenues consists of two categories of cost, instructional costs and services, and marketing and promotional costs.

Instructional Costs and Services

Instructional costs and services consist primarily of costs related to the administration and delivery of the Company's educational programs. This expense category includes compensation costs associated with online faculty, technology license costs and costs associated with other support groups that provide services directly to the students and are included in cost of revenues.

Marketing and Promotional Costs

Marketing and promotional costs include costs associated with producing marketing materials and advertising. Such costs are generally affected by the cost of advertising media, the efficiency of the Company's marketing and recruiting efforts, and expenditures on advertising initiatives for new and existing academic programs. Non-direct response advertising activities are expensed as incurred, or the first time the advertising takes place, depending on the type of advertising activity. Total marketing and promotional costs were $6,759,065 and $3,388,996 for the nine months ended January 31, 2019 and 2018, respectively and are included in cost of revenues.

General and Administrative

General and administrative expenses include compensation of employees engaged in corporate management, finance, human resources, information technology, academic operations, compliance and other corporate functions. General and administrative expenses also include professional services fees, bad debt expense related to accounts receivable, financial aid processing costs, non-capitalizable courseware and software costs, travel and entertainment expenses and facility costs.

Legal Expenses

All legal costs for litigation are charged to expense as incurred.

Income Tax

The Company uses the asset and liability method to compute the differences between the tax basis of assets and liabilities and the related financial statement amounts. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount that more likely than not will be realized. The Company has deferred tax assets and liabilities that reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets are subject to periodic recoverability assessments. Realization of the deferred tax assets, net of deferred tax liabilities, is principally dependent upon achievement of projected future taxable income.

The Company records a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. The Company accounts for uncertainty in income taxes using a two-step approach for evaluating tax positions. Step one, recognition, occurs when the Company concludes that a tax position, based solely on its technical merits, is more likely than not to be sustained upon examination. Step two, measurement, is only addressed if the position is more likely than not to be sustained. Under step two, the tax benefit is measured as the largest amount of benefit, determined on a cumulative probability basis, which is more likely than not to be realized upon ultimate settlement. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

Stock-Based Compensation

Stock-based compensation expense is measured at the grant date fair value of the award and is expensed over the requisite service period. For employee stock-based awards, the Company calculates the fair value of the award on the date of grant using the Black-Scholes option pricing model. Determining the fair value of stock-based awards at the grant date under this model requires judgment, including estimating volatility, employee stock option exercise behaviors and forfeiture rates. The assumptions used in calculating the fair value of stock-based awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of management judgment. For non-employee stock-based awards, the Company calculates the fair value of the award on the date of grant in the same manner as employee awards, however, the awards are revalued at the end of each reporting period and the pro rata compensation expense is adjusted accordingly until such time the non-employee award is fully vested, at which time the total compensation recognized to date shall equal the fair value of the stock-based award as calculated on the measurement date, which is the date at which the award recipient's performance is complete. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from original estimates, such amounts are recorded as a cumulative adjustment in the period estimates are revised.

Business Combinations

We include the results of operations of businesses we acquire from the date of the respective acquisition. We allocate the purchase price of acquisitions to the assets acquired and liabilities assumed at fair value. The excess of the purchase price of an acquired business over the amount assigned to the assets acquired and liabilities assumed is recorded as goodwill. We expense transaction costs associated with business combinations as incurred.

Net Loss Per Share

Net loss per common share is based on the weighted average number of common shares outstanding during each period. Options to purchase 3,651,448 and 2,978,010 common shares, warrants to purchase 678,521 and 650,847 common shares, and $50,000 and $50,000 of convertible debt (convertible into 4,167 and 4,167 common shares) were outstanding at January 31, 2019 and April 30, 2018, respectively, but were not included in the computation of diluted net loss per share because the effects would have been anti-dilutive. Additionally, the Company had a $2 million dollar convertible note of which $1,000,000 was paid in December of 2018 and the remaining $1,000,000 was paid in February 2019 (See Note 11). The $1,000,000 paid in February 2019 would have been convertible on December 1, 2019. Had the $1 million been convertible on January 31, 2019, based on the conversion formula applied to that date, the total shares issuable under the convertible note were approximately 209,000 shares of common stock but were not included in the computation of diluted net loss per share because the effects would have been anti-dilutive. The options, warrants and convertible debt are considered to be common stock equivalents and are only included in the calculation of diluted earnings per common share when their effect is dilutive.

Segment Information

The Company operates in one reportable segment as a single educational delivery operation using a core infrastructure that serves the curriculum and educational delivery needs of its online students regardless of geography. The Company's chief operating decision makers, its Chief Executive Officer and Chief Academic Officer, manage the Company's operations as a whole, and no revenue, expense or operating income information is evaluated by the chief operating decision makers on any component level.

Recent Accounting Pronouncements

The company has early adopted FASB ASU 2017-11, which simplifies the accounting for certain equity-linked financial instruments and embedded features with down round features that reduce the exercise price when the pricing of a future round of financing is lower. This allows the company to treat such instruments or their embedded features as equity instead of considering them as a derivative. If such a feature is triggered the value is measured pre-trigger and post-trigger. The difference in these two measurements is treated as a dividend, reducing income. The value recognized as a dividend is not subsequently remeasured, but in instances where the feature is triggered multiple times each instance is recognized.

Financial Accounting Standards Board, Accounting Standard Updates which are not effective until after January 31, 2019, are not expected to have a significant effect on the Company's consolidated financial position or results of operations.

ASU 2018-07 - In June 2018, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2018-07, Compensation – Stock Compensation (Topic 718). This update is intended to reduce cost and complexity and to improve financial reporting for share-based payments issued to non-employees (for example, service providers, external legal counsel, suppliers, etc.). The ASU expands the scope of Topic 718, Compensation—Stock Compensation, which currently only includes share-based payments issued to employees, to also include share-based payments issued to non-employees for goods and services. Consequently, the accounting for share-based payments to non-employees and employees will be substantially aligned. This standard will be effective for financial statements issued by public companies for the annual and interim periods beginning after December 15, 2018. Early adoption of the standard is permitted. The standard will be applied in a retrospective approach for each period presented. Management currently does not plan to early adopt this guidance and believes the impact of this guidance will not be material to the Company's consolidated financial statements upon implementation on February 1, 2019.

ASU 2016-02 - In February 2016, the FASB issued ASU No. 2016-02: "Leases (Topic 842)" whereby lessees will need to recognize almost all leases on their balance sheet as a right of use asset and a lease liability. This guidance is effective for interim and annual reporting periods beginning after December 15, 2018. The Company does not anticipate this ASU to have a material impact on its consolidated financial statements when implemented on February 1, 2019.

Note 3. Property and Equipment

As property and equipment reach the end of their useful lives, the fully expired asset is written off against the associated accumulated depreciation. There is no expense impact for such write offs. Property and equipment consisted of the following at January 31, 2019 and April 30, 2018:

	January 31, 2019	April 30, 2018
Call center hardware	$ 173,077	$ 140,509
Computer and office equipment	301,548	230,810
Furniture and fixtures	1,310,139	932,454
Software	3,869,750	2,878,753
	5,654,514	4,182,526
Accumulated depreciation	(1,622,908)	(1,320,360)
Property and equipment, net	$ 4,031,606	$ 2,862,166

Software consisted of the following at January 31, 2019 and April 30, 2018:

	January 31, 2019	April 30, 2018
Software	$ 3,869,750	$ 2,878,753
Accumulated depreciation	(1,235,213)	(1,146,008)
Software, net	$ 2,634,537	$ 1,732,745

Depreciation expense for all Property and Equipment as well as the portion for just software is presented below for the three and nine months ended January 31, 2019 and 2018:

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2019	2018	2019	2018
Depreciation Expense	$ 263,045	$ 150,596	$ 703,886	$ 407,346
Software Depreciation Expense	$ 178,459	$ 121,695	$ 482,153	$ 341,825

The following is a schedule of estimated future amortization expense of software at January 31, 2019:

Year Ending April 30,	
2019	$ 192,572
2020	720,675
2021	648,229
2022	558,755
2023	398,514
Thereafter	115,792
Total	**$ 2,634,537**

Note 4. Courseware and Accreditation

Courseware costs capitalized were $32,473 for the nine months ended January 31, 2019. As courseware reaches the end of its useful life, it is written off against the accumulated amortization. There is no expense impact for such write-offs.

Courseware consisted of the following at January 31, 2019 and April 30, 2018:

	January 31, 2019	April 30, 2018
Courseware	$ 326,037	$ 298,064
Accreditation	57,100	—
Accumulated amortization	(203,983)	(159,905)
Courseware, net	$ 179,154	$ 138,159

The Company incurred $57,100 in accreditation costs associated with intangible assets which were capitalized during the nine months ended January 31, 2019.

Amortization expense of courseware for the three and nine months ended January 31, 2019 and 2018:

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2019	2018	2019	2018
Amortization Expense	$ 17,249	$ 13,966	$ 48,578	$ 41,289

The following is a schedule of estimated future amortization expense of courseware at January 31, 2019:

Year Ending April 30,	
2019	$ 19,110
2020	63,220
2021	36,255
2022	28,382
2023	22,829
Thereafter	9,358
Total	$ 179,154

Note 5. Convertible Notes and Revolving Credit Facility

On February 29, 2012, a loan payable of $50,000 was converted into a two-year convertible promissory note, interest of 0.19% per annum. Beginning March 31, 2012, the note was convertible into common shares of the Company at the rate of $12.00 per share. The Company evaluated the convertible note and determined that, for the embedded conversion option, there was no beneficial conversion value to record as the conversion price is considered to be the fair market value of the common shares on the note issue date. This loan (now a convertible promissory note) was originally due in February 2014. The amount due under this note has been reserved for payment upon the note being tendered to the Company by the note holder. However, this $50,000 note is derived from $200,000 of loans made to Aspen University prior to 2011, which was prior to the merger of Aspen University and EGC, the acquisition vehicle led by Michael Mathews, the Company's current Chairman and Chief Executive Officer. The bankruptcy judge in the HEMG bankruptcy proceedings has recently ruled that the Company may pursue remedies for these undisclosed loans. (See Note 6)

On December 1, 2017, the Company completed the acquisition of USU and, as part of the consideration, a $2,000,000 convertible note (the "Note") was issued, bearing 8% annual interest that matured over a two-year period after the closing. (See Note 8 and 11) At the option of the Note holder, on each of the first and second anniversaries of the closing date, $1,000,000 of principal and accrued interest under the Note would have been convertible into shares of the Company's common stock based on the volume weighted average price per share for the ten preceding trading days (subject to a floor of $2.00 per share) or become payable in cash. There was no beneficial conversion feature on the note date and the conversion terms of the note exempt it from derivative accounting.

On December 1, 2018 the Company paid scheduled principal and interest on the Note of $1,160,000. As of January 31, 2019 the Company had an outstanding balance of $1,000,000 on the note. On February 25, 2019, the Company prepaid the remaining balance of the Note (See Note 11).

Revolving Credit Facility

On November 5, 2018, the Company entered into a loan agreement (the "Credit Facility Agreement") with the Leon and Toby Cooperman Family Foundation (the "Lender"). The Credit Facility Agreement provides for a $5,000,000 revolving credit facility (the "Facility") evidenced by a revolving promissory note (the "Revolving Note"). Borrowings under the Credit Facility Agreement will bear interest at 12% per annum. The Facility matures on November 4, 2021.

Pursuant to the terms of the Credit Facility Agreement, the Company agreed to pay to the Foundation a $100,000 one-time upfront Facility fee. The Company also agreed to pay to the Foundation a commitment fee, payable quarterly at the rate of 2% per annum on the undrawn portion of the Facility. The Company has not borrowed any sum under the Facility.

The Credit Facility Agreement contains customary representations and warranties, events of default and covenants. Pursuant to the Loan Agreement and the Revolving Note, all future or contemporaneous indebtedness incurred by the Company, other than indebtedness expressly permitted by the Credit Facility Agreement and the Revolving Note, will be subordinated to the Facility.

Pursuant to the Credit Facility Agreement, on November 5, 2018 the Company issued to the Foundation warrants to purchase 92,049 shares of the Company's common stock exercisable for five years from the date of issuance at the exercise price of $5.85 per share which were deemed to have a relative fair value of $255,071. The relative fair value of the warrants along with the Facility fee were treated as debt issue assets to be amortized over the term of the loan.

As more fully explained in Note 11, the Credit Facility Agreement was amended and restated in March 2019, to provide among other things that the Company's obligations thereunder shall be secured by a first priority lien in certain deposit accounts of the Company, all current and future accounts receivable and certain of the deposit accounts of two of the Company's direct subsidiaries, and all of the outstanding capital stock of the subsidiaries.

Note 6. Commitments and Contingencies

Operating Leases

On September 18, 2017 the Company signed a six year lease for its corporate headquarters in New York, NY commencing December 01, 2017. The rent amount is $186,060 per year, subject to an increase annually, and is payable at a rate of $15,505 per month. Related to this lease the Company produced a security deposit of $32,500, which is included in other assets and security deposits on the accompanying consolidated balance sheet.

On December 17, 2018 the Company entered into an agreement to terminate the New York lease and replace it with a new lease for a larger office within the same location. The new lease is for five years commencing on February 15, 2019. The rent is $325,882 per year, subject to an increase annually, and is, payable at a rate of $27,157 per month. Related to this lease the Company produced an additional security deposit of $31,814, which is included in other assets and security deposits on the accompanying consolidated balance sheet.

In October 2018, the Company signed a 62 month lease beginning October 1, 2018 and expiring on December 31, 2023 for our office located in Moncton, New Brunswick, Canada. The monthly base rent is $13,241 CAD which is approximately $10,100 USD.

The Company leases office space for its developers in Dieppe, New Brunswick, Canada under a three year agreement commencing March 1, 2017. The monthly rent payment is $4,367 CAD which is approximately $3,200 USD. This lease will be terminated on March 31, 2019.

The Company leases office space for its Denver, Colorado location under a two year lease commencing January 1, 2017. The monthly rent payment is $10,756. This lease was extended for twelve months, through December 31, 2019. The monthly base rent is $11,028.

On December 5, 2017 the Company signed a 92 month lease for the campus located in Phoenix, Arizona. The operating lease granted eight initial months of free rent and had a monthly rent of $66,696, subject to and increases after 12 months. Related to this lease the Company produced a security deposit of $519,271, which is included in other assets and security deposits on the accompanying consolidated balance sheet.

On February 1, 2016, the Company entered into a 64-month lease agreement for its call center in Phoenix, Arizona. The operating lease granted four initial months of free rent and had a monthly base rent of $10,718 and then increases 2% per year after.

United States University's lease commenced July 1, 2016 and expires on June 30, 2022. The initial monthly base rent was $51,270 for the first 10 months and increases each year.

Employment Agreements

From time to time, the Company enters into employment agreements with certain of its employees. These agreements typically include bonuses, some of which may or may not be performance-based in nature.

Legal Matters

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. As of January 31, 2019, except as discussed below, there were no other pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of our operations and there are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

On February 11, 2013, Higher Education Management Group, Inc, ("HEMG") and its Chairman, Mr. Patrick Spada, sued the Company, certain senior management members and our directors in state court in New York seeking damages arising principally from (i) allegedly false and misleading statements in the filings with the Securities and Exchange Commission (the "SEC") and the DOE where the Company disclosed that HEMG and Mr. Spada borrowed $2.2 million without board authority, (ii) the alleged breach of an April 2012 agreement whereby the Company had agreed, subject to numerous conditions and time limitations, to purchase certain shares of the Company from HEMG, and (iii) alleged diminution to the value of HEMG's shares of the Company due to Mr. Spada's disagreement with certain business transactions the Company engaged in, all with Board approval.

On December 10, 2013, the Company filed a series of counterclaims against HEMG and Mr. Spada in the same state court of New York. By order dated August 4, 2014, the New York court denied HEMG and Spada's motion to dismiss the fraud counterclaim the Company asserted against them.

While the Company has been advised by its counsel that HEMG's and Spada's claims in the New York lawsuit is baseless, the Company cannot provide any assurance as to the ultimate outcome of the case. Defending the lawsuit maybe expensive and will require the expenditure of time which could otherwise be spent on the Company's business. While unlikely, if Mr. Spada's and HEMG's claims in the New York litigation were to be successful, the damages the Company could pay could potentially be material.

In November 2014, the Company and Aspen University sued HEMG seeking to recover sums due under two 2008 Agreements where Aspen University sold course materials to HEMG in exchange for long-term future payments. On September 29, 2015, the Company and Aspen University obtained a default judgment in the amount of $772,793. This default judgment precipitated the bankruptcy petition discussed in the next paragraph.

On October 15, 2015, HEMG filed bankruptcy pursuant to Chapter 7. As a result, the remaining claims and Aspen's counterclaims in the New York lawsuit are currently stayed. The bankrupt estate's sole asset consists of 208,000 shares of AGI common stock, plus a claim filed by the bankruptcy trustee against Spada's brother and a third party to recover approximately 167,000 shares. The Company filed a proof of claim against the bankruptcy estate which included approximately $670,000 on the judgment and approximately $2.2 million from the misappropriation. The other creditor is a secured creditor which alleges it is owed the principal amount of $1,200,000. AGI alleges that because HEMG, a Nevada corporation, had failed to pay annual fees to Nevada it lacked the legal authority to create the security interest and that AGI has priority. In February 2019, the bankruptcy court dismissed the Company's misappropriation claim leaving its judgment and a $200,000 claim that HEMG fraudulently failed to disclose $200,000 of notes payable.

Regulatory Matters

The Company's subsidiaries, Aspen University and United States University, are subject to extensive regulation by Federal and State governmental agencies and accrediting bodies. In particular, the Higher Education Act (the "HEA") and the regulations promulgated thereunder by the DOE subject the subsidiaries to significant regulatory scrutiny on the basis of numerous standards that schools must satisfy to participate in the various types of federal student financial assistance programs authorized under Title IV of the HEA.

On August 22, 2017, the DOE informed Aspen University of its determination that the institution has qualified to participate under the HEA and the Federal student financial assistance programs (Title IV, HEA programs) and set a subsequent program participation agreement reapplication date of March 31, 2021.

USU currently has provisional certification to participate in the Title IV Programs due to its acquisition by the Company. The provisional certification allows the school to continue to receive Title IV funding as it did prior to the change of ownership.

The HEA requires accrediting agencies to review many aspects of an institution's operations in order to ensure that the education offered is of sufficiently high quality to achieve satisfactory outcomes and that the institution is complying with accrediting standards. Failure to demonstrate compliance with accrediting standards may result in the imposition of probation, the requirements to provide periodic reports, the loss of accreditation or other penalties if deficiencies are not remediated.

Because our subsidiaries operate in a highly regulated industry, each may be subject from time to time to audits, investigations, claims of noncompliance or lawsuits by governmental agencies or third parties, which allege statutory violations, regulatory infractions or common law causes of action.

Return of Title IV Funds

An institution participating in Title IV Programs must correctly calculate the amount of unearned Title IV Program funds that have been disbursed to students who withdraw from their educational programs before completion and must return those unearned funds in a timely manner, no later than 45 days of the date the school determines that the student has withdrawn. Under the DOE regulations, failure to make timely returns of Title IV Program funds for 5% or more of students sampled on the institution's annual compliance audit in either of its two most recently completed fiscal years can result in the institution having to post a letter of credit in an amount equal to 25% of its required Title IV returns during its most recently completed fiscal year. If unearned funds are not properly calculated and returned in a timely manner, an institution is also subject to monetary liabilities or an action to impose a fine or to limit, suspend or terminate its participation in Title IV Programs.

Subsequent to a compliance audit, in 2015, Educacion Significativa, LLC ("ESL") the predecessor to USU recognized that it had not fully complied with all requirements for calculating and making timely returns of Title IV funds (R2T4). In 2016, ESL, the predecessor to USU, had a material finding related to the same issue and is required to maintain a letter of credit in the amount of $71,634 as a result of this finding. The letter of credit has been provided to the Department of Education by AGI since it assumed this obligation in its purchase of USU.

Delaware Approval to Confer Degrees

Aspen University is a Delaware corporation. Delaware law requires an institution to obtain approval from the Delaware Department of Education ("Delaware DOE") before it may incorporate with the power to confer degrees. The Delaware DOE granted full approval to operate with degree-granting authority in the State of Delaware until July 1, 2020. Aspen University is authorized by the Colorado Commission on Education to operate in Colorado as a degree granting institution.

USU is also a Delaware corporation and received initial approval from the Delaware DOE to confer degrees through June 2023.

Note 7. Stockholders' Equity

Preferred Stock

The Company is authorized to issue 10,000,000 shares of "blank check" preferred stock with designations, rights and preferences as may be determined from time to time by our Board of Directors. As of January 31, 2019 and April 30, 2018, we had no shares of preferred stock issued and outstanding.

Common Stock

During the nine months ended January 31, 2019, the Company issued 86,635 shares of common stock upon the cashless exercise of stock options.

During the nine months ended January 31, 2019, the Company issued 35,921 shares of common stock upon the cashless exercise of 64,375 stock warrants.

During the nine months ended January 31, 2019, the Company issued 49,792 shares of common stock upon the exercise of stock options for cash and received proceeds of $110,143.

On September 6, 2018, the Board approved a grant of 25,000 shares of restricted stock to the Chief Financial Officer. The stock vests over 36 months and the stock price was $7.15 on the date of the grant. The value of the compensation was approximately $180,000 and will be recognized over 36 months.

On December 24, 2018, the Compensation Committee of the Board approved a grant of a total of 24,672 shares or restricted common stock to certain directors pursuant to the Aspen Group, Inc. 2018 Equity Incentive Plan (the "2018 Plan"). The restricted shares shall vest in three equal annual increments on December 24, 2019, December 24, 2020 and December 24, 2021, subject to continued service as a director of the Company, on each applicable vesting date. The compensation of these restricted shares is approximately $127,000 and will be recognized over 36 months. Also, in lieu of cash, one director opted for an annual payment in cash of $35,000, which will be paid quarterly. Expense recognition for the restricted stock and the cash payment commenced on December 24, 2018.

Treasury Stock

On July 19, 2018, AGI in simultaneous transactions repurchased 1,000,000 shares of common stock at $7.40 per share and re-sold the shares to a large well-known institutional money manager at $7.40 per share. The shares were purchased by the Company from ESL pursuant to a Securities Purchase Agreement dated July 18, 2018. The purchaser paid $30,000 to a broker-dealer in connection with the transaction. (See Note 9)

Warrants

A summary of the Company's warrant activity during the nine months ended January 31, 2019 is presented below:

Warrants	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Balance Outstanding, April 30, 2018	650,847	$ 3.80	2.4	$ 2,581,450
Granted	92,049	5.85	4.76	—
Exercised	(64,375)	—	—	—
Surrendered	—	—	—	—
Expired	—	—	—	—
Balance Outstanding, January 31, 2019	678,521	$ 4.23	1.97	$ 888,659
Exercisable, January 31, 2019	678,521	$ 4.23	1.97	$ 888,659

As noted in Note 5, 92,049 warrants were granted as part of the Credit Facility Agreement executed on November 8, 2018. The warrants are five year warrants and exercisable at a price of $5.85.

During the quarter ended January 31, 2019, 64,375 warrants were exercised. All were cashless exercises resulting in 35,921 shares being issued.

Stock Incentive Plan and Stock Option Grants to Employees and Directors

On March 13, 2012, the Company adopted the Aspen Group, Inc. 2012 Equity Incentive Plan (the "2012 Plan") that provides for the grant of 3,500,000 shares in the form of incentive stock options, non-qualified stock options, restricted shares, stock appreciation rights and restricted stock units to employees, consultants, officers and directors. As of January 31, 2019, there were no shares remaining available for future issuance under the 2019 Plan.

On December 13, 2018, the stockholders of the Company approved the "Plan" that provides for the grant of 500,000 shares in the form of incentive stock options, non-qualified stock options, restricted shares, stock appreciation rights and restricted stock units to employees, consultants, officers and directors. As of January 31, 2019, there were approximately 65,000 shares remaining available for future issuance under the Plan.

The Company estimates the fair value of share-based compensation utilizing the Black-Scholes option pricing model, which is dependent upon several variables such as the expected option term, expected volatility of the Company's stock price over the expected term, expected risk-free interest rate over the expected option term, expected dividend yield rate over the expected option term, and an estimate of expected forfeiture rates. The Company believes this valuation methodology is appropriate for estimating the fair value of stock options granted to employees and directors which are subject to ASC Topic 718 requirements. These amounts are estimates and thus may not be reflective of actual future results, nor amounts ultimately realized by recipients of these grants. The Company recognizes compensation on a straight-line basis over the requisite service period for each award. The following table summarizes the assumptions the Company utilized to record compensation expense for stock options granted to employees during the period ended.

	January 31,	
	2019	2018
Expected life (years)	3.5	4-6.5
Expected volatility	51%	40% - 43%
Risk-free interest rate	2.7%	0.38%
Dividend yield	0.00%	0.00%
Expected forfeiture rate	n/a	n/a

The Company utilized the simplified method to estimate the expected life for stock options granted to employees. The simplified method was used as the Company does not have sufficient historical data regarding stock option exercises. The expected volatility is based on historical volatility. The risk-free interest rate is based on the U.S. Treasury yields with terms equivalent to the expected life of the related option at the time of the grant. Dividend yield is based on historical trends. While the Company believes these estimates are reasonable, the compensation expense recorded would increase if the expected life was increased, a higher expected volatility was used, or if the expected dividend yield increased.

A summary of the Company's stock option activity for employees and directors during the nine months ended January 31, 2019, is presented below:

Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Balance Outstanding, April 30, 2018	2,980,010	$ 3.62	—	$16,558,373
Granted	918,667	7.12	—	—
Exercised	(195,629)	2.23	—	—
Forfeited	(51,600)	—	—	—
Expired	—	—	—	—
Balance Outstanding, January 31, 2019	3,651,448	$ 4.52	3.08	$10,081,298
Exercisable, January 31, 2019	1,630,252	$ 2.65	2.04	$ 7,862,357

During the nine months ended January 31, 2019, the Company issued 86,635 shares of common stock upon the cashless exercise of 145,837 stock options.

During the nine months ended January 31, 2019, the Company issued 49,792 shares of common stock upon the exercise of stock options and received proceeds of $110,143.

On July 19, 2018, the Board granted 200,000 five year options to the Chief Executive Officer and 180,000 options to each of the Chief Operating Officer and Chief Academic Officer. The fair value per option was $2.56 or $1,433,600 for all 560,000 options granted. The exercise price is $7.55 per share. As of September 6, 2018, the Board approved 180,000 five-year options to the Chief Financial Officer and 50,000 five-year options to the Chief Accounting Officer. The fair value of the two grants on September 6, 2018 was $257,400 for the Chief Financial Officer and $71,500 for the Chief Accounting Officer. As required by the rules of the Nasdaq Stock market, both option grants subject to shareholder approval which occurred on December 13, 2018, which will be the measurement date for recording the transaction and the compensation will be recognized over 33 months.

On December 13, 2018, the Company granted 67,000 options to 61 employees who had been hired throughout 2018. The fair value of these options were approximately $136,000 and will be recognized over 36 month. The exercise price is $5.20.

On December 24, 2018, the Company granted 61,667 options to three directors, 41,667 to one director, and 10,000 each to two others. The exercise price is $5.1445 and the total fair value was approximately $123,000, which will be recognized over 36 months.

The Company recorded compensation expense of $866,129 for the nine months ended January 31, 2019 in connection with employee stock options and restricted stock grants.

As of January 31, 2019, there was $2,671,603 of unrecognized compensation costs related to non-vested share-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of approximately 3.0 years

Note 8. Acquisition of USU

On December 1, 2017, USU acquired United States University and assumed certain liabilities from ESL. USU is a wholly owned subsidiary of AGI and was formed for the purpose of completing the asset purchase transaction. For purposes of purchase accounting, AGI is referred to as the acquirer. AGI acquired the assets and assumed certain liabilities of ESL for a purchase price of approximately $14.8 million. The purchase consideration consisted of a cash payment of $2,500,000 less an adjustment for working capital of approximately $110,000 plus approximately $200,000 of additional costs paid to/on behalf of and for the benefit of the seller, a convertible note of $2,000,000 and 1,203,209 shares of AGI stock valued at the quoted closing price of $8.49 per share as of November 30, 2017. The stock consideration represents $10,215,244 of the purchase consideration.

The acquisition was accounted for by AGI in accordance with the acquisition method of accounting pursuant to ASC 805 “Business Combinations” and pushdown accounting was applied to record the fair value of the assets acquired and liabilities assumed on United States University, Inc. Under this method, the purchase price is allocated to the identifiable assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of the amount paid over the estimated fair values of the identifiable net assets was $5,011,432 which has been reflected in the consolidated balance sheet as goodwill.

The following is a summary of the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition:

	Purchase Price Allocation	Useful Life
Cash and cash equivalents	$ —	
Current assets acquired	244,465	
Other assets acquired	176,667	
Intangible assets		
Accreditation and regulatory approvals	6,200,000	
Trade name and trademarks	1,700,000	
Student relationships	2,000,000	2 years
Curriculum	200,000	1 year
Goodwill	5,011,432	
Less: Current liabilities assumed	(727,601)	
Total purchase price	$ 14,804,963	

We determined the fair value of assets acquired and liabilities assumed based on assumptions that reasonable market participants would use while employing the concept of highest and best use of the respective items. We used the following assumptions, the majority of which include significant unobservable inputs (Level 3), and valuation methodologies to determine fair value:

- Intangibles - We used the multiple period excess earnings method to value the Accreditation and regulatory approvals. The Trade name and trademarks were valued using the relief-from-royalty method, which represents the benefit of owning these intangible assets rather than paying royalties for their use. The Student relationships were valued using the excess earnings method. The curriculum was valued using the replacement cost approach.
- Other assets and liabilities - The carrying value of all other assets and liabilities approximated fair value at the time of acquisition.

The goodwill resulting from the acquisition may become deductible for tax purposes in the future. The goodwill resulting from the acquisition is principally attributable to the future earnings potential associated with enrollment growth and other intangibles that do not qualify for separate recognition such as the assembled workforce.

We have selected an April 30th annual goodwill impairment test date.

We assigned an indefinite useful life to the accreditation and regulatory approvals and the trade name and trademarks as we believe they have the ability to generate cash flows indefinitely. In addition, there are no legal, regulatory, contractual, economic or other factors to limit the intangibles' useful life and we intend to renew the intangibles, as applicable, and renewal can be accomplished at little cost. We determined all other acquired intangibles are finite-lived and we are amortizing them on either a straight-line basis or using an accelerated method to reflect the pattern in which the economic benefits of the assets are expected to be consumed. Amortization expense for the nine months ended January 31, 2019 was $825,000.

Intangible assets consisted of the following at January 31, 2019 and April 30, 2018,

	January 31, 2019	April 30, 2018
Intangible assets	$ 10,100,000	$ 10,100,000
Accumulated amortization	(1,283,333)	(458,333)
Net intangible assets	$ 8,816,667	$ 9,641,667

The expected benefits from the business acquisition will allow USU to achieve its vision of making college affordable again on a much broader scale along with providing various accreditations.

Note 9. Related party

On July 19, 2018, AGI in simultaneous transactions repurchased 1,000,000 shares of common stock (the "Shares") at $7.40 per share and re-sold the Shares to a large well-known institutional money manager (the "Purchaser") at $7.40 per share. The Shares were purchased by the Company from ESL pursuant to a Securities Purchase Agreement. The Shares were sold to the Purchaser through Craig-Hallum Capital Group, LLC ("Craig Hallum"). Craig-Hallum acted as a dealer in this transaction and received an ordinary brokerage commission from the Purchaser.

The Purchaser initiated the transaction by contacting the Company seeking to buy a large block of common stock. The Company approached ESL which had acquired the Shares on December 1, 2017 when it sold United States University to the Company. Ms. Oksana Malysheva, the sole manager of ESL, became a director of the Company as part of the purchase of United States University and is no longer a director of the Company.

Note 10. Revenue

Revenues consist primarily of tuition and fees derived from courses taught by the Company online as well as from related educational resources that the Company provides to its students, such as access to our online materials and learning management system. The Company's educational programs have starting and ending dates that differ from its fiscal quarters. Therefore, at the end of each fiscal quarter, a portion of revenue from these programs is not yet earned and is therefore deferred. The Company also charges students fees for library and technology costs, which are recognized over the related service period and are not considered separate performance obligations. Other services, books, and exam fees are recognized as services are provided or when goods are received by the student. The Company's contract liabilities are reported as deferred revenue and refunds due students. Deferred revenue represents the amount of tuition, fees, and other student invoices in excess of the portion recognized as revenue and it is included in current liabilities in the accompanying consolidated balance sheets.

The following table represents our revenues disaggregated by the nature and timing of services:

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2019	2018	2019	2018
Tuition - *recognized over period of instruction*	$ 7,732,600	$ 5,341,314	$ 21,808,832	$ 14,055,172
Course fees - *recognized over period of instruction*	634,013	270,901	1,634,889	497,169
Book fees - *recognized at a point in time*	24,877	24,278	75,342	62,691
Exam fee - *recognized at a point in time*	45,700	36,500	141,540	97,500
Service fees - *recognized at a point in time*	57,437	28,965	150,672	83,951
	$ 8,494,627	$ 5,701,958	$ 23,811,275	$ 14,796,483

Contract Balances and Performance Obligations

The Company recognizes deferred revenue as a student participates in a course which continues past the balance sheet date. Deferred revenue at January 31, 2019 was $2,699,227 which is future revenue that has not yet been earned for courses in progress. The Company has $1,370,060 of refunds due students, which mainly represents Title IV funds due to students after deducting their tuition payments.

Of the total revenue earned during the nine months ended January 31, 2019, approximately $1.8 million came from revenues which were deferred at April 30, 2018.

The Company begins providing the performance obligation by beginning instruction in a course, a contract receivable is created, resulting in accounts receivable. The Company accounts for receivables in accordance with ASC 310, Receivables. The Company uses the portfolio approach, as discussed below.

Aspen records an allowance for doubtful accounts for estimated losses resulting from the inability, failure or refusal of its students to make required payments, which includes the recovery of financial aid funds advanced to a student for amounts in excess of the student's cost of tuition and related fees. Aspen determines the adequacy of its allowance for doubtful accounts using a general reserve method based on an analysis of its historical bad debt experience, current economic trends, and the aging of the accounts receivable and student status. Aspen applies reserves to its receivables based upon an estimate of the risk presented by the age of the receivables and student status. Aspen writes off accounts receivable balances at the time the balances are deemed uncollectible. Aspen continues to reflect accounts receivable with an offsetting allowance as long as management believes there is a reasonable possibility of collection.

Cash Receipts

Our students finance costs through a variety of funding sources, including, among others, monthly payment plans, installment plans, federal loan and grant programs (Title IV), employer reimbursement, and various veterans and military funding and grants, and cash payments. Most students elect to use our monthly payment plan. This plan allows them to make continuous monthly payments during the length of their program and through the length of their payment plan. Title IV and military funding typically arrives during the period of instruction. Students who receive reimbursement from employers typically do so after completion of a course. Students who choose to pay cash for a class typically do so before beginning the class.

Significant Judgments

We analyze revenue recognition on a portfolio approach under ASC 606-10-10-4. Significant judgment is utilized in determining the appropriate portfolios to assess for meeting the criteria to recognize revenue under ASC Topic 606. We have determined that all of our students can be grouped into one portfolio. Students behave similarly, regardless of their payment method or academic program. Enrollment agreements and refund policies are similar for all of our students. We do not expect that revenue earned for the portfolio is significantly different as compared to revenue that would be earned if we were to assess each student contract separately.

The Company maintains institutional tuition refund policies, which provides for all or a portion of tuition to be refunded if a student withdraws during stated refund periods. Certain states in which students reside impose separate, mandatory refund policies, which override the Company's policy to the extent in conflict. If a student withdraws at a time when a portion or none of the tuition is refundable, then in accordance with its revenue recognition policy, the Company recognizes as revenue the tuition that was not refunded. Since the Company recognizes revenue pro-rata over the term of the course and because, under its institutional refund policy, the amount subject to refund is never greater than the amount of the revenue that has been deferred, under the Company's accounting policies revenue is not recognized with respect to amounts that could potentially be refunded.

The Company had revenues from students outside the United States representing 1.7% and 2.1% of the revenues for the nine months ended January 31, 2019 and 2018 respectively.

Note 11. Subsequent Events

Term Loans

On March 6, 2019, the Company entered into loan agreements (each a "Loan Agreement" and together, the "Loan Agreements") with the Foundation, of which Mr. Leon Cooperman, a stockholder of the Company, is the trustee, and another stockholder of the Company (each a "Lender" and together, the "Lenders"). Each Loan Agreement provides for a $5 million term loan (each a "Loan" and together, the "Loans"), evidenced by a term promissory note and security agreement (each a "Note" and together, the "Term Notes"), for combined total proceeds of $10 million. The Company borrowed $5 Million from each Lender that day. The Term Notes bear interest at 12% per annum and mature on September 6, 2020, subject to one 12-month extension upon the Company's option, and upon payment of a 1% one-time extension fee.

Pursuant to the Loan Agreements and the Term Notes, all future or contemporaneous indebtedness incurred by the Company, including any sums borrowed under the $5 Million Credit Facility Agreement (see Note 5), other than indebtedness expressly permitted by the Loan Agreements and the Term Notes, will be subordinated to the Loans.

The Company's obligations under the Loan Agreements are secured by a first priority lien in certain deposit accounts of the Company, all current and future accounts receivable of Aspen University and USU, subsidiaries of the Company (the "Subsidiaries"), certain of the deposit accounts of the Subsidiaries and all of the outstanding capital stock of the Subsidiaries (the "Collateral").

Amendment to the Credit Facility Agreement

On March 6, 2019, in connection with entering into the Loan Agreements, the Company amended and restated the Credit Facility Agreement (the "Amended and Restated Facility Agreement") and the related revolving promissory note. The Amended and Restated Facility Agreement provides among other things that the Company's obligations thereunder are secured by a first priority lien in the Collateral, on a *pari passu* basis with the Lenders.

Intercreditor Agreement

On March 6, 2019, in connection with entering into the Loan Agreements, the Company also entered into an intercreditor agreement (the "Intercreditor Agreement") among the Company, the Lenders and the lender under the Credit Facility Agreement. The Intercreditor Agreement provides among other things that the Company's obligations under, and the security interests in the Collateral granted pursuant to, the Loan Agreements and the Amended and Restated Facility Agreement shall rank *pari passu* to one another.

Warrants

Pursuant to the Loan Agreements, on March 6, 2019 the Company issued to each Lender warrants to purchase 100,000 shares of the Company's common stock exercisable for five years from the date of issuance at the exercise price of $6.00 per share.

Payment of Convertible Note

On February 25, 2019, the Company prepaid the remaining $1,000,000 of principal of and paid $80,000 interest under the convertible note in the initial principal amount of $2,000,000 issued on December 1, 2017 (the "Convertible Note")(See Notes 5 and 8). The $80,000 paid represents the interest which would have accrued on the outstanding principal amount of the Convertible Note on December 1, 2019, the final maturity date. Upon the receipt of the payment, the Convertible Note was terminated. This prepayment eliminated the note holder's option to convert principal and interest into the Company's common stock on the scheduled maturity date and also was pre-condition for borrowing the $10,000,000 under the Loan Agreements.

Letter of Credit Increase for USU

The DOE has notified USU that an additional letter of credit ("LOC") for $255,708 needs to be provided to the DOE by March 31, 2019. Although USU passed its composite score, this increase is due to the score on its acid ratio test. The LOC is for one year.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

You should read the following discussion in conjunction with our unaudited consolidated financial statements, which are included elsewhere in this Form 10-Q. Management's Discussion and Analysis of Financial Condition and Results of Operations contain forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed in the Risk Factors contained in the Annual Report on Form 10-K filed on July 13, 2018 with the Securities and Exchange Commission (the "SEC").

All references to "we," "our," "us," "the Company," "AGI," and "Aspen" refer to Aspen Group, Inc. and its subsidiaries, Aspen University Inc. ("Aspen University"), Aspen Nursing, Inc., (a subsidiary of Aspen University) and United States University Inc. ("USU"), unless the context otherwise indicates.

Company Overview

AGI is an education technology holding company. AGI has three subsidiaries, Aspen University, Aspen Nursing, Inc. and USU. On March 13, 2012, the Company acquired Aspen University. On December 1, 2017, the Company acquired USU.

AGI leverages its education technology infrastructure and expertise to allow its two universities, Aspen University and United States University, to deliver on the vision of making college affordable again. Because we believe higher education should be a catalyst to our students' long-term economic success, we exert financial prudence by offering affordable tuition that is one of the greatest values in higher education.

In March 2014, Aspen University unveiled a monthly payment plan available to all students across every online degree program offered by the university. The monthly payment plan is designed so that students will make one payment per month, and that monthly payment is applied towards the total cost of attendance (tuition and fees, excluding textbooks). The monthly payment plan offers online associate and bachelor students the opportunity to pay their tuition and fees at $250/month, online master students $325/month, and online doctoral students $375/month, interest free, thereby giving students a monthly payment option versus taking out a federal financial aid loan.

USU began offering monthly payment plans in the summer of 2017. Today, monthly payment plans are available for the online RN to BSN program ($250/month), online MBA/M.A.Ed/MSN programs ($325/month), and the online hybrid Masters of Nursing-Family Nurse Practitioner ("FNP") program ($375/month).

Additionally, Aspen University began its first semester in July 2018 for its previously announced pre-licensure Bachelor of Science in Nursing (BSN) degree program at its initial campus in Phoenix, Arizona. As a result of overwhelming demand in the Phoenix metro area, Aspen University began offering both day (July, November, and March semesters) and evening/weekend (January, May, and September semesters) programs in January 2019, equaling six semester starts per year. In September 2018, Aspen announced the signing of a memorandum of understanding to open a second campus in the Phoenix metro in partnership with Honor Health, currently projected to launch in September of 2019.

Aspen's innovative hybrid (online/on-campus) program allows most of the credits to be completed online (83 of 120 credits or 69%), with pricing offered at Aspen's current low tuition rates of $150/credit hour for online general education courses and $325/credit hour for online core nursing courses. For high school students with no prior college credits, the total cost of attendance is less than $50,000.

Since 1993, Aspen University has been nationally accredited by the DEAC, a national accrediting agency recognized by the DOE. On February 25, 2015, the DEAC informed Aspen University that it had renewed its accreditation for five years to January, 2019.

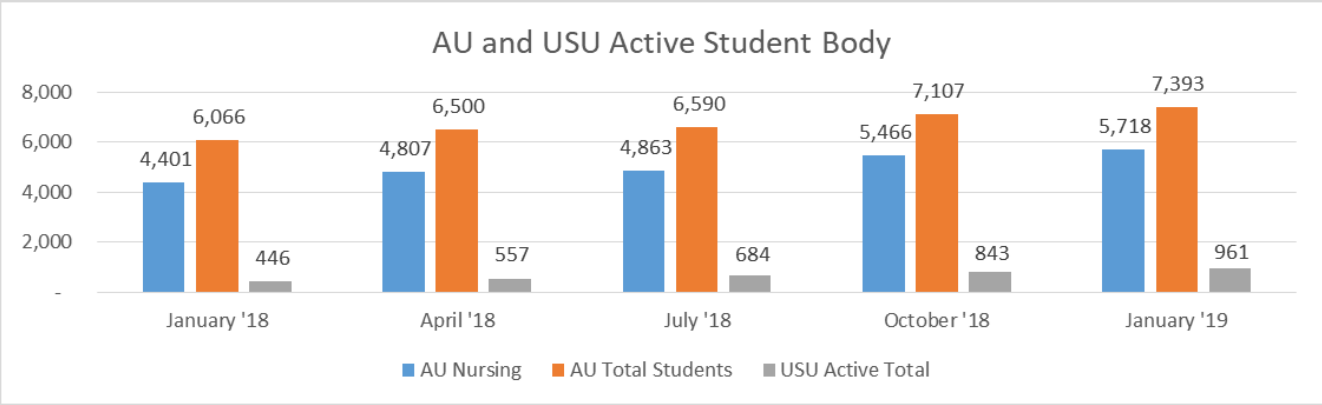
Since 2009, USU has been regionally accredited by WSCUC.

Both universities are qualified to participate under the Higher Education Act and the Federal student financial assistance programs (Title IV, HEA programs).

AGI Student Population Overview

Aspen University's total active degree-seeking student body* grew 22% year-over-year from 6,066 to 7,393 as of January 31, 2019. Aspen's School of Nursing grew 30% year-over-year, from 4,401 to 5,718 active students, which includes 210 active students in the BSN Pre-Licensure program in Phoenix, AZ.

USU's total active degree-seeking student body grew sequentially from 843 to 961 students or a sequential increase of 14%.



*** Note: "Active Degree-Seeking Students" are defined as degree-seeking students who were enrolled in a course during the quarter reported, or are registered for an upcoming course.**

AGI New Student Enrollments

AGI delivered 1,363 new student enrollments for the fiscal 2019 third quarter, a 40% increase year-over-year.

Aspen University accounted for 1,112 new student enrollments (includes 120 Doctoral enrollments and 97 Pre-licensure BSN AZ campus enrollments), while USU accounted for 251 new student enrollments primarily family nurse practitioner ("FNP") enrollments. Below is a table reflecting unconditional acceptance new student enrollments for the past five quarters:

	New Student Enrollments					EAs	Enrolls/ Month/EA
	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19		
Aspen (Nursing + Other)	972*	980	882	1,104	895	49	6.1
Aspen (Doctoral)		116	118	133	120	6	6.7
Aspen (Pre-Licensure BSN, AZ Campus)			93	57	97	4	8.1
USU (FNP + Other)		177	221	271	251	11	7.6
Total	972	1,273	1,314	1,565	1,363	70	

*Included doctoral enrollments

Enrollments for Aspen University's Pre-Licensure BSN program increased sequentially with the launch of our night/weekend program. Marketing spending for Aspen's (Nursing + Other) unit for the quarter remained in a similar range as the previous two quarters of fiscal year 2019, and on a year-over-year basis increased modestly by approximately 12%. In terms of enrollment center staffing, on a year-over-year basis the Aspen (Nursing + Other) unit remained flat at 49 Enrollment Advisors (EAs), as the year-over-year increase of 21 EAs are all allocated to the three new business units; Aspen Doctoral (6), Aspen Pre-Licensure BSN (4) and USU (11).

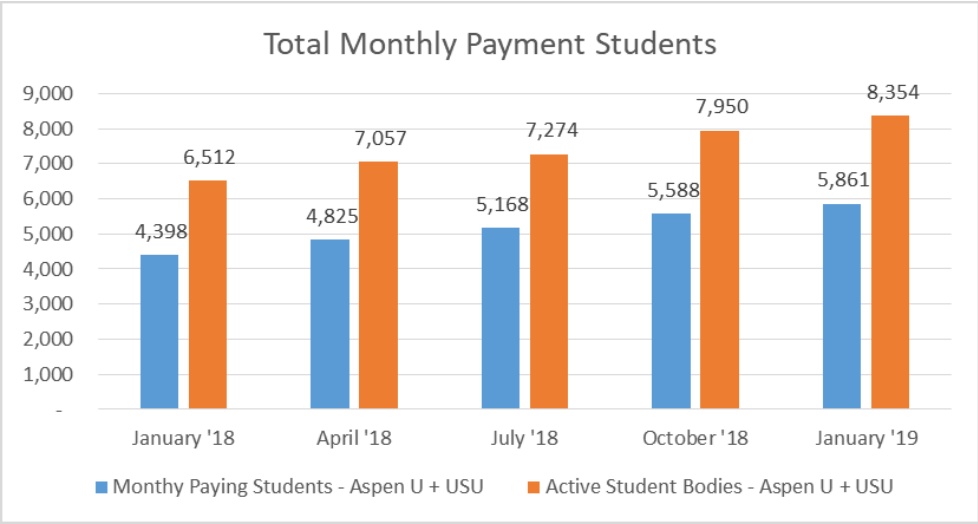
Monthly Payment Programs Overview

Aspen offers two monthly payment programs, a monthly payment plan in which students make payments every month over a fixed period depending on the degree program, and a monthly installment plan in which students pay three monthly installments (day 1, day 31 and day 61 after the start of each course).

Aspen University students paying tuition and fees through a monthly payment method grew by 25% year-over-year, from 4,194 to 5,259. Those 5,259 students paying through a monthly payment method represent 71% of Aspen University's total active student body.

USU students paying tuition and fees through a monthly payment method grew from 514 to 602 students sequentially. Those 602 students paying through a monthly payment method represent 63% of USU's total active student body.

In total, 5,861 active students or 70% of AGI's total active student body of 8,354 are paying through a monthly payment method.



The total contractual value of AGI's monthly payment plan students, assuming each student completes the degree program in which he or she has enrolled, now exceeds $50 million which currently delivers monthly recurring tuition cash payments exceeding $1,400,000 of the total monthly cash receipts of approximately $2,400,000.

Marketing Efficiency Ratio (MER) Analysis

AGI has developed a marketing efficiency ratio to continually monitor the performance of its business model.

$$\text{Marketing Efficiency Ratio (MER)} = \frac{\text{Revenue per Enrollment (RPE)}}{\text{Cost per Enrollment (CPE)}}$$

Cost per Enrollment (CPE)
The Cost per Enrollment measures the advertising investment spent in a given six month period, divided by the number of new student enrollments achieved in that given six month period, in order to obtain an average CPE for the period measured.

Revenue per Enrollment (RPE)
The Revenue per Enrollment takes each quarterly cohort of new degree-seeking student enrollments, and measures the amount of earned revenue including tuition and fees to determine the average RPE for the cohort measured. For the later periods of a cohort, we have used reasonable projections based off of historical results to determine the amount of revenue we will earn in later periods of the cohort.

The current Marketing Efficiency Ratio (MER = revenue-per-enrollment or LTV/cost-per-enrollment or CAC) for our three degree units** is reflected in the below table:

	Enrollments	Cost-of-Enrollment***	LTV	MER
Aspen (Nursing + Other)	895	$ 1,300	$ 7,350	5.7X
Aspen (Doctoral)	120	$ 2,334	$ 12,600	5.4X
USU (FNP + Other)	251	$ 1,620	$ 17,820****	11.0X

**LTV projections are not yet available for the new BSN pre-licensure campus unit

***Based on 6-month rolling average

****LTV for USU's MSN-FNP Program

Please be advised that the two new reporting programs, Aspen University (Doctoral) and USU (FNP), began marketing on the Internet in recent quarters, consequently the new reporting programs will have received an immaterial amount of organic/referral enrollments, so the cost-of-enrollment today is essentially a reflection of the average cost of delivering a 'paid' enrollment. Aspen University's traditional business today delivers over 30% of its enrollments from organic/referral sources, which is what drives down the average cost-of-enrollment in this traditional business. Organic/referral enrollments are expected to increase over time in these two new programs.

ASPEN UNIVERSITY'S PRE-LICENSURE BSN HYBRID (ONLINE/ON-CAMPUS) DEGREE PROGRAM

In July 2018, Aspen University began its pre-licensure Bachelor of Science in Nursing (BSN) degree program at its initial campus in Phoenix, Arizona. As a result of overwhelming demand in the Phoenix metro, in January 2019 Aspen began offering both day (July, November, March semesters) and evening/weekend (January, May, September semesters) programs, equaling six semester starts per year. Moreover, in September 2018, Aspen entered into a memorandum of understanding to open a second campus in the Phoenix metro area in partnership with Honor Health.

Aspen's innovative hybrid (online/on-campus) program allows most of the credits to be completed online (83 of 120 credits or 69%), with pricing offered at Aspen's current low tuition rates of $150/credit hour for online general education courses and $325/credit hour for online core nursing courses. For high school students with no prior college credits, the total cost of attendance is less than $50,000.

Aspen's pre-licensure BSN program is offered as a full-time, three-year (nine semester) program that is specifically designed for students who do not currently hold a state nursing license and have no prior nursing experience. Aspen is admitting students into three tracks: (1) high school graduates with no prior college credits, (2) students that have less than 48 general education prerequisites completed, and (3) students that have completed all 48 general education prerequisite credits and are ready to enter the core nursing courses and clinical experiences.

Aspen University spent ~$42,000 marketing its new Pre-Licensure BSN program in the Phoenix metro in the months preceding its July, 2018 launch. Since that initial marketing spend, Aspen has delivered 247 enrollments and begun three semesters (July & November – Day program, January – Night/Weekend program) without having spent any additional marketing dollars over the past 6 months. Consequently, the cost of enrollment to date for the pre-licensure BSN program to date has been approximately $170 per student. In February 2019, Aspen began marketing again to maintain steady prospective student lead flow and to prepare for the launch of its second campus on the north side of Phoenix in partnership with HonorHealth (the initial semester is currently targeted to begin in September 2019).

The Company has been carefully tracking the persistence rates of the first BSN pre-licensure cohort of students that began in July 2018. Of the 29 students that entered into the final 2-year core program with all pre-requisites completed, 25 remain active in the program two semesters later, meaning we've seen only a 14% attrition rate to date among the initial cohort of 29 final 2-year core program students. As a result, we are comfortable giving guidance that our Aspen University BSN pre-licensure business will deliver the highest LTV's among all degree programs offered by the Company, and that the LTV per enrollment for the program will be at least $30,000.

OPERATIONAL UPDATE – USU FNP PROGRAM

USU has successfully enrolled to its target of at least 150 FNP students every other month over the past two enrollment cycles (November 2018 and January 2019 starts), which represents a 100% increase from the previous target of enrolling 75 FNP students every other month. As a result, USU ended the quarter with 803 FNP students, representing 84% of USU's active student body.

ACCOUNTS RECEIVABLE AND MONTHLY PAYMENT PLAN

Since the inception of the monthly payment plan in the spring of 2014, the accounts receivable balance, both short-term and long-term, has grown from a net number of $649,890 at April 30, 2014 for Aspen University to a net number of $8,117,773 at April 30, 2018 and a net number of $11,847,283 at January 31, 2019 for both universities. The net numbers are the sum of the short-term and long-term receivables. This growth could be portrayed as the engine of the monthly payment plan. The attractive aspect of being able to pay for a degree over a fixed period of time has fueled the growth of this plan and, as a result, the increase of the accounts receivable balance, net of allowance for doubtful accounts.

Each student's receivable account is different depending on how many classes a student takes each period. If a student takes two classes each eight week period while paying $250, $325 or $375 a month, that student's account receivable balance will rise accordingly. The converse is true also. A student who takes courses at a slower pace, even taking time off between eight-week terms, could have a balance due to them. It is much more likely however that a student participating in the monthly payment plan will have an accounts receivable balance, as the vast majority of students complete their degree program of study prior to the completion of the fixed monthly payment plan.

The common thread is the actual monthly payment, which functions as a retail installment contract with no interest that each student commits to pay over a fixed number of months. If a student stops paying, that person can no longer register for a class. If a student decides to withdraw from the university, his or her account will be settled, either through attempts to collect the balance or disbursement of the amount owed by the student.

Aspen University students paying tuition and fees through a monthly payment method grew by 25% year-over-year, from 4,194 to 5,259. Those 5,259 students paying through a monthly payment method represent 71% of Aspen University's total active student body.

USU students paying tuition and fees through a monthly payment method grew from 514 to 602 students sequentially. Those 602 students paying through a monthly payment method represent 63% of USU's total active student body.

In total, 5,861 active students or 70% of AGI's total active student body of 8,354 are paying through a monthly payment method.

Relationship Between Accounts Receivable and Revenue

The gross accounts receivable balance for any period is the net effect of the following three factors:

1. Revenue;
2. Cash receipts, and;
3. The net change in deferred revenue.

All three factors equally determine the gross accounts receivable. If one quarter experiences particularly high cash receipts, the gross accounts receivable will go down. The same effect if cash receipts are lower or if there are significant changes in either of the other factors.

Simply looking at the change in revenue does not translate into an equally similar change in gross accounts receivable. The relative change in cash and the deferral must also be considered. For net accounts receivable, the changes in the reserve must also be considered. Any additional reserve or write-offs will influence the balance.

As it is a straight mathematical formula for both gross accounts receivable and net accounts receivable, and most of the information is public, one can reasonably calculate the two non-public pieces of information, namely the cash receipts in gross accounts receivable and the write-offs in net accounts receivable.

For revenue, the quarterly change is primarily billings and the net impact of deferred revenue. The deferral from the prior quarter or year is added to the billings and the deferral at the end of the period is subtracted from the amount billed. The total deferred revenue at the end of every period is reflected in the liability section of the balance sheet. Deferred revenue can vary for many reasons, but seasonality and the timing of the class starts in relation to the end of the quarter will cause changes in the balance.

As mentioned in the accounts receivable section, the change in revenue cannot be compared to the change in accounts receivable. Revenue does not have the impact of cash received whereas accounts receivable does. Depending on the month and the amount of cash received, it is likely that revenue or accounts receivable will increase at a rate different from the other. The impact of cash is easy to substantiate as it agrees to deposits in our bank accounts.

Gross accounts receivable (before allowance for doubtful accounts) were $12,750,733 at January 31, 2019, an increase of $161,603 from October 31, 2018. At January 31, 2019, the allowance for doubtful accounts was $903,450 which represents 7.1% of the gross accounts receivable balance of $12,750,733, the sum of both short-term and long-term receivables. Many aged students' accounts were written off against the allowance in the year ended April 30, 2018, after which management has been increasing the allowance each quarter for both Aspen University and USU to its current level.

The Introduction of Long-Term Accounts Receivable

When a student signs up for the monthly payment plan, there is a contractual amount that the Company can expect to earn over the life of the student's program. This contractual amount cannot be recorded as an account receivable as the student does have the option to stop attending. As a student takes a class, revenue is earned over that eight week class. Some students accelerate their program, taking two classes every eight week period, and as we discussed, that increases the student's accounts receivable balance. If any portion of that balance will be paid in a period greater than 12 months, that portion is reflected as long-term accounts receivable. At January 31, 2019 and April 30, 2018, those balances were $2,568,532 and $1,315,050, respectively.

The primary component of accounts receivable consists of students who make monthly payments over 36 and 39 months, but as more USU FNP candidates participate in the monthly payment plan, there will be a growing number of students with a 72 month payment plan. The average student completes their academic program in 24 months, therefore most of the Company's accounts receivable are short-term.

Here is a graphic of both short-term and long-term receivables, as well as contractual value:

A	B	C
Classes Taken less monthly payments received	Payments for classes taken that are greater than 12 months	Expected classes to be taken over balance of program.
Short-Term Accounts Receivable	Long-term Accounts Receivable	Not recorded in financial statements

The Sum of A, B and C will equal the total student cost of the program.

Results of Operations

For the Quarter Ended January 31, 2019 Compared with the Quarter Ended January 31, 2018

Revenue

Revenue from operations for the three months ended January 31, 2019 ("2019 Quarter") increased to $8,494,627 from $5,701,958 for the three months ended January 31, 2018 ("2018 Quarter"), an increase of $2,792,669 or 49%. USU revenues contributed approximately 21% of revenues for the Company for the 2019 Quarter, while Aspen's new BSN pre-licensure program contributed approximately 5% of the revenues for the 2019 Period. The company expects the rapid growth to continue at USU and Aspen University's BSN pre-licensure units, as a result they will continue to grow as a percentage of total revenue.

Cost of Revenues (exclusive of depreciation and amortization)

The Company's cost of revenues consists of instructional costs and services and sales and marketing costs.

Instructional Costs and Services

Instructional costs and services for the 2019 Quarter rose to $1,753,982 from $1,196,949 for the 2018 Quarter, an increase of $557,033 or 47%. Instructional costs and services represented 21% of revenue for both the 2019 Quarter and the 2018 Quarter.

Aspen University instructional costs and services represented 18% of Aspen University revenues for the 2019 quarter, while USU instructional costs and services equaled 30% of USU revenues during the 2019 quarter. USU's instructional costs and services as a percentage of revenue have generally declined over time, for example, from 33% in the quarter ended July 31, 2018 but increased slightly from the 29% of USU revenue during the quarter ended October 31, 2018.

Marketing and Promotional

Marketing and promotional costs for the 2019 Quarter were $2,322,998 compared to $1,468,715 for the 2018 Quarter, an increase of $854,283 or 58%. Aspen University marketing and promotional costs represented 25% of Aspen University revenues for the 2019 quarter, while USU marketing and promotional costs equaled 25% of USU revenues during the 2019 quarter. Aspen University's increase in marketing and promotional costs as a percentage of revenue was primarily a result of increasing internet advertising from about $325,000 a month in the 2018 Quarter to $530,000 a month in the 2019 Quarter. AGI incurred $205,969 of marketing and promotional costs, which includes expenses related to the outside sales force that supports both universities.

Gross profit increased to $4,221,939 for the 2019 Quarter from $2,900,633 for the 2018 quarter. As a percentage of revenue, gross profit equaled 50% of revenue in the 2019 quarter from 51% of revenue in the 2018 quarter. Aspen University gross profit represented 54% of Aspen University revenues for the 2019 quarter, while USU gross profit equaled 45% of USU revenues during the 2019 quarter.

Costs and Expenses

General and Administrative

General and administrative costs for the 2019 Quarter were $6,284,041 compared to $4,677,359 during the 2018 Quarter, an increase of $1,606,682 or 34%. Aspen University general and administrative costs which are included in the above amount represented 48% of Aspen University revenues for the 2019 Quarter. Aspen University's increase in general and administrative costs was primarily a result of increasing the enrollment center and academic operations personnel to support increased enrollment. USU general and administrative costs equaled 87% of USU revenues during the 2019 Quarter, a sequential decline from 99% of USU revenues for the prior quarter.

AGI general and administrative costs for the 2019 Quarter which are included in the above amount equaled approximately $1.55 million, including corporate employees in the NY corporate office, IT, rent, non-cash AGI stock based compensation, and professional fees (legal, accounting and IR).

Depreciation and Amortization

Depreciation and amortization costs for the 2019 Quarter increased to $555,292 from $347,894 for the 2018 Quarter, an increase of $207,398 or 60%. The increase in depreciation expense is mainly due to the amortization of intangible assets acquired in the USU acquisition. AGI is making capital investments in the Phoenix campus and those investments will continue to become a bigger percentage of the overall depreciation expense. Similarly, AGI continues to invest in proprietary software for both universities which will contribute to future depreciation costs.

Other Income, net

Other income, net for the 2019 Quarter increased to $65,746 from ($158,986) in the 2018 Quarter, an increase of $224,732 or 141%.

Income Taxes

Income taxes expense (benefit) for the comparable years was $0 as Aspen Group experienced operating losses in both periods. As management made a full valuation allowance against the deferred tax assets stemming from these losses, there was no tax benefit recorded in the statement of operations in both periods.

Net Income (Loss)

Net loss for the 2019 Quarter was ($2,355,940) as compared to a net loss of ($2,147,945) for the 2018 Quarter, an increase in the loss of $207,995 or 10%. Net loss per share was ($0.13) as compared to a ($0.15) loss in the comparable prior year period. Aspen University generated $0.4 million of net income for the 2019 Quarter, USU experienced a net loss of $0.9 million during the 2019 Quarter, while AGI corporate incurred $1.9 million of expenses for the 2019 Quarter.

For the Nine Months Ended January 31, 2019 Compared with the Nine Months Ended January 31, 2018

Revenue

Revenue from operations for the nine months ended January 31, 2019 ("2019 Period") increased to $23,811,275 from $14,796,483 for the nine months ended January 31, 2018 ("2018 Period"), an increase of $9,014,792 or 61%.

USU revenues contributed approximately 19% of revenues for the Company for the 2019 Period, while Aspen's new BSN pre-licensure program contributed approximately 3% of revenues in the 2019 Period.

Cost of Revenues (exclusive of depreciation and amortization)

The Company's cost of revenues consists of instructional costs and services and sales and marketing costs.

Instructional Costs and Services

Instructional costs and services for the 2019 Period rose to $4,905,822 from $2,893,818 for the 2018 Period, an increase of $2,012,004 or 70%. Instructional costs and services represented 21% of revenue in the 2019 Period as compared to 20% in the 2018 Period. Instructional costs and services grew from a combination of increased enrollments at Aspen University as well as the inclusion of USU.

Aspen University instructional costs and services represented 18% of Aspen University revenues for the 2019 Period, while USU instructional costs and services equaled 31% of USU revenues during the 2019 Period.

Marketing and Promotional

Marketing and promotional costs for the 2019 Period were $6,759,065 compared to $3,388,996 for the 2018 Period, an increase of $3,370,069 or 99%. Aspen University marketing and promotional costs represented 26% of Aspen University revenues for the 2019 Period, while USU marketing and promotional costs equaled 26% of USU revenues during the 2019 Period. Aspen University's increase in marketing and promotional costs as a percentage of revenue was primarily a result of increasing monthly internet advertising spend from approximately $325,000 in the 2018 Period to $530,000 in the 2019 Period. AGI contributed $651,715 of marketing and promotional costs, primarily related to the outside sales force that supports both universities. The outside sales force was launched in January 31, 2018, and incurred only $75,000 in expenses in the 2018 Period.

Gross profit increased to $11,615,655 for the 2019 Period from $8,130,555 for the 2018 Period. As a percentage of revenue, gross profit equaled 49% of revenue in the 2019 Period from 55% of revenue in the 2018 Period. Aspen University gross profit represented 53% of Aspen University revenues for the 2019 Period, while USU gross profit equaled 43% of USU revenues during the 2019 Period.

Costs and Expenses

General and Administrative

General and administrative costs for the 2019 Period were $18,318,061 compared to $10,975,085 during the 2018 Period, an increase of $7,342,976 or 67%. Aspen University general and administrative costs which are included in the above amount represented 49% of Aspen University revenues for the 2019 Period. Aspen University's increase in general and administrative costs was primarily a result of increasing the enrollment and academic operations personnel to accommodate increased enrollment. USU general and administrative costs equaled 100% of USU revenues during the 2019 Period.

AGI general and administrative costs for the 2019 Period which is included in the above amount equaled approximately $4.4 million, including corporate employees in the NY corporate office, IT, rent, non-cash AGI stock-based compensation, and professional fees (legal, accounting, and IR).

Depreciation and Amortization

Depreciation and amortization costs for the 2019 Period increased to $1,577,464 from $631,969 for the 2018 Period, an increase of $945,495 or 150%. The increase in depreciation expense is mainly due to the depreciation of intangible assets acquired with USU. AGI is making capital investments in the Phoenix campus and those investments will continue to become a bigger percentage of the overall depreciation expense. Similarly, AGI continues to invest in proprietary software for both universities which will contribute to future depreciation costs.

Other Income, net

Other income, net for the 2019 Period increased to $80,842 from ($303,190) in the 2018 Period, an increase of $384,032 or 127%.

Income Taxes

Income taxes expense (benefit) for the comparable years was $0 as Aspen Group experienced operating losses in both periods. As management made a full valuation allowance against the deferred tax assets stemming from these losses, there was no tax benefit recorded in the statement of operations in both periods.

Net Income (Loss)

Net loss for 2019 Period was ($7,668,295) as compared to a net loss of ($3,396,575) for the 2018 Period, an increase of $4,271,720 or 126%. Net loss per share was ($0.42) as compared to a ($0.25) loss in the comparable prior year period. Aspen University generated $0.8 million of operating income for the 2019 Period, USU experienced an operating loss of $3.5 million during the 2019 Period, while AGI corporate contributed $5.1 million of operating expenses for the 2019 Period.

Non-GAAP – Financial Measures

The following discussion and analysis include both financial measures in accordance with Generally Accepted Accounting Principles, or GAAP, as well as non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures should be viewed as supplemental to, and should not be considered as alternatives to net income, operating income, and cash flow from operating activities, liquidity or any other financial measures. They may not be indicative of the historical operating results of AGI nor are they intended to be predictive of potential future results. Investors should not consider non-GAAP financial measures in isolation or as substitutes for performance measures calculated in accordance with GAAP.

Our management uses and relies on EBITDA and Adjusted EBITDA, which are non-GAAP financial measures. We believe that both management and shareholders benefit from referring to the following non-GAAP financial measures in planning, forecasting and analyzing future periods. Our management uses these non-GAAP financial measures in evaluating its financial and operational decision making and as a means to evaluate period-to-period comparison. Our management recognizes that the non-GAAP financial measures have inherent limitations because of the described excluded items.

AGI defines Adjusted EBITDA as earnings (or loss) from operations before the items in the table below including non-recurring charges of $83,174. Adjusted EBITDA is an important measure of our operating performance because it allows management, investors and analysts to evaluate and assess our core operating results from period-to-period after removing the impact of items of a non-operational nature or non-recurring costs that affect comparability.

We have included a reconciliation of our non-GAAP financial measures to the most comparable financial measure calculated in accordance with GAAP. We believe that providing the non-GAAP financial measures, together with the reconciliation to GAAP, helps investors make comparisons between Aspen Group and other companies. In making any comparisons to other companies, investors need to be aware that companies use different non-GAAP measures to evaluate their financial performance. Investors should pay close attention to the specific definition being used and to the reconciliation between such measure and the corresponding GAAP measure provided by each company under applicable SEC rules.

The following table presents a reconciliation of EBITDA and Adjusted EBITDA to net income (loss) allocable to common shareholders, a GAAP financial measure:

	For the Three Months Ended January 31,	
	2019	2018
Net loss	$ (2,355,940)	$ (2,147,945)
Interest expense, net of interest income	74,249	211,486
Depreciation & amortization	555,292	347,894
EBITDA (loss)	(1,726,399)	(1,588,565)
Bad debt expense	187,178	132,644
Acquisition expense	—	610,219
Non-recurring charges	83,174	85,853
Stock-based compensation	350,838	162,544
Adjusted EBITDA (Loss)	$ (1,105,209)	$ (597,305)

EBITDA Loss and Adjusted EBITDA Loss in the 2019 quarter increased compared to the quarter from the previous year, primarily as a result of increased spending on marketing and general and administrative expenses. These expenses were incurred to stimulate and support increased enrollment at both universities, and to launch the Aspen University campus in Phoenix. Adjusted EBITDA improved to a loss in the third quarter of $1,105,209 from a loss of $1,304,543 in the second quarter, an improvement of 15%. The second quarter also had a sequential improvement from a loss of $1,778,372 in the first quarter. The Company expects continued sequential improvement in Adjusted EBITDA for the upcoming fourth quarter.

Liquidity and Capital Resources

A summary of our cash flows is as follows:

	For the Nine Months Ended January 31,	
	2019	2018
Net cash used in operating activities	$ (7,430,550)	$ (3,654,947)
Net cash used in investing activities	(1,962,899)	(2,841,161)
Net cash (used in) provided by financing activities	(1,019,689)	7,733,477
Net (decrease) increase in cash	$(10,413,138)	$ 1,237,369

Net Cash (Used in) Operating Activities

Net cash used in operating activities during the 2019 Period totaled ($7,430,550) and resulted primarily by the net loss from ($7,668,295), offset by $2,956,601 in non-cash items and a $2,718,586 decrease in operating assets and liabilities. The most significant item change in operating assets and liabilities was an increase in accounts receivable of $4,209,576 which is primarily attributed to the growth in revenues from students paying through the monthly payment plan. The most significant non-cash items were depreciation and amortization expense of $1,577,464 and stock-based compensation expense of $866,129.

Net cash used in operating activities during the 2018 Period totaled ($3,654,947) and resulted primarily by the net loss of ($3,396,575), offset by approximately $1,508,436 in non-cash items and $1,766,808 decrease in operating assets and liabilities. The most significant item change operating assets and liabilities was an increase in accounts receivable of $4,534,118 which is primarily attributed to the growth in revenues from students paying through the monthly payment plan. The most significant non-cash items were depreciation and amortization expense of $631,969 and stock compensation expense of $466,468.

Net Cash (Used in) Investing Activities

Net cash used in investing activities during the 2019 Period totaled ($1,962,899) mostly attributed to investments in the purchase of property and equipment as we build up our campus.

Net cash used in investing activities during the 2018 Period totaled ($2,841,161) mostly attributed to cash paid in the USU acquisition and the purchase of property and equipment.

Net Cash (Used In) Provided By Financing Activities

Net cash used in financing activities during the 2019 Period totaled ($1,019,689) which reflects the repayment of a portion of the Convertible Note, partially offset by stock option exercise proceeds net of payment of offering costs.

Net cash provided by financing activities during the 2018 Period totaled $7,733,477 which reflects primarily the cash provided by the senior secured term loan.

Liquidity and Capital Resource Considerations

Historically, our primary source of liquidity is cash receipts from tuition and the sale securities. The primary uses of cash are payroll related expenses, professional expenses, and instructional and marketing expenses.

On March 6, 2019, the Company entered into loan agreements with two lenders and issued them $10 million of Term Notes. These Term Notes bear interest at 12% per annum and mature on September 6, 2020, subject to one 12-month extension upon the Company's option and upon payment of a 1% one-time extension fee.

As of March 11, 2019, the Company had bank balances of approximately $12.2 million. This amount does not reflect the reduction for outstanding checks. With our existing cash balance (which includes the proceeds from the loans described above) and our $5 million line of credit, the Company believes that it has sufficient cash to allow the Company to meet its operational expenditures for at least the next 12 months. Our cash balances are kept liquid to support our growing infrastructure needs. The majority of our cash is concentrated in large financial institutions.

Critical Accounting Policies and Estimates

In response to financial reporting release FR-60, Cautionary Advice Regarding Disclosure About Critical Accounting Policies, from the SEC, we have selected our more subjective accounting estimation processes for purposes of explaining the methodology used in calculating the estimate, in addition to the inherent uncertainties pertaining to the estimate and the possible effects on our financial condition. There were no material changes to our principal accounting estimates during the period covered by this report.

Revenue Recognition and Deferred Revenue

Revenue consisting primarily of tuition and fees derived from courses taught by Aspen online as well as from related educational resources that Aspen provides to its students, such as access to our online materials and learning management system. Tuition revenue is recognized pro-rata over the applicable period of instruction. Aspen maintains an institutional tuition refund policy, which provides for all or a portion of tuition to be refunded if a student withdraws during stated refund periods. Certain states in which students reside impose separate, mandatory refund policies, which override Aspen's policy to the extent in conflict. If a student withdraws at a time when a portion or none of the tuition is refundable, then in accordance with its revenue recognition policy, Aspen recognizes as revenue the tuition that was not refunded. Since Aspen recognizes revenue pro-rata over the term of the course and because, under its institutional refund policy, the amount subject to refund is never greater than the amount of the revenue that has been deferred, under Aspen's accounting policies revenue is not recognized with respect to amounts that could potentially be refunded. Aspen's educational programs have starting and ending dates that differ from its fiscal quarters. Therefore, at the end of each fiscal quarter, a portion of revenue from these programs is not yet earned and is therefore deferred. Aspen also charges students annual fees for library, technology and other services, which are recognized over the related service period. Deferred revenue represents the amount of tuition, fees, and other student invoices in excess of the portion recognized as revenue and it is included in current liabilities in the accompanying consolidated balance sheets. Other revenue may be recognized as sales occur or services are performed.

Accounts Receivable and Allowance for Doubtful Accounts Receivable

All students are required to select both a primary and secondary payment option with respect to amounts due to Aspen for tuition, fees and other expenses. The most common payment option for Aspen's students is personal funds or payment made on their behalf by an employer. In instances where a student selects financial aid as the primary payment option, he or she often selects personal cash as the secondary option. If a student who has selected financial aid as his or her primary payment option withdraws prior to the end of a course but after the date that Aspen's institutional refund period has expired, the student will have incurred the obligation to pay the full cost of the course. If the withdrawal occurs before the date at which the student has earned 100% of his or her financial aid, Aspen will have to return all or a portion of the Title IV funds to the DOE and the student will owe Aspen all amounts incurred that are in excess of the amount of financial aid that the student earned and that Aspen is entitled to retain. In this case, Aspen must collect the receivable using the student's second payment option.

For accounts receivable from students, Aspen records an allowance for doubtful accounts for estimated losses resulting from the inability, failure or refusal of its students to make required payments, which includes the recovery of financial aid funds advanced to a student for amounts in excess of the student's cost of tuition and related fees. Aspen determines the adequacy of its allowance for doubtful accounts using a general reserve method based on an analysis of its historical bad debt experience, current economic trends, and the aging of the accounts receivable and student status. Aspen applies allowances to its receivables based upon an estimate of the risk presented by the age of the receivables and student status. Aspen writes off accounts receivable balances at the time the balances are deemed uncollectible. Aspen continues to reflect accounts receivable with an offsetting allowance as long as management believes there is a reasonable possibility of collection.

For accounts receivable from primary payors other than students, Aspen estimates its allowance for doubtful accounts by evaluating specific accounts where information indicates the customers may have an inability to meet financial obligations, such as bankruptcy proceedings and receivable amounts outstanding for an extended period beyond contractual terms. In these cases, Aspen uses assumptions and judgment, based on the best available facts and circumstances, to record a specific allowance for those customers against amounts due to reduce the receivable to the amount expected to be collected. These specific allowances are re-evaluated and adjusted as additional information is received. The amounts calculated are analyzed to determine the total amount of the allowance. Aspen may also record a general allowance as necessary.

Direct write-offs are taken in the period when Aspen has exhausted its efforts to collect overdue and unpaid receivables or otherwise evaluate other circumstances that indicate that Aspen should abandon such efforts.

Business Combinations

We include the results of operations of businesses we acquire from the date of the respective acquisition. We allocate the purchase price of acquisitions to the assets acquired and liabilities assumed at fair value. The excess of the purchase price of an acquired business over the amount assigned to the assets acquired and liabilities assumed is recorded as goodwill. We expense transaction costs associated with business combinations as incurred.

Goodwill and Intangibles

Goodwill represents the excess of the purchase price over the fair market value of the USU assets acquired and liabilities assumed from Educacion Significativa, LLC. Goodwill has an indefinite life and is not amortized. Goodwill is tested annually for impairment.

Intangible assets represent both indefinite lived and definite lived assets. Accreditation and regulatory approvals and Trade name and trademarks are deemed to have indefinite useful lives and accordingly are not amortized but are tested annually for impairment. Student relationships and curriculums are deemed to have definite lives and are amortized accordingly.

Related Party Transactions

See Note 9 to the unaudited consolidated financial statements included herein for additional description of related party transactions that had a material effect on our unaudited consolidated financial statements.

Off Balance Sheet Arrangements

We do not engage in any activities involving variable interest entities or off-balance sheet arrangements.

New Accounting Pronouncements

See Note 2 to our unaudited consolidated financial statements included herein for discussion of recent accounting pronouncements.

Cautionary Note Regarding Forward Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including statements regarding the rapid growth of the Aspen University doctoral program and the USU FNP program, future organic referral enrollments in these new programs, the expected LTV from our hybrid pre-licensure BSN program, our plans for our new pre-licensure BSN program and the growth and expectations from that program, improvement in Adjusted EBITDA in the fourth quarter, the growth of our long-term receivables at USU, and our liquidity. All statements other than statements of historical facts contained in this report, including statements regarding our future financial position, liquidity, business strategy and plans and objectives of management for future operations, are forward-looking statements. The words "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "could," "target," "potential," "is likely," "will," "expect" and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs.

The results anticipated by any or all of these forward-looking statements might not occur. Important factors, uncertainties and risks that may cause actual results to differ materially from these forward-looking statements include the continued effectiveness of our online marketing, how students react to our hybrid pre-licensure BSN program over time, unanticipated issues with launching our second campus, regulatory delays as we open campuses outside of Arizona, failure to continue obtaining students at low acquisition costs and keeping teaching costs down. Further information on our risk factors is contained in our filings with the SEC, including our Form 10-K for the year ended April 30, 2018 and prospectus supplement dated April 19, 2018. We undertake no obligation to publicly update or revise any forward-looking statements, whether as the result of new information, future events or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Our management carried out an evaluation, with the participation of our Principal Executive Officer and Principal Financial Officer, required by Rule 13a-15 or 15d-15 of the Securities Exchange Act of 1934 (the "Exchange Act") of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) or 15d-15(e) under the Exchange Act. Based on their evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures are effective as of the end of the period covered by this report to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting. There were no changes in our internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) under the Exchange Act that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time-to-time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. As of the date of this report, except as discussed in Note 6, we are not aware of any pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of our operations and there are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

ITEM 1A. RISK FACTORS

Not applicable to smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

See the Exhibit Index at the end of this report.

SIGNATURES

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.

Aspen Group, Inc.

March 11, 2019

By: /s/ Michael Mathews
Michael Mathews
Chief Executive Officer
(Principal Executive Officer)

March 11, 2019

By: /s/ Joseph Sevely
Joseph Sevely
Chief Financial Officer
(Principal Financial Officer)

March 11, 2019

By: /s/ Janet Gill
Janet Gill
Chief Accounting Officer
(Principal Accounting Officer)

EXHIBIT INDEX

Exhibit #	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Date	Number	
3.1	Certificate of Incorporation, as amended	10-Q	3/9/17	3.1	
3.2	Bylaws, as amended	10-Q	3/15/18	3.2	
4.1	Warrant to purchase 92,049 shares of common stock of Aspen Group, Inc., dated November 5, 2018	8-K	11/5/18	4.1	
4.2	Convertible Note dated December 1, 2017	8-K	12/1/17	4.1	
10.1	Form of Term Promissory Note and Security Agreement dated March 6, 2019				Filed
10.2	Form of Loan Agreement dated March 6, 2019				Filed
10.3	Form of Intercreditor Agreement dated March 6, 2019				Filed
10.4	Form of Warrant for the Purchase of 100,000 shares of Common Stock of Aspen Group, Inc. dated March 6, 2019				Filed
10.5	Amended and Restated Revolving Promissory Note and Security Agreement				Filed
10.6	Loan Agreement by and between the Company and Leon Cooperman Family Foundation, dated November 5, 2018	8-K	11/5/18	10.1	
10.7	Revolving Promissory Note, dated November 5, 2018	8-K	11/5/18	10.2	
10.8	Employment Agreement dated September 11, 2018 - Joseph Sevely***	8-K	9/12/18	10.1	
10.9	Employment Agreement dated September 11, 2018 - Janet Gill***	8-K	9/12/18	10.2	
10.10	Securities Purchase Agreement as of July 19, 2018, between Aspen Group, Inc. and Educación Significativa, LLC	8-K	7/19/18	10.1	
10.11	Underwriting Agreement, dated as of April 19, 2018, by and between Aspen Group, Inc. and Roth Capital Partners, LLC	8-K	4/19/18	1.1	
10.12	Amendment No. 10 to the Aspen Group, Inc. 2012 Equity Incentive Plan	8-K	3/22/18	10.1	
10.13	2012 Equity Incentive Plan, as amended***	10-Q	3/15/18	10.11	
10.14	Form of Registration Rights Waiver	10-Q	9/14/17	10.4	
10.15	Loan and Security Agreement dated July 25, 2017*	8-K	7/28/17	10.1	
10.16	Registration Rights Agreement dated July 25, 2017	8-K	7/28/17	10.2	
10.17	Warrant Agreement dated July 25, 2017*	8-K	7/28/17	10.3	
10.18	Promissory Note dated March 8, 2017 – Linden Finance	10-K	7/25/17	10.1	
10.19	Employment Agreement dated June 11, 2017 – St. Arnauld***	10-K	7/25/17	10.5	
10.20	Employment Agreement dated June 11, 2017 – Cheri St. Arnauld***	8-K	6-15-17	10.1	
10.21	Form Waiver of Registration Rights	8-K	5/30/17	10.1	
10.22	Asset Purchase Agreement dated May 13, 2017*	8-K	5/18/17	10.1	
31.1	Certification of Principal Executive Officer (302)				Filed
31.2	Certification of Principal Financial Officer (302)				Filed
32.1	Certification of Principal Executive and Principal Financial Officer (906)				Furnished**
101.INS	XBRL Instance Document				Filed
101.SCH	XBRL Taxonomy Extension Schema Document				Filed

101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	Filed
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed

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* 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.

** This exhibit is being furnished rather than filed and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K.

*** Management contract or compensatory plan or arrangement.

Copies of this report (including the financial statements) and any of the exhibits referred to above will be furnished at no cost to our shareholders who make a written request to Aspen Group, Inc., at the address on the cover page of this report, Attention: Corporate Secretary.

EXHIBIT 10.1

TERM PROMISSORY NOTE AND SECURITY AGREEMENT

US$5,000,000 **New York, New York**
March 6, 2019

FOR VALUE RECEIVED, the undersigned, ASPEN GROUP, INC., a Delaware corporation having its principal place of business at 276 Fifth Avenue, Suite 505, New York, New York 10001 ***("Maker")***, HEREBY PROMISES TO PAY as and when due from time to time in accordance with the terms of this term promissory note and security agreement (this ***"Note"***), whether at its stated Maturity (as defined below) or by acceleration or otherwise, TO THE ORDER OF _____ whose address is c/o _____ (together with its successors and permitted assigns, ***"Payee"***), at Payee's address above or at such other place as may be designated from time to time in writing by Payee, in lawful money of the United States of America ("***US$***" and "***U.S. dollars***") and in immediately available funds, IN FULL without deduction, reduction, offset or counterclaim, (i) the principal sum of FIVE MILLION U.S. DOLLARS (US$5,000,000) or such lesser principal amount as shall then be outstanding under this Note, (ii) all interest accrued and unpaid on the principal amount of this Note outstanding from time to time, calculated at the Applicable Rate (as defined below) from time to time in effect for the period from and including the date of this Note through the date on which such principal sum and all such accrued interest are paid in full, and (iii) all other amounts, if any, then due and owing under this Note.

Maker shall pay interest monthly on the principal amount of this Note outstanding from time to time, calculated at the Applicable Rate from time to time in effect for the period from and including the date of this Note through the date on which all amounts owing under this Note are paid or repaid, as the case may be, in full, computed daily (on the basis of actual days elapsed in a 365-day year) and payable monthly (and when this Note shall fall due, whether at stated Maturity, by acceleration or otherwise) by not later than the third (3^{rd}) Business Day (as defined below) of each month. For all purposes of this Note, the ***"Applicable Rate"*** shall equal twelve percent (12%) per annum; provided, however, that in the event that any amount (whether of principal, interest or otherwise) payable under this Note is not paid in full as and when due in accordance with the terms of this Note (whether at stated Maturity, by acceleration, or otherwise in accordance with such terms), then the Applicable Rate shall increase to eighteen percent (18%) per annum.

The stated maturity of this Note (its **"*Maturity*"**) shall be September 5, 2020; provided, however, that such Maturity date may, at Maker's election (exercisable (i) upon at least thirty (30) days' prior written notice thereof to Payee and upon Maker's payment to Payee, at the time of such notice, of an extension fee (a "***Maturity Extension Fee***") equal to fifty thousand U.S. dollars (US$50,000), and (ii) if and only if no Acceleration Event (as defined below) shall have occurred on or prior to the date of such election notice), be extended to September 5, 2021; provided, further, that notwithstanding anything to the contrary contained in this Note, upon the

_____ Maker's Initials

occurrence of any of the events specified in subparagraphs (a) through (c) immediately below (each, an **"*Acceleration Event*"**), the entire principal amount outstanding of this Note, and all interest and other amounts accrued and unpaid thereon or hereunder, shall automatically, without protest, presentment, petition, demand, or other notice, declaration, act or instrument of, by or from Payee or any other person (all of which are hereby expressly and irrevocably waived by Maker), and for all purposes, be accelerated and become immediately due and payable, in full, to Payee:

(a) If Maker shall: (i) fail to make any payment owing to Payee hereunder in full when due in accordance with the terms of this Note, which failure shall continue uncured for a period of at least three (3) Business Days; (ii) fail to make any payment owing to any other lender in full when due in accordance with the terms governing such loan; or (iii) directly or indirectly, so long as any principal, interest or other amount remains outstanding hereunder (whether or not then due and owing), make or propose to make any dividend payment (except for dividends payable in common stock or in rights to buy common stock) or other cash-flow distribution to any of Maker's shareholders or other stakeholders (except for non-dividend payments to students or employees in the ordinary course of business), or any payment of principal, interest or any other amount in respect of any other indebtedness (whether secured or unsecured) owing to any individual, entity or other person (other than Payee), except for Permitted Indebtedness (as defined below). "***Permitted Indebtedness***" shall mean (w) the indebtedness evidenced by that certain amended and restated revolving promissory note and security agreement dated November 5, 2018, in the face amount of five million U.S. dollars (US$5,000,000) issued by Maker to _____, including, without limitation, all principal thereof and accrued and unpaid interest and Commitment Fee (as defined therein) thereon; (x) the indebtedness evidenced by this Note, including, without limitation, all principal thereof and accrued and unpaid interest thereon; (y) the indebtedness evidenced by that certain term promissory note and security agreement of even date herewith in the face amount of five million U.S. dollars (US$5,000,000) issued by Maker to _____, including, without limitation, all principal thereof and accrued and unpaid interest thereon; and (z) unsecured trade indebtedness (not to exceed five hundred thousand U.S. dollars (US$500,000) at any one time outstanding) in respect of equipment and/or software and software systems purchase money financing or capital leases incurred by Maker in the ordinary course of business; or

(b) If Maker or any affiliated entity (each, an **"*Affiliate*"**) shall: (i) become insolvent; (ii) admit in writing its inability to pay its debts as they mature; (iii) commence, or file any petition or answer under, any bankruptcy, liquidation, reorganization, arrangement, insolvency or other proceeding, whether federal or state, relating to the relief of debtors; (iv) apply for or acquiesce in the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business; (v) make a general assignment for the benefit of its creditors, or effect a plan in bankruptcy or other similar arrangement with its creditors; (vi) admit the material allegations of a petition filed against it in any bankruptcy, liquidation, reorganization, arrangement, insolvency or other proceeding, whether federal or state, relating to the relief of debtors; (vii) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any

proceeding under any such law, or if action shall be taken by it for the purpose of effecting any of the foregoing; (viii) be adjudicated a bankrupt or insolvent; or (ix) take action to effectuate any of the foregoing; or

(c) If: (i) involuntary proceedings or any involuntary petition shall be commenced or filed against Maker or any Affiliate under any bankruptcy, insolvency or similar law, seeking the appointment of a receiver, trustee, custodian or liquidator for Maker or any Affiliate or a substantial portion of Maker's or any Affiliate's property, assets or business, and such proceedings or petition shall not be dismissed or vacated within thirty (30) days after its commencement or filing; (ii) any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial portion of Maker's or any Affiliate's properties or assets, and any such proceedings, petition, writ, judgment, warrant, execution or similar process shall not be released, vacated or fully bonded within thirty (30) days after its commencement, filing or levy; or (iii) an order, judgment or decree shall be entered, without the application, approval or consent of Maker or any Affiliate, with respect to Maker or any Affiliate or a substantial portion of its assets or properties, appointing a receiver, trustee, custodian or liquidator for Maker or any Affiliate or a substantial portion of Maker's or any Affiliate's property, assets or business, or any similar order, judgment or decree shall be entered or appointment made in any jurisdiction, and such order, judgment, decree or appointment shall continue unstayed and in effect for a period of thirty (30) days.

Maker and Payee hereby agree that any and all indebtedness incurred by Maker (whether prior to, contemporaneous with, or subsequent to the date of this Note), other than Permitted Indebtedness, shall be fully and contractually subordinated in all respects (including, without limitation, in right and priority of payment and repayment of principal, interest, and all fees and other amounts) to Maker's indebtedness and payment obligations under this Note.

Maker may prepay all or any portion of the principal amount outstanding under this Note at any time, without premium or penalty, subject to the terms of this Note; provided, however, that any prepayment of principal hereunder shall be accompanied by Maker's payment of all accrued and unpaid interest outstanding hereunder at the time. Payments received by Payee under this Note shall be applied in the following order: first, to the payment of all collection and enforcement expenses, if any, incurred by Payee in collecting and enforcing Maker's obligations hereunder; second, to the payment of any Maturity Extension Fee payable by Maker to Payee hereunder; third, to the payment of all interest accrued and owing hereunder through the date of such payment; and fourth, to the repayment of the principal amount outstanding of this Note. Notwithstanding the foregoing or anything else herein contained to the contrary, Maker and Payee are parties to that certain Intercreditor Agreement dated March 6, 2019, among each of them, _____ (solely in his capacity as "Servicing Lender" (as defined therein)), and _____ (the "***Intercreditor Agreement***"), and any such payments received by Payee under this Note are subject to the terms of the Intercreditor Agreement.

This Note is subject to the express condition that at no time shall Maker be obligated or required to pay interest on the outstanding principal balance of this Note at a rate that could subject Payee to either civil or criminal liability as a result of being in excess of the maximum rate that Maker is permitted by law to contract or agree to pay. If, by the terms of this Note, Maker is at any time required or obligated to pay interest on the outstanding principal balance of

this Note at a rate in excess of such maximum rate, the Applicable Rate shall be deemed, without further act or instrument, to be immediately reduced to such maximum rate; and if and to the extent any payments in excess of such maximum permitted amount are received by Payee, such excess shall be considered repayments in respect of the principal amount outstanding of this Note.

In the event that Maker fails to pay any amount owing by it hereunder in full when due (whether on any interest payment date, at stated Maturity, by acceleration or otherwise), Maker agrees to promptly pay all of Payee's costs and expenses incurred in attempting or effecting collection hereunder or the enforcement of this Note, including, without limitation, all attorneys' fees and related charges, as and when incurred by Payee, whether or not any action, suit or proceeding is instituted for collection or for the enforcement of this Note; and all such costs and expenses of collection and enforcement shall be added to the principal amount outstanding of this Note and shall, if not promptly paid in full by Maker as and when incurred by Payee, bear interest at the Applicable Rate until paid in full.

If any payment hereunder shall be due on a Saturday, a Sunday, or a public or bank holiday in the State of New York (any other day, a ***"Business Day"***), such payment shall be made on the next succeeding Business Day, and any such extension of time shall be included in the computation of interest hereunder. Each payment hereunder shall be made in lawful money of the United States of America and in immediately available funds, prior to 12:00 noon Eastern Time on the due date thereof; any payment made after such time shall be deemed to have been made on the next succeeding Business Day, and such extension of time shall be included in the computation of interest hereunder.

Maker's obligations under this Note are absolute and unconditional, notwithstanding the existence or terms and conditions of, or any reference herein to, any other document or agreement, and are not subject to any defense, set-off, counterclaim, rescission, recoupment or adjustment whatsoever. Maker hereby expressly and irrevocably waives (i) presentment, demand for payment, notice of dishonor, protest, notice of protest, and every other form of notice whatsoever with respect to this Note, (ii) any right it may have to demand a jury trial with respect to the enforcement of, or any controversy arising under or relating to, this Note, (iii) any right to offset any amounts payable hereunder against, or to submit any counterclaims in respect of, any obligations of Payee to Maker, and (iv) all rights to the benefits of any statute of limitations and any moratorium, appraisement or exemption now provided, or which may hereafter be provided, by any federal or state statute, including, without limitation, exemptions provided by or allowed under the Bankruptcy Code of 1978 (11 U.S.C.), as amended, or under common law, as to both Maker itself and all of its properties and assets, whether real or personal, against the enforcement and collection of the obligations evidenced by this Note and any and all extensions, renewals, and modifications hereof and thereof. The illegality or unenforceability in whole or in part of, or the default by any party under, any other document or agreement shall not constitute a defense to any claim by Payee for the payment or repayment, as the case may be, of principal, interest or any other amount hereunder.

THIS NOTE CREATES A LIEN ON, AND GRANTS A SECURITY INTEREST IN, THE COLLATERAL DESCRIBED ON THE ATTACHED EXHIBIT A, AND IT SHALL

_____ Maker's Initials

CONSTITUTE A SECURITY AGREEMENT UNDER THE NEW YORK UNIFORM COMMERCIAL CODE ("***UCC***") OR ANY OTHER LAW APPLICABLE TO THE CREATION OF LIENS ON PERSONAL PROPERTY AND COLLATERAL. MAKER COVENANTS AND AGREES THAT THE SERVICING LENDER MAY FILE AND REFILE SUCH UCC AND OTHER FINANCING STATEMENTS, CONTINUATION STATEMENTS OR OTHER DOCUMENTS AS THE SERVICING LENDER SHALL DEEM NECESSARY OR APPROPRIATE FROM TIME TO TIME WITH RESPECT TO SUCH COLLATERAL. DURING THE CONTINUANCE OF AN ACCELERATION EVENT, THE SERVICING LENDER SHALL, IN ADDITION TO ALL OTHER RIGHTS AND REMEDIES SET FORTH IN THIS NOTE, HAVE ALL RIGHTS AND REMEDIES OF A SECURED PARTY UNDER THE NEW YORK UCC. WITH RESPECT TO ANY PRIVATE SALE OF SUCH COLLATERAL, MAKER SHALL BE ENTITLED TO RECEIVE AT LEAST THIRTY (30) DAYS' PRIOR WRITTEN NOTICE.

Maker and its undersigned wholly-owned subsidiaries, for good and valuable consideration, including, without limitation, the aggregate sum loaned by Payee to Maker in connection with, and as evidenced by, this Note, do hereby grant and pledge unto the Servicing Lender, as agent, for the benefit of Payee, as a secured party, a security interest in, lien on, and pledge of the collateral described on the attached Exhibit A, as applicable (the "***Collateral***"). With respect to such security interest, lien and pledge, Maker and such subsidiaries hereby represent, warrant, covenant and agree that:

(i) they, as applicable, own the Collateral free and clear of any lien, security interest, charge or encumbrance (except such thereof as are created hereby or in respect of other Permitted Indebtedness), and that no UCC or other financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office (except in respect of Permitted Indebtedness);

(ii) they shall not make any further assignment or pledge of all or any part of the Collateral or create any further lien thereon or security interest therein (except such thereof as are created hereby or in respect of other Permitted Indebtedness), nor permit their rights therein to be reached by attachment, levy, garnishment or other judicial process;

(iii) as of date hereof, the name (within the meaning of Section 9-503 of the UCC), jurisdiction of organization, type of entity and organizational number of the Maker and each applicable subsidiary is set forth on Schedule 1 attached hereto;

(iv) no authorization, approval or other action is necessary by any governmental authority, regulatory body or other entity or individual for the granting and pledging of the lien on and security interest in the Collateral created hereby;

(v) they shall keep accurate and complete records and accounts concerning the Collateral;

(vi) they shall defend the title to the Collateral against all persons, and against all claims and demands, as necessary to keep the Collateral free and clear of any and all liens,

_____ Maker's Initials

security interests, claims, charges, encumbrances, taxes and assessments (except such thereof as are created hereby or in respect of other Permitted Indebtedness);

(vii) they shall promptly notify the Servicing Lender in writing of any litigation, governmental investigations or other prosecutions involving the Collateral;

(viii) they shall deliver a springing deposit account control agreement (the " ***Control Agreement***") with respect to each deposit account and securities account (other than (a) any deposit account the funds in which are used exclusively for payroll, payroll taxes and other employee wage and benefit payments, (b) any deposit account the funds in which are in trust for any third parties or any other trust accounts, escrow accounts and fiduciary accounts, (c) any deposit account that is a zero-balance disbursement account and (d) any account specifically and exclusively used to hold "Title IV, HEA program funds" on behalf of Maker or any applicable subsidiary pending disbursement of such funds to, or on behalf of, eligible students under the terms of 34 C.F.R. Section 668.163 (collectively, "***Excluded Accounts***")) owned by the Maker or its applicable subsidiary as of or after the date hereof, effective to grant "control" (within the meaning of Articles 8 and 9 under the UCC) over such account to the Servicing Lender, provided that it is agreed and understood that (A) with respect to deposit accounts and securities accounts (other than Excluded Accounts) of Maker or its applicable subsidiary existing on the date hereof, Maker or its applicable subsidiary shall comply with the provisions of this clause (viii) on the date hereof, and (B) with respect to deposit accounts and securities accounts (other than Excluded Accounts) acquired by, or opened in the name of, Maker or its applicable subsidiary after the date hereof, Maker or its applicable subsidiary shall have until the date that is thirty (30) days (or such longer period, if any, to which the Servicing Lender may agree in his sole and absolute discretion) following the date of such opening or acquisition to comply with the provisions of this clause (viii). Set forth on Schedule 2 attached hereto is a listing of all of Maker's and its applicable subsidiaries' deposit accounts and securities accounts (other than Excluded Accounts) as of the date hereof, including, with respect to each bank, the name and address of such bank and the account numbers of the deposit accounts and securities accounts maintained with such bank;

(ix) except for the security interest created hereby or in respect of other Permitted Indebtedness, (a) Maker is and will at all times be the sole holder of record and the legal and beneficial owner, free and clear of all liens, of the equity interests indicated on Schedule 3 attached hereto (collectively, the " ***Pledged Interests***") as being owned by Maker, and (b) all of the Pledged Interests are duly authorized, validly issued, and, to the extent applicable, fully paid and non-assessable, and constitute the percentage of the issued and outstanding equity interests of the subsidiaries of Maker identified on said Schedule 3. With respect to any Pledged Interest which is not certificated, Maker hereby agrees (A) to comply with all instructions from the Servicing Lender without requiring Maker's further consent and (B) not to take any action to cause any such uncertificated Pledged Interest to become certificated unless Maker promptly notifies the Servicing Lender in writing of Maker's election to do so and, in that event, promptly (and in any case within five (5) days of such election) delivers to the Servicing Lender the original certificate representing such Pledged Interest accompanied by undated instruments of transfer or assignment duly executed in blank;

(x) they shall take all such further action as may be reasonably necessary or requested by the Servicing Lender in order to perfect and protect the lien, pledge and security interest created hereby; and

(xi) all items of Collateral described in paragraphs 1 through 3 on the attached Exhibit A have been duly and validly authorized and issued, and are fully paid and non-assessable.

During the continuance of an Acceleration Event, the Servicing Lender shall have the right to pursue all of his legal rights and remedies at law, in equity, or in other appropriate proceedings, including, without limitation, all rights and remedies available to a secured party under the New York UCC or under the laws (including, without limitation, the UCC) of each other jurisdiction where the Collateral, or any portion of it, is located. So long as there is no Acceleration Event hereunder, Maker shall be entitled (i) to exercise its voting and other consensual rights with respect to the Collateral described in paragraphs 1 through 3 on the attached Exhibit A and otherwise exercise the incidents of ownership thereof, and (ii) to receive dividends or other distributions made with respect to such Collateral.

All notices, demands or other communications (collectively, ***"notices"***) relating to any matter set forth herein shall be in writing and made, given, served or sent (collectively, "***delivered***") by (i) certified mail (return receipt requested) or (ii) reputable commercial overnight courier service (Federal Express, UPS or equivalent that provides a receipt) for next-business-morning delivery, in each case with postage thereon prepaid by sender and addressed to the intended recipient at its address set forth in the first paragraph of this Note (or at such other address as the intended recipient shall have previously provided to the sender in the same manner herein provided). Any such notice sent as so provided shall be deemed effectively delivered (x) on the third Business Day after being sent by certified mail, (y) on the next business morning if sent by overnight courier for next-business-morning delivery or (z) on the day of its actual delivery to the intended recipient (as shown by the return receipt or proof-of-delivery), whichever is earlier.

This Note shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of New York applicable to contracts made between residents of that state, entered into and to be wholly performed within that state, notwithstanding the parties' actual states of residence or legal domicile if outside that state and without reference to any conflict of laws or similar rules that might otherwise mandate or permit the application of the laws of any other jurisdiction. Any action, suit or proceeding relating to this Note shall be brought exclusively in the courts of New York State sitting in the Borough of Manhattan, New York City, or in U.S. District Court for the Southern District of New York, and, for all purposes of any such action, suit or proceeding, Maker hereby irrevocably (i) submits to the exclusive jurisdiction of such courts, (ii) waives any objection to such choice of venue based on *forum non conveniens* or any other legal or equitable doctrine, and (iii) waives trial by jury and the right to interpose any set-off or counterclaim, of any nature or description whatsoever, in any such action, suit or proceeding.

No right or remedy conferred upon Payee or the Servicing Lender, as applicable, under this Note is intended to be exclusive of any other right or remedy available to Payee or the

Servicing Lender, whether at law, in equity, by statute or otherwise, but shall be deemed cumulative with all such other rights and remedies. Without limiting the generality of the foregoing, if this Note and all amounts (whether of principal, interest or otherwise) accrued hereunder shall not be paid in full when due (whether on any interest payment date, at stated Maturity, by acceleration or otherwise), Payee and the Servicing Lender shall be free to enforce their rights and remedies against Maker as Payee and the Servicing Lender, as applicable, may see fit under the circumstances, in no particular order or priority. No failure to exercise, or any delay in exercising, by Payee or the Servicing Lender, as applicable, any of their rights or remedies hereunder shall operate as a waiver thereof. A waiver by Payee or the Servicing Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to Payee's or the Servicing Lender's exercise of that same or of any other right or remedy which Payee or the Servicing Lender, as applicable, would otherwise have on any future occasion. No forbearance, indulgence, delay or failure by Payee or the Servicing Lender to exercise any of their rights or remedies with respect to this Note, nor any course of dealing between Maker, on the one hand, and Payee or the Servicing Lender, as applicable, on the other hand, shall operate as a waiver of any such right or remedy, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. Payee and the Servicing Lender shall not, by any course of dealing, indulgence, omission, or other act (except a further instrument signed by the Servicing Lender) or failure to act, be deemed to have waived any right or remedy hereunder, or to have acquiesced in any Acceleration Event or in any breach of any of the terms of this Note. No modification, rescission, waiver, forbearance, release or amendment of any term, covenant, condition or provision of this Note or any of Maker's obligations hereunder shall be valid or enforceable unless made and evidenced in writing, expressly referring to this Note and signed by both Maker and the Servicing Lender.

The terms and provisions of this Note are severable. In the event of the unenforceability or invalidity of one or more of the terms, covenants, conditions or provisions of this Note under federal, state or other applicable law in any circumstance, such unenforceability or invalidity shall not affect the enforceability or validity of such term, covenant, condition or provision in any other circumstance, or render any other term, covenant, condition or provision of this Note unenforceable or invalid.

Payee may assign its rights under this Note to any related or affiliated person or entity upon three (3) Business Days' prior notice to Maker; and Maker's obligations hereunder shall inure to the benefit of Payee and each of Payee's successors and permitted assigns, and shall be binding for all purposes on Maker and its successors-in-interest. No assignment, delegation or other transfer of Maker's rights or obligations hereunder shall be made or be effective absent Payee's prior, written consent thereto.

Whenever used herein, the singular number shall include the plural, the plural shall include the singular, and the words "Payee" and "Maker" shall include their respective successors and permitted assigns.

_____ Maker's Initials

IN WITNESS WHEREOF, each of Maker and its wholly-owned subsidiaries party hereto has duly executed and delivered this Note on the day and year first written above.

MAKER

ASPEN GROUP, INC.

By_____
Michael Mathews
Chairman and Chief Executive Officer

SUBSIDIARIES

UNITED STATES UNIVERSITY, INC.,
a Delaware corporation

By_____
Michael Mathews
Chief Executive Officer

ASPEN UNIVERSITY INC.,
a Delaware corporation

By_____
Michael Mathews
Chief Executive Officer

_____ Maker's Initials

EXHIBIT A – COLLATERAL

Unless otherwise defined in that certain Term Promissory Note and Security Agreement dated March 6, 2019, in the principal face amount of US$5,000,000 in favor of _____ to which this Exhibit A is attached (the "***Note***"), capitalized terms used herein shall have the same respective meanings ascribed to such terms under the Uniform Commercial Code ("***UCC***") as in effect in the State of New York.

1. All Accounts of Aspen University Inc., a Delaware corporation, whether now or hereafter owned, existing, acquired or arising and wherever now or hereafter located, together with all warranties, increases, renewals, additions and accessions thereto, substitutions therefor, and replacements, cash and proceeds thereof.

2. All Accounts of United States University, Inc., a Delaware corporation, whether now or hereafter owned, existing, acquired or arising and wherever now or hereafter located, together with all warranties, increases, renewals, additions and accessions thereto, substitutions therefor, and replacements, cash and proceeds thereof.

3. All of Aspen Group, Inc.'s right, title and interest in and to: (a) its Deposit Accounts (other than Excluded Accounts (as defined in the Note)), up to the aggregate amount from time to time due and owing to Payee under the Note; and (b) the common stock and other equity interests of Aspen University Inc., a Delaware corporation, and United States University, Inc., a Delaware corporation, together with (i) all "investment property" as such term is defined in the UCC with respect to such stock and equity interests, (ii) any "security entitlement" as such term is defined in the UCC with respect to such stock and equity interests, (iii) all books and records relating to the foregoing, and (iv) all Accessions and Proceeds of such stock and equity interests, including, without limitation, all distributions (cash, stock or otherwise), dividends, stock dividends, securities, cash, instruments, rights to subscribe, purchase or sell, and other property, rights and interest that Maker is at any time entitled to receive or is otherwise distributed in connection with such stock and equity interests.

_____ Maker's Initials

Schedule 1

Entity Name	Jurisdiction of Formation	Type of Entity	Organizational Number
Aspen Group, Inc.	Delaware	Corporation	5107517
Aspen University Inc.	Delaware	Corporation	3115429
United States University, Inc.	Delaware	Corporation	6408678

_____ Maker's Initials

Schedule 2

Entity	**Name and Address of Institution Maintaining Account**	**Account Number**	**Type of Account**
Aspen University Inc.	Citibank 153 E. 53rd Street, 21st Fl New York, NY 10022		Operating
Aspen Group, Inc.	Citibank 153 E. 53rd Street, 21st Fl New York, NY 10022		Operating
United States University, Inc.	Citibank 153 E. 53rd Street, 21st Fl New York, NY 10022		Operating

_____ Maker's Initials

Schedule 3

Name of Grantor	Name of Pledged Company	Number of Shares/Units	Certificate Number	Class of Interests	Percentage of Class Owned
Aspen Group, Inc.	United States University, Inc.	100	N/A	Common	100%
Aspen Group, Inc.	Aspen University Inc.	100	N/A	Common	100%

_____ Maker's Initials

EXHIBIT 10.2

_____
_____
_____
_____

March 6, 2019

Michael Mathews
Chairman and Chief Executive Officer
Aspen Group, Inc.
276 Fifth Avenue, Suite 505
New York, NY 10001

Subject: AS Educational Investments, LLC Loan to Aspen Group, Inc.

Dear Mike:

This will confirm the terms on which _____ ("___"), has agreed to loan to Aspen Group, Inc. (the "***Company***") five million U.S. dollars (US$5,000,000) for a term of eighteen (18) months (the " ***Loan***"), with the Company's conditional right to extend such term for an additional twelve (12) months, all as specified in and evidenced by a Term Promissory Note and Security Agreement of even date herewith to be executed and delivered to AS by the Company and certain of its wholly-owned subsidiaries signatory thereto (each, an "***Aspen Subsidiary***") in the form of Exhibit A hereto (the "***Note***"). As conditions precedent to ___'s advancement of any funds to the Company in respect of the Loan or the Note:

1. The Company and each Aspen Subsidiary, through its officer thereunto duly authorized by all requisite corporate and other action, shall execute and deliver to ___ (a) this letter agreement (this "***Agreement***"), (b) the Note, (c) ___'s Warrants (as defined below), (d) that certain Intercreditor Agreement of even date herewith in the form of Exhibit B hereto among the Company and each Aspen Subsidiary, _____ (solely in his capacity as "Servicing Lender" (as defined therein)) (the "***Intercreditor Agreement***"), and (e) the Control Agreements (as defined in the Note) (collectively, the "***Loan Documents***").

2. The Company, by virtue of its execution and delivery to me of the Loan Documents, shall be conclusively deemed to have represented, warranted, covenanted and agreed to and with ___ (on behalf of itself and, with respect to the Intercreditor Agreement, each Aspen Subsidiary) that:

   (a) The Company and each Aspen Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with full corporate and legal power and authority (i) to enter into the Loan Documents, (ii) to execute and deliver same to AS, and (iii) to incur and perform their respective obligations hereunder and thereunder in accordance with their respective terms and conditions; and the Company's and each Aspen Subsidiary's signatory to each of the Loan Documents

has been duly authorized by all requisite corporate and other action to execute and deliver same on behalf of the Company or such Aspen Subsidiary, as the case may be, and to cause it thereby to make and incur its commitments and obligations hereunder and thereunder.

(b) The Company's and each Aspen Subsidiary's execution and delivery to ___ of the Loan Documents, and their undertaking and performance in accordance with their terms of their respective commitments and obligations hereunder and thereunder, do not contradict, contravene or conflict with, or constitute an event of default (or an event that, with notice or the passage of time or both, would or might constitute an event of default) under, any court or administrative order, judgment, regulation, ruling, decree, contract, mortgage, indenture, deed of trust, or other agreement, instrument or document binding upon or affecting the Company or any Aspen Subsidiary or any of their respective assets or properties, or to which they or any of their respective assets or properties are subject.

(c) The Company is debt-free, except for "Permitted Indebtedness" as defined and described in the Note; and any and all indebtedness whensoever incurred by the Company, other than Permitted Indebtedness, shall be fully and contractually subordinated in all respects (including, without limitation, in right and priority of payment and repayment of principal, interest, and all fees and other amounts) to the Company's indebtedness and payment obligations under the Loan and the Note.

3. The Company shall issue and grant to ___ irrevocable warrants in the form of Exhibit C hereto (AS's "***Warrants***") on one hundred thousand (100,000) shares of the Company's common stock, par value US$0.001 per share, on the terms, and subject to the conditions, therein set forth.

4. The Company hereby agrees that in the event (a) any of its representations, warranties, covenants or agreements hereunder or under any of the Loan Documents (each of which shall be deemed continuing for the duration of the Loan and until satisfaction in full of all of the Company's payment, repayment and other obligations under the Loan Documents) shall be breached, which breach shall continue uncured for a period of at least three (3) business days after notice from me to the Company specifying the nature of such breach, or (b) notwithstanding the foregoing, any of the Acceleration Events specified in the Note shall occur, then, without further act or instrument, any and all amounts (whether of principal, interest, commitment fee, or otherwise) unpaid and outstanding under or in respect of the Loan or the Note shall automatically and immediately become due and payable to AS in full, in accordance with the terms of the Loan Documents; provided, however, that in no event shall AS be required to forfeit all or any part of its Warrants, all of which shall be irrevocable when paid, issued or granted, as the case may be, to me.

All notices, demands or other communications (collectively, ***"notices"***) hereunder relating to any matter set forth herein shall be in writing and made, given, served or sent (collectively, "***delivered***") by (a) certified mail (return receipt requested) or (b) reputable commercial overnight courier service (Federal Express, UPS or equivalent that provides a receipt) for next-business-morning delivery, in each case with postage thereon prepaid by sender and addressed to the intended recipient at its Address for Notices set forth below its signature hereto (or at such other address as the intended recipient shall have previously provided to the sender in the same manner herein provided). Any such notice sent as so provided shall be deemed effectively

delivered (i) on the third business day after being sent by certified mail, (ii) on the next business morning if sent by overnight courier for next-business-monring delivery or (iii) on the day of its actual delivery to the intended recipient (as shown by the return receipt or proof-of-delivery), whichever is earlier.

This Agreement shall be governed by and construed in accordance with the substantive laws of the State of New York applicable to contracts made between residents of that state, entered into and to be wholly performed within that state, notwithstanding the parties' actual states of residence or domicile if outside that state and without reference to any conflict of laws or similar rules that might otherwise mandate or permit the application of the laws of any other jurisdiction. Any action, suit or proceeding relating to this Agreement or the Loan shall be brought exclusively in the courts of New York State sitting in the Borough of Manhattan, New York City, or in U.S. District Court for the Southern District of New York, and, for all purposes of any such action, suit or proceeding, each of the parties hereby irrevocably (i) submits to the exclusive jurisdiction of such courts, (ii) waives any objection to such choice of venue based on *forum non conveniens* or any other legal or equitable doctrine, and (iii) waives trial by jury and, in the case of the Company, the right to interpose any set-off or counterclaim, of any nature or description whatsoever, in any such action, suit or proceeding.

None of ___'s rights or remedies under this Agreement or in respect of the Loan are intended to be exclusive of any other right or remedy available to ___, whether at law, in equity, by statute or otherwise, but shall be deemed cumulative with all such other rights and remedies. No failure by ___ to exercise, or any delay by ___ in exercising, any of its rights or remedies hereunder shall operate as a waiver thereof. A waiver by ___ of any right or remedy hereunder on any one occasion shall not be construed as a bar to ___'s exercise of that same or of any other right or remedy which it would otherwise have on any future occasion. No forbearance, indulgence, delay or failure by AS to exercise any of its rights or remedies hereunder or with respect to the Loan, nor any course of dealing between us, shall operate as a waiver of any such right or remedy, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. ___ shall not, by any course of dealing, indulgence, omission, or other act (except a further instrument signed by ___) or failure to act, be deemed to have waived any right or remedy hereunder or with respect to the Loan, or to have acquiesced in any breach of any of the terms of this Agreement. No modification, rescission, waiver, forbearance, release or amendment of any term, covenant, condition or provision of this Agreement or any of the Company's obligations hereunder shall be valid or enforceable unless made and evidenced in writing, expressly referring to this Agreement and signed by both of us.

This Agreement may be executed in counterparts, each of which when duly signed and delivered shall be deemed for all purposes hereof to be an original, but all such counterparts shall collectively constitute one and the same instrument; and either party may execute this Agreement by signing any such counterpart. Any signature delivered by facsimile or email transmission (in scanned .pdf format or the equivalent) shall be deemed to be an original signature.

Signature page follows immediately below

If the foregoing accurately and completely reflects our understanding, please confirm your agreement with these terms and conditions by signing where indicated below, whereupon this shall become a binding agreement between us.

Sincerely,

_____

By_____
_____, Manager

Address for Notices:

_____
_____
_____
Phone: _____
Email: _____

Agreed:

ASPEN GROUP, INC.

By_____
Michael Mathews
Chairman and Chief Executive Officer

Address for Notices:

276 Fifth Avenue, Suite 505
New York, NY 10001
Phone: _____
Email: _____

UNITED STATES UNIVERSITY, INC.,
a Delaware corporation

By_____
Michael Mathews
Chief Executive Officer

Address for Notices:

276 Fifth Avenue, Suite 505
New York, NY 10001
Phone: _____
Email: _____

ASPEN UNIVERSITY INC.,
a Delaware corporation

By_____
Michael Mathews
Chief Executive Officer

Address for Notices:

276 Fifth Avenue, Suite 505
New York, NY 10001
Phone: _____
Email: _____

Exhibit A
Form of Promissory Note

_____ Maker's Initials

TERM PROMISSORY NOTE AND SECURITY AGREEMENT

US$5,000,000 **New York, New York**
March 6, 2019

FOR VALUE RECEIVED, the undersigned, ASPEN GROUP, INC., a Delaware corporation having its principal place of business at 276 Fifth Avenue, Suite 505, New York, New York 10001 ***("Maker")***, HEREBY PROMISES TO PAY as and when due from time to time in accordance with the terms of this term promissory note and security agreement (this ***"Note"***), whether at its stated Maturity (as defined below) or by acceleration or otherwise, TO THE ORDER OF _____ whose address is _____ (together with its successors and permitted assigns, ***"Payee"***), at Payee's address above or at such other place as may be designated from time to time in writing by Payee, in lawful money of the United States of America ("***US$***" and "***U.S. dollars***") and in immediately available funds, IN FULL without deduction, reduction, offset or counterclaim, (i) the principal sum of FIVE MILLION U.S. DOLLARS (US$5,000,000) or such lesser principal amount as shall then be outstanding under this Note, (ii) all interest accrued and unpaid on the principal amount of this Note outstanding from time to time, calculated at the Applicable Rate (as defined below) from time to time in effect for the period from and including the date of this Note through the date on which such principal sum and all such accrued interest are paid in full, and (iii) all other amounts, if any, then due and owing under this Note.

Maker shall pay interest monthly on the principal amount of this Note outstanding from time to time, calculated at the Applicable Rate from time to time in effect for the period from and including the date of this Note through the date on which all amounts owing under this Note are paid or repaid, as the case may be, in full, computed daily (on the basis of actual days elapsed in a 365-day year) and payable monthly (and when this Note shall fall due, whether at stated Maturity, by acceleration or otherwise) by not later than the third (3rd) Business Day (as defined below) of each month. For all purposes of this Note, the ***"Applicable Rate"*** shall equal twelve percent (12%) per annum; provided, however, that in the event that any amount (whether of principal, interest or otherwise) payable under this Note is not paid in full as and when due in accordance with the terms of this Note (whether at stated Maturity, by acceleration, or otherwise in accordance with such terms), then the Applicable Rate shall increase to eighteen percent (18%) per annum.

The stated maturity of this Note (its **"*Maturity*"**) shall be September 5, 2020; provided, however, that such Maturity date may, at Maker's election (exercisable (i) upon at least thirty (30) days' prior written notice thereof to Payee and upon Maker's payment to Payee, at the time of such notice, of an extension fee (a "***Maturity Extension Fee***") equal to fifty thousand U.S. dollars (US$50,000), and (ii) if and only if no Acceleration Event (as defined below) shall have occurred on or prior to the date of such election notice), be extended to September 5, 2021; provided, further, that notwithstanding anything to the contrary contained in this Note, upon the occurrence of any of the events specified in subparagraphs (a) through (c) immediately below (each, an **"*Acceleration Event*"**), the entire principal amount outstanding of this Note, and all

_____ Maker's Initials

interest and other amounts accrued and unpaid thereon or hereunder, shall automatically, without protest, presentment, petition, demand, or other notice, declaration, act or instrument of, by or from Payee or any other person (all of which are hereby expressly and irrevocably waived by Maker), and for all purposes, be accelerated and become immediately due and payable, in full, to Payee:

(a) If Maker shall: (i) fail to make any payment owing to Payee hereunder in full when due in accordance with the terms of this Note, which failure shall continue uncured for a period of at least three (3) Business Days; (ii) fail to make any payment owing to any other lender in full when due in accordance with the terms governing such loan; or (iii) directly or indirectly, so long as any principal, interest or other amount remains outstanding hereunder (whether or not then due and owing), make or propose to make any dividend payment (except for dividends payable in common stock or in rights to buy common stock) or other cash-flow distribution to any of Maker's shareholders or other stakeholders (except for non-dividend payments to students or employees in the ordinary course of business), or any payment of principal, interest or any other amount in respect of any other indebtedness (whether secured or unsecured) owing to any individual, entity or other person (other than Payee), except for Permitted Indebtedness (as defined below). "***Permitted Indebtedness***" shall mean (w) the indebtedness evidenced by that certain amended and restated revolving promissory note and security agreement dated November 5, 2018, in the face amount of five million U.S. dollars (US$5,000,000) issued by Maker to _____, including, without limitation, all principal thereof and accrued and unpaid interest and Commitment Fee (as defined therein) thereon; (x) the indebtedness evidenced by this Note, including, without limitation, all principal thereof and accrued and unpaid interest thereon; (y) the indebtedness evidenced by that certain term promissory note and security agreement of even date herewith in the face amount of five million U.S. dollars (US$5,000,000) issued by Maker to _____, including, without limitation, all principal thereof and accrued and unpaid interest thereon; and (z) unsecured trade indebtedness (not to exceed five hundred thousand U.S. dollars (US$500,000) at any one time outstanding) in respect of equipment and/or software and software systems purchase money financing or capital leases incurred by Maker in the ordinary course of business; or

(b) If Maker or any affiliated entity (each, an **"*Affiliate*"**) shall: (i) become insolvent; (ii) admit in writing its inability to pay its debts as they mature; (iii) commence, or file any petition or answer under, any bankruptcy, liquidation, reorganization, arrangement, insolvency or other proceeding, whether federal or state, relating to the relief of debtors; (iv) apply for or acquiesce in the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business; (v) make a general assignment for the benefit of its creditors, or effect a plan in bankruptcy or other similar arrangement with its creditors; (vi) admit the material allegations of a petition filed against it in any bankruptcy, liquidation, reorganization, arrangement, insolvency or other proceeding, whether federal or state, relating to the relief of debtors; (vii) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or if action shall be taken by it for the purpose of effecting any

of the foregoing; (viii) be adjudicated a bankrupt or insolvent; or (ix) take action to effectuate any of the foregoing; or

(c) If: (i) involuntary proceedings or any involuntary petition shall be commenced or filed against Maker or any Affiliate under any bankruptcy, insolvency or similar law, seeking the appointment of a receiver, trustee, custodian or liquidator for Maker or any Affiliate or a substantial portion of Maker's or any Affiliate's property, assets or business, and such proceedings or petition shall not be dismissed or vacated within thirty (30) days after its commencement or filing; (ii) any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial portion of Maker's or any Affiliate's properties or assets, and any such proceedings, petition, writ, judgment, warrant, execution or similar process shall not be released, vacated or fully bonded within thirty (30) days after its commencement, filing or levy; or (iii) an order, judgment or decree shall be entered, without the application, approval or consent of Maker or any Affiliate, with respect to Maker or any Affiliate or a substantial portion of its assets or properties, appointing a receiver, trustee, custodian or liquidator for Maker or any Affiliate or a substantial portion of Maker's or any Affiliate's property, assets or business, or any similar order, judgment or decree shall be entered or appointment made in any jurisdiction, and such order, judgment, decree or appointment shall continue unstayed and in effect for a period of thirty (30) days.

Maker and Payee hereby agree that any and all indebtedness incurred by Maker (whether prior to, contemporaneous with, or subsequent to the date of this Note), other than Permitted Indebtedness, shall be fully and contractually subordinated in all respects (including, without limitation, in right and priority of payment and repayment of principal, interest, and all fees and other amounts) to Maker's indebtedness and payment obligations under this Note.

Maker may prepay all or any portion of the principal amount outstanding under this Note at any time, without premium or penalty, subject to the terms of this Note; provided, however, that any prepayment of principal hereunder shall be accompanied by Maker's payment of all accrued and unpaid interest outstanding hereunder at the time. Payments received by Payee under this Note shall be applied in the following order: first, to the payment of all collection and enforcement expenses, if any, incurred by Payee in collecting and enforcing Maker's obligations hereunder; second, to the payment of any Maturity Extension Fee payable by Maker to Payee hereunder; third, to the payment of all interest accrued and owing hereunder through the date of such payment; and fourth, to the repayment of the principal amount outstanding of this Note. Notwithstanding the foregoing or anything else herein contained to the contrary, Maker and Payee are parties to that certain Intercreditor Agreement dated March 6, 2019, among each of them, _____ (solely in his capacity as "Servicing Lender" (as defined therein)), and _____ (the "***Intercreditor Agreement***"), and any such payments received by Payee under this Note are subject to the terms of the Intercreditor Agreement.

This Note is subject to the express condition that at no time shall Maker be obligated or required to pay interest on the outstanding principal balance of this Note at a rate that could subject Payee to either civil or criminal liability as a result of being in excess of the maximum rate that Maker is permitted by law to contract or agree to pay. If, by the terms of this Note,

_____ Maker's Initials

Maker is at any time required or obligated to pay interest on the outstanding principal balance of this Note at a rate in excess of such maximum rate, the Applicable Rate shall be deemed, without further act or instrument, to be immediately reduced to such maximum rate; and if and to the extent any payments in excess of such maximum permitted amount are received by Payee, such excess shall be considered repayments in respect of the principal amount outstanding of this Note.

In the event that Maker fails to pay any amount owing by it hereunder in full when due (whether on any interest payment date, at stated Maturity, by acceleration or otherwise), Maker agrees to promptly pay all of Payee's costs and expenses incurred in attempting or effecting collection hereunder or the enforcement of this Note, including, without limitation, all attorneys' fees and related charges, as and when incurred by Payee, whether or not any action, suit or proceeding is instituted for collection or for the enforcement of this Note; and all such costs and expenses of collection and enforcement shall be added to the principal amount outstanding of this Note and shall, if not promptly paid in full by Maker as and when incurred by Payee, bear interest at the Applicable Rate until paid in full.

If any payment hereunder shall be due on a Saturday, a Sunday, or a public or bank holiday in the State of New York (any other day, a ***"Business Day"***), such payment shall be made on the next succeeding Business Day, and any such extension of time shall be included in the computation of interest hereunder. Each payment hereunder shall be made in lawful money of the United States of America and in immediately available funds, prior to 12:00 noon Eastern Time on the due date thereof; any payment made after such time shall be deemed to have been made on the next succeeding Business Day, and such extension of time shall be included in the computation of interest hereunder.

Maker's obligations under this Note are absolute and unconditional, notwithstanding the existence or terms and conditions of, or any reference herein to, any other document or agreement, and are not subject to any defense, set-off, counterclaim, rescission, recoupment or adjustment whatsoever. Maker hereby expressly and irrevocably waives (i) presentment, demand for payment, notice of dishonor, protest, notice of protest, and every other form of notice whatsoever with respect to this Note, (ii) any right it may have to demand a jury trial with respect to the enforcement of, or any controversy arising under or relating to, this Note, (iii) any right to offset any amounts payable hereunder against, or to submit any counterclaims in respect of, any obligations of Payee to Maker, and (iv) all rights to the benefits of any statute of limitations and any moratorium, appraisement or exemption now provided, or which may hereafter be provided, by any federal or state statute, including, without limitation, exemptions provided by or allowed under the Bankruptcy Code of 1978 (11 U.S.C.), as amended, or under common law, as to both Maker itself and all of its properties and assets, whether real or personal, against the enforcement and collection of the obligations evidenced by this Note and any and all extensions, renewals, and modifications hereof and thereof. The illegality or unenforceability in whole or in part of, or the default by any party under, any other document or agreement shall not constitute a defense to any claim by Payee for the payment or repayment, as the case may be, of principal, interest or any other amount hereunder.

_____ Maker's Initials

THIS NOTE CREATES A LIEN ON, AND GRANTS A SECURITY INTEREST IN, THE COLLATERAL DESCRIBED ON THE ATTACHED EXHIBIT A, AND IT SHALL CONSTITUTE A SECURITY AGREEMENT UNDER THE NEW YORK UNIFORM COMMERCIAL CODE ("***UCC***") OR ANY OTHER LAW APPLICABLE TO THE CREATION OF LIENS ON PERSONAL PROPERTY AND COLLATERAL. MAKER COVENANTS AND AGREES THAT THE SERVICING LENDER MAY FILE AND REFILE SUCH UCC AND OTHER FINANCING STATEMENTS, CONTINUATION STATEMENTS OR OTHER DOCUMENTS AS THE SERVICING LENDER SHALL DEEM NECESSARY OR APPROPRIATE FROM TIME TO TIME WITH RESPECT TO SUCH COLLATERAL. DURING THE CONTINUANCE OF AN ACCELERATION EVENT, THE SERVICING LENDER SHALL, IN ADDITION TO ALL OTHER RIGHTS AND REMEDIES SET FORTH IN THIS NOTE, HAVE ALL RIGHTS AND REMEDIES OF A SECURED PARTY UNDER THE NEW YORK UCC. WITH RESPECT TO ANY PRIVATE SALE OF SUCH COLLATERAL, MAKER SHALL BE ENTITLED TO RECEIVE AT LEAST THIRTY (30) DAYS' PRIOR WRITTEN NOTICE.

Maker and its undersigned wholly-owned subsidiaries, for good and valuable consideration, including, without limitation, the aggregate sum loaned by Payee to Maker in connection with, and as evidenced by, this Note, do hereby grant and pledge unto the Servicing Lender, as agent, for the benefit of Payee, as a secured party, a security interest in, lien on, and pledge of the collateral described on the attached Exhibit A, as applicable (the "***Collateral***"). With respect to such security interest, lien and pledge, Maker and such subsidiaries hereby represent, warrant, covenant and agree that:

(i) they, as applicable, own the Collateral free and clear of any lien, security interest, charge or encumbrance (except such thereof as are created hereby or in respect of other Permitted Indebtedness), and that no UCC or other financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office (except in respect of Permitted Indebtedness);

(ii) they shall not make any further assignment or pledge of all or any part of the Collateral or create any further lien thereon or security interest therein (except such thereof as are created hereby or in respect of other Permitted Indebtedness), nor permit their rights therein to be reached by attachment, levy, garnishment or other judicial process;

(iii) as of date hereof, the name (within the meaning of Section 9-503 of the UCC), jurisdiction of organization, type of entity and organizational number of the Maker and each applicable subsidiary is set forth on Schedule 1 attached hereto;

(iv) no authorization, approval or other action is necessary by any governmental authority, regulatory body or other entity or individual for the granting and pledging of the lien on and security interest in the Collateral created hereby;

(v) they shall keep accurate and complete records and accounts concerning the Collateral;

_____ Maker's Initials

(vi) they shall defend the title to the Collateral against all persons, and against all claims and demands, as necessary to keep the Collateral free and clear of any and all liens, security interests, claims, charges, encumbrances, taxes and assessments (except such thereof as are created hereby or in respect of other Permitted Indebtedness);

(vii) they shall promptly notify the Servicing Lender in writing of any litigation, governmental investigations or other prosecutions involving the Collateral;

(viii) they shall deliver a springing deposit account control agreement (the "***Control Agreement***") with respect to each deposit account and securities account (other than (a) any deposit account the funds in which are used exclusively for payroll, payroll taxes and other employee wage and benefit payments, (b) any deposit account the funds in which are in trust for any third parties or any other trust accounts, escrow accounts and fiduciary accounts, (c) any deposit account that is a zero-balance disbursement account and (d) any account specifically and exclusively used to hold "Title IV, HEA program funds" on behalf of Maker or any applicable subsidiary pending disbursement of such funds to, or on behalf of, eligible students under the terms of 34 C.F.R. Section 668.163 (collectively, "***Excluded Accounts***")) owned by the Maker or its applicable subsidiary as of or after the date hereof, effective to grant "control" (within the meaning of Articles 8 and 9 under the UCC) over such account to the Servicing Lender, provided that it is agreed and understood that (A) with respect to deposit accounts and securities accounts (other than Excluded Accounts) of Maker or its applicable subsidiary existing on the date hereof, Maker or its applicable subsidiary shall comply with the provisions of this clause (viii) on the date hereof, and (B) with respect to deposit accounts and securities accounts (other than Excluded Accounts) acquired by, or opened in the name of, Maker or its applicable subsidiary after the date hereof, Maker or its applicable subsidiary shall have until the date that is thirty (30) days (or such longer period, if any, to which the Servicing Lender may agree in his sole and absolute discretion) following the date of such opening or acquisition to comply with the provisions of this clause (viii). Set forth on Schedule 2 attached hereto is a listing of all of Maker's and its applicable subsidiaries' deposit accounts and securities accounts (other than Excluded Accounts) as of the date hereof, including, with respect to each bank, the name and address of such bank and the account numbers of the deposit accounts and securities accounts maintained with such bank;

(ix) except for the security interest created hereby or in respect of other Permitted Indebtedness, (a) Maker is and will at all times be the sole holder of record and the legal and beneficial owner, free and clear of all liens, of the equity interests indicated on Schedule 3 attached hereto (collectively, the "***Pledged Interests***") as being owned by Maker, and (b) all of the Pledged Interests are duly authorized, validly issued, and, to the extent applicable, fully paid and non-assessable, and constitute the percentage of the issued and outstanding equity interests of the subsidiaries of Maker identified on said Schedule 3. With respect to any Pledged Interest which is not certificated, Maker hereby agrees (A) to comply with all instructions from the Servicing Lender without requiring Maker's further consent and (B) not to take any action to cause any such uncertificated Pledged Interest to become certificated unless Maker promptly notifies the Servicing Lender in writing of Maker's election to do so and, in that event, promptly (and in any case within five (5) days of such election) delivers to the Servicing Lender the original certificate representing such Pledged Interest accompanied by undated instruments of transfer or assignment duly executed in blank;

_____ Maker's Initials

(x) they shall take all such further action as may be reasonably necessary or requested by the Servicing Lender in order to perfect and protect the lien, pledge and security interest created hereby; and

(xi) all items of Collateral described in paragraphs 1 through 3 on the attached Exhibit A have been duly and validly authorized and issued, and are fully paid and non-assessable.

During the continuance of an Acceleration Event, the Servicing Lender shall have the right to pursue all of his legal rights and remedies at law, in equity, or in other appropriate proceedings, including, without limitation, all rights and remedies available to a secured party under the New York UCC or under the laws (including, without limitation, the UCC) of each other jurisdiction where the Collateral, or any portion of it, is located. So long as there is no Acceleration Event hereunder, Maker shall be entitled (i) to exercise its voting and other consensual rights with respect to the Collateral described in paragraphs 1 through 3 on the attached Exhibit A and otherwise exercise the incidents of ownership thereof, and (ii) to receive dividends or other distributions made with respect to such Collateral.

All notices, demands or other communications (collectively, ***"notices"***) relating to any matter set forth herein shall be in writing and made, given, served or sent (collectively, "***delivered***") by (i) certified mail (return receipt requested) or (ii) reputable commercial overnight courier service (Federal Express, UPS or equivalent that provides a receipt) for next-business-morning delivery, in each case with postage thereon prepaid by sender and addressed to the intended recipient at its address set forth in the first paragraph of this Note (or at such other address as the intended recipient shall have previously provided to the sender in the same manner herein provided). Any such notice sent as so provided shall be deemed effectively delivered (x) on the third Business Day after being sent by certified mail, (y) on the next business morning if sent by overnight courier for next-business-morning delivery or (z) on the day of its actual delivery to the intended recipient (as shown by the return receipt or proof-of-delivery), whichever is earlier.

This Note shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of New York applicable to contracts made between residents of that state, entered into and to be wholly performed within that state, notwithstanding the parties' actual states of residence or legal domicile if outside that state and without reference to any conflict of laws or similar rules that might otherwise mandate or permit the application of the laws of any other jurisdiction. Any action, suit or proceeding relating to this Note shall be brought exclusively in the courts of New York State sitting in the Borough of Manhattan, New York City, or in U.S. District Court for the Southern District of New York, and, for all purposes of any such action, suit or proceeding, Maker hereby irrevocably (i) submits to the exclusive jurisdiction of such courts, (ii) waives any objection to such choice of venue based on *forum non conveniens* or any other legal or equitable doctrine, and (iii) waives trial by jury and the right to interpose any set-off or counterclaim, of any nature or description whatsoever, in any such action, suit or proceeding.

No right or remedy conferred upon Payee or the Servicing Lender, as applicable, under this Note is intended to be exclusive of any other right or remedy available to Payee or the

_____ Maker's Initials

Servicing Lender, whether at law, in equity, by statute or otherwise, but shall be deemed cumulative with all such other rights and remedies. Without limiting the generality of the foregoing, if this Note and all amounts (whether of principal, interest or otherwise) accrued hereunder shall not be paid in full when due (whether on any interest payment date, at stated Maturity, by acceleration or otherwise), Payee and the Servicing Lender shall be free to enforce their rights and remedies against Maker as Payee and the Servicing Lender, as applicable, may see fit under the circumstances, in no particular order or priority. No failure to exercise, or any delay in exercising, by Payee or the Servicing Lender, as applicable, any of their rights or remedies hereunder shall operate as a waiver thereof. A waiver by Payee or the Servicing Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to Payee's or the Servicing Lender's exercise of that same or of any other right or remedy which Payee or the Servicing Lender, as applicable, would otherwise have on any future occasion. No forbearance, indulgence, delay or failure by Payee or the Servicing Lender to exercise any of their rights or remedies with respect to this Note, nor any course of dealing between Maker, on the one hand, and Payee or the Servicing Lender, as applicable, on the other hand, shall operate as a waiver of any such right or remedy, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. Payee and the Servicing Lender shall not, by any course of dealing, indulgence, omission, or other act (except a further instrument signed by the Servicing Lender) or failure to act, be deemed to have waived any right or remedy hereunder, or to have acquiesced in any Acceleration Event or in any breach of any of the terms of this Note. No modification, rescission, waiver, forbearance, release or amendment of any term, covenant, condition or provision of this Note or any of Maker's obligations hereunder shall be valid or enforceable unless made and evidenced in writing, expressly referring to this Note and signed by both Maker and the Servicing Lender.

The terms and provisions of this Note are severable. In the event of the unenforceability or invalidity of one or more of the terms, covenants, conditions or provisions of this Note under federal, state or other applicable law in any circumstance, such unenforceability or invalidity shall not affect the enforceability or validity of such term, covenant, condition or provision in any other circumstance, or render any other term, covenant, condition or provision of this Note unenforceable or invalid.

Payee may assign its rights under this Note to any related or affiliated person or entity upon three (3) Business Days' prior notice to Maker; and Maker's obligations hereunder shall inure to the benefit of Payee and each of Payee's successors and permitted assigns, and shall be binding for all purposes on Maker and its successors-in-interest. No assignment, delegation or other transfer of Maker's rights or obligations hereunder shall be made or be effective absent Payee's prior, written consent thereto.

Whenever used herein, the singular number shall include the plural, the plural shall include the singular, and the words "Payee" and "Maker" shall include their respective successors and permitted assigns.

_____ Maker's Initials

IN WITNESS WHEREOF, each of Maker and its wholly-owned subsidiaries party hereto has duly executed and delivered this Note on the day and year first written above.

MAKER

ASPEN GROUP, INC.

By_____
Michael Mathews
Chairman and Chief Executive Officer

SUBSIDIARIES

UNITED STATES UNIVERSITY, INC.,
a Delaware corporation

By_____
Michael Mathews
Chief Executive Officer

ASPEN UNIVERSITY INC.,
a Delaware corporation

By_____
Michael Mathews
Chief Executive Officer

_____ Maker's Initials

EXHIBIT A – COLLATERAL

Unless otherwise defined in that certain Term Promissory Note and Security Agreement dated March 6, 2019, in the principal face amount of US$5,000,000 in favor of _____ to which this Exhibit A is attached (the "***Note***"), capitalized terms used herein shall have the same respective meanings ascribed to such terms under the Uniform Commercial Code ("***UCC***") as in effect in the State of New York.

1. All Accounts of Aspen University Inc., a Delaware corporation, whether now or hereafter owned, existing, acquired or arising and wherever now or hereafter located, together with all warranties, increases, renewals, additions and accessions thereto, substitutions therefor, and replacements, cash and proceeds thereof.

2. All Accounts of United States University, Inc., a Delaware corporation, whether now or hereafter owned, existing, acquired or arising and wherever now or hereafter located, together with all warranties, increases, renewals, additions and accessions thereto, substitutions therefor, and replacements, cash and proceeds thereof.

3. All of Aspen Group, Inc.'s right, title and interest in and to: (a) its Deposit Accounts (other than Excluded Accounts (as defined in the Note)), up to the aggregate amount from time to time due and owing to Payee under the Note; and (b) the common stock and other equity interests of Aspen University Inc., a Delaware corporation, and United States University, Inc., a Delaware corporation, together with (i) all "investment property" as such term is defined in the UCC with respect to such stock and equity interests, (ii) any "security entitlement" as such term is defined in the UCC with respect to such stock and equity interests, (iii) all books and records relating to the foregoing, and (iv) all Accessions and Proceeds of such stock and equity interests, including, without limitation, all distributions (cash, stock or otherwise), dividends, stock dividends, securities, cash, instruments, rights to subscribe, purchase or sell, and other property, rights and interest that Maker is at any time entitled to receive or is otherwise distributed in connection with such stock and equity interests.

Schedule 1

Entity Name	Jurisdiction of Formation	Type of Entity	Organizational Number
Aspen Group, Inc.	Delaware	Corporation	5107517
Aspen University Inc.	Delaware	Corporation	3115429
United States University, Inc.	Delaware	Corporation	6408678

Schedule 2

Entity	**Name and Address of Institution Maintaining Account**	**Account Number**	**Type of Account**
Aspen University Inc.	Citibank 153 E. 53rd Street, 21st Fl New York, NY 10022		Operating
Aspen Group, Inc.	Citibank 153 E. 53rd Street, 21st Fl New York, NY 10022		Operating
United States University, Inc.	Citibank 153 E. 53rd Street, 21st Fl New York, NY 10022		Operating

Schedule 3

Name of Grantor	Name of Pledged Company	Number of Shares/Units	Certificate Number	Class of Interests	Percentage of Class Owned
Aspen Group, Inc.	United States University, Inc.	100	N/A	Common	100%
Aspen Group, Inc.	Aspen University Inc.	100	N/A	Common	100%

Exhibit B
Form of Intercreditor Agreement

INTERCREDITOR AGREEMENT

INTERCREDITOR AGREEMENT (this "***Agreement***") dated as of this 6th day of March, 2019, by and among _____, an individual residing at _____ (together with his successors and permitted assigns, "_____"), solely in his capacity as Servicing Lender (as defined below), _____ whose address is _____ (together with its successors and permitted assigns, "__"), _____, whose address is c/o _____ at his address above (together with its successors and permitted assigns, the "_____"; collectively with ___, the "***Lenders***", and each individually a "***Lender***"), and ASPEN GROUP, INC., a Delaware corporation having its principle place of business at 276 Fifth Avenue, Suite 505, New York, New York 10001 (together with its successors and permitted assigns, the "***Company***"; collectively with _____ and the Lenders, the "***Parties***", and each individually a "***Party***").

WHEREAS, each Lender has made, or contemporaneously herewith proposes to make, a loan or extension of credit to the Company (each, a "***Loan***" and collectively, the "***Loans***") evidenced in each case by a promissory note in the principal face amount of five million U.S. dollars (US$5,000,000) issued by the Company to such Lender and dated (i) in the case of (a) the Term Promissory Note and Security Agreement in favor of AS and (b) the Term Promissory Note and Security Agreement in favor of the _____, March 6, 2019 (collectively, the "***Term Notes***"), and (ii) in the case of the Amended and Restated Revolving Promissory Note and Security Agreement in favor of the _____, and amended and restated as of March 6, 2019 (the "***Revolving Note***", and together with the Term Notes, each, a "***Note***" and collectively, the "***Notes***") (the Company's indebtedness and all its obligations with respect to the payment and repayment of principal, interest, fees and other amounts under each Note being hereinafter called the Company's "***Loan Obligations***" thereunder); and

WHEREAS, the Company's Loan Obligations to each of the Lenders are secured by security interests granted by the Company (and by certain of its subsidiaries party to the Notes) to each of them in certain assets as described more fully in the Lenders' respective Notes (all such assets, collectively, the "***Collateral***"); and

WHEREAS, the Lenders, as a material inducement for each of them to make or maintain their respective Loans and in consideration thereof, expressly contemplate and intend (i) that, except as expressly provided to the contrary herein with respect to Preferred Payments (as defined below), the Company's Loan Obligations to them under their respective Notes shall rank *pari passu* in all respects (including, without limitation, in right and priority of payment and repayment of principal, interest, and all fees and other amounts) to one another, without priority over one another, and (ii) that the security interests held by each of the Lenders in the Collateral shall rank *pari passu* in all respects to one another, without priority over one another, all as described more fully, and subject to the terms and conditions set forth, in this Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements set forth herein, and for other good and valuable consideration the receipt and

sufficiency of which are hereby acknowledged, the Parties hereby agree with one another as follows:

1. Each of the Lenders hereby confirms and agrees that (a) the security interests in the Collateral held by them under their respective Notes shall rank *pari passu*, equally and ratably in all respects to one another, without priority over one another, regardless of the order of time in which such security interests or any claims with respect thereto arise, attach or are perfected by filing, recording, possession, control or otherwise, and (b) the Company's Loan Obligations to them under their respective Notes shall rank *pari passu*, equally and ratably in all respects (including, without limitation, in right and priority of payment and repayment of principal, interest, and all fees and other amounts) to one another, without priority over one another; provided, however, that notwithstanding the foregoing, nothing herein contained shall impair, limit or otherwise affect, absent the occurrence of an "Acceleration Event" (as defined in the Notes), (i) the _____ sole right to receive any Commitment Fee (as defined therein) owing to it under the Revolving Note or (ii) each of the _____ and ___'s sole right to receive any Maturity Extension Fee (as defined therein) owing to such Lender under its Term Note, in each case without having to share the same with, or account therefor to, the other Lenders (all such amounts, collectively, the "***Preferred Payments***").

2. Without limiting the generality of any other provision of this Agreement (including, without limitation, under Paragraph 4 hereof) that provides for the survival of certain of the Parties' obligations hereunder, this Agreement, and all of the Parties' respective obligations arising hereunder or with respect hereto, shall (a) continue in full force and effect so long as any of the Loan Obligations remain outstanding and (b) be reinstated if at any time any payment of or distribution with respect to any of the Loan Obligations is rescinded or must otherwise be returned by a Lender upon the insolvency, bankruptcy or reorganization of the Company or otherwise, all as though such payment or distribution had not been made. No defect in, invalidity of, or absence or loss of priority under this Agreement or the Notes shall affect the Lenders' respective rights against the Company in respect of the Loans.

3. Each Lender shall (a) promptly notify the other Lenders of any Acceleration Event under such Lender's Note (or of any default by the Company under any other agreements or documents executed in connection therewith) known to such Lender and not reasonably believed to have been previously disclosed to such other Lenders; (b) provide such other Lenders with such information and documentation as either such other Lender may reasonably request in order to protect their respective interests with respect to the Loans; and (c) subject to the terms of this Agreement, reasonably cooperate with such other Lenders with respect to any and all collections, foreclosure procedures, and other collection or enforcement actions at any time commenced or initiated against the Company or otherwise in respect of the Collateral securing the Loan Obligations. Each Lender agrees that it shall not (and hereby waives any right to) take any action to challenge, contest, or support any other person in challenging or contesting, in any proceeding, the validity, perfection, priority or enforceability of a lien securing any Loan Obligations held, or purported to be held, by or on behalf of another Lender.

4. The Lenders hereby designate and appoint _____ as their sole and exclusive agent (in such capacity, the "***Servicing Lender***") to act on behalf of all Lenders, subject to the terms of this Agreement, with respect to (a) enforcing the Lenders' rights and remedies, and the Company's obligations, under the Notes and with respect to the Loan Obligations and (b) dealing with, and securing and enforcing the Lenders' rights and remedies and the Company's obligations with respect to, the Collateral (including, without limitation,

foreclosing and realizing on all or any portion of the Collateral in case of an Acceleration Event, releasing all or any portion of the Collateral, and filing and refiling any financing statements, continuation statements or other documents under the New York Uniform Commercial Code or otherwise with respect to the Collateral). The Servicing Lender shall not be liable, responsible or accountable to the other Lenders or the Company for (and the other Lenders and the Company hereby agree to and shall defend, indemnify and hold the Servicing Lender harmless from and against any and all liability, cost, damage or expense whatsoever with respect to) any act, failure to act, error or omission by the Servicing Lender in acting as Servicing Lender hereunder, except in cases of the Servicing Lender's own fraud or willful misconduct. The Servicing Lender shall not be deemed to be a fiduciary or to have any fiduciary duties to the other Lenders or the Company. The Lenders shall, promptly upon demand by the Servicing Lender, share equally all out-of-pocket fees, costs and expenses incurred by the Servicing Lender in acting as Servicing Lender hereunder (including, without limitation, all attorneys' fees, related expenses, filing fees and other charges incurred in connection with (i) the preparation, execution, delivery and administration of the Loan Documents and any amendments, modifications or waivers of the provisions thereof and (ii) the enforcement, collection, perfection or foreclosure of the Notes, the Loan Obligations and the Collateral; collectively, "***Enforcement Costs***") to the extent not promptly paid or reimbursed by the Company in accordance with the following proviso; provided, however, that notwithstanding the foregoing, the Company shall, promptly upon demand by the Servicing Lender, pay directly (or, at the Servicing Lender's option exercisable in his sole discretion, reimburse the Servicing Lender for) all Enforcement Costs. The Company further agrees to and shall defend, indemnify and hold each Lender harmless from and against any and all costs, fees (including, without limitation, attorneys' fees and related expenses), charges, expenses, liabilities, damages, claims, actions, suits or proceedings incurred by such Lender in connection with this Agreement, the Loans, the Notes or the Loan Obligations, unless caused by such Lender's own fraud or willful misconduct. All of the foregoing indemnities and hold-harmless provisions shall (x) continue indefinitely and (y) survive termination of this Agreement, discharge of the Notes and the Loan Obligations, and foreclosure or release of the Collateral.

5 This Agreement shall constitute the Servicing Lender's legal right, power and authority (collectively, the "***authority***") to perform the actions described in Paragraph 4 hereof. The Servicing Lender shall use his reasonable, good-faith efforts to keep the other Lenders reasonably apprised of any actions taken by the Servicing Lender under this Agreement. The Servicing Lender shall have the authority to employ and consult with attorneys, accountants and other professionals with respect to the actions, or contemplated actions, of the Servicing Lender under this Agreement. The Servicing Lender shall be under no duty to take (or to forebear from taking) any action, to pay any money, or to incur any fees, costs, charges or expenses in regard to the performance of the actions described in said Paragraph 4 unless he is advanced sufficient funds, either by the Company or by the other Lenders, as described in this Agreement. Each Party shall sign all such further documents and instruments, if any, as the Servicing Lender may reasonably request to enable the Servicing Lender to perform the actions described in said Paragraph 4. Upon providing the other Lenders with at least ten (10) business days' prior written notice, the Servicing Lender may elect not to further perform any of the actions of a Servicing Lender under this Agreement. Upon receipt of any such notice, the Lenders shall have the right to appoint a successor Servicing Lender by unanimous consent. If no such successor shall have been appointed by the Lenders, and shall have accepted such appointment, within thirty (30) days after the retiring Servicing Lender gives notice of its resignation, then the retiring Servicing

Lender may, on behalf of the Lenders, appoint a successor Servicing Lender, which shall be a bank or financial institution that acts as an administrative agent in secured financings in the ordinary course of its business. The Servicing Lender shall not be deemed to have knowledge of any matter unless and until the Servicing Lender shall have received actual knowledge of such matter, and the Servicing Lender shall not be charged with constructive notice of any such matter.

6. Nothing in this Agreement shall impair, limit, relieve or otherwise affect the Company's Loan Obligations to each Lender under such Lender's Note. The Company shall make all payments and prepayments in respect of its Loan Obligations ratably to all Lenders entitled to the respective category of payment; provided that the Parties acknowledge that the Lenders have different entitlements to different categories of Preferred Payments. Notwithstanding the occurrence of an Acceleration Event with respect to its Loan, no Lender may accelerate the Company's Loan Obligations under its Note, nor exercise any of its other rights or remedies thereunder, except in accordance with Paragraph 4 hereof. Upon the occurrence of an Acceleration Event: (a) all collections received by the Servicing Lender in respect of the Loan Obligations shall be distributed by him ratably to the Lenders according to the respective Loan Obligations then owing to each, after the payment of all costs, expenses and fees incurred by the Servicing Lender in collecting or enforcing same; and (b) should any payment, distribution or proceeds be received by a Lender with respect to such Lender's Loan in excess of such Lender's ratable share of the outstanding Loan Obligations, prior to the satisfaction in full of the Loan Obligations, such Lender shall promptly pay or deliver to each of the other Lenders their respective, ratable portions thereof in the form received. The Company may not prepay a Note at any time, in whole or in part, unless either such prepayment is made ratably to all Lenders according to their respective Loan Obligations or the Lenders otherwise agree in writing to such prepayment; provided, however, that notwithstanding the foregoing or anything herein contained to the contrary, the Parties acknowledge and agree that the termination, in whole or in part, of the _____ revolving commitment under its Loan and Note shall not be deemed or construed to be a prepayment of such Loan or Note.

7. Each Lender may transfer and assign (collectively, " ***assign***" and, correlatively, "***assignment***"), in whole but not in part, its rights and claims under this Agreement to any entity or trust that is affiliated with and controlled by such Lender upon three (3) business days' prior written notice to each of the other Parties; provided that (a) any such attempted assignment to an unaffiliated third party shall require the other Parties' prior written consent, which consent shall not be unreasonably delayed, and (b) any such permitted assignee shall acknowledge in writing to each of the other Parties such assignee's express agreement to be bound by the terms of this Agreement. No assignment or delegation of the Company's rights or obligations under this Agreement shall be made or be effective absent the prior written consent of all Lenders. This Agreement is solely for the benefit of, and shall bind solely, the Parties and their respective successors and permitted assigns, and no other person or persons shall have any right, benefit, priority or interest under or because of the existence of this Agreement.

8. Each Party hereby represents and warrants that it has full right, power and legal authority to enter into this Agreement and to incur and perform its obligations hereunder. Each Lender hereby agrees not to amend or modify its Note, or any other documents executed in connection with the Company's Loan Obligations to such Lender, without the prior written approval of each other Lender, if any, whose rights hereunder, or whose priority to the Collateral, could be adversely affected by such amendment or modification.

9. Within ten (10) business days after a request therefor by any Lender (the " ***Requesting Lender***") made not more frequently than once per calendar quarter, the Lender of whom such request is made (the "***Responding Lender***") shall furnish to the Requesting Lender a written letter addressed to the Requesting Lender which states (a) the principal amount then outstanding on the Responding Lender's Note, (b) whether the Responding Lender has given notice to the Company of the existence of any Acceleration Event under the Responding Lender's Note and (c) if not, that to the best of the Responding Lender's knowledge no condition or event which constitutes (or which, after notice or lapse of time or both, would constitute) an Acceleration Event thereunder exists or has occurred, or, if any such condition or event does exist or has occurred, specifying in reasonable detail the nature and period of existence thereof.

10. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of New York applicable to contracts made between residents of that state, entered into and to be wholly performed within that state, notwithstanding the Parties' actual states of residence or legal domicile if outside that state and without reference to any conflict of laws or similar rules that might otherwise mandate or permit the application of the laws of any other jurisdiction. Any action, suit or proceeding relating to this Agreement shall be brought exclusively in the courts of New York State sitting in the Borough of Manhattan, New York City, or in U.S. District Court for the Southern District of New York, and, for all purposes of any such action, suit or proceeding, each of the Parties hereby irrevocably (a) submits to the exclusive jurisdiction of such courts, (b) waives any objection to such choice of venue based on *forum non conveniens* or any other legal or equitable doctrine, and (c) waives trial by jury and, in the case of the Company, the right to interpose any set-off or counterclaim, of any nature or description whatsoever, in any such action, suit or proceeding.

11. No Party's rights or remedies under this Agreement are intended to be exclusive of any other right or remedy available to such Party, whether at law, in equity, by statute or otherwise, but shall be deemed cumulative with all such other rights and remedies. No failure by a Party to exercise, or any delay by a Party in exercising, any of such Party's rights or remedies hereunder shall operate as a waiver thereof. A waiver by any Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to such Party's exercise of that same or of any other right or remedy which such Party would otherwise have on any future occasion. No forbearance, indulgence, delay or failure by any Party to exercise any of such Party's rights or remedies hereunder or with respect to the Loan Obligations, nor any course of dealing between or among the Parties, shall operate as a waiver of any such right or remedy, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. A Party shall not, by any course of dealing, indulgence, omission, or other act (except a further instrument signed by such Party) or failure to act, be deemed to have waived any right or remedy hereunder or with respect to the Loan Obligations, or to have acquiesced in any breach of any of the terms of this Agreement. No modification, rescission, waiver, forbearance, release or amendment of any term, covenant, condition or provision of this Agreement shall be valid or enforceable unless made and evidenced in writing, expressly referring to this Agreement.

12. The terms and provisions of this Agreement are severable. In the event of the unenforceability or invalidity of one or more of the terms, covenants, conditions or provisions of this Agreement under federal, state or other applicable law in any circumstance, such unenforceability or invalidity shall not affect the enforceability or validity of such term,

covenant, condition or provision in any other circumstance, or render any other term, covenant, condition or provision of this Agreement unenforceable or invalid.

13. All notices, demands or other communications (collectively, ***"notices"***) hereunder relating to any matter set forth herein shall be in writing and made, given, served or sent (collectively, "***delivered***") by (a) certified mail (return receipt requested) or (b) reputable commercial overnight courier service (Federal Express, UPS or equivalent that provides a receipt) for next-business-morning delivery, in each case with postage thereon prepaid by sender and addressed to the intended recipient at its address set forth in the first paragraph of this Agreement (or at such other address as the intended recipient shall have previously provided to the sender in the same manner herein provided); provided that copies of any such notice to _____ or the _____ shall also be sent to them _____, and emailed to them at _____. Any such notice sent as so provided shall be deemed effectively delivered (i) on the third business day after being sent by certified mail, (ii) on the next business morning if sent by overnight courier for next-business-morning delivery or (iii) on the day of its actual delivery to the intended recipient (as shown by the return receipt or proof-of-delivery), whichever is earlier.

14. This Agreement may be executed in counterparts, each of which when duly signed and delivered shall be deemed for all purposes hereof to be an original, but all such counterparts shall collectively constitute one and the same instrument; and any Party may execute this Agreement by signing any such counterpart. Any signature delivered by facsimile or email transmission (in scanned .pdf format or the equivalent) shall be deemed to be an original signature.

15. This Agreement shall inure to the benefit of, and be binding upon, each of the Parties and their respective successors and permitted assigns. The provisions of this Agreement are, and are intended, solely for the purpose of defining the relative rights of the Lenders between and amongst themselves. This Agreement constitutes the entire agreement, arrangement and understanding, written or oral, among the Lenders (or between any of them) with respect to its subject matter, superseding and merging all prior and contemporaneous negotiations, discussions, agreements, arrangements and understandings, written or oral, between or among any of them relating thereto; and there are no representations, warranties, agreements, arrangements or understandings, written or oral, among the Lenders (or between any of them) with respect to the subject matter of this Agreement other than as set forth in this Agreement. There are no intended third-party beneficiaries of this Agreement, except as may be expressly provided herein.

Signature page follows immediately below

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

_____,
as Servicing Lender

_____
_____

_____

By _____
_____, Manager

_____

By _____
_____, _____

ASPEN GROUP, INC.

By _____
Michael Mathews, Chairman & CEO

CONSENT

The undersigned hereby consent to the terms and provisions of this Agreement and agree to comply with the applicable terms and provisions thereof.

ASPEN UNIVERSITY INC.,
a Delaware corporation

By: _____
Michael Mathews, CEO

UNITED STATES UNIVERSITY, INC.,
a Delaware corporation

By: _____
Michael Mathews, CEO

Exhibit C
Form of Warrant

THIS WARRANT (THIS " *WARRANT*") AND THE UNDERLYING SHARES OF COMMON STOCK HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "*SECURITIES ACT*"), OR ANY OTHER SECURITIES LAWS, HAVE BEEN TAKEN FOR INVESTMENT, AND MAY NOT BE SOLD OR TRANSFERRED OR OFFERED FOR SALE OR TRANSFER UNLESS A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS WITH RESPECT TO SUCH SECURITIES IS THEN IN EFFECT, OR, IN THE OPINION OF COUNSEL TO THE ISSUER OF THESE SECURITIES, SUCH REGISTRATION UNDER THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS IS NOT REQUIRED.

Issuance Date: March 6, 2019 (the " ***Issuance Date***")

WARRANT FOR THE PURCHASE OF 100,000 SHARES OF COMMON STOCK OF ASPEN GROUP, INC.

THIS IS TO CERTIFY that, for value received, _____ (the " ***Holder***"), is entitled to purchase, subject to the terms and conditions hereinafter set forth, one hundred thousand (100,000) shares of common stock, par value $0.001 per share (as further detailed in Section 4 of this Warrant, the "***Common Stock***"), of Aspen Group, Inc., a Delaware corporation (the "***Company***"), and to receive certificates for the Common Stock so purchased. The exercise price of this Warrant (the "***Exercise Price***") is six dollars ($6.00) per share, subject to adjustment as provided in this Warrant.

1. **Exercise Period.**

(a) Subject to Section 1(b), this Warrant may be exercised by the Holder during the period beginning on the Issuance Date and ending at 5:00 pm (New York time) five (5) years thereafter (the "***Exercise Period***"). This Warrant will terminate automatically and immediately upon the expiration of the Exercise Period.

(b) If the closing price of the Company's Common Stock, as reported by the principal trading market, averages at least seven dollars fifty cents ($7.50) per share calculated over any ten (10) consecutive trading days during the Exercise Period (subject to adjustment as provided in this Warrant), then the Company, on at least thirty (30) trading days' prior written notice to the Holder, may redeem this Warrant by paying the Holder two dollars ten cents ($2.10) per share, subject to adjustment as provided in this Warrant and subject to prior exercise by the Holder. This Warrant shall remain exercisable by the Holder (in whole or in part, in its entirety or in such increments, at any time and from time to time, as in each case the Holder may in its sole discretion elect) for the duration of such 30-day period. As of the date of this Warrant, the principal trading market is Nasdaq Capital Market.

2. **Exercise of Warrant.**

(a) This Warrant may be exercised by the Holder (in whole or in part, in its entirety or in such increments, at any time and from time to time, as in each case the Holder may in its sole discretion elect) throughout the Exercise Period. Each such exercise shall be accomplished by the Holder's (i) tender to the Company of an amount equal to the Exercise Price multiplied by the number of underlying shares of Common Stock then being purchased (the "***Purchase Price***"), by wire transfer of immediately available funds in accordance with wiring coordinates provided to the Holder by the Company, or by certified or bank cashier's check payable to the order of the Company, and (ii) surrender to the Company of this Warrant, together with an executed subscription agreement in substantially the form attached hereto as Exhibit A (the "***Subscription***"). As a condition of exercise, the Holder shall, where applicable, execute a customary investment letter and accredited investor questionnaire. The Holder's right to exercise this Warrant is subject to his compliance with any applicable laws and rules, including Section 5 of the Securities Act of 1933.

(b) Upon receipt of the Purchase Price in respect of any exercise by the Holder of this Warrant, the Company shall promptly (and in all events within two (2) trading days of such exercise date) deliver to the Holder a certificate or certificates representing the shares of Common Stock then purchased, registered in the name of the Holder (or its transferee, if any, as permitted under Section 3 below). With respect to each exercise of this Warrant, if any, the Holder (or its transferee, if any, as the case may be) shall for all purposes be deemed to have become the holder of record of the number of shares of Common Stock purchased hereunder on the date a properly executed Subscription and payment of the Purchase Price are received by the Company (each, an "***Exercise Date***"), irrespective of the date of delivery to the Holder of the certificate(s) evidencing such shares, except that if the date of such receipt is a date on which the stock transfer books of the Company are closed, the Holder (or its transferee, if any, as the case may be) shall be deemed to have become the holder of record of such shares at the close of business on the next succeeding date on which such stock transfer books are open. Fractional shares of Common Stock shall not be issued upon any exercise of this Warrant; provided that in lieu of any fractional shares that would have been issued but for the immediately preceding clause, the Holder shall be entitled to receive cash equal to the current market price of such fraction of a share of Common Stock on the trading day immediately preceding the respective Exercise Date. In the event this Warrant is ever exercised in part, the Company shall promptly (and in all events within two (2) trading days of the respective Exercise Date) issue a New Warrant (as defined below) to the Holder covering the aggregate number of shares of Common Stock as to which this Warrant remains exercisable. The Company acknowledges and agrees that this Warrant was issued on the Issuance Date.

3. **Recording; Transferability; Exchange; Obligations to Issue Common Stock.**

(a) Registration of Warrant. The Company shall register this Warrant, in a register to be maintained by the Company for that purpose (the "***Warrant Register***"), in the name of the Holder (or its transferee, if any, as the case may be). The Company may deem and treat

the registered holder from time to time of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to such holder, and for all other purposes, absent actual notice to the contrary from the Holder and any such transferee.

(b) Registration of Transfers. The Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant, with the Form of Assignment attached hereto as Exhibit B duly completed and signed, to the Company at its address specified herein. As a condition to any such transfer, the Company may request a legal opinion as contemplated by the legend. Upon any such registration of transfer, a New Warrant to purchase Common Stock, in substantially the form of this Warrant (each, a "***New Warrant***"), evidencing the portion of this Warrant so transferred shall be issued to such transferee, and a New Warrant evidencing the remaining portion of this Warrant, if any, not so transferred shall be issued to the Holder. The acceptance of the New Warrant by such transferee shall be deemed the acceptance by such transferee of all of the rights and obligations of a holder of a Warrant.

(c) Exchange of Warrant. This Warrant is exchangeable upon its surrender by the Holder to the Company for New Warrants of like tenor and date representing in the aggregate the right to purchase the number of shares of Common Stock purchasable hereunder, each of such New Warrants to represent the right to purchase such number of shares of Common Stock as may be designated by the Holder at the time of such surrender (not to exceed the aggregate number of such shares underlying this Warrant).

(d) Absolute Nature of Company's Obligations. The Company's obligations to issue and deliver Common Stock in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Common Stock. Nothing herein shall limit the Holder's right to pursue any other remedies available to him hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon exercise of this Warrant as required pursuant to the terms hereof.

4. **Adjustments to Exercise Price; Number of Shares Subject to Warrant** . The Exercise Price and the number of shares of Common Stock purchasable upon the exercise of this Warrant are subject to adjustment from time to time upon the occurrence of any of the events specified in this Section 4. For the purpose of this Section 4, "***Common Stock***" means shares now or hereafter authorized of any class of common stock of the Company, however designated, that has the right to participate in any distribution of the assets or earnings of the Company without limit as to per-share amount (excluding, and subject to any prior rights of, any class or series of preferred stock of the Company).

(a) In case the Company shall (i) pay a dividend or make a distribution in shares of Common Stock to holders of shares of Common Stock, (ii) subdivide ("split") its outstanding shares of Common Stock into a greater number of shares, (iii) combine ("reverse split") its outstanding shares of Common Stock into a smaller number of shares, or (iv) issue by reclassification of its shares of Common Stock other securities of the Company, then the Exercise Price in effect at the time of the record date for such dividend or on the effective date of such subdivision, combination or reclassification, as the case may be, and/or the number and kind of securities issuable on such date, shall be proportionately adjusted so that the Holder of this Warrant thereafter exercised shall be entitled to receive the aggregate number and kind of shares of Common Stock (or such other securities other than Common Stock) of the Company, at the same aggregate Exercise Price, that, if this Warrant had been exercised immediately prior to such date, the Holder would have owned upon such exercise and been entitled to receive by virtue of such dividend, distribution, subdivision, combination or reclassification. Such adjustment shall be made successively whenever, and each time, any event listed above shall occur.

(b) In case the Company shall fix a record date for the making of a distribution to all holders of Common Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the surviving corporation) of cash, evidences of indebtedness or assets, or subscription rights or warrants, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the Fair Market Value per share of Common Stock on such record date, less the amount of cash so to be distributed or the Fair Market Value (as determined in good faith by, and reflected in a formal resolution of, the board of directors of the Company) of the portion of the assets or evidences of indebtedness so to be distributed, or of such subscription rights or warrants, applicable to one share of Common Stock, and the denominator of which shall be the Fair Market Value per share of Common Stock. Such adjustment shall be made successively whenever, and each time, such a record date is fixed; and in the event that such distribution is not so made, the Exercise Price shall again be adjusted to be the Exercise Price which would then be in effect if such record date had not been fixed.

(c) Notwithstanding any provision hereof to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price; provided, however, that any adjustments which by reason of this Section 4(c) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 4 shall be made to the nearest cent or the nearest one-hundredth of a share, as the case may be.

(d) In the event that at any time, as a result of an adjustment made pursuant to Section 4(a) above, the Holder of this Warrant thereafter exercised shall become entitled to receive any shares of capital stock of the Company other than shares of Common Stock, thereafter the number of such other shares so receivable upon exercise of this Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the shares of Common Stock contained in this

Section 4, and the other provisions of this Warrant shall apply on like terms to any such other shares.

(e) Fundamental Transactions. If, at any time while this Warrant is outstanding, (i) the Company effects any merger or consolidation of the Company with or into another company, (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or another company or person) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (each, a "***Fundamental Transaction***"), then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as he would have been entitled to receive upon the occurrence of such Fundamental Transaction if he had been, immediately prior to such Fundamental Transaction, the holder of the number of Common Stock then issuable upon exercise in full of this Warrant (the "***Alternate Consideration***"). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. At the Holder's sole discretion and request, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a New Warrant substantially in the form of this Warrant and consistent with the foregoing provisions and evidencing the Holder's right to purchase the Alternate Consideration for the aggregate Exercise Price upon exercise thereof. Any such successor or surviving entity shall be deemed to be required to comply with the provisions of this Section 4(e) and shall insure that this Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(f) In case any event shall occur as to which the other provisions of this Section 4 are not strictly applicable but the failure to make any adjustment would not fairly protect the purchase rights represented by this Warrant in accordance with the essential intent and principles hereof, then, in each such case, the Company shall effect such adjustment, on a basis consistent with the essential intent and principles established in this Section 4, as may be necessary to preserve, without dilution, the purchase rights represented by this Warrant.

(g) Notice of Adjustments . Upon the occurrence of each adjustment pursuant to this Section 4, the Company, at its own sole expense, shall promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Common Stock or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon

which such adjustment is based. Upon written request, the Company shall promptly deliver a copy of each such certificate to the Holder and to the Company's Transfer Agent.

(h) Anti-Dilution Protection. If the Company, at any time while this Warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or issue any Common Stock or common stock equivalents entitling any entity or person to acquire, shares of Common Stock at an effective price per share less than the then Exercise Price (such lower price, the "***Base Share Price***" and such issuances, collectively, a " ***Dilutive Issuance***"), then the Exercise Price shall be reduced (and only reduced) to equal the Base Share Price. Notwithstanding the foregoing, the Base Share Price as of the Issuance Date shall be deemed to be six dollars ($6.00) per share. Such adjustment shall be made whenever such Common Stock or common stock equivalents are issued. Notwithstanding the foregoing, no adjustments shall be made, paid or issued under this Section 4(h) in respect of an Exempt Issuance (as defined below). Furthermore, if the adjustment is caused by the issuance of a common stock equivalent and such security expires or terminates without being exercised, converted or exchanged, the Base Share Price shall be readjusted to the Exercise Price in effect immediately prior to issuance of such common stock equivalent. The Company shall notify the Holder, in writing, no later than five (5) business days following the issuance of any Common Stock or common stock equivalents subject to this Section 4(h), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "***Dilutive Issuance Notice***"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 4(h), upon the occurrence of any Dilutive Issuance, after the date of such Dilutive Issuance the Holder shall be entitled to receive the Base Share Price regardless of whether the Holder accurately refers to the Base Share Price in the Notice of Exercise. For purposes of this Agreement, "***Exempt Issuance***" means the issuance of: (i) shares of Common Stock, restricted stock units or options (and Common Stock issued upon exercise of such options) to employees, officers, consultants, advisors, directors or former directors of the Company pursuant to any stock or option plan duly adopted for such purpose by a majority of the existing members of the Board of Directors or a majority of the members of a committee of directors established for such purpose; (ii) securities upon the exercise, exchange 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 Issuance Date, provided that such securities have not been amended since the Issuance Date to increase the number of such securities or to decrease the exercise, exchange or conversion price of such securities; (iii) shares of Common Stock upon any anti-dilution adjustment to Common Stock and common stock equivalents held by current unaffiliated shareholders of the Company as of the Issuance Date; (iv) securities issued to any Placement Agent or other registered broker-dealers as reasonable commissions or fees in connection with any financing transactions; (v) securities issued pursuant to a merger, acquisition or similar transaction (provided that (A) the primary purpose of such issuance is not to raise capital; (B) the purchaser or acquirer of such securities in such issuance solely consists of either (x) the actual participants in such transactions, (y) the actual owners of such assets or securities acquired in such merger, acquisition or similar transaction, or (z) the shareholders, partners or members of the foregoing persons; and (C) the number or amount (as the case may be) of such shares of Common Stock issued to such person by the Company shall not be disproportionate to such person's actual participation in such merger, acquisition or similar transaction) or a strategic transaction

(provided that (AA) any such issuance shall only be to a person which is, itself or through its subsidiaries, an operating company in a business synergistic with the business of the Company and in which the Company receives benefits in addition to the investment of funds; (BB) the primary purpose of such issuance is not to raise capital; (CC) the purchaser or acquirer of such securities in such issuance solely consists of either (ww) the actual participants in such strategic transaction, (xx) the actual owners of such strategic assets or securities acquired in such strategic transaction, (yy) the shareholders, partners or members of the foregoing persons or (zz) persons whose primary business does not consist of investing in securities; and (DD) the number or amount (as the case may be) of such shares of Common Stock issued to such person by the Company shall not be disproportionate to such person's actual participation in such strategic licensing or development transactions or ownership of such strategic assets or securities to be acquired by the Company, as applicable); and (vi) securities issued upon conversion in full or in part of that certain convertible promissory note dated December 1, 2017, issued by the Company to Educacion Significativa, LLC.

5. **Legend.** If there is not a current effective registration statement in effect and the exemption provided by Rule 144 under the Securities Act is unavailable when this Warrant is exercised, the stock certificates issued to the Holder shall bear the following legend:

"The securities represented by this certificate have not been registered under the Securities Act of 1933 (the "***Securities Act***"), and may not be offered for sale or sold except pursuant to (i) an effective registration statement under the Securities Act or (ii) an opinion of counsel to the issuer that an exemption from registration under the Securities Act is available."

6. **Reservation of Common Stock.** The Company covenants that it shall at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Common Stock upon exercise of this Warrant as herein provided, the number of shares of Common Stock which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of persons other than the Holder (taking into account the adjustments and restrictions of Section 4). The Company covenants that all Common Stock so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued, fully paid and non-assessable.

7. **Replacement of Warrant.** If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued, in exchange and substitution herefor and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of (a) evidence reasonably satisfactory to the Company of such mutilation, loss, theft or destruction and (b) customary and reasonable indemnity (which may include a surety bond), if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures, and pay such other reasonable third-party costs, as the Company may reasonably prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

8. **Charges, Taxes and Expenses.** Issuance and delivery of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer-agent fee, or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Common Stock or Warrants in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Common Stock upon exercise hereof.

9. **Certain Notices to Holder.** In the event of (a) any fixing by the Company of a record date with respect to the holders of any class of securities of the Company for the purpose of determining which of such holders are entitled to dividends or other distributions, or any rights to subscribe for, purchase or otherwise acquire any shares of capital stock of any class or any other securities or property, or to receive any other right, (b) any capital reorganization of the Company, or reclassification or recapitalization of the capital stock of the Company, or any transfer of all or substantially all of the assets or business of the Company to, or consolidation or merger of the Company with or into, any other entity or person, or (c) any voluntary or involuntary dissolution or winding up of the Company, then and in each such event the Company shall give the Holder a written notice specifying, as the case may be, (i) the record date for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the date on which any such reorganization, reclassification, recapitalization, transfer, consolidation, merger, conveyance, dissolution, liquidation, or winding-up is to take place and the time, if any, is to be fixed, as of which the holders of record of Common Stock (or such capital stock or securities receivable upon the exercise of this Warrant) shall be entitled to exchange their shares of Common Stock (or such other stock securities) for securities or other property deliverable upon such event. Any such notice shall be given at least ten (10) days prior to the earliest date therein specified and sent by certified mail (return receipt requested), or by reputable commercial overnight courier service (Federal Express, UPS or equivalent that provides a receipt) for next-business-morning delivery, in each case with postage thereon prepaid by the Company and addressed to the Holder c/o Power Stop LLC, 6112 W. 73rd Street, Bedford Park, IL 60638.

10. **No Rights as a Shareholder.** This Warrant does not entitle the Holder to any voting rights or other rights as a shareholder of the Company, nor to any other rights whatsoever except the rights herein set forth; provided, however, that the Company shall not close any merger arising out of any merger agreement in which it is not the surviving entity, or sell all or substantially all of its assets, unless the Company shall have first provided the Holder with twenty (20) days' prior written notice.

11. **Additional Covenants of the Company.** The Company shall not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issuance or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant.

12. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Company, the Holder, and their respective successors and permitted assigns.

13. **Severability.** Every provision of this Warrant is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the remainder of this Warrant.

14. **Governing Law; Venue; Submission to Jurisdiction.** This Warrant shall be governed by and construed in accordance with the substantive laws of the State of New York applicable to contracts made between residents of that state, entered into and to be wholly performed within that state, notwithstanding the Company's or the Holder's actual states of residence or legal domicile if outside that state and without reference to any conflict of laws or similar rules that might otherwise mandate or permit the application of the laws of any other jurisdiction. Any action, suit or proceeding relating to this Warrant shall be brought exclusively in the courts of New York State sitting in the Borough of Manhattan, New York City, or in U.S. District Court for the Southern District of New York, and, for all purposes of any such action, suit or proceeding, each of the parties hereby irrevocably (i) submits to the exclusive jurisdiction of such courts, (ii) waives any objection to such choice of venue based on *forum non conveniens* or any other legal or equitable doctrine, and (iii) waives trial by jury and, in the case of the Company, the right to interpose any set-off or counterclaim, of any nature or description whatsoever, in any such action, suit or proceeding.

15. **Attorneys' Fees.** In the event that there is any controversy or claim arising out of or relating to this Warrant, or to the interpretation, breach or enforcement hereof, and any action, suit or proceeding is commenced to enforce the provisions of this Warrant, the prevailing party shall be entitled to reasonable attorneys' fees, costs and expenses (including such fees and costs incurred in proceedings undertaken to establish both entitlement to fees and establishing the amount of fees to be recovered, sometimes referred to as "fees on fees"). Should a party take an appeal, the prevailing party shall recover reasonable attorneys' fees and costs on the appeal, unless the outcome of the appeal is a remand for new trial, in which case the party that ultimately prevails shall recover reasonable attorneys' fees and costs for all proceedings including any appeal.

16. **Entire Agreement; Amendments.** This Warrant (including the Exhibits attached hereto) constitutes the entire agreement, arrangement and understanding, written or oral, between the Company and the Holder with respect to the subject matter hereof, superseding and merging all prior and contemporaneous negotiations, discussions, agreements, arrangements and understandings, written or oral, between them relating thereto. This Warrant may not be modified or amended, nor any of its provisions varied or waived, except by further instrument signed by both the Company and the Holder.

17. **Good Faith.** The Company shall not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be

necessary or appropriate in order to protect the rights of the holder of this Warrant against such impairment.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its duly authorized officer as of the Issuance Date.

ASPEN GROUP, INC.

By: _____

Michael Mathews
Chairman and Chief Executive Officer

Exhibit A
SUBSCRIPTION FORM

The undersigned, pursuant to the provisions set forth in the attached Warrant (the " ***Warrant***"), hereby notifies the Company that it is exercising the Warrant on the following basis:

Section 1 - Exercise.

- I am exercising my right to purchase _____ shares of Common Stock, being all of the shares of Common Stock which I am entitled to purchase under the Warrant; or
- I am exercising my right to purchase _____ shares of Common Stock, being a portion of the shares of Common Stock which I am entitled to purchase under the Warrant, and request that the Company deliver to me (or as I shall designate below) a new Warrant representing the right to purchase _____ shares of Common Stock, being the remaining shares of Common Stock which I am entitled to purchase under the Warrant.

Section 2 - Payment.

I am making payment in full for the shares of Common Stock being purchased hereby at an exercise price per share of $_____ as provided for in the Warrant. The total exercise price payable for the shares of Common Stock being purchased hereby is $_____. Such payment takes the form of (*check and complete, as applicable*):

___ $_____ in certified or official bank check payable to the order of the Company; or

___ $_____ by wire transfer of immediately available funds.

I request that a certificate for the shares of Common Stock being purchased hereby be issued in the name of the undersigned and delivered to me at the address stated below. If such shares of Common Stock do not comprise all such shares purchasable pursuant to the Warrant, I request that a new Warrant of like tenor for the balance of the shares purchasable thereunder be delivered to me at such address.

In connection with the issuance of the Common Stock, if the Common Stock may not be immediately publicly sold, I hereby represent to the Company that I am acquiring the Common Stock for my own account for investment and not with a view to, or for resale in connection with, a distribution of the shares within the meaning of the Securities Act of 1933 (the "***Securities Act***").

I am_____ am not _____ [*please initial one*] an accredited investor for at least one of the reasons listed on Exhibit A-1 to the Warrant. If the SEC has amended the rule defining "accredited investor", I acknowledge that as a condition to exercising the Warrant, the Company

may request updated information regarding my status as an accredited investor. My exercise of the Warrant shall be in compliance with the applicable exemptions under the Securities Act and applicable state law.

I understand that if at this time the Common Stock has not been registered under the Securities Act, I must hold the Common Stock indefinitely unless the Common Stock is subsequently registered and qualified under the Securities Act or is exempt from such registration and qualification. I shall make no transfer or disposition of the Common Stock unless (a) such transfer or disposition can be made without registration under the Securities Act by reason of a specific exemption from such registration and such qualification or (b) a registration statement has been filed pursuant to the Securities Act and has been declared effective with respect to such disposition. I agree that each certificate representing Common Stock delivered to me shall bear substantially the same legend as set forth on the front page of the Warrant.

I further agree that the Company may place stop-transfer orders with its transfer agent to the same effect as the above legend. The legend and stop-transfer notice referred to above shall be removed only upon my furnishing to the Company an opinion of counsel to the Company to the effect that such legend may be removed.

Date:_____

Signed: _____
Print Name:_____
Address:_____

Date:_____

Signed: _____
Print Name:_____
Address:_____

Exhibit A-1

For Individual Investors Only:

(1) I certify that I am a person who has an individual net worth, or a person who with his or her spouse has a combined net worth, in excess of $1,000,000. For purposes of calculating net worth under this paragraph (1), (i) the primary residence shall not be included as an asset, (ii) to the extent that the indebtedness that is secured by the primary residence is in excess of the fair market value of the primary residence, the excess amount shall be included as a liability, and (iii) if the amount of outstanding indebtedness that is secured by the primary residence exceeds the amount outstanding 60 days prior to exercising these securities, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability.

(2a) I certify that I am an accredited investor because I had individual income (exclusive of any income attributable to my spouse) of more than $200,000 in the two most recent calendar years and I reasonably expect to have an individual income in excess of $200,000 in the current year.

(2b) Alternatively, my spouse and I have joint income in excess of $300,000 in each applicable year.

(3) I am a director or executive officer of the Company.

Other Investors:

(4) The undersigned certifies that it is one of the following: any bank as defined in Section 3(a)(2) of the Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; insurance company as defined in Section 2(13) of the Securities Act; investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000; employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of $5,000,000, or if a self-directed plan, with investment decisions made solely by persons that are accredited investors.

(5) The undersigned certifies that it is a private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940.

(6) The undersigned certifies that it is an organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000.

(7) The undersigned certifies that it is a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of the Securities Act.

(8) The undersigned certifies that it is an entity in which all of the equity owners are accredited investors.

(9) I am none of the above.

Exhibit B
ASSIGNMENT

For Value Received _____ hereby sells, assigns and transfers to _____ the Warrant attached hereto and the rights represented thereby to purchase _____ shares of Common Stock in accordance with the terms and conditions thereof, and does hereby irrevocably constitute and appoint _____ as attorney to transfer such Warrant on the books of the Company with full power of substitution.

Dated: _____ Signed: _____

ASSIGNEE:

Name:_____

Address:_____

_____

SSN/TIN:_____

EXHIBIT 10.3

INTERCREDITOR AGREEMENT

INTERCREDITOR AGREEMENT (this "***Agreement***") dated as of this 6th day of March, 2019, by and among _____, an individual residing at _____ (together with his successors and permitted assigns, "_____"), solely in his capacity as Servicing Lender (as defined below), _____ whose address is _____ (together with its successors and permitted assigns, "___"), _____, whose address is c/o _____ at his address above (together with its successors and permitted assigns, the "_____"; collectively with ___, the "***Lenders***", and each individually a "***Lender***"), and ASPEN GROUP, INC., a Delaware corporation having its principle place of business at 276 Fifth Avenue, Suite 505, New York, New York 10001 (together with its successors and permitted assigns, the "***Company***"; collectively with _____ and the Lenders, the "***Parties***", and each individually a "***Party***").

WHEREAS, each Lender has made, or contemporaneously herewith proposes to make, a loan or extension of credit to the Company (each, a "***Loan***" and collectively, the "***Loans***") evidenced in each case by a promissory note in the principal face amount of five million U.S. dollars (US$5,000,000) issued by the Company to such Lender and dated (i) in the case of (a) the Term Promissory Note and Security Agreement in favor of ___ and (b) the Term Promissory Note and Security Agreement in favor of the _____, March 6, 2019 (each, a "***Term Note***" and together, the "***Term Notes***"), and (ii) in the case of the Amended and Restated Revolving Promissory Note and Security Agreement in favor of the _____, and amended and restated as of March 6, 2019 (the "***Revolving Note***"; together with the Term Notes, each a "***Note***" and collectively, the "***Notes***") (the Company's indebtedness and all its obligations with respect to the payment and repayment of principal, interest, fees and other amounts under each Note being hereinafter called the Company's "***Loan Obligations***" thereunder); and

WHEREAS, the Company's Loan Obligations to each of the Lenders are secured by security interests granted by the Company (and by certain of its subsidiaries party to the Notes) to each of them in certain assets as described more fully in the Lenders' respective Notes (all such assets, collectively, the "***Collateral***"); and

WHEREAS, the Lenders, as a material inducement for each of them to make or maintain their respective Loans and in consideration thereof, expressly contemplate and intend (i) that, except as expressly provided to the contrary herein with respect to Preferred Payments (as defined below), the Company's Loan Obligations to them under their respective Notes shall rank *pari passu* in all respects (including, without limitation, in right and priority of payment and repayment of principal, interest, and all fees and other amounts) to one another, without priority over one another, and (ii) that the security interests held by each of the Lenders in the Collateral shall rank *pari passu* in all respects to one another, without priority over one another, all as described more fully, and subject to the terms and conditions set forth, in this Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements set forth herein, and for other good and valuable consideration the receipt and

sufficiency of which are hereby acknowledged, the Parties hereby agree with one another as follows:

1. Each of the Lenders hereby confirms and agrees that (a) the security interests in the Collateral held by them under their respective Notes shall rank *pari passu*, equally and ratably in all respects to one another, without priority over one another, regardless of the order of time in which such security interests or any claims with respect thereto arise, attach or are perfected by filing, recording, possession, control or otherwise, and (b) the Company's Loan Obligations to them under their respective Notes shall rank *pari passu*, equally and ratably in all respects (including, without limitation, in right and priority of payment and repayment of principal, interest, and all fees and other amounts) to one another, without priority over one another; provided, however, that notwithstanding the foregoing, nothing herein contained shall impair, limit or otherwise affect, absent the occurrence of an "Acceleration Event" (as defined in the Notes), (i) the _____ sole right to receive any Commitment Fee (as defined therein) owing to it under the Revolving Note or (ii) each of the _____ and ___'s sole right to receive any Maturity Extension Fee (as defined therein) owing to such Lender under its Term Note, in each case without having to share the same with, or account therefor to, the other Lenders (all such amounts, collectively, the "***Preferred Payments***").

2. Without limiting the generality of any other provision of this Agreement (including, without limitation, under Paragraph 4 hereof) that provides for the survival of certain of the Parties' obligations hereunder, this Agreement, and all of the Parties' respective obligations arising hereunder or with respect hereto, shall (a) continue in full force and effect so long as any of the Loan Obligations remain outstanding and (b) be reinstated if at any time any payment of or distribution with respect to any of the Loan Obligations is rescinded or must otherwise be returned by a Lender upon the insolvency, bankruptcy or reorganization of the Company or otherwise, all as though such payment or distribution had not been made. No defect in, invalidity of, or absence or loss of priority under this Agreement or the Notes shall affect the Lenders' respective rights against the Company in respect of the Loans.

3. Each Lender shall (a) promptly notify the other Lenders of any Acceleration Event under such Lender's Note (or of any default by the Company under any other agreements or documents executed in connection therewith) known to such Lender and not reasonably believed to have been previously disclosed to such other Lenders; (b) provide such other Lenders with such information and documentation as either such other Lender may reasonably request in order to protect their respective interests with respect to the Loans; and (c) subject to the terms of this Agreement, reasonably cooperate with such other Lenders with respect to any and all collections, foreclosure procedures, and other collection or enforcement actions at any time commenced or initiated against the Company or otherwise in respect of the Collateral securing the Loan Obligations. Each Lender agrees that it shall not (and hereby waives any right to) take any action to challenge, contest, or support any other person in challenging or contesting, in any proceeding, the validity, perfection, priority or enforceability of a lien securing any Loan Obligations held, or purported to be held, by or on behalf of another Lender.

4. The Lenders hereby designate and appoint _____ as their sole and exclusive agent (in such capacity, the "***Servicing Lender***") to act on behalf of all Lenders, subject to the terms of this Agreement, with respect to (a) enforcing the Lenders' rights and remedies, and the Company's obligations, under the Notes and with respect to the Loan Obligations and (b) dealing with, and securing and enforcing the Lenders' rights and remedies

and the Company's obligations with respect to, the Collateral (including, without limitation, foreclosing and realizing on all or any portion of the Collateral in case of an Acceleration Event, releasing all or any portion of the Collateral, and filing and refiling any financing statements, continuation statements or other documents under the New York Uniform Commercial Code or otherwise with respect to the Collateral). The Servicing Lender shall not be liable, responsible or accountable to the other Lenders or the Company for (and the other Lenders and the Company hereby agree to and shall defend, indemnify and hold the Servicing Lender harmless from and against any and all liability, cost, damage or expense whatsoever with respect to) any act, failure to act, error or omission by the Servicing Lender in acting as Servicing Lender hereunder, except in cases of the Servicing Lender's own fraud or willful misconduct. The Servicing Lender shall not be deemed to be a fiduciary or to have any fiduciary duties to the other Lenders or the Company. The Lenders shall, promptly upon demand by the Servicing Lender, share equally all out-of-pocket fees, costs and expenses incurred by the Servicing Lender in acting as Servicing Lender hereunder (including, without limitation, all attorneys' fees, related expenses, filing fees and other charges incurred in connection with (i) the preparation, execution, delivery and administration of the Loan Documents and any amendments, modifications or waivers of the provisions thereof and (ii) the enforcement, collection, perfection or foreclosure of the Notes, the Loan Obligations and the Collateral; collectively, "***Enforcement Costs***") to the extent not promptly paid or reimbursed by the Company in accordance with the following proviso; provided, however, that notwithstanding the foregoing, the Company shall, promptly upon demand by the Servicing Lender, pay directly (or, at the Servicing Lender's option exercisable in his sole discretion, reimburse the Servicing Lender for) all Enforcement Costs. The Company further agrees to and shall defend, indemnify and hold each Lender harmless from and against any and all costs, fees (including, without limitation, attorneys' fees and related expenses), charges, expenses, liabilities, damages, claims, actions, suits or proceedings incurred by such Lender in connection with this Agreement, the Loans, the Notes or the Loan Obligations, unless caused by such Lender's own fraud or willful misconduct. All of the foregoing indemnities and hold-harmless provisions shall (x) continue indefinitely and (y) survive termination of this Agreement, discharge of the Notes and the Loan Obligations, and foreclosure or release of the Collateral.

5 This Agreement shall constitute the Servicing Lender's legal right, power and authority (collectively, the "***authority***") to perform the actions described in Paragraph 4 hereof. The Servicing Lender shall use his reasonable, good-faith efforts to keep the other Lenders reasonably apprised of any actions taken by the Servicing Lender under this Agreement. The Servicing Lender shall have the authority to employ and consult with attorneys, accountants and other professionals with respect to the actions, or contemplated actions, of the Servicing Lender under this Agreement. The Servicing Lender shall be under no duty to take (or to forebear from taking) any action, to pay any money, or to incur any fees, costs, charges or expenses in regard to the performance of the actions described in said Paragraph 4 unless he is advanced sufficient funds, either by the Company or by the other Lenders, as described in this Agreement. Each Party shall sign all such further documents and instruments, if any, as the Servicing Lender may reasonably request to enable the Servicing Lender to perform the actions described in said Paragraph 4. Upon providing the other Lenders with at least ten (10) business days' prior written notice, the Servicing Lender may elect not to further perform any of the actions of a Servicing Lender under this Agreement. Upon receipt of any such notice, the Lenders shall have the right to appoint a successor Servicing Lender by unanimous consent. If no such successor shall have been appointed by the Lenders, and shall have accepted such appointment, within thirty (30)

days after the retiring Servicing Lender gives notice of its resignation, then the retiring Servicing Lender may, on behalf of the Lenders, appoint a successor Servicing Lender, which shall be a bank or financial institution that acts as an administrative agent in secured financings in the ordinary course of its business. The Servicing Lender shall not be deemed to have knowledge of any matter unless and until the Servicing Lender shall have received actual knowledge of such matter, and the Servicing Lender shall not be charged with constructive notice of any such matter.

6. Nothing in this Agreement shall impair, limit, relieve or otherwise affect the Company's Loan Obligations to each Lender under such Lender's Note. The Company shall make all payments and prepayments in respect of its Loan Obligations ratably to all Lenders entitled to the respective category of payment; provided that the Parties acknowledge that the Lenders have different entitlements to different categories of Preferred Payments. Notwithstanding the occurrence of an Acceleration Event with respect to its Loan, no Lender may accelerate the Company's Loan Obligations under its Note, nor exercise any of its other rights or remedies thereunder, except in accordance with Paragraph 4 hereof. Upon the occurrence of an Acceleration Event: (a) all collections received by the Servicing Lender in respect of the Loan Obligations shall be distributed by him ratably to the Lenders according to the respective Loan Obligations then owing to each, after the payment of all costs, expenses and fees incurred by the Servicing Lender in collecting or enforcing same; and (b) should any payment, distribution or proceeds be received by a Lender with respect to such Lender's Loan in excess of such Lender's ratable share of the outstanding Loan Obligations, prior to the satisfaction in full of the Loan Obligations, such Lender shall promptly pay or deliver to each of the other Lenders their respective, ratable portions thereof in the form received. The Company may not prepay a Note at any time, in whole or in part, unless either such prepayment is made ratably to all Lenders according to their respective Loan Obligations or the Lenders otherwise agree in writing to such prepayment; provided, however, that notwithstanding the foregoing or anything herein contained to the contrary, the Parties acknowledge and agree that the termination, in whole or in part, of the _____ revolving commitment under its Loan and Note shall not be deemed or construed to be a prepayment of such Loan or Note.

7. Each Lender may transfer and assign (collectively, " ***assign***" and, correlatively, "***assignment***"), in whole but not in part, its rights and claims under this Agreement to any entity or trust that is affiliated with and controlled by such Lender upon three (3) business days' prior written notice to each of the other Parties; provided that (a) any such attempted assignment to an unaffiliated third party shall require the other Parties' prior written consent, which consent shall not be unreasonably delayed, and (b) any such permitted assignee shall acknowledge in writing to each of the other Parties such assignee's express agreement to be bound by the terms of this Agreement. No assignment or delegation of the Company's rights or obligations under this Agreement shall be made or be effective absent the prior written consent of all Lenders. This Agreement is solely for the benefit of, and shall bind solely, the Parties and their respective successors and permitted assigns, and no other person or persons shall have any right, benefit, priority or interest under or because of the existence of this Agreement.

8. Each Party hereby represents and warrants that it has full right, power and legal authority to enter into this Agreement and to incur and perform its obligations hereunder. Each Lender hereby agrees not to amend or modify its Note, or any other documents executed in connection with the Company's Loan Obligations to such Lender, without the prior written

approval of each other Lender, if any, whose rights hereunder, or whose priority to the Collateral, could be adversely affected by such amendment or modification.

9. Within ten (10) business days after a request therefor by any Lender (the " ***Requesting Lender***") made not more frequently than once per calendar quarter, the Lender of whom such request is made (the "***Responding Lender***") shall furnish to the Requesting Lender a written letter addressed to the Requesting Lender which states (a) the principal amount then outstanding on the Responding Lender's Note, (b) whether the Responding Lender has given notice to the Company of the existence of any Acceleration Event under the Responding Lender's Note and (c) if not, that to the best of the Responding Lender's knowledge no condition or event which constitutes (or which, after notice or lapse of time or both, would constitute) an Acceleration Event thereunder exists or has occurred, or, if any such condition or event does exist or has occurred, specifying in reasonable detail the nature and period of existence thereof.

10. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of New York applicable to contracts made between residents of that state, entered into and to be wholly performed within that state, notwithstanding the Parties' actual states of residence or legal domicile if outside that state and without reference to any conflict of laws or similar rules that might otherwise mandate or permit the application of the laws of any other jurisdiction. Any action, suit or proceeding relating to this Agreement shall be brought exclusively in the courts of New York State sitting in the Borough of Manhattan, New York City, or in U.S. District Court for the Southern District of New York, and, for all purposes of any such action, suit or proceeding, each of the Parties hereby irrevocably (a) submits to the exclusive jurisdiction of such courts, (b) waives any objection to such choice of venue based on *forum non conveniens* or any other legal or equitable doctrine, and (c) waives trial by jury and, in the case of the Company, the right to interpose any set-off or counterclaim, of any nature or description whatsoever, in any such action, suit or proceeding.

11. No Party's rights or remedies under this Agreement are intended to be exclusive of any other right or remedy available to such Party, whether at law, in equity, by statute or otherwise, but shall be deemed cumulative with all such other rights and remedies. No failure by a Party to exercise, or any delay by a Party in exercising, any of such Party's rights or remedies hereunder shall operate as a waiver thereof. A waiver by any Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to such Party's exercise of that same or of any other right or remedy which such Party would otherwise have on any future occasion. No forbearance, indulgence, delay or failure by any Party to exercise any of such Party's rights or remedies hereunder or with respect to the Loan Obligations, nor any course of dealing between or among the Parties, shall operate as a waiver of any such right or remedy, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. A Party shall not, by any course of dealing, indulgence, omission, or other act (except a further instrument signed by such Party) or failure to act, be deemed to have waived any right or remedy hereunder or with respect to the Loan Obligations, or to have acquiesced in any breach of any of the terms of this Agreement. No modification, rescission, waiver, forbearance, release or amendment of any term, covenant, condition or provision of this Agreement shall be valid or enforceable unless made and evidenced in writing, expressly referring to this Agreement.

12. The terms and provisions of this Agreement are severable. In the event of the unenforceability or invalidity of one or more of the terms, covenants, conditions or provisions of this Agreement under federal, state or other applicable law in any circumstance, such unenforceability or invalidity shall not affect the enforceability or validity of such term, covenant, condition or provision in any other circumstance, or render any other term, covenant, condition or provision of this Agreement unenforceable or invalid.

13. All notices, demands or other communications (collectively, ***"notices"***) hereunder relating to any matter set forth herein shall be in writing and made, given, served or sent (collectively, "***delivered***") by (a) certified mail (return receipt requested) or (b) reputable commercial overnight courier service (Federal Express, UPS or equivalent that provides a receipt) for next-business-morning delivery, in each case with postage thereon prepaid by sender and addressed to the intended recipient at its address set forth in the first paragraph of this Agreement (or at such other address as the intended recipient shall have previously provided to the sender in the same manner herein provided); provided that copies of any such notice to _____ or the _____ shall also be sent to them _____, and emailed to them at _____. Any such notice sent as so provided shall be deemed effectively delivered (i) on the third business day after being sent by certified mail, (ii) on the next business morning if sent by overnight courier for next-business-morning delivery or (iii) on the day of its actual delivery to the intended recipient (as shown by the return receipt or proof-of-delivery), whichever is earlier.

14. This Agreement may be executed in counterparts, each of which when duly signed and delivered shall be deemed for all purposes hereof to be an original, but all such counterparts shall collectively constitute one and the same instrument; and any Party may execute this Agreement by signing any such counterpart. Any signature delivered by facsimile or email transmission (in scanned .pdf format or the equivalent) shall be deemed to be an original signature.

15. This Agreement shall inure to the benefit of, and be binding upon, each of the Parties and their respective successors and permitted assigns. The provisions of this Agreement are, and are intended, solely for the purpose of defining the relative rights of the Lenders between and amongst themselves. This Agreement constitutes the entire agreement, arrangement and understanding, written or oral, among the Lenders (or between any of them) with respect to its subject matter, superseding and merging all prior and contemporaneous negotiations, discussions, agreements, arrangements and understandings, written or oral, between or among any of them relating thereto; and there are no representations, warranties, agreements, arrangements or understandings, written or oral, among the Lenders (or between any of them) with respect to the subject matter of this Agreement other than as set forth in this Agreement. There are no intended third-party beneficiaries of this Agreement, except as may be expressly provided herein.

Signature page follows immediately below

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

_____,
as Servicing Lender

_____
_____

_____

By _____
_____, Manager

_____

By _____
_____, _____

ASPEN GROUP, INC.

By _____
Michael Mathews, Chairman & CEO

CONSENT

The undersigned hereby consent to the terms and provisions of this Agreement and agree to comply with the applicable terms and provisions thereof.

ASPEN UNIVERSITY INC.,
a Delaware corporation

By: _____
Michael Mathews, CEO

UNITED STATES UNIVERSITY, INC.,
a Delaware corporation

By: _____
Michael Mathews, CEO

THIS WARRANT (THIS " *WARRANT*") AND THE UNDERLYING SHARES OF COMMON STOCK HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "*SECURITIES ACT*"), OR ANY OTHER SECURITIES LAWS, HAVE BEEN TAKEN FOR INVESTMENT, AND MAY NOT BE SOLD OR TRANSFERRED OR OFFERED FOR SALE OR TRANSFER UNLESS A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS WITH RESPECT TO SUCH SECURITIES IS THEN IN EFFECT, OR, IN THE OPINION OF COUNSEL TO THE ISSUER OF THESE SECURITIES, SUCH REGISTRATION UNDER THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS IS NOT REQUIRED.

Issuance Date: March 6, 2019 (the " ***Issuance Date***")

WARRANT FOR THE PURCHASE OF 100,000 SHARES OF COMMON STOCK OF ASPEN GROUP, INC.

THIS IS TO CERTIFY that, for value received, _____ (the " ***Holder***"), is entitled to purchase, subject to the terms and conditions hereinafter set forth, one hundred thousand (100,000) shares of common stock, par value $0.001 per share (as further detailed in Section 4 of this Warrant, the "***Common Stock***"), of Aspen Group, Inc., a Delaware corporation (the "***Company***"), and to receive certificates for the Common Stock so purchased. The exercise price of this Warrant (the "***Exercise Price***") is six dollars ($6.00) per share, subject to adjustment as provided in this Warrant.

1. **Exercise Period.**

(a) Subject to Section 1(b), this Warrant may be exercised by the Holder during the period beginning on the Issuance Date and ending at 5:00 pm (New York time) five (5) years thereafter (the "***Exercise Period***"). This Warrant will terminate automatically and immediately upon the expiration of the Exercise Period.

(b) If the closing price of the Company's Common Stock, as reported by the principal trading market, averages at least seven dollars fifty cents ($7.50) per share calculated over any ten (10) consecutive trading days during the Exercise Period (subject to adjustment as provided in this Warrant), then the Company, on at least thirty (30) trading days' prior written notice to the Holder, may redeem this Warrant by paying the Holder two dollars ten cents ($2.10) per share, subject to adjustment as provided in this Warrant and subject to prior exercise by the Holder. This Warrant shall remain exercisable by the Holder (in whole or in part, in its entirety or in such increments, at any time and from time to time, as in each case the Holder may in its sole discretion elect) for the duration of such 30-day period. As of the date of this Warrant, the principal trading market is Nasdaq Capital Market.

2. **Exercise of Warrant.**

(a) This Warrant may be exercised by the Holder (in whole or in part, in its entirety or in such increments, at any time and from time to time, as in each case the Holder may in its sole discretion elect) throughout the Exercise Period. Each such exercise shall be accomplished by the Holder's (i) tender to the Company of an amount equal to the Exercise Price multiplied by the number of underlying shares of Common Stock then being purchased (the "***Purchase Price***"), by wire transfer of immediately available funds in accordance with wiring coordinates provided to the Holder by the Company, or by certified or bank cashier's check payable to the order of the Company, and (ii) surrender to the Company of this Warrant, together with an executed subscription agreement in substantially the form attached hereto as Exhibit A (the "***Subscription***"). As a condition of exercise, the Holder shall, where applicable, execute a customary investment letter and accredited investor questionnaire. The Holder's right to exercise this Warrant is subject to his compliance with any applicable laws and rules, including Section 5 of the Securities Act of 1933.

(b) Upon receipt of the Purchase Price in respect of any exercise by the Holder of this Warrant, the Company shall promptly (and in all events within two (2) trading days of such exercise date) deliver to the Holder a certificate or certificates representing the shares of Common Stock then purchased, registered in the name of the Holder (or its transferee, if any, as permitted under Section 3 below). With respect to each exercise of this Warrant, if any, the Holder (or its transferee, if any, as the case may be) shall for all purposes be deemed to have become the holder of record of the number of shares of Common Stock purchased hereunder on the date a properly executed Subscription and payment of the Purchase Price are received by the Company (each, an "***Exercise Date***"), irrespective of the date of delivery to the Holder of the certificate(s) evidencing such shares, except that if the date of such receipt is a date on which the stock transfer books of the Company are closed, the Holder (or its transferee, if any, as the case may be) shall be deemed to have become the holder of record of such shares at the close of business on the next succeeding date on which such stock transfer books are open. Fractional shares of Common Stock shall not be issued upon any exercise of this Warrant; provided that in lieu of any fractional shares that would have been issued but for the immediately preceding clause, the Holder shall be entitled to receive cash equal to the current market price of such fraction of a share of Common Stock on the trading day immediately preceding the respective Exercise Date. In the event this Warrant is ever exercised in part, the Company shall promptly (and in all events within two (2) trading days of the respective Exercise Date) issue a New Warrant (as defined below) to the Holder covering the aggregate number of shares of Common Stock as to which this Warrant remains exercisable. The Company acknowledges and agrees that this Warrant was issued on the Issuance Date.

3. **Recording; Transferability; Exchange; Obligations to Issue Common Stock.**

(a) Registration of Warrant. The Company shall register this Warrant, in a register to be maintained by the Company for that purpose (the "***Warrant Register***"), in the name of the Holder (or its transferee, if any, as the case may be). The Company may deem and treat

the registered holder from time to time of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to such holder, and for all other purposes, absent actual notice to the contrary from the Holder and any such transferee.

(b) Registration of Transfers. The Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant, with the Form of Assignment attached hereto as Exhibit B duly completed and signed, to the Company at its address specified herein. As a condition to any such transfer, the Company may request a legal opinion as contemplated by the legend. Upon any such registration of transfer, a New Warrant to purchase Common Stock, in substantially the form of this Warrant (each, a "***New Warrant***"), evidencing the portion of this Warrant so transferred shall be issued to such transferee, and a New Warrant evidencing the remaining portion of this Warrant, if any, not so transferred shall be issued to the Holder. The acceptance of the New Warrant by such transferee shall be deemed the acceptance by such transferee of all of the rights and obligations of a holder of a Warrant.

(c) Exchange of Warrant. This Warrant is exchangeable upon its surrender by the Holder to the Company for New Warrants of like tenor and date representing in the aggregate the right to purchase the number of shares of Common Stock purchasable hereunder, each of such New Warrants to represent the right to purchase such number of shares of Common Stock as may be designated by the Holder at the time of such surrender (not to exceed the aggregate number of such shares underlying this Warrant).

(d) Absolute Nature of Company's Obligations. The Company's obligations to issue and deliver Common Stock in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Common Stock. Nothing herein shall limit the Holder's right to pursue any other remedies available to him hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon exercise of this Warrant as required pursuant to the terms hereof.

4. **Adjustments to Exercise Price; Number of Shares Subject to Warrant**. The Exercise Price and the number of shares of Common Stock purchasable upon the exercise of this Warrant are subject to adjustment from time to time upon the occurrence of any of the events specified in this Section 4. For the purpose of this Section 4, "***Common Stock***" means shares now or hereafter authorized of any class of common stock of the Company, however designated, that has the right to participate in any distribution of the assets or earnings of the Company without limit as to per-share amount (excluding, and subject to any prior rights of, any class or series of preferred stock of the Company).

(a) In case the Company shall (i) pay a dividend or make a distribution in shares of Common Stock to holders of shares of Common Stock, (ii) subdivide ("split") its outstanding shares of Common Stock into a greater number of shares, (iii) combine ("reverse split") its outstanding shares of Common Stock into a smaller number of shares, or (iv) issue by reclassification of its shares of Common Stock other securities of the Company, then the Exercise Price in effect at the time of the record date for such dividend or on the effective date of such subdivision, combination or reclassification, as the case may be, and/or the number and kind of securities issuable on such date, shall be proportionately adjusted so that the Holder of this Warrant thereafter exercised shall be entitled to receive the aggregate number and kind of shares of Common Stock (or such other securities other than Common Stock) of the Company, at the same aggregate Exercise Price, that, if this Warrant had been exercised immediately prior to such date, the Holder would have owned upon such exercise and been entitled to receive by virtue of such dividend, distribution, subdivision, combination or reclassification. Such adjustment shall be made successively whenever, and each time, any event listed above shall occur.

(b) In case the Company shall fix a record date for the making of a distribution to all holders of Common Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the surviving corporation) of cash, evidences of indebtedness or assets, or subscription rights or warrants, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the Fair Market Value per share of Common Stock on such record date, less the amount of cash so to be distributed or the Fair Market Value (as determined in good faith by, and reflected in a formal resolution of, the board of directors of the Company) of the portion of the assets or evidences of indebtedness so to be distributed, or of such subscription rights or warrants, applicable to one share of Common Stock, and the denominator of which shall be the Fair Market Value per share of Common Stock. Such adjustment shall be made successively whenever, and each time, such a record date is fixed; and in the event that such distribution is not so made, the Exercise Price shall again be adjusted to be the Exercise Price which would then be in effect if such record date had not been fixed.

(c) Notwithstanding any provision hereof to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price; provided, however, that any adjustments which by reason of this Section 4(c) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 4 shall be made to the nearest cent or the nearest one-hundredth of a share, as the case may be.

(d) In the event that at any time, as a result of an adjustment made pursuant to Section 4(a) above, the Holder of this Warrant thereafter exercised shall become entitled to receive any shares of capital stock of the Company other than shares of Common Stock, thereafter the number of such other shares so receivable upon exercise of this Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the shares of Common Stock contained in this

Section 4, and the other provisions of this Warrant shall apply on like terms to any such other shares.

(e) Fundamental Transactions. If, at any time while this Warrant is outstanding, (i) the Company effects any merger or consolidation of the Company with or into another company, (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or another company or person) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (each, a "***Fundamental Transaction***"), then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as he would have been entitled to receive upon the occurrence of such Fundamental Transaction if he had been, immediately prior to such Fundamental Transaction, the holder of the number of Common Stock then issuable upon exercise in full of this Warrant (the "***Alternate Consideration***"). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. At the Holder's sole discretion and request, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a New Warrant substantially in the form of this Warrant and consistent with the foregoing provisions and evidencing the Holder's right to purchase the Alternate Consideration for the aggregate Exercise Price upon exercise thereof. Any such successor or surviving entity shall be deemed to be required to comply with the provisions of this Section 4(e) and shall insure that this Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(f) In case any event shall occur as to which the other provisions of this Section 4 are not strictly applicable but the failure to make any adjustment would not fairly protect the purchase rights represented by this Warrant in accordance with the essential intent and principles hereof, then, in each such case, the Company shall effect such adjustment, on a basis consistent with the essential intent and principles established in this Section 4, as may be necessary to preserve, without dilution, the purchase rights represented by this Warrant.

(g) Notice of Adjustments. Upon the occurrence of each adjustment pursuant to this Section 4, the Company, at its own sole expense, shall promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Common Stock or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon

which such adjustment is based. Upon written request, the Company shall promptly deliver a copy of each such certificate to the Holder and to the Company's Transfer Agent.

(h) Anti-Dilution Protection. If the Company, at any time while this Warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or issue any Common Stock or common stock equivalents entitling any entity or person to acquire, shares of Common Stock at an effective price per share less than the then Exercise Price (such lower price, the "***Base Share Price***" and such issuances, collectively, a " ***Dilutive Issuance***"), then the Exercise Price shall be reduced (and only reduced) to equal the Base Share Price. Notwithstanding the foregoing, the Base Share Price as of the Issuance Date shall be deemed to be six dollars ($6.00) per share. Such adjustment shall be made whenever such Common Stock or common stock equivalents are issued. Notwithstanding the foregoing, no adjustments shall be made, paid or issued under this Section 4(h) in respect of an Exempt Issuance (as defined below). Furthermore, if the adjustment is caused by the issuance of a common stock equivalent and such security expires or terminates without being exercised, converted or exchanged, the Base Share Price shall be readjusted to the Exercise Price in effect immediately prior to issuance of such common stock equivalent. The Company shall notify the Holder, in writing, no later than five (5) business days following the issuance of any Common Stock or common stock equivalents subject to this Section 4(h), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "***Dilutive Issuance Notice***"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 4(h), upon the occurrence of any Dilutive Issuance, after the date of such Dilutive Issuance the Holder shall be entitled to receive the Base Share Price regardless of whether the Holder accurately refers to the Base Share Price in the Notice of Exercise. For purposes of this Agreement, "***Exempt Issuance***" means the issuance of: (i) shares of Common Stock, restricted stock units or options (and Common Stock issued upon exercise of such options) to employees, officers, consultants, advisors, directors or former directors of the Company pursuant to any stock or option plan duly adopted for such purpose by a majority of the existing members of the Board of Directors or a majority of the members of a committee of directors established for such purpose; (ii) securities upon the exercise, exchange 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 Issuance Date, provided that such securities have not been amended since the Issuance Date to increase the number of such securities or to decrease the exercise, exchange or conversion price of such securities; (iii) shares of Common Stock upon any anti-dilution adjustment to Common Stock and common stock equivalents held by current unaffiliated shareholders of the Company as of the Issuance Date; (iv) securities issued to any Placement Agent or other registered broker-dealers as reasonable commissions or fees in connection with any financing transactions; (v) securities issued pursuant to a merger, acquisition or similar transaction (provided that (A) the primary purpose of such issuance is not to raise capital; (B) the purchaser or acquirer of such securities in such issuance solely consists of either (x) the actual participants in such transactions, (y) the actual owners of such assets or securities acquired in such merger, acquisition or similar transaction, or (z) the shareholders, partners or members of the foregoing persons; and (C) the number or amount (as the case may be) of such shares of Common Stock issued to such person by the Company shall not be disproportionate to such person's actual participation in such merger, acquisition or similar transaction) or a strategic transaction

(provided that (AA) any such issuance shall only be to a person which is, itself or through its subsidiaries, an operating company in a business synergistic with the business of the Company and in which the Company receives benefits in addition to the investment of funds; (BB) the primary purpose of such issuance is not to raise capital; (CC) the purchaser or acquirer of such securities in such issuance solely consists of either (ww) the actual participants in such strategic transaction, (xx) the actual owners of such strategic assets or securities acquired in such strategic transaction, (yy) the shareholders, partners or members of the foregoing persons or (zz) persons whose primary business does not consist of investing in securities; and (DD) the number or amount (as the case may be) of such shares of Common Stock issued to such person by the Company shall not be disproportionate to such person's actual participation in such strategic licensing or development transactions or ownership of such strategic assets or securities to be acquired by the Company, as applicable); and (vi) securities issued upon conversion in full or in part of that certain convertible promissory note dated December 1, 2017, issued by the Company to Educacion Significativa, LLC.

5. **Legend.** If there is not a current effective registration statement in effect and the exemption provided by Rule 144 under the Securities Act is unavailable when this Warrant is exercised, the stock certificates issued to the Holder shall bear the following legend:

"The securities represented by this certificate have not been registered under the Securities Act of 1933 (the "***Securities Act***"), and may not be offered for sale or sold except pursuant to (i) an effective registration statement under the Securities Act or (ii) an opinion of counsel to the issuer that an exemption from registration under the Securities Act is available."

6. **Reservation of Common Stock.** The Company covenants that it shall at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Common Stock upon exercise of this Warrant as herein provided, the number of shares of Common Stock which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of persons other than the Holder (taking into account the adjustments and restrictions of Section 4). The Company covenants that all Common Stock so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued, fully paid and non-assessable.

7. **Replacement of Warrant.** If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued, in exchange and substitution herefor and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of (a) evidence reasonably satisfactory to the Company of such mutilation, loss, theft or destruction and (b) customary and reasonable indemnity (which may include a surety bond), if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures, and pay such other reasonable third-party costs, as the Company may reasonably prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

8. **Charges, Taxes and Expenses.** Issuance and delivery of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer-agent fee, or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Common Stock or Warrants in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Common Stock upon exercise hereof.

9. **Certain Notices to Holder.** In the event of (a) any fixing by the Company of a record date with respect to the holders of any class of securities of the Company for the purpose of determining which of such holders are entitled to dividends or other distributions, or any rights to subscribe for, purchase or otherwise acquire any shares of capital stock of any class or any other securities or property, or to receive any other right, (b) any capital reorganization of the Company, or reclassification or recapitalization of the capital stock of the Company, or any transfer of all or substantially all of the assets or business of the Company to, or consolidation or merger of the Company with or into, any other entity or person, or (c) any voluntary or involuntary dissolution or winding up of the Company, then and in each such event the Company shall give the Holder a written notice specifying, as the case may be, (i) the record date for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the date on which any such reorganization, reclassification, recapitalization, transfer, consolidation, merger, conveyance, dissolution, liquidation, or winding-up is to take place and the time, if any, is to be fixed, as of which the holders of record of Common Stock (or such capital stock or securities receivable upon the exercise of this Warrant) shall be entitled to exchange their shares of Common Stock (or such other stock securities) for securities or other property deliverable upon such event. Any such notice shall be given at least ten (10) days prior to the earliest date therein specified and sent by certified mail (return receipt requested), or by reputable commercial overnight courier service (Federal Express, UPS or equivalent that provides a receipt) for next-business-morning delivery, in each case with postage thereon prepaid by the Company and addressed to the Holder c/o Power Stop LLC, 6112 W. 73rd Street, Bedford Park, IL 60638.

10. **No Rights as a Shareholder.** This Warrant does not entitle the Holder to any voting rights or other rights as a shareholder of the Company, nor to any other rights whatsoever except the rights herein set forth; provided, however, that the Company shall not close any merger arising out of any merger agreement in which it is not the surviving entity, or sell all or substantially all of its assets, unless the Company shall have first provided the Holder with twenty (20) days' prior written notice.

11. **Additional Covenants of the Company.** The Company shall not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issuance or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant.

12. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Company, the Holder, and their respective successors and permitted assigns.

13. **Severability.** Every provision of this Warrant is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the remainder of this Warrant.

14. **Governing Law; Venue; Submission to Jurisdiction.** This Warrant shall be governed by and construed in accordance with the substantive laws of the State of New York applicable to contracts made between residents of that state, entered into and to be wholly performed within that state, notwithstanding the Company's or the Holder's actual states of residence or legal domicile if outside that state and without reference to any conflict of laws or similar rules that might otherwise mandate or permit the application of the laws of any other jurisdiction. Any action, suit or proceeding relating to this Warrant shall be brought exclusively in the courts of New York State sitting in the Borough of Manhattan, New York City, or in U.S. District Court for the Southern District of New York, and, for all purposes of any such action, suit or proceeding, each of the parties hereby irrevocably (i) submits to the exclusive jurisdiction of such courts, (ii) waives any objection to such choice of venue based on *forum non conveniens* or any other legal or equitable doctrine, and (iii) waives trial by jury and, in the case of the Company, the right to interpose any set-off or counterclaim, of any nature or description whatsoever, in any such action, suit or proceeding.

15. **Attorneys' Fees.** In the event that there is any controversy or claim arising out of or relating to this Warrant, or to the interpretation, breach or enforcement hereof, and any action, suit or proceeding is commenced to enforce the provisions of this Warrant, the prevailing party shall be entitled to reasonable attorneys' fees, costs and expenses (including such fees and costs incurred in proceedings undertaken to establish both entitlement to fees and establishing the amount of fees to be recovered, sometimes referred to as "fees on fees"). Should a party take an appeal, the prevailing party shall recover reasonable attorneys' fees and costs on the appeal, unless the outcome of the appeal is a remand for new trial, in which case the party that ultimately prevails shall recover reasonable attorneys' fees and costs for all proceedings including any appeal.

16. **Entire Agreement; Amendments.** This Warrant (including the Exhibits attached hereto) constitutes the entire agreement, arrangement and understanding, written or oral, between the Company and the Holder with respect to the subject matter hereof, superseding and merging all prior and contemporaneous negotiations, discussions, agreements, arrangements and understandings, written or oral, between them relating thereto. This Warrant may not be modified or amended, nor any of its provisions varied or waived, except by further instrument signed by both the Company and the Holder.

17. **Good Faith.** The Company shall not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be

necessary or appropriate in order to protect the rights of the holder of this Warrant against such impairment.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its duly authorized officer as of the Issuance Date.

ASPEN GROUP, INC.

By: _____

Michael Mathews
Chairman and Chief Executive Officer

Exhibit A
SUBSCRIPTION FORM

The undersigned, pursuant to the provisions set forth in the attached Warrant (the " ***Warrant***"), hereby notifies the Company that it is exercising the Warrant on the following basis:

Section 1 - Exercise.

- I am exercising my right to purchase _____ shares of Common Stock, being all of the shares of Common Stock which I am entitled to purchase under the Warrant; or
- I am exercising my right to purchase _____ shares of Common Stock, being a portion of the shares of Common Stock which I am entitled to purchase under the Warrant, and request that the Company deliver to me (or as I shall designate below) a new Warrant representing the right to purchase _____ shares of Common Stock, being the remaining shares of Common Stock which I am entitled to purchase under the Warrant.

Section 2 - Payment.

I am making payment in full for the shares of Common Stock being purchased hereby at an exercise price per share of $_____ as provided for in the Warrant. The total exercise price payable for the shares of Common Stock being purchased hereby is $_____. Such payment takes the form of (*check and complete, as applicable*):

___ $_____ in certified or official bank check payable to the order of the Company; or

___ $_____ by wire transfer of immediately available funds.

I request that a certificate for the shares of Common Stock being purchased hereby be issued in the name of the undersigned and delivered to me at the address stated below. If such shares of Common Stock do not comprise all such shares purchasable pursuant to the Warrant, I request that a new Warrant of like tenor for the balance of the shares purchasable thereunder be delivered to me at such address.

In connection with the issuance of the Common Stock, if the Common Stock may not be immediately publicly sold, I hereby represent to the Company that I am acquiring the Common Stock for my own account for investment and not with a view to, or for resale in connection with, a distribution of the shares within the meaning of the Securities Act of 1933 (the "***Securities Act***").

I am_____ am not _____ [*please initial one*] an accredited investor for at least one of the reasons listed on Exhibit A-1 to the Warrant. If the SEC has amended the rule defining "accredited investor", I acknowledge that as a condition to exercising the Warrant, the Company

may request updated information regarding my status as an accredited investor. My exercise of the Warrant shall be in compliance with the applicable exemptions under the Securities Act and applicable state law.

I understand that if at this time the Common Stock has not been registered under the Securities Act, I must hold the Common Stock indefinitely unless the Common Stock is subsequently registered and qualified under the Securities Act or is exempt from such registration and qualification. I shall make no transfer or disposition of the Common Stock unless (a) such transfer or disposition can be made without registration under the Securities Act by reason of a specific exemption from such registration and such qualification or (b) a registration statement has been filed pursuant to the Securities Act and has been declared effective with respect to such disposition. I agree that each certificate representing Common Stock delivered to me shall bear substantially the same legend as set forth on the front page of the Warrant.

I further agree that the Company may place stop-transfer orders with its transfer agent to the same effect as the above legend. The legend and stop-transfer notice referred to above shall be removed only upon my furnishing to the Company an opinion of counsel to the Company to the effect that such legend may be removed.

Date:_____ Signed: _____
Print Name:_____
Address:_____

Date:_____ Signed: _____
Print Name:_____
Address:_____

Exhibit A-1

For Individual Investors Only:

(1) I certify that I am a person who has an individual net worth, or a person who with his or her spouse has a combined net worth, in excess of $1,000,000. For purposes of calculating net worth under this paragraph (1), (i) the primary residence shall not be included as an asset, (ii) to the extent that the indebtedness that is secured by the primary residence is in excess of the fair market value of the primary residence, the excess amount shall be included as a liability, and (iii) if the amount of outstanding indebtedness that is secured by the primary residence exceeds the amount outstanding 60 days prior to exercising these securities, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability.

(2a) I certify that I am an accredited investor because I had individual income (exclusive of any income attributable to my spouse) of more than $200,000 in the two most recent calendar years and I reasonably expect to have an individual income in excess of $200,000 in the current year.

(2b) Alternatively, my spouse and I have joint income in excess of $300,000 in each applicable year.

(3) I am a director or executive officer of the Company.

Other Investors:

(4) The undersigned certifies that it is one of the following: any bank as defined in Section 3(a)(2) of the Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; insurance company as defined in Section 2(13) of the Securities Act; investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000; employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of $5,000,000, or if a self-directed plan, with investment decisions made solely by persons that are accredited investors.

(5) The undersigned certifies that it is a private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940.

(6) The undersigned certifies that it is an organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000.

(7) The undersigned certifies that it is a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of the Securities Act.

(8) The undersigned certifies that it is an entity in which all of the equity owners are accredited investors.

(9) I am none of the above.

Exhibit B
ASSIGNMENT

For Value Received _____ hereby sells, assigns and transfers to _____ the Warrant attached hereto and the rights represented thereby to purchase _____ shares of Common Stock in accordance with the terms and conditions thereof, and does hereby irrevocably constitute and appoint _____ as attorney to transfer such Warrant on the books of the Company with full power of substitution.

Dated: _____ Signed: _____

ASSIGNEE:

Name:_____

Address:_____

_____

SSN/TIN:_____

EXHIBIT 10.5

AMENDED AND RESTATED
REVOLVING PROMISSORY NOTE AND SECURITY AGREEMENT

US$5,000,000 **New York, New York**
November 5, 2018

FOR VALUE RECEIVED, the undersigned, ASPEN GROUP, INC., a Delaware corporation having its principal place of business at 276 Fifth Avenue, Suite 505, New York, New York 10001 ***("Maker")***, HEREBY PROMISES TO PAY as and when due from time to time in accordance with the terms of this revolving promissory note and security agreement (this ***"Note"***), whether at its stated Maturity (as defined below) or by acceleration or otherwise, TO THE ORDER OF THE _____, located at c/o _____, _____ (together with its successors and permitted assigns, ***"Payee"***), at Payee's address above or at such other place as may be designated from time to time in writing by Payee, in lawful money of the United States of America ("***US$***" and "***U.S. dollars***") and in immediately available funds, IN FULL without deduction, reduction, offset or counterclaim, (i) the principal sum of FIVE MILLION U.S. DOLLARS (US$5,000,000) or such lesser principal amount as shall then be outstanding under this Note (as evidenced by Payee's endorsements on Annex 1 attached to this Note, which endorsements shall, absent manifest error, be conclusive as to the aggregate principal amount outstanding from time to time under this Note), (ii) all interest accrued and unpaid on the principal amount of this Note outstanding from time to time, and all Commitment Fee (as defined below) accrued and unpaid on the undrawn portion from time to time of Payee's Commitment (as defined below), in each case calculated at the Applicable Rate (as defined below) from time to time in effect for the period from and including the date of this Note through the date on which such principal sum and all such accrued interest and Commitment Fee are paid in full, and (iii) all other amounts, if any, then due and owing under this Note.

Maker may draw down, at any time and from time to time during the period from and including the date of this Note through the day immediately preceding the third anniversary of that date (the ***"Commitment Period"***), each time upon prior arrangement with and at least three (3) Business Days' (as defined below) prior written notice to Payee, a principal amount not to exceed at any one time outstanding, as to all such drawdowns in the aggregate, five million U.S. dollars (US$5,000,000) (Payee's ***"Commitment"***) ; provided, however, that the Commitment Period and Payee's Commitment shall automatically, without the requirement of any demand, notice, or other act or instrument of, by or from Payee or any other person, and immediately terminate upon the occurrence of an Acceleration Event (as defined below), whereupon (i) Maker shall not be permitted to draw down any additional amounts under this Note and (ii) the aggregate principal amount then outstanding under this Note, together with all interest, Commitment Fee and other amounts then outstanding hereunder, shall automatically be accelerated and become immediately due and payable to Payee in accordance with the terms of this Note.

Maker hereby irrevocably authorizes Payee to endorse on a schedule in the form of Annex 1 attached to this Note each drawdown and repayment of principal under this Note, which endorsements shall, absent manifest error, be conclusive as to the aggregate principal amount from

_____ Maker's Initials

time to time outstanding under this Note; provided, however, that anything herein to the contrary notwithstanding, Payee's failure to make any such endorsement(s) shall not limit, impair or otherwise affect Maker's obligations under this Note.

Maker shall pay interest monthly on the principal amount of this Note outstanding from time to time, and a commitment fee (**"*Commitment Fee*"**) quarterly on the undrawn portion from time to time of Payee's Commitment, in each case calculated at the Applicable Rate from time to time in effect for the period from and including the date of this Note through the date on which all amounts owing under this Note are paid or repaid, as the case may be, in full, computed daily (on the basis of actual days elapsed in a 365-day year) and payable monthly in case of interest and quarterly in case of Commitment Fee (and when this Note shall fall due, whether at stated Maturity, by acceleration or otherwise) by not later than (i) in the case of interest, the third (3rd) Business Day of each month, and (ii) in the case of Commitment Fee, the fifth (5th) calendar day of each February, May, August and November (or if any such due date is not a Business Day, then on the next succeeding Business Day). For all purposes of this Note, the ***"Applicable Rate"*** shall equal (i) with respect to interest, twelve percent (12%) per annum, and (ii) with respect to Commitment Fee, two percent (2%) per annum; provided, however, that in the event that any amount (whether of principal, interest, Commitment Fee or otherwise) payable under this Note is not paid in full as and when due in accordance with the terms of this Note (whether at stated Maturity, by acceleration, or otherwise in accordance with such terms), then the Applicable Rate shall increase (x) with respect to interest, to eighteen percent (18%) per annum, and (y) with respect to Commitment Fee, to three percent (3%) per annum.

Maker shall pay to Payee, by wire transfer of U.S. dollars in immediately available funds to such account as Payee may specify, the sum of one hundred thousand dollars (US$100,000), being two percent (2%) of the amount of the Commitment, as a one-time, up-front facility fee.

The stated maturity of this Note (its **"*Maturity*"**) shall be the day immediately preceding the third anniversary of the date of this Note; provided, however, that notwithstanding anything to the contrary contained in this Note, upon the occurrence of any of the events specified in subparagraphs (a) through (c) immediately below (each, an **"*Acceleration Event*"**), the entire principal amount outstanding of this Note, and all interest, Commitment Fee and other amounts accrued and unpaid thereon or hereunder, shall automatically, without protest, presentment, petition, demand, or other notice, declaration, act or instrument of, by or from Payee or any other person (all of which are hereby expressly and irrevocably waived by Maker), and for all purposes, be accelerated and become immediately due and payable, in full, to Payee:

(a) If Maker shall: (i) fail to make any payment owing to Payee hereunder in full when due in accordance with the terms of this Note, which failure shall continue uncured for a period of at least three (3) Business Days; (ii) fail to make any payment owing to any other lender in full when due in accordance with the terms governing such loan; or (iii) directly or indirectly, so long as any principal, interest, Commitment Fee or other amount remains outstanding hereunder (whether or not then due and owing), make or propose to make any dividend payment (except for dividends payable in common stock or in rights to buy common stock) or other cash-flow distribution to any of Maker's shareholders or other stakeholders (except for non-dividend payments to students or employees in the ordinary course of business), or any payment of principal, interest or any other amount in respect of any other indebtedness (whether secured or unsecured) owing to any individual, entity or other person (other than Payee), except for Permitted Indebtedness (as defined

below). "***Permitted Indebtedness***" shall mean (w) the indebtedness evidenced by this Note, including, without limitation, all principal thereof and accrued and unpaid interest and Commitment Fee thereon; (x) the indebtedness evidenced by that certain term promissory note and security agreement dated March 5, 2019, in the face amount of five million U.S. dollars (US$5,000,000) issued by Maker to Payee, including, without limitation, all principal thereof and accrued and unpaid interest thereon; (y) the indebtedness evidenced by that certain term promissory note and security agreement dated March 5, 2019, in the face amount of five million U.S. dollars (US$5,000,000) issued by Maker to AS Educational Investments, LLC, a Delaware limited liability company, including, without limitation, all principal thereof and accrued and unpaid interest thereon; and (z) unsecured trade indebtedness (not to exceed five hundred thousand U.S. dollars (US$500,000) at any one time outstanding) in respect of equipment and/or software and software systems purchase money financing or capital leases incurred by Maker in the ordinary course of business (provided, however, that until February 28, 2019, only, Permitted Indebtedness shall also include unsecured indebtedness in the aggregate principal amount of two million U.S. dollars (US$2,000,000) under that certain convertible promissory note dated December 1, 2017, issued by Maker to Educacion Significativa, LLC, including all accrued and unpaid interest thereon); or

(b) If Maker or any affiliated entity (each, an **"*Affiliate*"**) shall: (i) become insolvent; (ii) admit in writing its inability to pay its debts as they mature; (iii) commence, or file any petition or answer under, any bankruptcy, liquidation, reorganization, arrangement, insolvency or other proceeding, whether federal or state, relating to the relief of debtors; (iv) apply for or acquiesce in the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business; (v) make a general assignment for the benefit of its creditors, or effect a plan in bankruptcy or other similar arrangement with its creditors; (vi) admit the material allegations of a petition filed against it in any bankruptcy, liquidation, reorganization, arrangement, insolvency or other proceeding, whether federal or state, relating to the relief of debtors; (vii) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or if action shall be taken by it for the purpose of effecting any of the foregoing; (viii) be adjudicated a bankrupt or insolvent; or (ix) take action to effectuate any of the foregoing; or

(c) If: (i) involuntary proceedings or any involuntary petition shall be commenced or filed against Maker or any Affiliate under any bankruptcy, insolvency or similar law, seeking the appointment of a receiver, trustee, custodian or liquidator for Maker or any Affiliate or a substantial portion of Maker's or any Affiliate's property, assets or business, and such proceedings or petition shall not be dismissed or vacated within thirty (30) days after its commencement or filing; (ii) any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial portion of Maker's or any Affiliate's properties or assets, and any such proceedings, petition, writ, judgment, warrant, execution or similar process shall not be released, vacated or fully bonded within thirty (30) days after its commencement, filing or levy; or (iii) an order, judgment or decree shall be entered, without the application, approval or consent of Maker or any Affiliate, with respect to Maker or any Affiliate or a substantial portion of its assets or properties, appointing a receiver, trustee, custodian or liquidator for Maker or any Affiliate or a substantial portion of Maker's or any Affiliate's property, assets or business, or any similar order, judgment or decree shall be entered or appointment made in any jurisdiction, and such order, judgment, decree or appointment shall continue unstayed and in effect for a period of thirty (30) days.

_____ Maker's Initials

Maker and Payee hereby agree that any and all indebtedness incurred by Maker (whether prior to, contemporaneous with, or subsequent to the date of this Note), other than Permitted Indebtedness, shall be fully and contractually subordinated in all respects (including, without limitation, in right and priority of payment and repayment of principal, interest, and all fees and other amounts) to Maker's indebtedness and payment obligations under this Note.

Maker may prepay all or any portion of the principal amount outstanding under this Note at any time, without premium or penalty, and reborrow hereunder during the Commitment Period, subject to the terms of this Note; provided, however, that any prepayment of principal hereunder shall be accompanied by Maker's payment of all accrued and unpaid interest and Commitment Fee outstanding hereunder at the time. Payments received by Payee under this Note shall be applied in the following order: first, to the payment of all collection and enforcement expenses, if any, incurred by Payee in collecting and enforcing Maker's obligations hereunder; second, to the payment of all Commitment Fee accrued and owing hereunder through the date of such payment; third, to the payment of all interest accrued and owing hereunder through the date of such payment; and fourth, to the repayment of the principal amount outstanding of this Note. Notwithstanding the foregoing or anything else herein contained to the contrary, Maker and Payee are parties to that certain Intercreditor Agreement dated March 6, 2019, among each of them, _____ (solely in his capacity as "Servicing Lender" (as defined therein)) and _____ (the "***Intercreditor Agreement***"), and any such payments received by Payee under this Note are subject to the terms of the Intercreditor Agreement.

This Note is subject to the express condition that at no time shall Maker be obligated or required to pay interest on the outstanding principal balance of this Note at a rate that could subject Payee to either civil or criminal liability as a result of being in excess of the maximum rate that Maker is permitted by law to contract or agree to pay. If, by the terms of this Note, Maker is at any time required or obligated to pay interest on the outstanding principal balance of this Note at a rate in excess of such maximum rate, the Applicable Rate shall be deemed, without further act or instrument, to be immediately reduced to such maximum rate; and if and to the extent any payments in excess of such maximum permitted amount are received by Payee, such excess shall be considered repayments in respect of the principal amount outstanding of this Note.

In the event that Maker fails to pay any amount owing by it hereunder in full when due (whether on any interest or Commitment Fee payment date, at stated Maturity, by acceleration or otherwise), Maker agrees to promptly pay all of Payee's costs and expenses incurred in attempting or effecting collection hereunder or the enforcement of this Note, including, without limitation, all attorneys' fees and related charges, as and when incurred by Payee, whether or not any action, suit or proceeding is instituted for collection or for the enforcement of this Note; and all such costs and expenses of collection and enforcement shall be added to the principal amount outstanding of this Note and shall, if not promptly paid in full by Maker as and when incurred by Payee, bear interest at the Applicable Rate until paid in full.

If any payment hereunder shall be due on a Saturday, a Sunday, or a public or bank holiday in the State of New York (any other day, a ***"Business Day"***), such payment shall be made on the next succeeding Business Day, and any such extension of time shall be included in the computation of interest or Commitment Fee, as the case may be, hereunder. Each payment hereunder shall be made in lawful money of the United States of America and in immediately available funds, prior to

_____ Maker's Initials

12:00 noon Eastern Time on the date due thereof; any payment made after such time shall be deemed to have been made on the next succeeding Business Day, and such extension of time shall be included in the computation of interest or Commitment Fee, as the case may be, hereunder.

Maker's obligations under this Note are absolute and unconditional, notwithstanding the existence or terms and conditions of, or any reference herein to, any other document or agreement, and are not subject to any defense, set-off, counterclaim, rescission, recoupment or adjustment whatsoever. Maker hereby expressly and irrevocably waives (i) presentment, demand for payment, notice of dishonor, protest, notice of protest, and every other form of notice whatsoever with respect to this Note, (ii) any right it may have to demand a jury trial with respect to the enforcement of, or any controversy arising under or relating to, this Note, (iii) any right to offset any amounts payable hereunder against, or to submit any counterclaims in respect of, any obligations of Payee to Maker, and (iv) all rights to the benefits of any statute of limitations and any moratorium, appraisement or exemption now provided, or which may hereafter be provided, by any federal or state statute, including, without limitation, exemptions provided by or allowed under the Bankruptcy Code of 1978 (11 U.S.C.), as amended, or under common law, as to both Maker itself and all of its properties and assets, whether real or personal, against the enforcement and collection of the obligations evidenced by this Note and any and all extensions, renewals, and modifications hereof and thereof. The illegality or unenforceability in whole or in part of, or the default by any party under, any other document or agreement shall not constitute a defense to any claim by Payee for the payment or repayment, as the case may be, of principal, interest, Commitment Fee, or any other amount hereunder.

THIS NOTE CREATES A LIEN ON, AND GRANTS A SECURITY INTEREST IN, THE COLLATERAL DESCRIBED ON THE ATTACHED EXHIBIT A, AND IT SHALL CONSTITUTE A SECURITY AGREEMENT UNDER THE NEW YORK UNIFORM COMMERCIAL CODE ("***UCC***") OR ANY OTHER LAW APPLICABLE TO THE CREATION OF LIENS ON PERSONAL PROPERTY AND COLLATERAL. MAKER COVENANTS AND AGREES THAT THE SERVICING LENDER MAY FILE AND REFILE SUCH UCC AND OTHER FINANCING STATEMENTS, CONTINUATION STATEMENTS OR OTHER DOCUMENTS AS THE SERVICING LENDER SHALL DEEM NECESSARY OR APPROPRIATE FROM TIME TO TIME WITH RESPECT TO SUCH COLLATERAL. DURING THE CONTINUANCE OF AN ACCELERATION EVENT, THE SERVICING LENDER SHALL, IN ADDITION TO ALL OTHER RIGHTS AND REMEDIES SET FORTH IN THIS NOTE, HAVE ALL RIGHTS AND REMEDIES OF A SECURED PARTY UNDER THE NEW YORK UCC. WITH RESPECT TO ANY PRIVATE SALE OF SUCH COLLATERAL, MAKER SHALL BE ENTITLED TO RECEIVE AT LEAST THIRTY (30) DAYS' PRIOR WRITTEN NOTICE.

Maker and its undersigned wholly-owned subsidiaries, for good and valuable consideration, including, without limitation, the aggregate sum loaned by Payee to Maker in connection with, and as evidenced by, this Note, do hereby grant and pledge unto the Servicing Lender, as agent, for the benefit of Payee, as a secured party, a security interest in, lien on, and pledge of the collateral described on the attached Exhibit A, as applicable (the "***Collateral***"). With respect to such security interest, lien and pledge, Maker and such subsidiaries hereby represent, warrant, covenant and agree that:

(i) they, as applicable, own the Collateral free and clear of any lien, security interest, charge or encumbrance (except such thereof as are created hereby or in respect of other

Permitted Indebtedness), and that no UCC or other financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office (except in respect of Permitted Indebtedness);

(ii) they shall not make any further assignment or pledge of all or any part of the Collateral or create any further lien thereon or security interest therein (except such thereof as are created hereby or in respect of other Permitted Indebtedness), nor permit their rights therein to be reached by attachment, levy, garnishment or other judicial process;

(iii) as of date hereof, the name (within the meaning of Section 9-503 of the UCC), jurisdiction of organization, type of entity and organizational number of the Maker and each applicable subsidiary is set forth on Schedule 1 attached hereto;

(iv) no authorization, approval or other action is necessary by any governmental authority, regulatory body or other entity or individual for the granting and pledging of the lien on and security interest in the Collateral created hereby;

(v) they shall keep accurate and complete records and accounts concerning the Collateral;

(vi) they shall defend the title to the Collateral against all persons, and against all claims and demands, as necessary to keep the Collateral free and clear of any and all liens, security interests, claims, charges, encumbrances, taxes and assessments (except such thereof as are created hereby or in respect of other Permitted Indebtedness);

(vii) they shall promptly notify the Servicing Lender in writing of any litigation, governmental investigations or other prosecutions involving the Collateral;

(viii) they shall deliver a springing deposit account control agreement (the " ***Control Agreement***") with respect to each deposit account and securities account (other than (a) any deposit account the funds in which are used exclusively for payroll, payroll taxes and other employee wage and benefit payments, (b) any deposit account the funds in which are in trust for any third parties or any other trust accounts, escrow accounts and fiduciary accounts, (c) any deposit account that is a zero-balance disbursement account and (d) any account specifically and exclusively used to hold "Title IV, HEA program funds" on behalf of Maker or any applicable subsidiary pending disbursement of such funds to, or on behalf of, eligible students under the terms of 34 C.F.R. Section 668.163 (collectively, "***Excluded Accounts***")) owned by the Maker or its applicable subsidiary as of or after the date hereof, effective to grant "control" (within the meaning of Articles 8 and 9 under the UCC) over such account to the Servicing Lender, provided that it is agreed and understood that (A) with respect to deposit accounts and securities accounts (other than Excluded Accounts) of Maker or its applicable subsidiary existing on the date hereof, Maker or its applicable subsidiary shall comply with the provisions of this clause (viii) on the date hereof, and (B) with respect to deposit accounts and securities accounts (other than Excluded Accounts) acquired by, or opened in the name of, Maker or its applicable subsidiary after the date hereof, Maker or its applicable subsidiary shall have until the date that is thirty (30) days (or such longer period, if any, to which the Servicing Lender may agree in his sole and absolute discretion) following the date of such opening or acquisition to comply with the provisions of this clause (viii). Set forth on Schedule 2 attached hereto is a listing of all of Maker's and its applicable subsidiaries'

_____ Maker's Initials

deposit accounts and securities accounts (other than Excluded Accounts) as of the date hereof, including, with respect to each bank, the name and address of such bank and the account numbers of the deposit accounts and securities accounts maintained with such bank;

(ix) except for the security interest created hereby or in respect of other Permitted Indebtedness, (a) Maker is and will at all times be the sole holder of record and the legal and beneficial owner, free and clear of all liens, of the equity interests indicated on Schedule 3 attached hereto (collectively, the "***Pledged Interests***") as being owned by Maker, and (b) all of the Pledged Interests are duly authorized, validly issued, and, to the extent applicable, fully paid and non-assessable, and constitute the percentage of the issued and outstanding equity interests of the subsidiaries of Maker identified on said Schedule 3. With respect to any Pledged Interest which is not certificated, Maker hereby agrees (A) to comply with all instructions from the Servicing Lender without requiring Maker's further consent and (B) not to take any action to cause any such uncertificated Pledged Interest to become certificated unless Maker promptly notifies the Servicing Lender in writing of Maker's election to do so and, in that event, promptly (and in any case within five (5) days of such election) delivers to the Servicing Lender the original certificate representing such Pledged Interest accompanied by undated instruments of transfer or assignment duly executed in blank;

(x) they shall take all such further action as may be reasonably necessary or requested by the Servicing Lender in order to perfect and protect the lien, pledge and security interest created hereby; and

(xi) all items of Collateral described in paragraphs 1 through 3 on the attached Exhibit A have been duly and validly authorized and issued, and are fully paid and non-assessable.

During the continuance of an Acceleration Event, the Servicing Lender shall have the right to pursue all of his legal rights and remedies at law, in equity, or in other appropriate proceedings, including, without limitation, all rights and remedies available to a secured party under the New York UCC or under the laws (including, without limitation, the UCC) of each other jurisdiction where the Collateral, or any portion of it, is located. So long as there is no Acceleration Event hereunder, Maker shall be entitled (i) to exercise its voting and other consensual rights with respect to the Collateral described in paragraphs 1 through 3 on the attached Exhibit A and otherwise exercise the incidents of ownership thereof, and (ii) to receive dividends or other distributions made with respect to such Collateral.

All notices, demands or other communications (collectively, ***"notices"***) relating to any matter set forth herein shall be in writing and made, given, served or sent (collectively, "***delivered***") by (i) certified mail (return receipt requested) or (ii) reputable commercial overnight courier service (Federal Express, UPS or equivalent that provides a receipt) for next-business-morning delivery, in each case with postage thereon prepaid by sender and addressed to the intended recipient at its address set forth in the first paragraph of this Note (or at such other address as the intended recipient shall have previously provided to the sender in the same manner herein provided); provided that copies of any such notice to Payee shall also be sent to Payee c/o _____, and emailed to Payee at _____. Any such notice sent as so provided shall be deemed effectively delivered (x) on the third Business Day after being sent by certified mail, (y) on the next business morning if sent by

_____ Maker's Initials

overnight courier for next-business-morning delivery or (z) on the day of its actual delivery to the intended recipient (as shown by the return receipt or proof-of-delivery), whichever is earlier.

This Note shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of New York applicable to contracts made between residents of that state, entered into and to be wholly performed within that state, notwithstanding the parties' actual states of residence or legal domicile if outside that state and without reference to any conflict of laws or similar rules that might otherwise mandate or permit the application of the laws of any other jurisdiction. Any suit, action or proceeding relating to this Note shall be brought exclusively in the courts of New York State sitting in the Borough of Manhattan, New York City, or in U.S. District Court for the Southern District of New York, and, for all purposes of any such action, suit or proceeding, Maker hereby irrevocably (i) submits to the exclusive jurisdiction of such courts, (ii) waives any objection to such choice of venue based on *forum non conveniens* or any other legal or equitable doctrine, and (iii) waives trial by jury and the right to interpose any set-off or counterclaim, of any nature or description whatsoever, in any such action, suit or proceeding.

No right or remedy conferred upon Payee or the Servicing Lender, as applicable, under this Note is intended to be exclusive of any other right or remedy available to Payee or the Servicing Lender, whether at law, in equity, by statute or otherwise, but shall be deemed cumulative with all such other rights and remedies. Without limiting the generality of the foregoing, if this Note and all amounts (whether of principal, interest, Commitment Fee or otherwise) accrued hereunder shall not be paid in full when due (whether on any interest or Commitment Fee payment date, at stated Maturity, by acceleration or otherwise), Payee and the Servicing Lender shall be free to enforce their rights and remedies against Maker as Payee and the Servicing Lender, as applicable, may see fit under the circumstances, in no particular order or priority. No failure to exercise, or any delay in exercising, by Payee or the Servicing Lender, as applicable, any of their rights or remedies hereunder shall operate as a waiver thereof. A waiver by Payee or the Servicing Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to Payee's or the Servicing Lender's exercise of that same or of any other right or remedy which Payee or the Servicing Lender, as applicable, would otherwise have on any future occasion. No forbearance, indulgence, delay or failure by Payee or the Servicing Lender to exercise any of their rights or remedies with respect to this Note, nor any course of dealing between Maker, on the one hand, and Payee or the Servicing Lender, as applicable, on the other hand, shall operate as a waiver of any such right or remedy, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. Payee and the Servicing Lender shall not, by any course of dealing, indulgence, omission, or other act (except a further instrument signed by the Servicing Lender) or failure to act, be deemed to have waived any right or remedy hereunder, or to have acquiesced in any Acceleration Event or in any breach of any of the terms of this Note. No modification, rescission, waiver, forbearance, release or amendment of any term, covenant, condition or provision of this Note or any of Maker's obligations hereunder shall be valid or enforceable unless made and evidenced in writing, expressly referring to this Note and signed by both Maker and the Servicing Lender. This Note is an amendment and restatement as of March 6, 2019, of that certain revolving promissory note of even date herewith made by Maker in favor of Payee on the date of this Note.

The terms and provisions of this Note are severable. In the event of the unenforceability or invalidity of one or more of the terms, covenants, conditions or provisions of this Note under federal, state or other applicable law in any circumstance, such unenforceability or invalidity shall

_____ Maker's Initials

not affect the enforceability or validity of such term, covenant, condition or provision in any other circumstance, or render any other term, covenant, condition or provision of this Note unenforceable or invalid.

Payee may assign its rights under this Note to any related or affiliated person or entity upon three (3) Business Days' prior notice to Maker; and Maker's obligations hereunder shall inure to the benefit of Payee and each of Payee's successors and permitted assigns, and shall be binding for all purposes on Maker and its successors-in-interest. No assignment, delegation or other transfer of Maker's rights or obligations hereunder shall be made or be effective absent Payee's prior, written consent thereto.

Whenever used herein, the singular number shall include the plural, the plural shall include the singular, and the words "Payee" and "Maker" shall include their respective successors and permitted assigns.

Signature page follows immediately below

_____ Maker's Initials

IN WITNESS WHEREOF, each of Maker and its wholly-owned subsidiaries party hereto has duly executed and delivered this Note on the day and year first written above.

MAKER

ASPEN GROUP, INC.

By_____
Michael Mathews
Chairman and Chief Executive Officer

SUBSIDIARIES

UNITED STATES UNIVERSITY, INC.,
a Delaware corporation

By_____
Michael Mathews
Chief Executive Officer

ASPEN UNIVERSITY INC.,
a Delaware corporation

By_____
Michael Mathews
Chief Executive Officer

_____ Maker's Initials

Annex 1
Loans And Payments of Principal

Date	Amount of Loan	Maturity Date	Amount of Principal Repaid	Payment Date	Unpaid Principal Balance	Notation Made By

_____ Maker's Initials

EXHIBIT A – COLLATERAL

Unless otherwise defined in that certain Amended and Restated Revolving Promissory Note and Security Agreement dated November 5, 2018, in the principal face amount of US$5,000,000 in favor of _____ to which this Exhibit A is attached (the "***Note***"), capitalized terms used herein shall have the same respective meanings ascribed to such terms under the Uniform Commercial Code ("***UCC***") as in effect in the State of New York.

1. All Accounts of Aspen University Inc., a Delaware corporation, whether now or hereafter owned, existing, acquired or arising and wherever now or hereafter located, together with all warranties, increases, renewals, additions and accessions thereto, substitutions therefor, and replacements, cash and proceeds thereof.

2. All Accounts of United States University, Inc., a Delaware corporation, whether now or hereafter owned, existing, acquired or arising and wherever now or hereafter located, together with all warranties, increases, renewals, additions and accessions thereto, substitutions therefor, and replacements, cash and proceeds thereof.

3. All of Aspen Group, Inc.'s right, title and interest in and to: (a) its Deposit Accounts (other than Excluded Accounts (as defined in the Note)), up to the aggregate amount from time to time due and owing to Payee under the Note; and (b) the common stock and other equity interests of Aspen University Inc., a Delaware corporation, and United States University, Inc., a Delaware corporation, together with (i) all "investment property" as such term is defined in the UCC with respect to such stock and equity interests, (ii) any "security entitlement" as such term is defined in the UCC with respect to such stock and equity interests, (iii) all books and records relating to the foregoing, and (iv) all Accessions and Proceeds of such stock and equity interests, including, without limitation, all distributions (cash, stock or otherwise), dividends, stock dividends, securities, cash, instruments, rights to subscribe, purchase or sell, and other property, rights and interest that Maker is at any time entitled to receive or is otherwise distributed in connection with such stock and equity interests.

_____ Maker's Initials

Schedule 1

Entity Name	Jurisdiction of Formation	Type of Entity	Organizational Number
Aspen Group, Inc.	Delaware	Corporation	5107517
Aspen University Inc.	Delaware	Corporation	3115429
United States University, Inc.	Delaware	Corporation	6408678

_____ Maker's Initials

Schedule 2

Entity	**Name and Address of Institution Maintaining Account**	**Account Number**	**Type of Account**
Aspen University Inc.	Citibank 153 E. 53rd Street, 21st Fl New York, NY 10022		Operating
Aspen Group, Inc.	Citibank 153 E. 53rd Street, 21st Fl New York, NY 10022		Operating
United States University, Inc.	Citibank 153 E. 53rd Street, 21st Fl New York, NY 10022		Operating

_____ Maker's Initials

Schedule 3

Name of Grantor	Name of Pledged Company	Number of Shares/Units	Certificate Number	Class of Interests	Percentage of Class Owned
Aspen Group, Inc.	United States University, Inc.	100	N/A	Common	100%
Aspen Group, Inc.	Aspen University Inc.	100	N/A	Common	100%

_____ Maker's Initials

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Michael Mathews, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aspen Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2019

/s/ Michael Mathews

Michael Mathews
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Joseph Sevely, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aspen Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2019

/s/ Joseph Sevely
Joseph Sevely
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Aspen Group, Inc. (the "Company") on Form 10-Q for the quarter ended January 31, 2019, as filed with the Securities and Exchange Commission on the date hereof, I, Michael Mathews, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael Mathews
Michael Mathews
Chief Executive Officer
(Principal Executive Officer)
Dated: March 11, 2019

In connection with the quarterly report of Aspen Group, Inc. (the "Company") on Form 10-Q for the quarter ended January 31, 2019, as filed with the Securities and Exchange Commission on the date hereof, I, Joseph Sevely, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph Sevely
Joseph Sevely
Chief Financial Officer
(Principal Financial Officer)
Dated: March 11, 2019