

CONDITIONAL WAIVER AGREEMENT

This CONDITIONAL WAIVER AGREEMENT (this “Conditional Waiver Agreement”), dated July 29, 2019 and effective on July 1, 2019 is made by and among STRIDE ACADEMY BUILDING COMPANY, a Minnesota nonprofit corporation (the “Company”), STRIDE ACADEMY, Minnesota nonprofit corporation and a Minnesota public charter school (the “School”), and UMB BANK, N.A., a national banking association, solely in its capacity as Trustee for the Registered Owners of the bonds referred to herein (the “Trustee”). The Company and the School are sometimes collectively referred to herein as the “Borrowers”.

RECITALS

WHEREAS, at the request of the Borrowers, the City of Saint Cloud, Minnesota (the “Issuer”) issued its Charter School Lease Revenue Bonds (STRIDE Academy Project), Series 2016A in the original aggregate principal amount of \$16,375,000 (the “Series 2016 Bonds”) pursuant to that certain Indenture of Trust dated as of April 1, 2016 between the Issuer and the Trustee (the “Indenture”); and

WHEREAS, the Issuer loaned the proceeds of the Series 2016 Bonds to the Company pursuant to that certain Loan Agreement dated as of April 1, 2016 (the “Loan Agreement”) between the Issuer and the Company. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Indenture, the Loan Agreement or the Pledge Agreement (as hereinafter defined); and

WHEREAS, as security for the indebtedness due to the Issuer under the Loan Agreement, including the Series 2016 Bonds, the Company executed and delivered to the Trustee that certain Mortgage, Security Agreement and Assignment of Rents dated as of April 1, 2016 between the Company and the Trustee, as beneficiary (the “Mortgage”), granting the Trustee a lien on and security interest in the Mortgaged Property; and

WHEREAS, pursuant to the Indenture, the Issuer assigned to the Trustee all of its right, title and interest in and to the Loan Agreement (except for certain rights personal to the Issuer), the Mortgage and other agreements described in the Indenture, including without limitation the right and obligation to collect, on its behalf, all amounts due on the Series 2016 Bonds; and

WHEREAS, the Company leased the Project to the School pursuant to that certain Lease Agreement dated April 1, 2016 (the “Lease”) between the Company and the School, and in connection therewith, the Company assigned all its right, title and interest in the Lease to the Trustee, as additional security for the Series 2016 Bonds; and

WHEREAS, the School executed and delivered that certain Pledge and Covenant Agreement dated as of April 1, 2016 (the “Pledge Agreement”) between the School and the Trustee, whereby *inter alia*, the School agreed to certain covenants so long as the Series 2016 Bonds remain Outstanding; and

WHEREAS, the original principal balance owed by the Borrowers on the Series 2016

Bonds is \$16,375,000; and

WHEREAS, defaults by the Borrowers under certain sections of the Indenture, Loan Agreement, the Lease, the Pledge Agreement and the Mortgage (collectively, the “Bond Documents”) have occurred or will occur as described in *Exhibit A* attached hereto (the “Specified Defaults”); and

WHEREAS, the Borrowers requested financial accommodations for the Fiscal Year ending June 30, 2019 (“FY2019”), and the Trustee, acting at the direction of at least a majority of the Holders of the Bonds, entered into that certain Conditional Waiver Agreement dated June 28, 2019; and

WHEREAS, the Borrowers have requested continuing financial accommodations for the Fiscal Year ending June 30, 2020 (“FY2020”) and have requested that the Trustee continue to waive conditionally the exercise of its rights and remedies under the Bond Documents arising from the Specified Defaults; and

WHEREAS, the Trustee, on behalf of the Issuer, is willing to conditionally waive exercise of its rights and remedies under the Bond Documents from July 1, 2019 until June 30, 2020 (the “Conditional Waiver Termination Date”), provided that the Borrowers comply with the terms and conditions of this Conditional Waiver Agreement (the period of time between the date of this Conditional Waiver Agreement and the earliest occurrence of a Conditional Waiver Termination Event (as defined in *Section 6.1* hereof) is hereinafter referred to as the “Conditional Waiver Period”); and

WHEREAS, in consideration of the truth of the foregoing recitals, and of the conditions and covenants herein contained, the Trustee agrees to grant the requested conditional waiver, subject to and upon the conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

I. ACKNOWLEDGEMENTS.

Section 1.1 Affirmation of Recitals. Each Borrower hereby confirms, represents and warrants to the Trustee that the Recitals set forth at the beginning of this Conditional Waiver Agreement are true and accurate in all respects, and the Borrowers acknowledge that the Trustee is relying upon the truth and accuracy of the Recitals in entering into this Conditional Waiver Agreement.

Section 1.2 Agreement of Trustee Pursuant to Directions. All references in this Conditional Waiver Agreement to the Trustee agreeing with or agreement to, consenting to or consent to, acknowledging or acknowledgement of, or any like action by the Trustee, shall refer to the Trustee having been directed so to agree, consent, acknowledge or take like action in accordance with the Bond Documents.

Section 1.3 Acknowledgements Respecting Status and Representations. Each Borrower hereby acknowledges, represents and warrants to the Trustee, upon which representations and warranties the Trustee has relied in entering into this Conditional Waiver Agreement that:

(i) the Bond Documents to which a Borrower is a party constitute the legal, valid and binding obligations of the respective Borrower, as applicable, subject to no defenses, claims or setoffs, and the Borrowers are obligated under the Bond Documents to pay and perform all of their obligations thereunder;

(ii) other than the Specified Defaults, no other defaults have occurred under the Bond Documents;

(iii) as of July 1, 2019, the aggregate outstanding principal amount of the Series 2016 Bonds will be \$16,375,000, exclusive of accrued interest owed on the Series 2016 Bonds and fees and expenses owed under the Bond Documents;

(iv) because of the Specified Defaults, the Trustee will be entitled to exercise rights and remedies under the Bond Documents during the Conditional Waiver Period, as applicable;

(v) all representations and warranties of the Borrowers in this Conditional Waiver Agreement are true and correct as of the date hereof, and shall survive the execution of this Conditional Waiver Agreement;

(vi) the Borrowers are duly authorized to enter into this Conditional Waiver Agreement; and

(vii) upon execution and delivery hereof, this Conditional Waiver Agreement will be a legal, valid and binding obligation of the Borrowers.

The amounts referenced in subsection (iii) hereinabove, and all other obligations of the Borrowers under the Bond Documents are hereinafter collectively referred to as the “Outstanding Obligations.”

Section 1.4 No Waiver. The Borrowers acknowledge and agree that:

(i) the Specified Defaults constitute defaults under the Bond Documents that have not been waived by the Trustee; would entitle the Trustee to declare an Event of Default under the Bond Documents; and to the extent the Trustee has not previously provided any requisite notice to the Borrowers declaring an Event of Default with respect to the Specified Defaults, this Conditional Waiver Agreement shall constitute such notice. Nothing in (a) the Bond Documents, (b) this Conditional Waiver Agreement, or (c) any other documents executed herewith (collectively, the “Conditional Waiver Documents”), and no action or inaction pursuant hereto, pursuant to any such documents shall be deemed to prevent, impair or limit the Trustee’s respective

rights and remedies against the Borrowers, including, without limitation, the right to enforce full and strict performance of all of the terms of the Conditional Waiver Documents, except as provided in this Conditional Waiver Agreement, it being expressly understood and agreed that the Trustee reserves such rights and remedies, and does not waive the Specified Defaults or any of the Trustee's rights which are available to the Trustee, except as provided in this Conditional Waiver Agreement; and

(ii) no claim, cross-claim or counterclaim, right of set-off, or defense, protest or objection exists with respect to the Specified Defaults or the Outstanding Obligations. The parties acknowledge that, subject to the terms of this Conditional Waiver Agreement, all terms of the Bond Documents remain in full force and effect. The Borrowers further acknowledge and agree that no failure on the part of the Trustee and no delay in exercising, any right or remedy, and no action or inaction pursuant hereto or pursuant to the Bond Documents shall operate as a waiver thereof by the Trustee or be deemed to prevent, impair or limit the Trustee's rights and remedies against the Borrowers, it being expressly understood and agreed that the Trustee reserves such rights and remedies. No single or partial exercise of any rights pursuant hereto or pursuant to the Bond Documents shall preclude any other or further exercise thereof or the exercise of any other right by the Trustee, it being agreed that such rights and remedies (y) are cumulative and are in addition to, and not exclusive of, any rights or remedies provided at law or in equity, and (z) are not conditioned or contingent on any attempt by the Trustee to exercise any of its rights under any related document against the Borrowers.

Section 1.5 Ratification of Security Interest. The Borrowers hereby ratify and confirm their grant of a first priority lien on the Mortgaged Property and a first priority security interest in the Adjusted Pledged Revenues set forth in the Pledge Agreement to secure the Outstanding Obligations and other amounts owed under or secured by the terms of the Bond Documents. The Borrowers hereby warrant that, to the best of the Borrowers' knowledge, there are no other liens existing as of the date hereof with respect to the Mortgaged Property except as permitted under the Bond Documents, other than Permitted Encumbrances.

Section 1.6 Reaffirmation, Restatement and Ratification of Bond Documents. The Borrowers acknowledge and agree as of the date hereof, that: (a) the Trustee has performed fully all of its respective obligations under the Bond Documents and has acted reasonably, in good faith and appropriately under the circumstances; (b) the Outstanding Obligations and all interest and fees which continue to accrue thereon from the date hereof are owed to the Trustee and are secured by the Bond Documents; (c) the Bond Documents (i) are in full force and effect, (ii) are fully enforceable by the Trustee in accordance with their respective terms, and (iii) are hereby ratified, confirmed and reaffirmed by the Borrowers; (d) the Pledge Agreement grants the Trustee a perfected security interest in Adjusted Pledged Revenues and the State Aid Revenues Account; and (e) no defaults or Events of Default by the Trustee have occurred.

Section 1.7 Reaffirmation of Statements of Material Fact. Each Borrower agrees, to the best of its knowledge, that:

(i) no statement of fact by, or, on behalf of the Borrowers in the Bond Documents, as may be affected by this Conditional Waiver Agreement, or in any certificate or schedule furnished

to the Trustee pursuant thereto, contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein or herein not misleading; and

(ii) there is no fact presently known to the Borrowers which has not been disclosed to the Trustee which adversely affects, nor as far as the Borrowers can foresee, will affect adversely, the Mortgaged Property, the Collateral, or the business, operations or condition (financial or otherwise) of the Borrowers.

Section 1.8 Return of Payments. In the event that any payment or payments to the Trustee pursuant to or in connection with the Bond Documents or any conditional waiver or other forbearance documents or any part thereof are subsequently invalidated, declared to be fraudulent, preferential, void or voidable, set aside or required to be disgorged or repaid to any person or party under any bankruptcy or insolvency law, state or federal law, common law or equitable cause, then to the extent of such payment or repayment, the liability or part thereof which has been paid, reduced or satisfied by the amount so repaid shall be reinstated and immediately due and payable by the Borrowers to the Trustee, as applicable (or, at the sole option of the Trustee with respect to amounts respectively owed to them (as applicable) or to the extent not timely paid by the Borrowers, included within the Outstanding Obligations) as of the date on which such initial payment, reduction or satisfaction occurred, and all of the Trustee’s rights under the Bond Documents as in effect on such initial payment date shall be in full force and effect as to such reinstated obligations, except to the extent modified by this Conditional Waiver Agreement.

Section 1.9 Confirmation of Bond Documents. Except as specifically set forth herein, the terms and conditions of the Bond Documents remain unchanged and in full force and effect, including all reporting covenants.

II. REQUIREMENTS OF THE BORROWERS; SCOPE OF CONDITIONAL WAIVER.

Section 2.1 Income Available for Debt Service. During FY2020, the Borrowers’ compliance with the Income Available for Debt Service covenant shall be conditionally waived, provided the Borrowers are in compliance with all other conditions, covenants, and requirements imposed by this Conditional Waiver Agreement.

Section 2.2 Cash on Hand. During the Conditional Waiver Period, the Borrowers’ compliance with the Cash on Hand covenant shall be modified as set forth below, and the Borrowers shall be required to meet the following Cash on Hand milestones in lieu of those set forth in the Bond Documents:

<u>Date</u>	<u>Days’ Cash on Hand</u>
September 30, 2019	No less than 30
December 31, 2019	No less than 30
March 31, 2020	No less than 30

Section 2.3 Enrollment Covenants. During the Conditional Waiver Period, the School covenants that it will maintain enrollment at the School at no less than the following levels:

<u>Date</u>	<u>Enrollment</u>
October 5, 2019	440
January 15, 2020	440

Section 2.4 Academic Guidelines. The School warrants, covenants and agrees that it shall satisfy the academic standards created for the School and imposed by Pillsbury United Communities, a Minnesota nonprofit corporation, its authorizer (its “Authorizer”), and shall keep the School in compliance with all requirements of its charter agreement with its Authorizer, as imposed from time to time.

Section 2.5 Debt Service. During FY2020, the Trustee shall apply funds on deposit in the State Aid Revenue Account for deposit into the Revenue Fund created under the Indenture, in amounts sufficient to fully fund the deposits required by Section 5.04 of the Indenture without regard to the requirements of Section 4.2(e) of the Loan Agreement relating to late payments of principal during the Conditional Waiver Period. For the avoidance of doubt, this means the requirement that the Borrowers immediately pay late principal installments is conditionally waived during the Conditional Waiver Period.

III. FINANCIAL REPORTING, BONDHOLDER CONFERENCE CALLS; PROVISION OF ADDITIONAL COLLATERAL; SHORT-TERM BORROWING.

Section 3.1 Budget. No later than June 1, 2019 the Borrowers shall provide to the Trustee and shall post on EMMA their initial budget for FY2020 (the “FY20 Budget”), which shall include the final projected enrollment at the School for FY2020, staff levels, and a line item showing expenses to be incurred for academic and other consultants.

Section 3.2 Financial Reporting. By the fifteenth (15th) day following the end of each month during the Conditional Waiver Period, the Borrowers shall provide to the Trustee for posting on EMMA the following information:

- (i) year-to-date actual revenues and expenditures compared to year-to-date budgeted revenues and expenditures for such period based on the FY20 Budget;
- (ii) a current balance sheet;
- (iii) the current enrollment for each grade offered by the School, and the number of students on the waiting list, if any;
- (iv) the balance of the School’s general operating account and State Aid Revenue Account;
- (v) current information about material discussions with its Authorizer; *provided, however,* that the Borrower may request that any confidential information about discussions with its Authorizer, or other information deemed confidential for competitive reasons, not be made public; and *provided further* that the determination of what may be made public shall be made by the Trustee; and

(vi) any changes in the FY20 Budget.

Section 3.3 Bi-Monthly Conference Calls. In addition, the Borrowers agree to participate, though the Executive Director of the School, the Chief Financial Officer of the School and other parties they deem necessary, in a bi-monthly conference call to be held on the third Tuesday of every other month commencing September 17, 2019, at 3:30 p.m. Central Time. during the Conditional Waiver Period, absent mutual agreement on another time, with the Trustee and the Registered Owners of the Series 2016 Bonds, during which the Trustee and all Registered Owners shall be offered a reasonable opportunity to ask questions of the Borrowers regarding the operations and finances of the School, the status of the School's enrollment and academics, and compliance with the requirements under the Bond Documents.

Section 3.4 Updated Enrollment Projections. By April 15, 2020, the Borrowers shall provide to the Trustee for posting on EMMA an updated projected financial and enrollment model forecasting the enrollment by grade level and operations of the School for the Fiscal Years of the Borrowers ending in 2021, 2022 and 2023, in substantially the form of Appendix C to the Official Statement or in such other format as may be agreed to by the Trustee, in its sole discretion.

Section 3.5 Short-Term Financing. Notwithstanding the provisions of the Pledge Agreement, the Borrowers agree that the School shall not obtain a short-term (less than 12 months) working capital borrowings or sell or factor accounts receivable unless the collateral pledged for such financing is on a parity of lien with, or subordinate to, to the lien on such collateral held by Trustee and such financings do not exceed an aggregate principal amount of \$350,000.

IV. MONTHLY PAYMENTS, TRUSTEE'S FEES AND EXPENSES, CASH SURPLUS.

Section 4.1 Post-Effective Date Obligations. After the Effective Date (as hereinafter defined) and during the Conditional Waiver Period, payment of debt service on the Series 2016 Bonds, and any associated fees or expenses of the Trustee incurred or accrued under the Bond Documents following the Effective Date, shall continue to accrue and are payable by the Company and the School.

Section 4.2 Cash Surplus. If and to the extent the Borrower has cash in any of its accounts, exclusive of (i) restricted accounts including any donor-restricted funds; and (ii) funds held for the benefit of the Trustee in any accounts established under the Bond Documents, including the Revenue Fund, the Bond Fund, the Reserve Fund, the Rebate Fund, the Capital Improvement Fund and the Expense Fund (as each are defined in the Indenture), of greater than six hundred thousand dollars (\$600,000) as reported on the monthly statements set forth in Section 3.1 hereof, any such surplus shall promptly be remitted to the Trustee. This obligation shall survive the end of the Conditional Waiver Period and shall continue until the Series 2016 Bonds are paid in full.

V. CONDITIONS TO EFFECTIVENESS OF CONDITIONAL WAIVER AGREEMENT

Section 5.1 Effectiveness of this Conditional Waiver Agreement. This Conditional Waiver Agreement shall not become effective until each of the following have occurred (such time being defined as of the “Effective Date”):

(i) a fully executed original of the Conditional Waiver Agreement shall be executed and delivered to the Trustee by the Borrower;

(ii) certificates signed by the Chair of the governing body of each Borrower shall be executed and delivered to the Trustee by the Borrower containing (i) copies of applicable resolutions duly adopted by the governing body of the respective Borrowers authorizing the execution and delivery of this Conditional Waiver Agreement and all documents required to be delivered in connection herewith, and all transactions contemplated herein (certified as true and correct by the Secretary of the respective Borrowers); and (ii) a statement containing the true and correct names, titles and signatures of the officers of the respective Borrowers authorized to sign such documents and authorize such transactions; and

(iii) a majority of the Registered Owners has approved this Conditional Waiver Agreement, in form and substance satisfactory to the Trustee, and has directed the Trustee to execute this Conditional Waiver Agreement.

VI. CONDITIONAL WAIVER TERMINATION EVENTS; REMEDIES.

Section 6.1 Conditional Waiver Termination Events. The Conditional Waiver Period shall automatically terminate upon the occurrence of any one of the following (each of which shall be a “Conditional Waiver Termination Event” under this Conditional Waiver Agreement):

(i) The occurrence of any default or Event of Default, or any event which, with the passage of time or giving of notice or both, would constitute a default or Event of Default under any of the Bond Documents, other than the Specified Defaults;

(ii) Failure by a Borrower to comply with any provision, covenant or agreement of this Conditional Waiver Agreement, including without limitation, the failure to make any payment required herein, if such failure continues for a period of fifteen (15) days after notice thereof to the Borrowers (except as set forth in subsection (v) below);

(iii) If any of the representations or warranties made in this Conditional Waiver Agreement by or on behalf of a Borrower are not true, accurate or complete in any material respect when made;

(iv) If a Borrower asserts the existence of any defense, set-off, reduction, claim or counterclaim, whether at law or in equity, with respect to the indebtedness or other obligations evidenced or secured by Bond Documents (including, without limitation, the Outstanding Obligations);

(v) The occurrence of a material adverse change affecting the Trustee's collateral positions or the financial condition or operations of the Borrowers (including, without limitation, the filing by either Borrower of a petition in bankruptcy, or the institution by or against the Borrower of any other legal proceeding seeking relief from the Borrowers' debts);

(vi) The commencement by either Borrower of any action or proceeding against the Trustee, the Registered Owners or any of their affiliates or agents of any kind; or

(vii) The Conditional Waiver Termination Date (June 30, 2020), unless extended by the Trustee.

Section 6.2 Remedies upon Conditional Waiver Default. Upon the occurrence of a Conditional Waiver Termination Event, the accommodations granted by this Conditional Waiver Agreement and the Conditional Waiver Period shall immediately and automatically terminate without any notice to the Borrowers, and the Trustee shall have available all remedies specified under the Bond Documents or under applicable law, including, without limitation, the right to immediately commence, proceed or otherwise continue to (i) accelerate the Series 2016 Bonds, (ii) demand and receive immediately from the Borrowers the Outstanding Obligations and interest and costs accruing under the Bond Documents along with all amounts due under this Conditional Waiver Agreement, including without limitation, attorneys' fees due thereunder, (iii) exercise any and all rights and remedies under the Bond Documents, or (iv) exercise any and all other rights and remedies under applicable law or in equity.

VII. AGREEMENT TO CONDITIONALLY WAIVE.

Section 7.1 Agreement to Conditionally Waive. Subject to the Borrowers' agreements, covenants, representations and warranties and the conditions contained herein, during the Conditional Waiver Period, the Trustee hereby agrees to forbear from the exercise of remedies under the Bond Documents arising by reason of the Specified Defaults. The foregoing agreement by the Trustee:

(i) is not intended by the parties and shall not be construed as a permanent or irrevocable waiver by the Trustee of any existing and continuing defaults under the Bond Documents, other than the Specified Defaults, so long as the Borrowers comply with all the terms and conditions of this Conditional Waiver Agreement; and

(ii) is only an agreement to refrain from exercising its rights to pursue remedies available under the Bond Documents as such rights relate to the Specified Defaults and is in no way intended to limit any rights or remedies the Trustee may have with respect to any Conditional Waiver Termination Event, default, Default or Event of Default heretofore, now, or hereafter arising, other than the Specified Defaults, nor any rights or remedies that the Trustee may have with respect to any other past or present failure by the Borrowers to perform their obligations in full compliance with the Bond Documents.

Notwithstanding the foregoing agreement by the Trustee, nothing in the Conditional Waiver

Documents, and no action or inaction pursuant hereto, pursuant to any such documents, or pursuant to the Conditional Waiver Documents shall be deemed to prevent, impair or limit the Trustee's rights and remedies against the Borrowers under the Conditional Waiver Documents, including, without limitation, the right to enforce full and strict performance of all of the terms of the Conditional Waiver Documents, it being expressly understood and agreed that the Trustee reserves such rights and remedies, and does not waive any of the Specified Defaults, or any of its rights under the Conditional Waiver Documents.

Section 7.2 Effect of Termination of Conditional Waiver Period.

(i) Upon the termination of the Conditional Waiver Period, all waivers, forbearances, deferrals and indulgences granted by the Trustee pursuant to this Conditional Waiver Agreement shall automatically terminate, and the Trustee shall thereupon have, and shall be entitled to exercise, any and all remedial rights which it may have under the Conditional Waiver Documents and applicable law. Nothing set forth in this Conditional Waiver Agreement shall be deemed to constitute an agreement by the Trustee that it shall, on or after the expiration of the Conditional Waiver Period, to waive or refrain from exercising its rights and remedies, either at law or in equity, under the Conditional Waiver Documents; it being understood that the Trustee has no obligation to do so.

(ii) The parties acknowledge and agree that the fact that the Trustee is now granting certain conditional waivers or forbearances or that one or more discussions may occur after the date hereof, whenever and wherever held, whether by telephone or in person or by other means, does not in any manner, either expressly or impliedly, constitute a waiver, rescission, release or modification of, or any agreement to waive, rescind, release or modify, any right or rights that the Trustee may have by law or regulation or pursuant to the Conditional Waiver Documents and such discussions are to be held without prejudice to any future judicial or non-judicial proceedings.

(iii) The Borrowers acknowledge that the aforesaid agreement by the Trustee is given at the request of Borrowers, and the Borrowers represent and warrant to and for the benefit of the Trustee that such agreement shall not have the effect of releasing any person or entity from liability for repayment of the indebtedness or performance of the obligations evidenced or secured by the Bond Documents. The Borrowers hereby waive all notices of default and rights to cure as provided in the Bond Documents or otherwise with respect to the Specified Defaults.

(iv) The Borrowers also reaffirm the Trustee's right to payment of its fees and expenses as trustee for the Series 2016 Bonds and to the lien securing the same, all as set forth in the Bond Documents. The Borrowers acknowledge and agree that nothing in this Conditional Waiver Agreement shall act in derogation of such right to payment or such lien.

VIII. VOLUNTARY ACTION.

Section 8.1 Voluntary Action. Each Borrower hereby acknowledges and agrees that (a) it has read and understands the contents of this Conditional Waiver Agreement, (b) has consulted with counsel of its choice throughout all of the negotiations that preceded the execution of this Conditional Waiver Agreement, and (c) has acted voluntarily and without duress in connection

with the execution and delivery of this Conditional Waiver Agreement after reviewing and understanding each provision of this Conditional Waiver Agreement and without reliance upon any promise or representation of any person or persons acting for or on behalf of the Trustee.

IX. RELEASE OF THE TRUSTEE.

Section 9.1 Release. The Borrowers hereby jointly and severally release and forever discharge each of the Trustee and all persons controlling, controlled by, or under common control with any of the foregoing, any of its trustees, agents, employees, directors, officers, counsel, advisors, and successors in interest (collectively, the “Released Group”) of and from all damage, loss, claims, cross-claims and counterclaims, demands, debts, obligations, actions and causes of action, suits, contracts, agreements, accounts, defenses, offsets and liabilities of any kind or character whatsoever, which the Borrowers ever had, may now have or claim to have against any such member of the Released Group as of the date of this Conditional Waiver Agreement on account of or in any way concerning, arising out of, founded upon or relating to the Project, the Bond Documents or the terms, conditions or actions contemplated by this Conditional Waiver Agreement, including without limitation, with respect to the Trustee’s administration of the Bond Documents, whether presently known or unknown, and of every nature and extent whatsoever, including, but not limited to, all such loss or damage of any kind heretofore sustained, or that may arise as a consequence of the dealings between the parties and any claims that the Borrower may in the future discover they would have now had if they had known facts not now known to them, whether founded in contract, in tort or pursuant to any other theory of liability, including but not limited to, such claims or defenses as fraud, mistake, duress, usury and any other claim of so-called “lender liability” and any claims arising out of or related to the Conditional Waiver Documents or the transactions contemplated thereby. In addition, the Borrower agrees not to commence, join in, prosecute or participate in any suit or other proceeding in a position that is adverse to any member of the Released Group arising directly or indirectly from any of the foregoing matters. The Borrowers hereby confirm and agree that the foregoing waiver and release is an informed waiver and release and freely given by the Borrowers, both jointly and severally. The provisions, waivers and releases of this Section shall inure to the benefit of each member of the Released Group.

Section 9.2 No Transfer or Assignment. Each Borrower represents and warrants that it is the sole and lawful owner of all right, title and interest in and to all of the claims released hereby and the Borrowers have not heretofore voluntarily or involuntarily, by operation of law or otherwise, conveyed, assigned, transferred, disposed of, encumbered or purported to convey, assign or transfer to any person any such claim or any portion thereof. The Borrowers jointly and severally shall indemnify and hold harmless the Trustee from and against any claim, demand, damage, debt, liability (including payment of attorneys’ fees and costs actually incurred whether or not litigation is commenced) based on or arising out of any such conveyance, assignment or transfer made by the Borrowers. The provisions, waivers and releases set forth in this Section are binding upon the Borrowers and the Borrowers’ members, trustees, directors, agents, employees, assigns and successors in interest. The provisions, waivers and releases of this Section shall inure to the benefit of each member of the Released Group.

Section 9.3 Survival of Release. The provisions of this Section shall survive payment in full of the amounts owed by the Borrowers under the Bond Documents, full performance of all

the terms of this Conditional Waiver Agreement, and any exercise of remedial actions under the Bond Documents or otherwise.

XIII. MISCELLANEOUS.

Section 10.1 Further Assurances. Each Borrower will take such other actions as the Trustee may reasonably request from time to time to perfect or continue the Trustee's security interests in the Borrowers' property, and to accomplish the objectives of the Conditional Waiver Documents.

Section 10.2 Third Parties. Nothing in this Conditional Waiver Agreement, whether express or implied, will be construed to give to any Person other than the parties hereto any legal or equitable right, remedy or claim under or in respect of this Conditional Waiver Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

Section 10.3 Notices. All notices, demands, requests and other communications required pursuant to the provisions of this Conditional Waiver Agreement shall properly be given or served for all purposes, on the date of receipted delivery, if hand delivered or sent by commercial courier, or two (2) days after depositing the same in the United States mail, if sent by U.S. registered or certified mail, return receipt requested, postage prepaid, to the respective parties addressed as follows:

If to the Company:

STRIDE Academy Building Company
3241 Oakham Lane
Saint Cloud, Minnesota 56301
Attention: Board Chair
Email: mschraut@strideacademy.com

With a copy to: Craig A. Kepler
Best & Flanagan
60 South Sixth Street
Suite 2700
Minneapolis, MN 55402

If to the School:

STRIDE Academy
3241 Oakham Lane
Saint Cloud, Minnesota 56301
Attention: Board Chair
Telephone: (320) 230-5340
Email: sfromm@strideacademy.com

With a copy to: Craig A. Kepler

Best & Flanagan
60 South Sixth Street
Suite 2700
Minneapolis, MN 55402

If to the Trustee:

UMB Bank, N.A., as successor trustee
120 South Sixth Street
Suite 1400
Minneapolis, Minnesota 55402
Attention: Mark Kalla
Senior Vice President and
Workout Specialist
Telephone: (612) 337-7010
Email: mark.kalla@umb.com

With a copy to: Thomas Longino
Longino Public Finance, LLC
2917 Central Avenue
Suite 205
Birmingham, Alabama 35209
Email: thomas@longino.com

Section 10.4 No Modification or Waiver. None of the terms or provisions of any of the Conditional Waiver Documents may be changed, waived, modified, discharged or terminated except by a written instrument executed by the parties or party against whom or which enforcement of the change, waiver, modification, discharge or termination is asserted. None of the terms or provisions of the Bond Documents or Conditional Waiver Documents shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same. Nothing herein or in any other agreement, written or oral, entered into by or binding upon the Trustee shall be deemed to be a limitation on any holder of the Series 2016 Bonds to sell any or all of its interest in the Series 2016 Bonds, to any entity at any time, in its sole and absolute discretion but subject to all applicable securities laws.

Section 10.5 Counterparts. This Conditional Waiver Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes, *provided, however*, that all such counterparts shall together constitute one and the same instrument. A telecopied signature hereon shall be deemed an original for all purposes.

Section 10.6 Time is of the Essence. Time shall be of the essence with respect to each and every of the various undertakings and obligations set forth in this Conditional Waiver Agreement.

Section 10.7 Successors and Assigns. The provisions of this Conditional Waiver Agreement shall be binding upon, and shall inure to the benefit of, the respective successors and

assigns of the Trustee and the respective heirs, legal representatives, successors and assigns of the Borrower; *provided, however*, nothing herein shall be intended as a consent to an assignment not specifically permitted by the Bond Documents.

Section 10.8 Entire Agreement. The various Bond Documents, as confirmed and affected by this Conditional Waiver Agreement, constitute the entire agreement between the Trustee and the other parties to the Bond Documents. Any other agreements or understandings related to or connected with the Outstanding Obligations are null and void and superseded in their entirety.

Section 10.9 Severability. The provisions of this Conditional Waiver Agreement are intended to be severable. If any provision of this Conditional Waiver Agreement is held invalid or unenforceable in whole or in part in any jurisdiction, such provision will, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 10.10 Conflicts. In the event of any ambiguity, inconsistency or conflict between the provisions of Conditional Waiver Documents or any documents executed and delivered in connection with this Conditional Waiver Agreement, the provisions of this Conditional Waiver Agreement shall govern in all respects.

Section 10.11 Captions. The captions and headings in this Conditional Waiver Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Conditional Waiver Agreement.

Section 10.12 Applicable Law. This Conditional Waiver Agreement shall be governed by and construed, interpreted and enforced in accordance with and pursuant to the laws of the State of Minnesota.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Conditional Waiver Agreement as a sealed instrument as of the date first above written.

UMB BANK, N.A., a national banking association, in its capacity as Trustee for the Series 2016 Bonds herein described

By: Mark Kall

Its: SVP

STRIDE ACADEMY BUILDING COMPANY, a Minnesota nonprofit corporation

By: _____
Chair of its Board of Directors

STRIDE ACADEMY, a Minnesota nonprofit corporation

By: _____
Chair of its Board of Directors

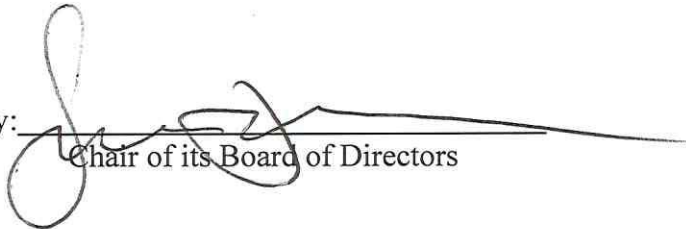
IN WITNESS WHEREOF, the parties have executed this Conditional Waiver Agreement as a sealed instrument as of the date first above written.

UMB BANK, N.A., a national banking association, in its capacity as Trustee for the Series 2016 Bonds herein described

By: _____

Its: _____

STRIDE ACADEMY BUILDING COMPANY, a Minnesota nonprofit corporation

By:  _____
Chair of its Board of Directors

STRIDE ACADEMY, a Minnesota nonprofit corporation

By:  _____
Chair of its Board of Directors

EXHIBIT A

Specified Defaults

The following Events of Default, among others, have occurred as of the date of this Conditional Waiver Agreement or are expected to occur during the Conditional Waiver Period (each, a “Specified Default” and collectively the “Specified Defaults”):

(i) The School does not expect to make deferred principal payments for FY2019 on the Bonds as required by *Section 4* of the Lease during FY2020; and

(ii) The Company does not expect to make, when due, all deferred principal payments for FY2019 on the Bonds as required by *Section 4.2(e)* of the Loan Agreement; and

(iii) The School failed to meet its unrestricted Cash on Hand Covenant for the Fiscal Year ended June 30, 2017 and it does not expect to be able to replenish its Cash on Hand to the required level during FY2019 or FY2020; and

(iv) The School does not expect to meet its Income Available for Debt Service requirement during its Fiscal Years ending FY2019 and FY2020.