

FIRST AMENDMENT TO SERVICES AGREEMENT

This FIRST AMENDMENT TO SERVICES AGREEMENT (this "*Amendment*"), is dated as of Sept 4, 2019 (the "*Effective Date*"), by and between LEMAN CLASSICAL SCHOOL, a Colorado nonprofit corporation ("*Leman Classical*"), and FAUSTUS MANAGEMENT COMPANY, LLC, a Delaware limited liability company (the "*Faustus*").

RECITALS:

WHEREAS, Leman Classical and Faustus are parties to a Services Agreement dated as of April 30, 2019 (the "*Services Agreement*"); pursuant to which Faustus provides management and oversight services related to Leman Classical's Douglas County, Colorado charter school;

WHEREAS, the parties desire to make certain amendments to the Services Agreement as set forth herein;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereby agree as follows:

1. Section 2.1(d) of the Services Agreement is amended and restated in its entirety as follows:

(d) The term "Annual Service Fee" shall be (a) for fiscal year 2019-20 [10]% of "Leman Classical's Funded Enrollment Revenue", and (b) for each fiscal year subsequent to the 2019-20 fiscal year, a percentage of "Leman Classical's Funded Enrollment Revenue" negotiated annually no later than June 15 of each fiscal year for the next immediately succeeding fiscal year, which percentage shall not exceed fifteen percent (15%) of "Leman Classical's Funded Enrollment Revenue" for any given fiscal year. All fee calculations shall be based on Leman Classical's GAAP-Based Financial Statements.

2. Section 2.8 of the Services Agreement is amended and restated in its entirety as follows:

2.8 Fees and Reimbursements Subject to Charter School Budget Limitations. Both parties agree that it is essential to maintain the good standing of the Leman Classical Charter. The criteria for maintaining good standing include, but are not limited to, prudent financial management of Leman Classical by the Board. Although the parties have negotiated fees in good faith, that they believe represent a fair market value for the Services being provided, due to the uncertainties related to enrollment projections and State funding rates, both parties agree that, notwithstanding any other provision of this Agreement, the Annual Service Fee and reimbursements sought by the Company shall never cause Leman Classical to:

- a) Have an unbalanced budget in any fiscal year; and/or

- b) Have inadequate cash flow to meet all of its actual and necessary expenses pursuant to State and federal law and the Charter.

In any year in which Lemman Classical cannot reach the aforementioned criteria, both parties intend that this provision will cause the deferral of the Annual Service Fee in an amount necessary to allow Lemman Classical to meet these criteria (the "Deferred Annual Service Fee"). Any Deferred Annual Service Fee shall be paid by Lemman Classical to the Company on the earlier of (A) the next FY End Calculation Date if Lemman Classical meets these criteria or (B) five years after the original due date of the payment. Any such Deferred Annual Service Fee shall accrue interest at a rate equal to the "prime rate" as published in the Wall Street Journal, as it may be adjusted from time to time. The Company agrees that any Deferred Annual Service Fee in accordance with this paragraph shall not constitute a default by Lemman Classical under this Agreement; provided that should the Annual Service Fee be deferred pursuant to the provisions of this paragraph, the Company shall have the right to terminate this Agreement without causing a breach, as further detailed in Section 3.7.

In addition Lemman Classical has covenanted in the Master Indenture of Trust, dated as of September 1, 2019 (the "Master Indenture"), as supplemented, by and between Lemman Classical and UMB Bank n.a., as master trustee (the "Master Trustee") that if the Debt Service Coverage Ratio (as defined in the Master Indenture) falls below 1.0x, as of any FY End Calculation Date (as defined in the Master Indenture), any future Annual Service Fees shall be deferred, in whole or in part, by an amount sufficient to enable Lemman Classical to maintain a Debt Service Coverage Ratio of at least 1.0 until such time as the Debt Service Coverage Ratio on any FY End Calculation Date is at or above 1.0. Any Deferred Annual Service Fees shall be paid by Lemman Classical to the Company on the earlier of (A) the next FY End Calculation Date if an increase of the Debt Service Coverage Ratio above 1.10x has been demonstrated and there are no existing Events of Default under the 2019 Master Indenture or (B) five years after the original due date of such payment. Any such Deferred Annual Service Fee shall accrue interest at a rate equal to the "prime rate" as published in the Wall Street Journal, as it may be adjusted from time to time. The Company agrees that the deferral of any Annual Service Fee in accordance with this paragraph shall not constitute a default by Lemman Classical under this Agreement; provided that should Annual Service Fees be deferred pursuant to the provisions of this paragraph, the Company shall have the right to terminate this Agreement without causing a breach, as further detailed in Section 3.7.

It is the intention of the parties for this Agreement to comply with the management contract guidelines set forth in IRS Rev. Proc. 2017-13 and the parties agree that the obligations of the parties under this Section 2.3 shall be interpreted accordingly.

3. Section 3.1 of the Services Agreement is amended and restated in its entirety as follows:

3.1 Term. This Agreement shall begin on the Effective Date and shall be coterminous with the Charter Contract, as it may be amended or extended; provided that this Agreement is subject to earlier termination by Lemman Classical in accordance with Section 6.6 hereof.

4. Section 3.6 of the Services Agreement is amended and restated in its entirety as follows:

3.6 Threat to Lemman Classical's Tax-Exempt Status; Compliance with IRS Management Contract Guidelines; No Inconsistent Tax Position.

(a) If Lemman Classical or its representative makes a reasonable determination that one or more terms of this Agreement threaten either (i) Lemman Classical's status as an organization described in Internal Revenue Code Section 501(c)(3) and exempt from federal income tax under Code Section 501(a); (ii) Lemman Classical's Charter Contract; or (iii) compliance by this Agreement with the safe harbor conditions under which a management contract does not result in private business of property financed with tax exempt bonds under Section 141(b) of the Internal Revenue Code as set forth in IRS Rev. Proc. 2017-13 or any successor federal guidance, then the parties agree to renegotiate the problematic terms of this Agreement. If agreeable renegotiated terms cannot be reached within thirty (30) days of Lemman Classical providing the Company with notice and an explanation of its determination pursuant to this Section 3.6, then either party may terminate this Agreement without breach.

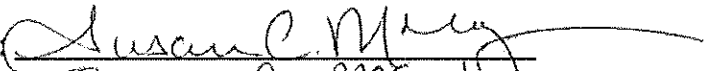
(b) It is the intention of the parties for this Agreement to comply with the management contract guidelines set forth in IRS Rev. Proc. 2017-13. The Company agrees that it will not take any tax position that is inconsistent with being a service provider to Lemman Classical with respect to the Services described in this Agreement. Without limiting the foregoing, the Company agrees it will not claim any depreciation or amortization deduction, investment tax credit, or deduction for any payment as rent with respect to any of Lemman Classical's property.

5. Miscellaneous. This Amendment shall be governed by and construed in accordance with the laws of the State of Colorado. This Amendment may be signed upon any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument, and signatures sent by facsimile or other electronic imaging shall be effective as originals. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Services Agreement.

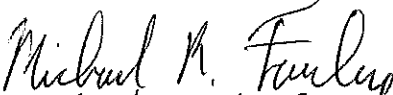
[signatures on following page]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered as of the day and year first above written.

LEMAN CLASSICAL SCHOOL
a Colorado nonprofit corporation

By: 
Name: Susan C. McGintley
Title: Secretary

FAUSTUS MANAGEMENT COMPANY, LLC,
a Delaware limited liability company

By: 
Name: Michael R. Farley
Title: Manager