



Global Corporate Trust Services
6810 Crumpler Blvd, Suite 200
Olive Branch, MS 38654

Notice to the Owners of:

**\$34,990,000 Macon-Bibb County Urban Development Authority
Revenue Bonds (Academy for Classical Education, Inc.)**

Cusip*: 555542 NB1, 555542 NC9, 555542 ND7, 555542 NE5, 555542 NF2

**NOTICE OF EVENT OF DEFAULT
NOTICE NO. 1**

Please forward this notice to the beneficial holders.

In our capacity as trustee under that certain Trust Indenture dated as of May 1, 2017, as supplemented by that certain First Supplemental Trust Indenture dated as of May 1, 2017 (collectively, the “Indenture”), by and between the Macon-Bibb County Urban Development Authority (the “Issuer”) and U.S. Bank National Association (the “Trustee”) pursuant to which the above-referenced bonds (the “Bonds”) were issued, we are providing you this Notice of Event of Default (this “Notice”) pursuant to the provisions of the Indenture. Proceeds of the bonds were loaned to the Academy for Classical Education, Inc. (the “Borrower”) pursuant to the Loan Agreement dated as of May 1, 2017, as supplemented by the First Supplemental Loan Agreement dated as of May 1, 2017 (collectively, the “Loan Agreement”) by and between the Issuer and the Borrower. Capitalized terms used herein and not defined herein shall have the meanings set forth in the Loan Agreement or the Indenture, as applicable.

Event of Default

The Borrower’s reported Debt Service Coverage Ratio for the Fiscal Year ended June 30, 2018 was 0.99 to 1. You are hereby notified that the failure of the Borrower to maintain a Debt Service Coverage Ratio of at least 1.00 to 1 for the Fiscal Year ended June 30, 2018 constitutes an Event of Default under section 5.18 of the Loan Agreement, and accordingly an Event of Default under Section 8.01(e) of the Indenture.

Days Cash on Hand

The Borrower’s reported Days Cash on Hand as of the Fiscal Year ended June 30, 2018 was 30. You are further notified that the failure of the Borrower to have Unrestricted Cash and Investments in an amount at least equal to 45 Days Cash on Hand as of its

Fiscal Year ended June 30, 2018 will become an Event of Default under Section 5.21 of the Loan Agreement in the event the Borrower fails to take the actions required by Section 5.21 of the Loan Agreement with respect to the hiring of an Independent Consultant.

Hiring of Independent Consultant

As contemplated by Section 5.17 and 5.21 of the Loan Agreement, the Borrower distributed to EMMA on November 30, 2018 a letter with respect to the hiring of an Independent Consultant. A copy of that letter is attached to this Notice. Pursuant to Section 5.17 of the Loan Agreement, the selection of the Independent Consultant shall become effective only upon receipt by the Trustee of the written consent to such Independent Consultant from the Holders of at least 50% in the aggregate principal amount of the Bonds Outstanding. Such consents must be received within 30 days of the notice from the Borrower. Holders desiring to consent to the appointment of the Independent Consultant selected by the Borrower should complete and return to the Trustee the consent form attached to this Notice by December 30, 2018.

Information

Prior to any distribution to holders, funds held under the Indenture are to be used first for payment of the fees and costs incurred or to be incurred by the Trustee in performing its duties, as well as for any indemnities owing or to become owing to the Trustee. This includes, but is not limited to, compensation for Trustee time spent, and the fees and costs of counsel and other agents it employs, to pursue remedies or other actions to protect the security or other interests of holders.

The Trustee will inform holders as material developments occur. Holders with questions about this notice should direct them, in writing, to: Charles S. Hodges, U.S. Bank Corporate Trust Services, 6810 Crumpler Blvd, Suite 200, Olive Branch, Mississippi 38654, telecopy: 662-892-3663, steve.hodges@usbank.com. Holders with other questions may contact U.S. Bank at (800) 934-6802, option #4.

The Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. Holders should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no investment advice.

U.S. Bank National Association,
as Trustee

December 19, 2018

*Trustee is not responsible for selection or use of CUSIP. It is included solely for holder convenience.

cc: Academy for Classical Education, Inc.
4001 Vineville Avenue
Macon, Georgia 31210
Attn: Thomas D. "Witt" Gaither, Jr., Chairman of the Board

Macon-Bibb County Urban Development Authority
c/o Blake Sharpton, Esq.
Butler Snow LLP
435 Second Street, Suite 204
Macon, Georgia 31201



The Academy for Classical Education

"A school where teachers can teach...and students will learn"

November 30, 2018

Mr. George Hogan
Trustee – U.S. Bank National Association
Atlanta, Georgia

NOTICE – SELECTION OF INDEPENDENT CONSULTANT

Pursuant to the Loan Agreement, dated as of May 1, 2017 (the "Loan Agreement") by and between the Macon-Bibb County Urban Development Authority and the Academy for Classical Education, Inc. ("ACE").


The Loan Agreement requires ACE to meet certain financial covenants. (Capitalized terms not otherwise defined in this notice (this "Notice") shall have the meaning given to them in the Loan Agreement.) Any failure by ACE to meet such covenants requires ACE to retain an Independent Consultant to submit a written report and make recommendations within 45 days of being retained with respect to increasing income, decreasing Operating Expenses, or other financial matters so that ACE can meet the required levels.

In accordance with Section 5.17 of the Loan Agreement, ACE is filing this Notice to announce that it has selected Mr. Richard Moreno, Charter School Services Corp., 1225 SE 2nd Avenue, Fort Lauderdale, Florida 33316 as the required Independent Consultant. Mr. Moreno holds an M.B.A. from Florida Atlantic University and a B.S. in Finance with honors from the University of Florida. Mr. Moreno oversees the daily operations of Florida's Building Hope offices. With over 19 years of chief financial officer ("CFO") experience with various business enterprises. He served as the CFO of Charter Schools USA and as a resource specialist for NCB Capital Impact. He also has served as Chairman of the Florida School of Excellence Commission, and is currently a member of the Florida Charter School Appeal Commission.

Section 5.17 of the Loan Agreement requires this Notice to state that the selection of the Independent Consultant shall become effective **"only upon receipt by the Trustee of the written consent to such Independent Consultant from the Holders of at least 50% in the aggregate principal amount of Bonds Outstanding and that all Holders of Outstanding Bonds are requested to respond at their convenience and in any event within 30 days from the date of such notice."**

No later than two (2) Business Days after the earlier of (i) the Trustee's receipt of the consent to such Independent Consultant from the Holders of at least 50% in the aggregate principal amount of Bonds Outstanding or (ii) the end of the 30-day response period, the Trustee will notify ACE of the Bonds Outstanding held by Holders submitting consents, and any submitting objections. In the event the necessary Holders have consented to the selection of the Independent Consultant, ACE will engage the Independent Consultant within two (2) Business Days. In the event the required threshold is not met, ACE will select another Independent Consultant.

Best Regards,


Pat Kelly/CFO

5665 New Forsyth Road
Macon, GA 31210

Consent to Appointment of Independent Consultant

**\$34,990,000 Macon-Bibb County Urban Development Authority
Revenue Bonds (Academy for Classical Education, Inc.)**

Reference is made to the letter of Academy of Classical Education, Inc. dated November 30, 2018 (the "Consultant Letter"). The undersigned certifies that it is a beneficial owner of the Bonds in caption in the amount set forth below and hereby consents to the appointment of the consultant identified in the Consultant Letter.

Beneficial Owner: _____ **(Print Name)**

Signature of Holder or Authorized Agent: _____

Principal Amount of Bonds Owned: _____

CUSIP/Maturity of Bonds Owned: _____

Bonds are Held by following Custodian: _____

After signing, please fax signature page to 662-892-3663.

Then mail original to following address:

Charles S. Hodges
U.S. Bank Corporate Trust Services
6810 Crumpler Blvd, Suite 200
Olive Branch, Mississippi 38654