

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming continuing compliance with certain tax covenants of the Issuer and the Borrower (both as hereinafter defined), under existing statutes, regulations, rulings and court decisions, interest on the Series 2018A Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes. Further, interest on the Series 2018A Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals. See "TAX MATTERS FOR SERIES 2018A BONDS" herein for a description of the federal alternative minimum tax, including alternative minimum tax on corporations for taxable years beginning before January 1, 2018, and certain other federal tax consequences of ownership of the Series 2018A Bonds. INTEREST ON THE SERIES 2018B BONDS IS NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. SEE "TAX MATTERS FOR SERIES 2018B BONDS" herein for a description of certain federal tax consequences of ownership of the Series 2018B Bonds. Bond Counsel is further of the opinion that the Series 2018 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, as amended. See "TAX MATTERS FOR SERIES 2018A BONDS" and "TAX MATTERS FOR SERIES 2018B BONDS" herein and Appendix C hereto for a proposed form of the opinion of Bond Counsel.

\$218,745,000**CAPITAL TRUST AGENCY
STUDENT HOUSING REVENUE BONDS****(UNIVERSITY BRIDGE, LLC STUDENT HOUSING PROJECT)
SERIES 2018A****\$8,895,000****CAPITAL TRUST AGENCY
STUDENT HOUSING REVENUE BONDS****(UNIVERSITY BRIDGE, LLC STUDENT HOUSING PROJECT)
TAXABLE SERIES 2018B****Maturity Dates, Principal Amounts, Interest Rates, Yield and CUSIP Numbers Shown on the Inside Cover**

The Capital Trust Agency, a legal entity duly created and public agency duly organized and existing under the laws of the State of Florida (the "Issuer"), is issuing its (i) \$218,745,000 Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A (the "Series 2018A Bonds" or the "Tax-Exempt Bonds") and (ii) \$8,895,000 Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Taxable Series 2018B (the "Series 2018B Bonds" and together with the Series 2018A Bonds, the "Series 2018 Bonds"). The Series 2018 Bonds, together with any Additional Bonds (as defined herein), are referred to herein as the "Bonds." The principal of and premium, if any, and interest on the Series 2018 Bonds are payable at the designated corporate trust office of Regions Bank, as Trustee (the "Trustee"), in Jacksonville, Florida. Interest on the Series 2018 Bonds is payable on June 1 and December 1 of each year, commencing December 1, 2018. The Issuer is a public body corporate and politic of the State of Florida (the "State") authorized to issue the Series 2018 Bonds as described under the heading "THE ISSUER" herein. The Series 2018 Bonds are being issued only as fully registered bonds in the denominations of \$100,000 and integral multiples of \$5,000 in excess thereof. The Series 2018 Bonds will be issued in book-entry form only under a global book-entry system operated by The Depository Trust Company, New York, New York ("DTC"), and purchasers will not be entitled to receive certificates representing their Bonds for so long as the global book-entry system is in effect. See "THE SERIES 2018 BONDS-Book Entry-Only System" herein. Principal of, premium, if any, and interest on the Series 2018 Bonds will be paid by the Trustee directly to DTC, as the registered owner thereof. Any purchaser as a beneficial owner of a Series 2018 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of, premium, if any, and interest on such Series 2018 Bond. The Series 2018 Bonds are subject to redemption prior to maturity as more fully described herein.

The Series 2018 Bonds are being issued pursuant to and secured by a Trust Indenture dated as of September 1, 2018 (the "Indenture") between the Issuer and the Trustee. The proceeds of the Series 2018 Bonds will be loaned to University Bridge, LLC, a Florida limited liability company (the "Borrower"), whose sole member is Atlantic Housing Foundation, Inc. (the "Sole Member"), a South Carolina nonprofit corporation recognized as an exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Series 2018 Bonds are being issued to provide funds for financing the (i) the acquisition, development, construction, furnishing and equipping of an approximately 1,244-bed student housing facility containing approximately 7,000 square-feet of retail space, parking and related amenities located adjacent to the campus of Florida International University (the "Project"), (ii) the payment of capitalized interest on the Series 2018 Bonds during construction and for up to six months following the scheduled completion of the Project, (iii) the funding of a Debt Service Reserve Fund (as defined hereinafter) with respect to the Series 2018 Bonds, (iv) the funding of an Operations and Maintenance Reserve Fund (as defined hereinafter) with respect to the Series 2018 Bonds and (v) the payment of the costs of issuance of the Series 2018 Bonds.

PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2018 BONDS IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY OUT OF THE TRUST ESTATE. THE SERIES 2018 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE CITY OF SWEETWATER, FLORIDA (THE "LOCAL AGENCY"), THE CITY OF GULF BREEZE, FLORIDA OR THE TOWN OF CENTURY, FLORIDA (COLLECTIVELY, "THE SPONSORING POLITICAL SUBDIVISIONS"), THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2018 BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE SERIES 2018 BONDS OR THE INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE SERIES 2018 BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE SERIES 2018 BONDS. THE ISSUER HAS NO TAXING POWER.

INVESTMENT IN THE SERIES 2018 BONDS INVOLVES RISK AND EACH PROSPECTIVE INVESTOR SHOULD CONSIDER ITS FINANCIAL CONDITION AND THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE SERIES 2018 BONDS. SEE "RISK FACTORS AND INVESTMENT CONSIDERATIONS" HEREIN.

The Series 2018 Bonds will be secured by a pledge and assignment of the Trust Estate (as defined herein), including certain revenues from the Project and funds deposited under the Indenture, including payments made by the Borrower pursuant to the Loan Agreement dated as of September 1, 2018 (the "Loan Agreement") between the Issuer and the Borrower, but excluding certain Reserved Rights of the Issuer as defined in the Indenture. The Loan Agreement is secured by the Mortgage (as defined herein), which includes a pledge of Project Revenues (as defined in the Indenture).

There are restrictions on who may purchase the Series 2018 Bonds. The Series 2018 Bonds offered hereby have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or any state securities act. The Series 2018 Bonds are being offered and sold hereby only to "Qualified Institutional Buyers" (as defined in Rule 144A of the Securities Act) or "Accredited Investors" (as defined in Rule 501(a) under the Securities Act). Each initial purchaser of the Series 2018 Bonds will be required to complete and deliver an investor letter in the form attached to this Official Statement as APPENDIX G. The Series 2018 Bonds are subject to further transfer restrictions as defined herein. See "RESTRICTIONS ON OWNERSHIP AND TRANSFER OF SERIES 2018 BONDS" and "CERTAIN BONDHOLDERS' RISKS - Limited Market for Series 2018 Bonds" herein.

The Series 2018 Bonds are offered when, as, and if issued by the Issuer, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approval of legality by Greenberg Traurig, P.A., Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the Issuer by its counsel Michael J. Stebbins, P.L., Pensacola, Florida; for the Borrower and the Sole Member by Coats Rose, P.C., Cincinnati, Ohio and by Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, Orlando, Florida; and for the Underwriter by Butler Snow LLP, Atlanta, Georgia. It is expected that delivery of the Series 2018 Bonds will be made against payment therefor through the facilities of DTC on or about September 25, 2018. This cover page contains limited information for reference only. It is not a summary of the issue. The entire Official Statement, including the Appendices, must be read to make an informed investment decision.

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MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

\$218,745,000
CAPITAL TRUST AGENCY
STUDENT HOUSING REVENUE BONDS
(UNIVERSITY BRIDGE, LLC STUDENT HOUSING PROJECT)
SERIES 2018A BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
December 1, 2028	\$ 11,010,000	4.000%	4.305%	140536 AA1
December 1, 2043	65,855,000	5.250	4.830	140536 AC7
December 1, 2058	141,880,000	5.250	5.100	140536 AD5

\$8,895,000
CAPITAL TRUST AGENCY
STUDENT HOUSING REVENUE BONDS
(UNIVERSITY BRIDGE, LLC STUDENT HOUSING PROJECT)
TAXABLE SERIES 2018B BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
December 1, 2024	\$8,895,000	5.250%	5.500%	140536 AE3

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer, the Borrower or the Underwriter and are included solely for the convenience of the holders of the Series 2018 Bonds. None of the Issuer, the Borrower or the Underwriter are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2018 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2018 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2018 Bonds.

PROJECT RENDERINGS AND LOCATION



Rendering of the Project*



Rendering of the Project – Scene at Dusk*

* The renderings of the Project are preliminary, subject to change. Two of the renderings included in the POS include a picture of a bridge connecting the Project to the campus of the University. The bridge is not presently constructed and the Borrower makes no representation that any bridge spanning the street will ever be constructed.



Rendering of Interior Unit One-Bedroom



Rendering of Interior Bathroom One-Bedroom



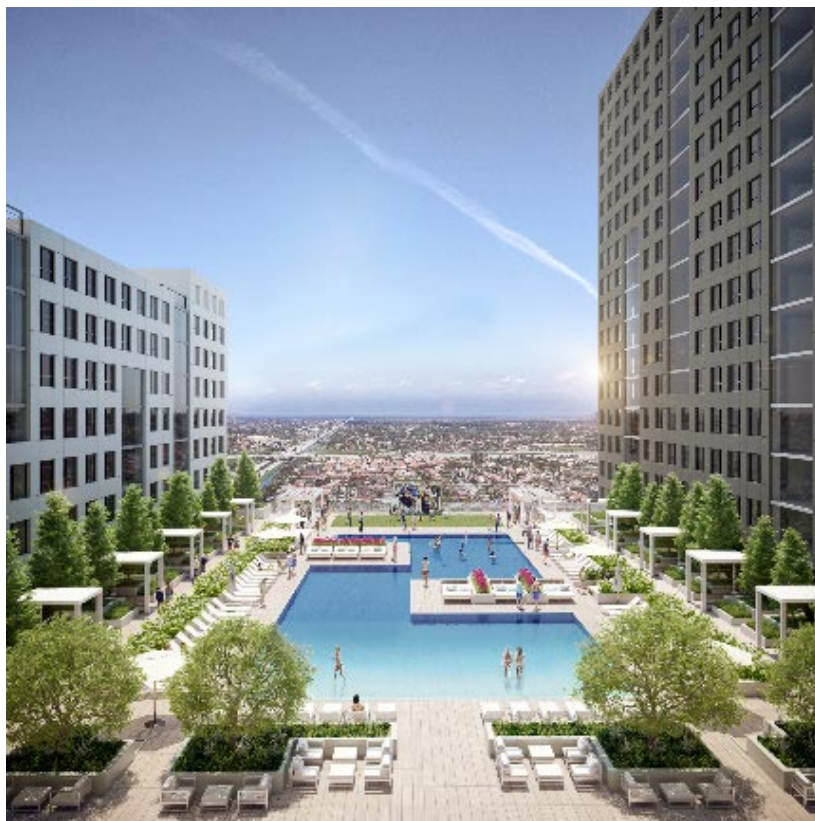
Rendering of Studio Unit



Rendering of the Project Rooftop



Rendering of Fitness Center



Rendering of Outdoor Pool and Patio

PROJECT LOCATION IN METROPOLITAN AREA



The Project and the University are located 15 miles west of downtown Miami and 11 miles southwest of the Miami International Airport

PROJECT LOCATION IN CONTEXT TO THE UNIVERSITY



The Project is located at the intersection of SW 109th Avenue and SW 7th Terrace, which serves as the main entrance to the University

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PRELIMINARY NOTICES

No dealer, broker, salesman, or other person has been authorized by the Borrower or the Issuer to give any information or to make any representation with respect to the Series 2018 Bonds, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Borrower or the Issuer. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2018 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information set forth herein has been obtained from the Borrower and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Borrower or the Issuer. The information regarding DTC has been obtained from DTC, but is not guaranteed as to accuracy or completeness by the Borrower. The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the information or opinions set forth herein after the date of this Official Statement. This Official Statement does not constitute a contract between the Issuer, the Borrower or the Underwriter and any one or more of the purchasers or registered Holders of the Series 2018 Bonds.

The Issuer neither has nor assumes responsibility for any information in this Official Statement, except for the information under the captions **“INTRODUCTION – The Issuer”**, **“THE ISSUER”** AND **“LITIGATION – The Issuer”**. Although this Official Statement contains information from sources believed to be reliable, the Issuer makes no representations as to the contents of this Official Statement other than those referenced above. **THE ISSUER ASSUMES NO RESPONSIBILITY FOR THE ACCURACY, SUFFICIENCY OF DISCLOSURE OR COMPLETENESS OF ANY INFORMATION PROVIDED BY THE BORROWER, THE TRUSTEE OR ANY OTHER PERSON.**

CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Standard & Poor’s CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.

The Series 2018 Bonds have not been registered under the Securities Act of 1933, and the Indenture has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

THE SERIES 2018 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2018 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE SERIES 2018 BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2018 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND IF CONTINUED, MAY BE RECOMMENCED AT ANY TIME.

This Official Statement speaks only as of the date printed on the cover page hereof. The information contained herein is subject to change. The Official Statement will be made available through the Electronic Municipal Market Access System (EMMA), a service of the Municipal Securities Rulemaking Board (MSRB), now the only nationally recognized municipal securities information depository.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This Official Statement contains “forward-looking” information within the meaning of the federal securities laws. Certain statements in this Official Statement that relate to the Project and the Borrower including, but not limited to, statements under the captions “**ESTIMATED SOURCES AND USES OF FUNDS,**” “**CERTAIN INFORMATION ABOUT THE BORROWER AND THE PROJECT**” in APPENDIX A hereto and “**PRO FORMA FINANCIAL PROJECTIONS**” attached hereto as APPENDIX D, are forward-looking statements that are based on the beliefs of, and assumptions made by, the management of the Borrower. The forward-looking information includes statements concerning the Borrower’s outlook for the future, as well as other statements of beliefs, future plans and strategies or anticipated events, and similar expressions concerning matters that are not historical facts. Forward-looking information and statements are subject to many risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, the statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance of the Project and the Borrower to be materially different from any expected future results or performance. These risks and uncertainties include the competitive environment and related market conditions, operating efficiencies, access to capital, the cost of compliance with environmental and health standards, litigation and other risks and uncertainties described herein under “**RISK FACTORS AND INVESTMENT CONSIDERATIONS.**” Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement made in this Official Statement speaks only as of the date of such statement, and the Borrower and the Issuer undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE BORROWER DOES NOT EXPECT OR INTEND TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement made in this Official Statement speaks only as of the date of such statement, and the Borrower and the Issuer undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

RESTRICTIONS ON PURCHASE OF SERIES 2018 BONDS

There are restrictions on who can purchase the Series 2018 Bonds. Each initial purchaser of the Series 2018 Bonds must be an “Accredited Investor,” as defined in Rule 501 under the Securities Act of 1933, as amended (the “Securities Act”), or a “Qualified Institutional Buyer,” as defined in Rule 144A under the Securities Act. Each initial purchase of the Series 2018 Bonds will be required to deliver an investor letter (“Investor Letter”) in the form attached to this Official Statement as APPENDIX G. See “RESTRICTIONS ON OWNERSHIP AND TRANSFER OF SERIES 2018 BONDS” in this Official Statement.

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APPENDIX G – FORM OF INVESTMENT LETTER

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OFFICIAL STATEMENT

relating to the original issuance of

\$218,745,000
CAPITAL TRUST AGENCY
STUDENT HOUSING REVENUE BONDS
(UNIVERSITY BRIDGE, LLC STUDENT HOUSING PROJECT)
SERIES 2018A

\$8,895,000
CAPITAL TRUST AGENCY
STUDENT HOUSING REVENUE BONDS
(UNIVERSITY BRIDGE, LLC STUDENT HOUSING PROJECT)
TAXABLE SERIES 2018B

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2018 Bonds to potential investors is made only by means of the entire Official Statement. For the definitions of certain other terms used in this Official Statement and not otherwise defined herein, see “FORMS OF PRINCIPAL FINANCING DOCUMENTS” in APPENDIX B hereto.

Purpose of this Official Statement

This Official Statement, including the cover and inside cover pages and the Appendices hereto, is provided to furnish information in connection with the original issuance by the Capital Trust Agency, a legal entity duly created and public agency duly organized and existing under the laws of the State of Florida (the “**Issuer**”) of its (i) \$218,745,000 Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A (the “**Series 2018A Bonds**”) and (ii) \$8,895,000 Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Taxable Series 2018B (the “**Series 2018B Bonds**”) and together with the Series 2018A Bonds, the “**Series 2018 Bonds**”). The Series 2018 Bonds, together with any Additional Bonds (as defined herein), are referred to herein as the “**Bonds**.”

The Series 2018 Bonds

Purpose of the Series 2018 Bonds. The Series 2018 Bonds are being issued by the Issuer to make a loan to University Bridge, LLC (the “**Borrower**”), a Florida limited liability company, whose sole member is Atlantic Housing Foundation, Inc. (the “**Sole Member**”), a South Carolina nonprofit corporation and an exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”). The loan will be made pursuant to a Loan Agreement dated as of September 1, 2018 (the “**Loan Agreement**”), between the Issuer and the Borrower. The Series 2018 Bonds are being issued to provide funds for financing the (i) acquisition, development, construction, furnishing and equipping of an approximately 1,244-bed student housing facility containing approximately 7,000 square-feet of retail space, parking and related amenities located adjacent to the campus of Florida International University (the “**Project**”), (ii) the payment of capitalized interest on the Series 2018 Bonds during construction and for up to six months following the scheduled completion of the Project, (iii) the funding of a Debt Service Reserve Fund (as defined hereinafter) with respect to the Series 2018 Bonds, (iv) the funding of an Operations and Maintenance Reserve Fund (as defined hereinafter) with respect to the Series 2018 Bonds and (v) the payment of the costs of issuance of the Series 2018 Bonds. See the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS**” and “**ESTIMATED SOURCES AND USES OF FUNDS**” herein.

The Series 2018 Bonds. The Series 2018 Bonds are to be issued pursuant to the provisions of the Act (as defined herein) and a Trust Indenture, dated as of September 1, 2018 (the “**Indenture**”), between the Issuer and Regions Bank, Jacksonville, Florida, as Trustee (the “**Trustee**”). The Series 2018 Bonds will be issued in the amounts, will be dated, will bear interest at the respective rates and will be payable on the dates and will mature on the respective dates set forth on the inside cover page of this Official Statement. The Series 2018 Bonds are subject to redemption as described herein under the caption “**THE SERIES 2018 BONDS – Mandatory Redemption of**

Bonds; – Optional Redemption of Bonds; and – Mandatory Sinking Fund Redemption.” For a more complete description of the Series 2018 Bonds, see “**THE SERIES 2018 BONDS**” herein.

Description of the Series 2018 Bonds

Redemption. The Series 2018 Bonds are subject to redemption prior to their stated maturity. See “**THE SERIES 2018 BONDS – Mandatory Redemption of Bonds; – Optional Redemption of Bonds; and – Mandatory Sinking Fund Redemption**” herein.

Denominations. The Series 2018 Bonds will be dated their date of delivery. The Series 2018 Bonds will bear interest at the respective rates, and will mature on the respective dates and in the amounts, all as set forth on the inside cover page of this Official Statement. The Series 2018 Bonds are issuable as fully registered bonds without coupons in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof. See “**THE SERIES 2018 BONDS**” herein.

Registration, Transfers and Exchanges. The Series 2018 Bonds will be issued in fully registered form. When in book-entry form, ownership of the Series 2018 Bonds held by The Depository Trust Company (“**DTC**”) or its nominee, Cede & Co., on behalf of the beneficial owners thereof (the “**Beneficial Owners**”). DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC’s records show only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. See “**THE SERIES 2018 BONDS – Book-Entry-Only System**” herein.

Payments. Interest on the Series 2018 Bonds will be payable semiannually on June 1 and December 1 of each year (the “**Interest Payment Dates**”), commencing December 1, 2018. The Series 2018 Bonds will be payable as to principal on the dates and in the amounts as set forth in the Indenture. Interest shall be computed on the basis of a year of 360 days and twelve 30-day months. Each Bond shall bear interest payable on the Interest Payment Date from the Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from the Dated Date. See “**THE SERIES 2018 BONDS**” herein.

Tax Matters. Greenberg Traurig, P.A., Miami, Florida, as Bond Counsel, will provide an opinion, substantially in the form contained in **APPENDIX C** to this Official Statement, to the effect that interest on the Series 2018A Bonds is not includable in gross income for federal income tax purposes. See “**TAX MATTERS FOR SERIES 2018A BONDS**” herein. **INTEREST ON THE SERIES 2018B BONDS IS NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES.** See “**TAX MATTERS FOR SERIES 2018B BONDS**” herein. For a more complete description of the Series 2018 Bonds, see “**THE SERIES 2018 BONDS**” herein.

Restrictions on Ownership and Transfer of Series 2018 Bonds

THE SERIES 2018 BONDS ARE OFFERED ONLY TO AND MAY BE PURCHASED ONLY BY “ACCREDITED INVESTORS,” AS DEFINED IN RULE 501 UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND “QUALIFIED INSTITUTIONAL BUYERS,” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT. Each initial purchaser of the Series 2018 Bonds will be required to deliver an Investor Letter in the form attached to this Official Statement as **APPENDIX G**. The Series 2018 Bonds may be transferred only to (1) “Accredited Investors,” as defined in Rule 501 under the Securities Act or to (2) “Qualified Institutional Buyers,” as defined in Rule 144A under the Securities Act. See “**RESTRICTIONS ON OWNERSHIP AND TRANSFER OF SERIES 2018 BONDS**” herein.

Security and Sources of Payment for the Series 2018 Bonds

Trust Estate. The Series 2018 Bonds are secured by the Trust Estate created in the Indenture which includes all right, title and interest of the Issuer in and to (a) the Note, the Mortgage and the Loan Agreement (other than the Reserved Rights of the Issuer), including the proceeds thereof or recovery thereon; (b) all funds, money and securities from time to time held by the Trustee under the terms of the Indenture (except with respect to money in

the Rebate Fund) and any interest, profits and other income derived from the investment thereof, including the proceeds of the Series 2018 Bonds, subject to the application thereof in accordance with the Indenture, including Net Proceeds; (c) any and all other rights and interests in property conveyed, mortgaged, pledged, assigned or transferred as and for additional security for the Series 2018 Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee; and (d) to the extent not covered above, all proceeds of the foregoing. The Indenture and Loan Agreement also permit the issuance of Additional Bonds and the incurrence of additional Parity Indebtedness by the Borrower, which would be secured by the Trust Estate and which may be incurred on a parity basis with the Series 2018 Bonds. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS**” herein and “**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Loan Agreement – Other Indebtedness**” in **APPENDIX B**.

The Note. The Borrower is obligated under the Loan Agreement to make payments (the “**Loan Payments**”) in such amounts and at such times as will be sufficient to pay, when due, the principal of, premium, if any, and interest on the Series 2018 Bonds as well as pay certain other fees and expenses in connection with the Series 2018 Bonds. As evidence of its obligations to make the Loan Payments with respect to the Series 2018 Bonds the Borrower will execute and deliver to the Trustee a Promissory Note (the “**Note**”).

Nonrecourse Obligations. The Borrower’s obligations under the Loan Agreement, the Note and the Mortgage are limited, nonrecourse obligations and the Borrower has no obligation to make payments of amounts due under the Loan Agreement except from Project Revenues and from amounts held in the Funds and Accounts created under the Indenture and the security provided by the Mortgage. No other revenues or assets of the Borrower or the Sole Member will be available for the payment of, or as security for, the Series 2018 Bonds. The right of the Issuer to collect and receive payments under the Loan Agreement has been assigned to the Trustee under the Indenture for the benefit of the Holders of the Series 2018 Bonds. No assets or other revenues of the Issuer are or will be available for the payment of, or as security for, the Series 2018 Bonds. Except for certain indemnification provisions in the Loan Agreement, the Sole Member will have no liability on account of financial obligations of the Borrower under the Loan Agreement and the Note or the other Bond Documents. The Sole Member will enter into certain other of the documents relating to the Series 2018 Bonds for the sole purpose of agreeing to comply with the tax covenants therein, but the Trustee’s recourse against the Sole Member for any violation of these covenants will be limited to the Sole Member’s interest in the Borrower.

Mortgage. As further security for the Series 2018 Bonds, and to secure the Borrower’s obligations under the Note and the Loan Agreement, the Borrower will grant to the Trustee a Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated on or about the date of issuance of the Series 2018 Bonds (the “**Mortgage**”). See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – Mortgage**” herein.

Rate Covenant. The Borrower has agreed in the Loan Agreement to use its best efforts to fix, charge and collect, or cause to be fixed, charged and collected, rents, fees and charges in connection with the operation and maintenance of the Project, such that for each Fiscal Year, beginning with the Fiscal Year ending December 31, 2020, the Debt Service Coverage Ratio (as defined in the Indenture) will not be less than 1.20 to 1.00 on all Outstanding Bonds and all Parity Indebtedness, determined as of the end of each such Fiscal Year. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – Rate Covenant**” herein.

Assignment of Contract Documents. As security for the holders of the Series 2018 Bonds, the Borrower will execute and deliver an Assignment of Contract Documents, dated as of September 1, 2018 (the “**Assignment of Contract Documents**”), in favor of the Trustee, pursuant to which the Borrower will collaterally assign its interests in various design, development, construction and management documents.

Developer Guaranty of Construction. Pursuant to the Development Agreement, the Developer absolutely and unconditionally guarantees (i) the actual cost of the completed Project will not exceed the total amount of the costs of the Project as set forth in the Development Budget (as such term is defined in the Development Agreement) and (ii) on or before the final completion date set forth in the Progress Schedule (as such term is defined in the Development Agreement), the Project will be fully completed (as evidenced by a certificate of substantial completion delivered by the Architect) without any mechanics’ or materialmen’s liens by any contractor or other party supplying labor or materials to the Project (collectively, the “**Guaranteed Obligations**”). The Guaranteed Obligations will terminate upon the issuance of a certificate of occupancy for the Project. The Development

Agreement requires the Developer to advance funds to the Borrower if needed to satisfy the Guaranteed Obligations within 10 days written notice from the Borrower.

The Issuer

The Issuer is a legal entity and public agency of the State of Florida, organized and existing under Chapter 163, Part I, Chapter 166, Part II, Chapter 617, Florida Statutes, as amended; the Gulf Breeze Ordinance, the Century Ordinance and the Interlocal Agreement (as each term is defined in the Indenture) and with powers as a “local agency” under Chapter 159, Part II, Florida Statutes, and other applicable provisions of law (collectively, the “Act”). The issuance of the Series 2018 Bonds has been authorized by Resolution No. 07-18, duly adopted by the City Council of the City of Gulf Breeze, Florida, on May 21, 2018, Resolution No. 04-18 duly adopted by the Town Council of the Town of Century, Florida, on May 21, 2018; and Resolution No. 07-18 and Resolution No. 16-18, duly adopted by the Issuer on May 3, 2018 and July 17, 2018, respectively. See “**THE ISSUER**” herein.

The Borrower and the Sole Member

The Borrower is a newly created single asset entity, the sole member of which is Atlantic Housing Foundation, Inc. (the “**Sole Member**”), a South Carolina nonprofit corporation and exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”). The Borrower has no operating history and has no financial statements. See “**THE BORROWER AND THE PROJECT – The Borrower**” and “**– The Sole Member**” herein.

The Project

The Project. The Series 2018 Bonds are being issued to provide funds for financing (i) the acquisition, development, construction, furnishing and equipping of an approximately 1,244-bed student housing facility containing approximately 7,000 square-feet of retail space, parking and related amenities (the “**Project**”) located adjacent to the campus of Florida International University (the “**University**”), (ii) the payment of capitalized interest on the Series 2018 Bonds during construction and for up to six months following the scheduled completion of the Project, (iii) the funding of a Debt Service Reserve Fund (as defined hereinafter) with respect to the Series 2018 Bonds, (iv) the funding of an Operations and Maintenance Reserve Fund (as defined hereinafter) with respect to the Series 2018 Bonds and (v) the payment of the costs of issuance of the Series 2018 Bonds. See **APPENDIX A** hereto for more information about the Project.

The University. The University is an institution of higher learning and a member of the State University System of Florida. See **APPENDIX A** hereto. **Neither the State of Florida nor the University will have any obligation with respect to payment of the Series 2018 Bonds.** The University will enter into a Student Housing Agreement (the “**Student Housing Agreement**”) with the Borrower pursuant to which it will agree, among other things, to support the Project. See “**THE BORROWER AND THE PROJECT – The Project – The Student Housing Agreement**” and “**– The University**” herein.

The Manager. The Borrower will enter into a Property Management Agreement with Landmark Property Management, LLC (the “**Manager**”).

The General Contractor, the Architect, the Developer, the Construction Monitor and the Asset Manager. Coastal Construction Group of South Florida, Inc. will serve as the general contractor for the Project (the “**General Contractor**”). Arquitectonica International Corporation, a Florida corporation, will serve as the architect for the Project (the “**Architect**”). University Bridge GP, LLC, a Delaware limited liability company, is serving as the developer for the Project (the “**Developer**”). Lecesce Construction Services, LLC (the “**Construction Monitor**”), is acting as the construction monitor for the construction of the Project pursuant to the Construction Disbursement and Monitoring Agreement (the “**Disbursement Agreement**”) dated as of September 1, 2018, among the Borrower and the Construction Monitor. Pursuant to the Disbursement Agreement, the Construction Monitor is providing its services for the benefit of the holders of the Series 2018 Bonds. Collegiate City Asset Management, LLC, a Delaware limited liability company, (the “**Asset Manager**”) is serving as an asset manager pursuant to an Asset Management Agreement (the “**Asset Management Agreement**”) dated as of September 1, 2018, between the

Borrower and the Asset Manager. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – Disbursement Agreement**.” See also “**CERTAIN INFORMATION ABOUT THE BORROWER AND THE PROJECT**” in APPENDIX A hereto.

Market Study

The Market Study was prepared by Meyers Research, LLC, Dallas, Texas. See “**MARKET STUDY**” in APPENDIX F hereto, “**CERTAIN BONDHOLDERS’ RISKS - Actual Results May Differ from Market Study and Proforma Financial Projection**” and “**- PRELIMINARY NOTICES – CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING STATEMENTS**” herein. The Market Study should be read in its entirety.

The Student Housing Agreement

The University and the Borrower will enter into a Student Housing Agreement (the “**Student Housing Agreement**”) dated on or about the date of issuance of the Series 2018 Bonds. See “**THE BORROWER, THE PROJECT, AND THE UNIVERSITY – The Project – The Student Housing Agreement**” in APPENDIX A hereto.

Payment in Lieu of Taxes Agreement

The Project is not expected to pay ad valorem property tax based on the execution and delivery of the Student Housing Agreement. In the event the Project is granted ad valorem property tax exemption, the Borrower has agreed, pursuant to a payment in lieu of taxes agreement between the Borrower and the City (the “**PILOT Agreement**”), to make an annual payment of an annual amount equal to 150% of the amount of municipal ad valorem real estate taxes that would have been payable by Borrower on the Project if Borrower was not otherwise exempt from such taxes, in lieu of ad valorem real estate taxes for the tax year in question for the first two years; provided, however, that said amount shall increase to 200% for years three through five and shall further increase to 300% for year six and thereafter; provided further, however, that the amount payable hereunder shall be reduced by the amount of any general municipal real estate taxes for the tax year in question that are otherwise payable by the Borrower as a result of Borrower’s ownership of the Project (the aforesaid annual amount, as reduced by any such general municipal real estate taxes, is referred to hereinafter as the “**Annual Amount**”) solely from amounts distributed from the Surplus Fund to the PILOT Account of the Insurance and Tax Escrow Fund. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS - Surplus Fund**” herein and “**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Trust Indenture**” in APPENDIX B hereto. The PILOT Agreement runs until such time as the University or its designee acquires the Project and elects to terminate the PILOT Agreement. At any time that the Project does not qualify for ad valorem property tax exemption, the provisions of the PILOT Agreement are abated. See “**RISK FACTORS AND INVESTMENT CONSIDERATIONS – Property Tax Exemption**” herein.

Certain Bondholders’ Risks

AN INVESTMENT IN THE SERIES 2018 BONDS INVOLVES A DEGREE OF RISK, INCLUDING, AMONG OTHERS, RISKS ASSOCIATED WITH THE LIMITED SOURCE OF PAYMENT FOR THE SERIES 2018 BONDS AND VARIOUS REAL ESTATE AND OPERATING RISKS. PROSPECTIVE PURCHASERS SHOULD CAREFULLY CONSIDER ALL OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT, INCLUDING THE MATERIAL UNDER THE CAPTION “**RISK FACTORS AND INVESTMENT CONSIDERATIONS.**”

This Official Statement and the Appendices attached hereto contain descriptions of, among other matters, the Series 2018 Bonds, the Borrower, the Sole Member, the Project, the Asset Manager, the Indenture, the Loan Agreement, the Mortgage, the Note, the Tax Agreement and the Continuing Disclosure Agreement. Such descriptions and information do not purport to be comprehensive or definitive. Definitions of certain terms and words used in this Official Statement and not otherwise defined are set forth in the Indenture. All references herein to any agreements are qualified in their entirety by reference to such agreements and documents, and all references herein to the Series 2018 Bonds are qualified in their entirety by reference to the forms thereof included in the

Indenture. Copies of such agreements and all other documents referenced herein are available to the recipient of this Official Statement during the initial offering period by contacting the Underwriter.

THE SERIES 2018 BONDS

The Series 2018 Bonds are available in book-entry only form. See “**Book-Entry-Only System**” below. So long as Cede & Co., as nominee of The Depository Trust Company (“**DTC**”), is the registered owner of the Series 2018 Bonds, references herein to the Bondholders or holders or Holders or registered owners of the Series 2018 Bonds means Cede & Co. and not the Beneficial Owners of the Series 2018 Bonds.

General Description

The Series 2018 Bonds are issuable as fully registered bonds without coupons in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof. The Series 2018 Bonds will be dated their date of delivery. The Series 2018 Bonds will bear interest at the rates, and will mature on the dates and in the amounts, all as set forth on the inside cover page of this Official Statement. Interest on the Series 2018 Bonds will be payable semiannually on each June 1 and December 1 of each year (the “**Interest Payment Dates**”) commencing December 1, 2018, and be payable as to principal on the dates and in the amounts as set forth in the Indenture. Interest shall be computed on the basis of a year of 360 days and twelve 30-day months.

Each Series 2018 Bond shall bear interest from the Interest Payment Date preceding the date of authentication thereof, unless the date of such authentication is after the fifteenth day (whether or not a Business Day) of the calendar month preceding the applicable Interest Payment Date (the “**Record Date**”), in which case it will bear interest from the next succeeding Interest Payment Date, or unless no interest has been paid on such Series 2018 Bond, in which case from their date of delivery; provided, however, that if at the time of registration of any Series 2018 Bond the interest thereon is in default, as shown by the records of the Trustee, such Series 2018 Bond shall bear interest from the date to which interest has been paid in full.

Transfer and Exchange of the Series 2018 Bonds

So long as the Series 2018 Bonds are in book-entry only form, Cede & Co., as nominee of DTC, will be the sole registered owner of the Series 2018 Bonds. Transfers of beneficial interests in the Series 2018 Bonds will be made as described below under “**Book-Entry-Only System.**”

Book-Entry-Only System

The following has been provided by DTC for use herein. While the information is believed to be reliable, none of the Issuer, the Trustee, the Borrower or the Underwriter, subject to the standard of review found on the inside cover hereof, nor any of their respective counsel, members, officers or employees, make any representations as to the accuracy or sufficiency of such information.

DTC will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2018 Bond will be issued for each maturity of the Series 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges

between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries (DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC is rated AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2018 Bonds, unless use of the Book-Entry System for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2018 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal, premium, if any, and any interest on the Series 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or

the Trustee, on each payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Series 2018 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, interest and principal payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2018 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the Book-Entry System transfers through DTC (or a successor securities depository); in that event, Series 2018 Bond certificates will be printed and delivered to DTC.

The information under this heading concerning DTC and DTC's Book-Entry System has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

NEITHER THE ISSUER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE TO THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2018 BONDS. THE ISSUER AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2018 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN A MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Revision of Book-Entry-Only System

In the event that either: (i) the Issuer receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the Series 2018 Bonds or (ii) the Issuer elects to discontinue its use of DTC as a clearing agency for the Series 2018 Bonds, then the Issuer and the Trustee will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Series 2018 Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Series 2018 Bonds and to transfer the ownership of each of the Series 2018 Bonds to such person or persons, including any other clearing agency, as the holder of such Series 2018 Bonds may direct in accordance with the Indenture. Any expense of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Series 2018 Bonds, will be paid by the Borrower.

Mandatory Redemption of Bonds

The Series 2018 Bonds shall be called for redemption (1) in whole or in part in the event the Project or any portion thereof is damaged or destroyed or taken in a condemnation proceeding and Net Proceeds resulting therefrom are to be applied to the payment of the Note as provided in the Loan Agreement and the Borrower pursuant to the Loan Agreement has elected to use the Net Proceeds to redeem Series 2018 Bonds, (2) in whole or in part in the event the Borrower exercises its option to terminate the Loan Agreement due to the events permitting termination listed therein, (3) in whole or in part from proceeds of the title insurance policy as provided in the Loan Agreement, or (4) in whole in the event the Borrower is required to prepay the Loan following an Event of Default under the Loan Agreement. Other events, such as destruction or condemnation of the Project (as more particularly described in the Loan Agreement), may also permit the Borrower to terminate the Loan Agreement. See "**RISK FACTORS AND INVESTMENT CONSIDERATIONS – Risk of Early Redemption**" below and "**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Loan Agreement**" in APPENDIX B hereto.

If called for redemption at any time pursuant to (1) through (4) above, the Series 2018 Bonds to be redeemed shall be subject to redemption by the Issuer prior to maturity, in whole at any time or (in the case of redemption pursuant to clauses (1), (2) or (3) above) in part (less than all of such Bonds to be selected in accordance with the provisions of the Indenture (as described under the caption “**Selection of Bonds to be Redeemed**” below)) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date; such redemption date to be a date determined by the Borrower, and in the case of redemption pursuant to clause (4) above, to be the earliest practicable date, as determined by the Trustee, following acceleration of amounts due under the Loan Agreement.

Optional Redemption of Bonds

Except as set forth below, the Series 2018A Bonds are subject to optional redemption by the Issuer, at the direction of the Borrower, on or after December 1, 2028, in whole or in part at any time, at a price equal to the principal amount of the Series 2018A Bonds outstanding plus accrued interest to the redemption date.

The Series 2018B Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemption

The Series 2018A Bonds maturing on December 1, 2028, 2043, and 2058 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest on June 1 and December 1 of each year and in the principal amounts shown below:

SERIES 2018A BONDS MATURING DECEMBER 1, 2028

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
12/1/2024	\$ 135,000	12/1/2027	\$2,770,000
12/1/2025	2,560,000	12/1/2028†	2,880,000
12/1/2026	2,665,000		

† Final maturity.

SERIES 2018A BONDS MATURING DECEMBER 1, 2043

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
12/1/2029	\$2,995,000	12/1/2037	\$4,510,000
12/1/2030	3,150,000	12/1/2038	4,745,000
12/1/2031	3,320,000	12/1/2039	4,995,000
12/1/2032	3,490,000	12/1/2040	5,260,000
12/1/2033	3,675,000	12/1/2041	5,535,000
12/1/2034	3,870,000	12/1/2042	5,825,000
12/1/2035	4,070,000	12/1/2043†	6,130,000
12/1/2036	4,285,000		

† Final maturity.

SERIES 2018A BONDS MATURING DECEMBER 1, 2058

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
12/1/2044	\$6,450,000	12/1/2052	\$ 9,715,000
12/1/2045	6,790,000	12/1/2053	10,225,000
12/1/2046	7,145,000	12/1/2054	10,765,000
12/1/2047	7,525,000	12/1/2055	11,330,000
12/1/2048	7,920,000	12/1/2056	11,925,000
12/1/2049	8,335,000	12/1/2057	12,550,000
12/1/2050	8,770,000	12/1/2058†	13,205,000
12/1/2051	9,230,000		

† Final maturity.

The Series 2018B Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest on June 1 and December 1 of each year in the principal amounts shown below:

SERIES 2018B BONDS MATURING DECEMBER 1, 2024

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
12/1/2021	\$2,090,000	12/1/2023	\$2,310,000
12/1/2022	2,195,000	12/1/2024†	2,300,000

† Final maturity.

Selection of Bonds to be Redeemed

Series 2018 Bonds may be redeemed only in Authorized Denominations. If less than all of the Series 2018 Bonds are being redeemed: (a) the principal amount and Series of the Series 2018 Bonds to be redeemed shall be designated by a Borrower's Representative in writing to the Trustee and (b) the particular Series 2018 Bonds of the Series or portions thereof to be redeemed shall be selected by DTC or any successor depository in accordance with its procedures, or, if the book-entry system is discontinued, by the Trustee by lot. If it is determined that less than all of the principal amount represented by any Series 2018 Bond is to be called for redemption, then, following notice of intention to redeem such principal amount, the Holder thereof shall surrender such Series 2018 Bond to the Trustee on or before the applicable redemption date for (i) payment on the redemption date to such Holder of the redemption price of the amount called for redemption and (ii) delivery to such Holder of a new Series 2018 Bond in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2018 Bond, which shall be an Authorized Denomination. A new Series 2018 Bond representing the unredeemed balance of such Series 2018 Bond shall be issued to the Holder thereof, without charge therefor. Such provision shall not apply to scheduled mandatory sinking fund redemptions. If the Holder of any Series 2018 Bond or integral multiple of the Authorized Denomination selected for redemption shall fail to present such Series 2018 Bond to the Trustee for payment and exchange as aforesaid, such Series 2018 Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the amount called for redemption (and to that extent only), and interest shall cease to accrue from the date fixed for redemption.

Notice of Redemption

In the event any of the Series 2018 Bonds are called for redemption, the Trustee shall give notice, in the name of the Issuer, of the redemption of such Series 2018 Bonds, which notice shall (i) specify the Series 2018 Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the designated corporate trust office of the Trustee) and, if less than all of the Series 2018 Bonds are to be redeemed, the numbers of the Series 2018 Bonds, and the portions of the Series 2018 Bonds, to be so redeemed, (ii) state any condition to such redemption, including any redemption

premium, and (iii) state that on the redemption date, and upon satisfaction of any such condition, the Series 2018 Bonds to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by Mail to the Holders of the Series 2018 Bonds to be redeemed, at least thirty (30) days but no more than sixty (60) days prior to the date fixed for redemption. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of the Series 2018 Bonds so called for redemption at the place or places of payment, such Series 2018 Bonds shall be redeemed.

The Trustee may give any additional redemption notice as it deems necessary or desirable, but is not obligated to give or provide any additional notice or information.

Any Series 2018 Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with the Indenture shall cease to bear interest on the specified redemption date.

Payment of Redemption Price

For the redemption of any of the Series 2018 Bonds, the Trustee shall cause to be deposited in the Special Redemption Account of the Bond Fund, whether out of Project Revenues or any other moneys constituting the Trust Estate, including Net Proceeds available for such purpose pursuant to the Loan Agreement, or otherwise, an amount sufficient to pay the principal of, premium, if any, and interest to become due on the date fixed for such redemption. The obligation of the Issuer to cause any such deposit to be made under the Indenture shall be reduced by the amount of moneys in such Special Redemption Account available for and used on such redemption date for payment of the principal of, premium, if any, and accrued interest on the Series 2018 Bonds to be redeemed.

No Partial Redemption After Event of Default

Anything in the Indenture to the contrary notwithstanding, if there has occurred and is continuing an Event of Default under the Indenture on account of a failure to pay the principal of or premium, if any, or any installment of interest on the Series 2018 Bonds when due and payable with respect to the Series 2018 Bonds, there shall be no redemption of less than all of the Series 2018 Bonds Outstanding. See “**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Indenture**” in **APPENDIX B** hereto.

Restrictions on Ownership and Transfer of Series 2018 Bonds

THE SERIES 2018 BONDS ARE OFFERED ONLY TO AND MAY BE OWNED ONLY BY “ACCREDITED INVESTORS,” AS DEFINED IN RULE 501 UNDER THE SECURITIES ACT AND “QUALIFIED INSTITUTIONAL BUYERS,” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT. Each Beneficial Owner of the Series 2018 Bonds will be required to deliver an Investor Letter in the form attached to this Official Statement as **APPENDIX G**. The Series 2018 Bonds may be transferred only to (1) “Accredited Investors,” as defined in Rule 501 under the Securities Act or to (2) “Qualified Institutional Buyers,” as defined in Rule 144A under the Securities Act.

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ANNUAL DEBT SERVICE REQUIREMENTS

The principal (including principal payable at maturity and by mandatory sinking fund redemption) and interest payment requirements with respect to the Series 2018 Bonds are as follows:

<u>Year</u>	<u>Series 2018A Bonds</u>			<u>Series 2018B Bonds</u>			<u>TOTAL</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2018	\$ ---	\$ 2,080,189	\$ 2,080,189	\$ ---	\$ 85,614	\$ 85,614	\$ 2,165,804
2019	---	11,346,488	11,346,488	---	466,988	466,988	11,813,475
2020	---	11,346,488	11,346,488	---	466,988	466,988	11,813,475
2021	---	11,346,488	11,346,488	2,090,000	466,988	2,556,988	13,903,475
2022	---	11,346,488	11,346,488	2,195,000	357,263	2,552,263	13,898,750
2023	---	11,346,488	11,346,488	2,310,000	242,025	2,552,025	13,898,513
2024	135,000	11,346,488	11,481,488	2,300,000	120,750	2,420,750	13,902,238
2025	2,560,000	11,341,088	13,901,088	---	---	---	13,901,088
2026	2,665,000	11,238,688	13,903,688	---	---	---	13,903,688
2027	2,770,000	11,132,088	13,902,088	---	---	---	13,902,088
2028	2,880,000	11,021,288	13,901,288	---	---	---	13,901,288
2029	2,995,000	10,906,088	13,901,088	---	---	---	13,901,088
2030	3,150,000	10,748,850	13,898,850	---	---	---	13,898,850
2031	3,320,000	10,583,475	13,903,475	---	---	---	13,903,475
2032	3,490,000	10,409,175	13,899,175	---	---	---	13,899,175
2033	3,675,000	10,225,950	13,900,950	---	---	---	13,900,950
2034	3,870,000	10,033,013	13,903,013	---	---	---	13,903,013
2035	4,070,000	9,829,838	13,899,838	---	---	---	13,899,838
2036	4,285,000	9,616,163	13,901,163	---	---	---	13,901,163
2037	4,510,000	9,391,200	13,901,200	---	---	---	13,901,200
2038	4,745,000	9,154,425	13,899,425	---	---	---	13,899,425
2039	4,995,000	8,905,313	13,900,313	---	---	---	13,900,313
2040	5,260,000	8,643,075	13,903,075	---	---	---	13,903,075
2041	5,535,000	8,366,925	13,901,925	---	---	---	13,901,925
2042	5,825,000	8,076,338	13,901,338	---	---	---	13,901,338
2043	6,130,000	7,770,525	13,900,525	---	---	---	13,900,525
2044	6,450,000	7,448,700	13,898,700	---	---	---	13,898,700
2045	6,790,000	7,110,075	13,900,075	---	---	---	13,900,075
2046	7,145,000	6,753,600	13,898,600	---	---	---	13,898,600
2047	7,525,000	6,378,488	13,903,488	---	---	---	13,903,488
2048	7,920,000	5,983,425	13,903,425	---	---	---	13,903,425
2049	8,335,000	5,567,625	13,902,625	---	---	---	13,902,625
2050	8,770,000	5,130,038	13,900,038	---	---	---	13,900,038
2051	9,230,000	4,669,613	13,899,613	---	---	---	13,899,613
2052	9,715,000	4,185,038	13,900,038	---	---	---	13,900,038
2053	10,225,000	3,675,000	13,900,000	---	---	---	13,900,000
2054	10,765,000	3,138,188	13,903,188	---	---	---	13,903,188
2055	11,330,000	2,573,025	13,903,025	---	---	---	13,903,025
2056	11,925,000	1,978,200	13,903,200	---	---	---	13,903,200
2057	12,550,000	1,352,138	13,902,138	---	---	---	13,902,138
2058	13,205,000	693,263	13,898,263	---	---	---	13,898,263
TOTAL	<u>\$218,745,000</u>	<u>\$324,189,027</u>	<u>\$542,934,027</u>	<u>\$8,895,000</u>	<u>\$2,206,614</u>	<u>\$11,101,614</u>	<u>\$554,035,641</u>

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SOURCES AND USES OF FUNDS

The Borrower expects the proceeds of the Series 2018 Bonds to be provided to be used and applied in the following manner.

Sources of Funds:

Series 2018A Bonds	\$218,745,000
Series 2018B Bonds	8,895,000
Net Original Issue Premium	<u>3,470,491</u>
Total Sources of Funds	\$231,110,491

Uses of Funds:

Development and construction of the Project ¹	\$185,030,187
Operations and Maintenance Reserve Fund ²	1,600,000
Capitalized Interest ³	25,078,550
Debt Service Reserve Fund ⁴	13,903,688
Cost of Issuance ⁵	<u>5,498,066</u>
Total Uses of Funds	\$231,110,491

¹ Includes the acquisition price of land, hard and soft construction costs, development fees, reimbursements, retirement of an interim construction loan and working capital.

² Represents approximately six months of operating expenses.

³ Represents capitalized interest on the Series 2018 Bonds through December 1, 2020.

⁴ An amount equal to approximately maximum annual debt service on the Series 2018 Bonds shall be deposited with the Trustee in accounts within the Debt Service Reserve Fund.

⁵ Fees of Underwriter, attorney fees, Trustee, Rating Agency and other costs of issuance of the Series 2018 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS

Trust Estate

The Series 2018 Bonds are secured by a first lien on and pledge and assignment of a security interest in the Trust Estate. The Trust Estate includes (a) all right, title and interest of the Issuer in and to the Note, the Mortgage, and the Loan Agreement (other than the Reserved Rights of the Issuer), including the proceeds thereof or recovery thereon; (b) all funds, money and securities from time to time held by the Trustee under the terms of the Indenture (except with respect to money in the Rebate Fund) and any interest, profits and other income derived from the investment thereof, including the proceeds of the Series 2018 Bonds, subject to the application thereof in accordance with the Indenture, including Net Proceeds; (c) any and all other rights and interests in property conveyed, mortgaged, pledged, assigned or transferred as and for additional security for the Series 2018 Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee; and (d) to the extent not covered above, all proceeds of the foregoing. The Indenture and Loan Agreement also permit the issuance of Additional Bonds and the incurrence of additional Parity Indebtedness by the Borrower, which would be secured by the Trust Estate and which may be incurred on a parity basis with the Series 2018 Bonds. See “**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Loan Agreement – Other Indebtedness**” in **APPENDIX B**.

Limited Obligations of Issuer

PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2018 BONDS IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY OUT OF THE TRUST ESTATE. THE SERIES 2018 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE CITY OF SWEETWATER, FLORIDA (THE “LOCAL AGENCY”), THE CITY OF GULF BREEZE, FLORIDA OR THE TOWN OF CENTURY, FLORIDA (COLLECTIVELY, “THE SPONSORING POLITICAL SUBDIVISIONS”), THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE

SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2018 BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE SERIES 2018 BONDS OR THE INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE SERIES 2018 BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE SERIES 2018 BONDS. THE ISSUER HAS NO TAXING POWER.

Repayment of Loan

The Loan Agreement and the Note obligate the Borrower to pay to the Trustee, for the account of the Issuer, monthly payments equal to the amounts required to pay the interest coming due on each Interest Payment Date with respect to the Series 2018 Bonds plus the principal amount of the Series 2018 Bonds maturing or required to be redeemed. The Borrower's obligations to make Loan Payments are limited obligations of the Borrower, and holders of the Series 2018 Bonds will have recourse only to the Project, the moneys held in the Funds and Accounts created under the Indenture (except as specifically set forth therein) and the Project Revenues to satisfy the obligations of the Borrower with respect to the Series 2018 Bonds. No other revenues or assets of the Borrower or Sole Member will be available for the payment of, or as security for, the Series 2018 Bonds. Pursuant to the Indenture, the Issuer will pledge and assign all its rights and interests (except for Reserved Rights) and all amounts payable (other than certain fees and expenses due to the Issuer) under the Loan Agreement, the Note and the Mortgage to the Trustee, in trust, to be held and applied pursuant to the provisions of the Indenture, for the benefit of the Holders of the Series 2018 Bonds.

Disbursement Agreement

The Borrower has entered into a Construction Disbursement and Monitoring Agreement on or about the date of issuance of the Series 2018 Bonds (the "**Disbursement Agreement**") among the Borrower and Lecesse Construction Services, LLC (the "**Construction Monitor**"). Pursuant to the Disbursement Agreement, the Construction Monitor is responsible for monitoring the construction of the Project on behalf of the holders of the Series 2018 Bonds and the Trustee. See "**The Construction Monitor – The Disbursement Agreement**" in **APPENDIX A** hereto.

Mortgage

To secure the payment of the Loan Payments payable under the Loan Agreement and the Note, the Borrower will grant to the Trustee under the Mortgage, a first priority lien on and a security interest in the Project and the right, title and interests of the Borrower in the Project Revenues and other property as described in the Mortgage. The Mortgaged Property includes generally all the buildings, fixtures and equipment comprising the Project. See "**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Mortgage**" in **APPENDIX B** hereto. Additionally, the Borrower may incur additional Parity Indebtedness in accordance with the requirements of the Loan Agreement which may be secured by the Mortgage. See "**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Loan Agreement – Other Indebtedness**" in **APPENDIX B**.

Operation of the Project

Payments to be made by the Borrower pursuant to the Loan Agreement will be derived solely from Project Revenues. "Project Revenues" means for any period, all cash operating and nonoperating revenues of the Project, including rental payments, parking receipts and Unrestricted Contributions, less (a) any extraordinary and nonrecurring items (including any real property tax refunds), (b) income derived from the sale of assets not in the ordinary course of business which is permitted under the Bond Documents, (c) security, cleaning or similar deposits of tenants until applied or forfeited, (d) Net Proceeds of Insurance or Condemnation Awards and (e) any amount disbursed to the Borrower from the Surplus Fund, but including as Project Revenues (i) any such Net Proceeds

resulting from business interruption insurance or other insurance or condemnation proceeds retained by the Borrower and (ii) amounts received by the Borrower or the Trustee pursuant to any payment guaranty, operating guaranty or similar agreement with respect to the Project. In addition, the liability of the Borrower under the Loan Agreement is limited to the Borrower's interest in the Project and the monies held in the Funds and Accounts held under the Indenture (except as specifically set forth therein). **NO REPRESENTATIONS OR ASSURANCES CAN BE MADE THAT REVENUES WILL BE REALIZED BY THE BORROWER IN AMOUNTS NECESSARY TO ENABLE THE BORROWER TO OPERATE THE PROJECT AND TO MAKE PAYMENTS PURSUANT TO THE LOAN AGREEMENT SUFFICIENT TO PAY THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2018 BONDS.**

Rate Covenant

The Borrower has agreed in the Loan Agreement to use its best efforts to fix, charge and collect, or cause to be fixed, charged and collected, rents, fees and charges in connection with the operation and maintenance of the Project, such that for each Fiscal Year, beginning with the Fiscal Year ending December 31, 2020 the Debt Service Coverage Ratio will not be less than the applicable Coverage Test (being 1.20 to 1.00 on all Outstanding Bonds and all Parity Indebtedness), determined as of the end of each such Fiscal Year. In the event that the Borrower should fail to meet such rate covenant, the Borrower is required to retain a consultant to make recommendations with respect to the operations of the Project and the sufficiency of the rates, fees and charges imposed by the Borrower to enable the Borrower to improve the Debt Service Coverage Ratio to at least the applicable Coverage Test. Failure by the Borrower to retain a consultant or implement the recommendations of that consultant in any calendar year in which the Debt Service Coverage Ratio is not met will constitute an Event of Default as set forth in the Loan Agreement. Failure of the Borrower to meet the rate covenant does not constitute an Event of Default with respect to the Series 2018 Bonds. See **"FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Loan Agreement"** in **APPENDIX B** hereto.

Notwithstanding the foregoing, it shall be an Event of Default under the Trust Indenture if, for any Fiscal Year on or after December 31, 2020, the Debt Service Coverage Ratio determined as of the end of each such Fiscal Year, based on and supported by Audited Financial Statements, shall be less than of 1:00:1.

Project Fund

Proceeds of the Series 2018 Bonds will be deposited into the Project Fund. The Project Fund includes a Costs of Issuance Account, and within the Costs of Issuance Account (i) a tax-exempt costs of issuance account, (ii) a taxable costs of issuance account, (iii) a capitalized interest account and within such capitalized interest account, (a) a tax-exempt capitalized interest subaccount and (b) a taxable capitalized interest subaccount. Before any payment shall be made from the construction account of the Project Fund for Qualified Costs of the Project, there shall be filed with the Trustee a Disbursement Request, as defined in and attached to the Disbursement Agreement. See **"The Construction Monitor –The Disbursement Agreement"** in **APPENDIX A** hereto. Monies in the respective capitalized interest accounts of the Project Fund shall be transferred automatically without need for a requisition.

Revenue Fund

The Trustee is to deposit into the Revenue Fund (i) all Loan Payments and other amounts paid to the Trustee under the Loan Agreement (other than prepayments required to redeem Bonds pursuant to the Indenture, which shall be deposited in the related Special Redemption Account), (ii) all other amounts required to be so deposited pursuant to the terms of the Indenture or of the Tax Agreement, including investment earnings to the extent provided in the Indenture, (iii) any amounts derived from the Loan Agreement or the Mortgage to be applied to payment of amounts intended to be paid from the Revenue Fund, (iv) all Project Revenues, and (v) such other moneys as are delivered to the Trustee by or on behalf of the Issuer or the Borrower with directions for deposit of such moneys in the Revenue Fund.

Moneys on deposit in the Revenue Fund shall be disbursed on the 15th day of each month in the following order of priority:

- (1) To the Tax-Exempt Bond Fund Interest Subaccount and the Taxable Bond Fund Interest Subaccount, the applicable Interest Requirement for the respective Series of Bonds for that calendar month, together with an amount equal to any unfunded Interest Requirement for such Bonds for any prior month and, at the written direction of a Borrower's Representative, to the holder of any Parity Indebtedness an amount, as certified by a Borrower's Representative, equal to the interest due in such month, together with an amount, as certified by a Borrower's Representative, equal to any unfunded interest for any prior month;
- (2) To the Tax-Exempt Bond Fund Principal Subaccount and the Taxable Bond Fund Principal Subaccount, the applicable Principal Requirement for the respective Series of Bonds for that calendar month, together with an amount equal to any unfunded Principal Requirement for such Bonds from any prior month and, at the written direction of a Borrower's Representative, to the holder of any Parity Indebtedness an amount, as certified by a Borrower's Representative, equal to the principal due in such month, together with an amount, as certified by a Borrower's Representative, equal to any unfunded principal for any prior month;
- (3) To the applicable Account in the Debt Service Fund, the amount if any, required to be paid into the Debt Service Reserve Fund for the corresponding Series of Bonds pursuant to the Loan Agreement to restore the amount on deposit therein to the Debt Service Reserve Requirement for such Bonds;
- (4) [Reserved];
- (5) Subject to and in accordance with the provisions under the heading "Administration Fund," for transfer to the Administration Fund, (A) an amount equal to one-sixth (1/6) of the Administration Expenses scheduled to be due and payable on or before the next succeeding Interest Payment Date and (B) the portion of the Annual Issuer's Fee due the immediately succeeding month and any other Issuer's Fees and Expenses then due, it being understood that any amount due the Issuer shall not be subject to the review or approval or any action of the Trustee excepts as to payment automatically with respect to the Annual Issuer's Fee and upon invoice with respect to remaining Issuer's fees and expenses;
- (6) Subject to the provisions under the heading "**Insurance and Tax Escrow Fund,**" for transfer to the Insurance and Tax Escrow Fund, an amount equal to one-twelfth of the amount set forth by the Borrower in the Budget for the current year for annual premiums for insurance required to be maintained pursuant to the Loan Agreement and for annual real estate taxes (if any), or other charges for governmental services for the current year (all as shall be certified by a Borrower Representative to the Trustee, upon which certification the Trustee may conclusively rely), excluding the Annual PILOT Payment for such year, as provided in the Budget, provided that distribution by the Trustee to the Insurance and Tax Escrow Fund in respect of the first date or dates on which premiums for insurance and taxes or other payments described above are payable will be made in amounts equal to the respective quotients obtained by dividing the sum of (i) the amount of such premiums and (ii) the amount of such taxes or other charges, by the respective number of months, including the month of computation, to and including the month prior to the month in which such premiums or taxes are payable;
- (7) To the Operating Fund, an amount equal to such month's Operating Requirement, as provided in the Budget (as shall be certified by a Borrower Representative to the Trustee, upon which certification the Trustee may conclusively rely), together with such additional Operating Expenses requested in writing by a Borrower's Representative pursuant to and after satisfaction of the conditions specified in the Loan Agreement;
- (8) Subject to the provisions under the heading "**Repair and Replacement Fund,**" for transfer to the Repair and Replacement Fund, commencing with the month of January 1, 2020, an amount equal to the one-twelfth of the Replacement Reserve Requirement;

- (9) To the Rebate Fund, to the extent of any deposit required to be made thereto pursuant to the Tax Agreement (the amount of any such deposit as shall be certified by a Borrower Representative to the Trustee, upon which certification the Trustee may conclusively rely);
- (10) Subject to the provisions under the heading “**Operations and Maintenance Reserve Fund,**” for transfer to the Operations and Maintenance Reserve Fund, commencing with the month of January 1, 2020, an amount equal to the one-sixth of the amount necessary to restore the balance in such fund to the Operations and Maintenance Reserve Fund Requirement;
- (11) To the Surplus Fund, all remaining amounts.

In the event that, for any month, there are insufficient funds in the Revenue Fund to fund any one or more of the uses set forth in clauses (1) through (10) above, the amount not funded in such month due to such insufficiency of revenues shall be added to the amount to be funded in subsequent months under the same clause until such amount has been in fact funded. Failure to deposit sufficient Project Revenues to make the deposits described above shall not, in itself, constitute an Event of Default under the Indenture.

Debt Service Reserve Fund

A Debt Service Reserve Fund will be established under the Indenture and therein a Tax-Exempt Debt Service Reserve Account and a Taxable Debt Service Reserve Account. The Debt Service Reserve Fund will be funded in an aggregate amount approximately equal to approximately Maximum Annual Debt Service for the Series 2018 Bonds; provided, however, that such amounts shall be reduced on a pro-rata basis to the extent of any reduction in Annual Debt Service on the aggregate principal amount of the Bonds Outstanding, if any Series 2018 Bonds are redeemed other than pursuant to mandatory sinking fund redemption. Amounts on deposit in each account of the Debt Service Reserve Fund will be used solely to pay the principal of and interest on the applicable Series of Bonds secured thereby when due to the extent moneys on deposit in the related Principal Account or Interest Account are insufficient therefor after the transfer of any amounts from the Surplus Fund and the Repair and Replacement Fund pursuant to the Indenture.

Amounts on deposit in the applicable Debt Service Reserve Accounts will be transferred to the applicable Principal Account of the Bond Fund at the written direction of the Borrower’s Representative for the purpose of paying the last maturing principal of the Series 2018 Bonds, as applicable, on a Principal Payment Date or, if all of a series of the Series 2018 Bonds are being redeemed, to the applicable Special Redemption Accounts of the Bond Fund for redemption of Series 2018 Bonds; provided that amounts in the Tax-Exempt Debt Service Reserve Account may not be used to pay principal or interest on the Series 2018B Bonds and amounts in the Taxable Debt Service Reserve Account may not be used to pay principal or interest on the Series 2018A Bonds.

If the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, the Borrower is required to pay the Trustee the amount of such deficiency to the extent of available Project Revenues and in accordance with the operation of the Revenue Fund. In addition, if the amount on deposit in an account of the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement for the Series 2018 Bonds secured thereby, investment earnings thereon will remain in such account. See “**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Trust Indenture**” in **APPENDIX B** hereto.

Repair and Replacement Fund

A Repair and Replacement Fund will be established under the Indenture. The Repair and Replacement Fund will be funded from monthly deposits from the Revenue Fund initially in the amount of \$175 per bed per year, subject to revision as described in the Loan Agreement. The Trustee may disburse money on deposit in the Repair and Replacement Fund, upon request of a Borrower’s Representative, no more than once a month to pay to or to reimburse the Borrower for paying the cost of replacements or items of repairs which may be required to keep the Project in sound condition, including, but not limited to, replacement of equipment, repair or replacement of any roof or other structural component of the Project, exterior painting and major repairs to or replacement of heating, air conditioning, plumbing and electrical systems not properly payable from the Revenue Fund or the Operations

and Maintenance Reserve Fund, but in any case, only if there are no funds available in the Project Fund for such purpose. The Repair and Replacement Fund shall also be used to remedy any deficiency in the accounts of the Bond Fund, on any Interest Payment Date after exhaustion of the Surplus Fund, in the same order of priority as provided for regular transfers from the Revenue Fund. If total amounts on deposit in the Repair and Replacement Fund are not sufficient to pay all of such repair and replacement costs when due, then funds in the Operations and Maintenance Reserve Fund may be disbursed until exhausted, and then the Borrower is required to pay the deficiency, to the extent moneys are available in the Revenue Fund, and may be reimbursed from funds which later become available in the Repair and Replacement Fund.

The Borrower will contract for a Needs Assessment Analysis to be prepared with respect to the Project every 5 years from the date of this Loan Agreement and then will submit copies of the report to the Trustee and the Rating Agency. The Needs Assessment Analysis must be conducted and prepared by a consulting engineer that in the objective and reasonable opinion of the Borrower, is experienced in conducting needs assessment analysis for student housing rental projects. Each Needs Assessment Analysis shall identify the major maintenance requirements (including the replacement of machinery and appliances), for the next 5 years and the estimated costs thereof and include recommendations for (a) the monthly amount to be deposited to the Repair and Replacement Fund, (b) the Repair and Replacement Fund Requirement. The Borrower shall revise the Repair and Replacement Fund Requirement and advise the Trustee in writing of the revised Repair and Replacement Fund Requirement based on the recommendation of the consulting engineer and the Borrower shall promptly implement any recommendations contained in each Needs Assessment Analysis to the maximum extent practicable.” See “**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Trust Indenture**” in **APPENDIX B** hereto.

Operations and Maintenance Reserve Fund

An Operations and Maintenance Reserve Fund will be established under the Indenture and shall be funded at the time of issuance of the Series 2018 Bonds in an amount equal to six months of Operating Expenses, as determined for the current Fiscal Year in accordance with the Budget. Amounts on deposit in the Operations and Maintenance Reserve Fund shall be used to pay (i) maintenance and repair costs to the Project which are not capital expenditures payable from the Repair and Replacement Fund, (ii) Operating Expenses in excess of amounts specified in the Budget, (iii) certain costs of repair and replacement in accordance with the “Repair and Replacement Fund” heading herein and under the Indenture, (iv) shortfalls in any Interest Account or Principal Account in accordance with the “Bond Fund” heading herein and under Section 5.05(f) under the Indenture and (v) for any other legal purposes. The Borrower may also transfer monies from the Operations and Maintenance Reserve Fund to the Repair and Replacement Fund upon providing written direction to the Trustee. The Trustee shall disburse money in the Operations and Maintenance Reserve Fund upon receipt of a written direction of the Borrower Representative which states the purpose for such disbursement and the persons to which such amounts are to be paid. All interest income derived from the investment of amounts on deposit in the Operations and Maintenance Reserve Fund shall be deposited into the Revenue Fund. See “**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Trust Indenture**” in **APPENDIX B** hereto.

Surplus Fund

The Trustee shall deposit, into the Surplus Fund, amounts provided under the section “Revenue Fund” and any other amounts delivered to it with written instructions to deposit the same in the Surplus Fund. Money in the Surplus Fund shall be applied each month, when needed, for the following purposes and in the following manner to the extent of available cash flow:

- (1) transferred to the appropriate Subaccount of the Interest Account of the Bond Fund to pay interest on the Bonds to the extent amounts on deposit in such Subaccount are insufficient therefor;
- (2) transferred to the appropriate Subaccount of the Principal Account of the Bond Fund to pay principal on the Bonds to the extent amounts on deposit in such Principal Account are insufficient therefor;
- (3) pay any unpaid and due Administrative Expenses;

- (4) transferred to the Revenue Fund to the extent of any deficiency in the amounts needed to fully make all transfers from the Revenue Fund pursuant to the section “**Revenue Fund**” (other than to the Surplus Fund);
- (5) transferred to or upon the direction of the Borrower’s Representative for deposit into the Operating Account for the payment of Operating Expenses when the Borrower’s Representative certifies to the Trustee that there are not sufficient money in the Operating Fund or the Operating Account to pay Operating Expenses; and
- (6) paid to the Trustee an amount equal to Extraordinary Trustee’s Fees and Expenses then due.

(b) If on or after the Annual Evaluation Date, the Trustee receives (a) audited financial statements of the Borrower, and (b) a certificate signed by the Borrower’s Representative stating that: (i) the Borrower has satisfied the Coverage Test (as shown in a report by a Certified Public Accountant delivered by the Borrower to the Trustee pursuant to the Loan Agreement) for the Fiscal Year ending on such Annual Evaluation Date, upon which the Trustee may conclusively rely; (B) no Event of Default, or event which with the passage of time or the giving of notice or both would constitute an Event of Default, has occurred and is continuing; and (C) the Debt Service Reserve Requirement and the required Repair and Replacement Fund and Operations and Maintenance Reserve Fund deposits have been fully funded to their then required amount, as applicable; then within two Business Days after written request by the Borrower’s Representative to the Trustee, the Trustee shall disburse from the Surplus Fund the following in the order set forth below to the extent of available cash flow:

- (1) to the PILOT Account of the Tax and Insurance Escrow Fund an amount, as shall be certified by a Borrower Representative in writing (upon which certification the Trustee may conclusively rely), equal to the Annual PILOT Payment to be due on or before November 30 of such year;
- (2) to the University an amount equal to \$200,000;
- (3) to the Land Restoration Account (which is not included in the Trust Estate), an amount specified by the Borrower to the Trustee in writing, upon direction of the University, as the annual funding amount due pursuant to Section 7 of the Student Housing Agreement;
- (4) to the Asset Manager, an amount equal to any Asset Management Fee due and payable, including any unpaid amounts from previous years and any accrued interest thereon; and
- (5) to the Borrower, an amount equal to the remainder of any Surplus Cash available on the date of disbursement, for the charitable purposes delineated in the Student Housing Agreement, including payment of any amounts due to its Sole Member.

The Trustee will not make disbursements into the Surplus Fund pursuant to the above paragraph unless the Trustee has received the financial reports and certificates then due as set forth in the Loan Agreement. See “**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Loan Agreement**” in **APPENDIX B** hereto.

Other Funds

In addition to the Funds described above, the Indenture also provides for a Bond Fund, a Project Fund, an Operating Fund, a Rebate Fund, and Insurance and Tax Escrow Fund (and a PILOT account therein) and an Administration Fund. The purposes of such funds and the specific requirements related to each are described in “**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Trust Indenture**” in **APPENDIX B** hereto.

Assignment of Contract Documents

The Borrower is delivering the Assignment of Contract Documents (the “**Assignment of Contract Documents**”) for the benefit of the Trustee, as secured party. Under the Assignment of Contract Documents, the Borrower has collaterally assigned to the Trustee its rights under the contracts, including the Construction Contract,

Architect Agreement, the Disbursement Agreement, the Development Agreement and the Management Agreement. Each of the other parties to such agreements have consented to the assignment and agreed that upon an Event of Default under the Indenture, such agreements may be enforced by the Trustee.

No Credit Enhancement Facility

THERE IS NO CREDIT ENHANCEMENT FACILITY SECURING ANY OF THE SERIES 2018 BONDS NOR IS THERE ANY PROVISION FOR A CREDIT ENHANCEMENT FACILITY TO BE PROVIDED TO SECURE ANY OF THE SERIES 2018 BONDS.

Issuance of Additional Bonds; Parity Indebtedness

So long as no Event of Default has then occurred and is continuing, the Issuer at the request of a Borrower's Representative may, but shall not be required to, issue Additional Bonds for the purpose of (i) financing the costs of making such Modifications as the Borrower may deem necessary or desirable, (ii) financing the cost of completing any Modifications, (iii) refunding any Bonds, and (iv) in each such case, paying the costs of the issuance and sale of the Additional Bonds, paying capitalized or funded interest and such other costs reasonably related to the financing as shall be agreed upon by the Borrower and the Issuer. As a condition for the issuance of Additional Bonds, (i) such Additional Bonds shall be rated in a rating category that is not lower than the underlying rating (i.e., the rating of the respective Outstanding Bonds without giving effect to any credit enhancement) of the Series of Bonds of the same parity as such Additional Bonds, and (ii) prior to the issuance of such Additional Bonds, the Rating Agency then rating the Outstanding Bonds shall deliver a Confirmation of Rating stating that the issuance of the Additional Bonds will not result in a qualification, downgrade or withdrawal of the then current ratings on the Series 2018 Bonds.

Additional requirements for the issuance of Additional Bonds are discussed under "**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Indenture – Additional Bonds**" in **APPENDIX B** hereto.

The Loan Agreement permits the incurrence of additional Parity Indebtedness by the Borrower, which would be secured by the Trust Estate and which may be incurred on either a parity basis with the Series 2018 Bonds. See "**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Indenture – Additional Bonds**" in **APPENDIX B** hereto.

Additional Covenants

The Loan Agreement included various operating covenants including a covenant that the Sole Member shall not withdraw from the Borrower or otherwise merge or consolidate with or convey all or substantially all of Borrower's assets or the Sole Member's membership interests in the Borrower to any other Person without the written consent of the Controlling Holders. See "**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Loan Agreement**" in **APPENDIX B** hereto.

THE ISSUER

General

The Issuer is a legal entity and public agency of the State of Florida, organized and existing under Chapter 163, Part I, Chapter 166, Part II, Chapter 617, Florida Statutes, as amended; the Gulf Breeze Ordinance, the Century Ordinance and the Interlocal Agreement (as each term is defined in the Indenture) and with powers as a "local agency" under Chapter 159, Part II, Florida Statutes, and other applicable provisions of law (collectively, the "**Act**"). The issuance of the Series 2018 Bonds has been authorized by Resolution No. 07-18 duly adopted by the City Council of the City of Gulf Breeze, Florida, on May 21, 2018, Resolution No. 04-18 duly adopted by the Town Council of the Town of Century, Florida, on May 21, 2018; and Resolution Nos. 07-18 and 16-18 duly adopted by the Issuer on May 3, 2018 and July 17, 2018, respectively.

The Issuer neither has nor assumes responsibility for any information in this Official Statement, except for the information under the captions “**INTRODUCTION– The Issuer,**” “**THE ISSUER**” and “**LITIGATION - The Issuer.**” Although this Official Statement contains information from sources believed to be reliable, the Issuer makes no representations as to the contents of this Official Statement other than those referenced above. THE ISSUER ASSUMES NO RESPONSIBILITY FOR THE ACCURACY, SUFFICIENCY OF DISCLOSURE OR COMPLETENESS OF ANY INFORMATION PROVIDED BY THE BORROWER, THE SOLE MEMBER, THE UNDERWRITER, THE TRUSTEE OR ANY OTHER PERSON.

The Issuer’s fees and expenses, including any charges for indemnity, relating to the Series 2018 Bonds or the Project are paid as a part of Administration Expenses as defined in and pursuant to the Indenture.

Validation

On July 8, 2004, the Circuit Court of the First Judicial Circuit, Santa Rosa County, Florida entered a final judgment of validation confirming and validating the Issuer’s student housing bond program and the bonds issued pursuant thereto, which include the Series 2018 Bonds.

Limited Involvement of the Issuer

The Issuer has no obligation to review, control or oversee the activities of the Trustee or the Borrower or the compliance by any of them with any covenants or provisions of any related documents, including (without limitation) any covenants that relate to the excludability from gross income of interest on the Series 2018 Bonds.

The Issuer shall be under no obligation to institute any suit or to take any remedial proceeding in the event of an Event of Default under the Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts thereby created or in the enforcement of any rights and powers thereunder, including, without limitation, its acceptance or possession of the Project or any component thereof, until it shall be indemnified to its satisfaction against any and all reasonable costs, expenses, outlays and reasonable counsel fees and other reasonable disbursements, and against all liability, except in those cases where such costs, expenses, outlays, fees and disbursements may be attributed to gross negligence or willful misconduct on the part of the Issuer. The Issuer nevertheless may, in its sole discretion, but is not required to, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Issuer, without indemnity, and in such case the Issuer shall be entitled to reimbursement from any money under the Indenture and, subject to the prior rights of the Trustee, shall be entitled to a preference therefor over any Bonds outstanding under the Indenture.

The Issuer shall be entitled to advice of counsel concerning all matters under the Indenture and its duties under the Indenture and the other financing instruments. The Issuer may in all cases pay such reasonable compensation to such attorneys, agents and receivers and shall be entitled to reimbursement from the Borrower for all such compensation paid. The Issuer may act upon the opinion or advice of counsel, accountants, or such other professionals as the Issuer deems necessary and selected by it in the exercise of reasonable care. The Issuer shall not be responsible for any loss or damage resulting from any action or non-action based on its good faith reliance upon such opinion or advice.

The permissive right of the Issuer to do things enumerated in the Indenture or in the other financing instruments to which the Issuer is a party shall not be construed as duties until specifically undertaken by the Issuer. The Issuer shall only be responsible for the performance of the duties expressly set forth in the Indenture and in the other financing documents to which it is a party and shall not be answerable for other than its gross negligence or willful misconduct in the performance of those express duties.

The Issuer shall be protected in acting upon any opinion of counsel, notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons and which is not contrary to the express terms of the Indenture, the Loan Agreement or any financing documents. Any action taken by the Issuer pursuant thereto upon the request or authority or consent of any person who at the time of making such request or giving such authority or

consent as the Holder of any Bond as shown on the Bond Register will be conclusive and binding upon all future owners or holders of the same Bonds and upon Bonds issued in exchange therefor or in place of such Bonds.

Limited Recourse on the Series 2018 Bonds of the Issuer

PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2018 BONDS IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY OUT OF THE TRUST ESTATE. THE SERIES 2018 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE LOCAL AGENCY, THE SPONSORING POLITICAL SUBDIVISIONS, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2018 BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE SERIES 2018 BONDS OR THE INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE SERIES 2018 BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE SERIES 2018 BONDS. THE ISSUER HAS NO TAXING POWER.

No recourse under or upon any obligation, covenant or agreement contained in the documents relating to the Series 2018 Bonds or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of the Indenture, shall be had against any incorporator, member, director, officer, employee, agent or counsel as such, past, present or future of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Holder of any Bond issued under the Indenture, or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such incorporator, member, director, officer, employee, agent or counsel, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Holder of any Bond issued under the Indenture or otherwise of any sum that may remain due and unpaid upon the Bond hereby secured or any of them is, by the acceptance thereof, expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of the Series 2018 Bonds.

Notwithstanding anything to the contrary contained in the Indenture, the Series 2018 Bonds, the Loan Agreement or in any other instrument or document executed by or on behalf of the Issuer in connection with the issuance of the Series 2018 Bonds: (i) the Issuer shall have no obligation to take action under the Loan Agreement, the Indenture, the Series 2018 Bonds or any other financing document, or any such other instruments or documents, unless the Issuer is reasonably requested in writing by an appropriate person to take such action and is provided with indemnity and assurances satisfactory to it of payment of or reimbursement for any expenses (including attorneys' fees) in such action; (ii) neither the Issuer nor any member, director, officer, employee or agent of the Issuer shall be personally liable to the Borrower, the Trustee, the Holders of the Series 2018 Bonds, or any other person for any action taken by the Issuer or by its officers, agents or employees or for any failure to take action under the Indenture, the Loan Agreement, the Series 2018 Bonds, any other financing document, or any such other instruments or documents, except that the Issuer agrees to take, or to refrain from taking, any action if so required by an injunction or if required to comply with any final judgment for specific performance; and (iii) any judgment rendered against the Issuer for breach of its obligations under the Indenture, the Loan Agreement, the Series 2018 Bonds or such other instruments or documents, shall be payable solely from funds paid in accordance with or recovered pursuant to the Loan Agreement or revenues therefrom that have been pledged to payment of the Series 2018 Bonds or proceeds of the Series 2018 Bonds, and no personal liability or charge payable directly or indirectly from the general funds of the Issuer shall arise therefrom.

No agreements or provisions contained in the Indenture nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project or the issuance, sale and delivery of the Series 2018 Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except with respect to the Loan Agreement and the application of revenues therefrom and the proceeds of the Series 2018 Bonds. No failure of the Issuer to comply with any term, condition, covenant or agreement in the Indenture shall subject the Issuer, its incorporators, members, directors, officers, employees, agents and counsel to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same paid or recovered from funds paid pursuant to or recovered in accordance with the Loan Agreement or revenues therefrom that have been pledged to payment of the Series 2018 Bonds or proceeds of the Series 2018 Bonds.

Nothing in the Indenture shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement therein; provided, that no costs, expenses or other monetary relief shall be recoverable from the Issuer or its members, trustees, officers, directors, employees, agents and counsel, except as may be payable from the Loan Agreement or revenues therefrom that have been pledged to payment of the Series 2018 Bonds or the proceeds of the Series 2018 Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the Issuer except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Florida Department of Financial Services (the "Department"). Pursuant to Rule 69W-400.003, Florida Administrative Code, the Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the Issuer, and certain additional financial information, unless the Issuer believes in good faith that such information would not be considered material by a reasonable investor.

As described herein, the Issuer has the power to issue bonds or notes for the purpose of financing other projects for other borrowers which are payable from the revenues of the particular project or borrower. Revenue bonds issued by the Issuer for other projects may be in default as to principal and interest. The source of payment, however, for any such defaulted bond is separate and distinct from the source of payment of the Series 2018 Bonds and, therefore, any default on such bonds would not, in the judgment of the Issuer, be considered material by a potential purchaser of the Series 2018 Bonds.

Rule 69W-400.03, Rules for Government Securities, promulgated by the Florida Office of Financial Regulation, under Section 517.051(1), Florida Statutes ("**Rule 69W-400.03**"), requires the Issuer to disclose each and every default as to the payment of principal and interest with respect to an obligation issued by the Issuer after December 31, 1975. Rule 69W-400.03 further provides, however, that if the Issuer in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The Issuer, in the case of the Series 2018 Bonds, is merely a conduit for payment, in that the Series 2018 Bonds do not constitute a general debt, liability or obligation of the Issuer, but are instead secured by and payable solely from amounts payable under the Loan Agreement pledged in the Indenture (exclusive of the fees and expenses of the Issuer and amounts payable to the Issuer as indemnification under certain circumstances), and amounts on deposit in the funds created under the Indenture (other than the Rebate Fund). The Series 2018 Bonds are not being offered on the basis of the financial strength or condition of the Issuer. The Issuer believes, therefore, that disclosure of any default related to a financing not involving the Borrower or any person or entity related to the Borrower would not be material to a reasonable investor. Accordingly, the Issuer has not taken affirmative steps to contact any trustee of any other conduit bond issue of the Issuer to determine the existence of prior defaults. To the knowledge of the Issuer, based solely upon information provided by the Borrower, the Borrower has not been in default as to payment of principal or interest with respect to its obligations related to such bonds at any time after December 31, 1975.

THE BORROWER AND THE PROJECT

The following information has been provided by the Borrower. None of the Issuer, the Trustee or the Underwriter have made any independent investigation regarding the information presented under this heading, nor have such parties verified the accuracy or completeness thereof, and none of the Issuer, the Trustee or the Underwriter nor any of their respective counsel, members, officers, or employees assumes any responsibility or liability therefor.

The Borrower and the Sole Member

University Bridge, LLC, a Florida limited liability company (the “**Borrower**”), is a newly created single asset entity. The Borrower is managed by its Board of Managers. By operation of law, the Borrower is a disregarded entity for federal income tax purposes and, as such, it is considered to be a part of and takes the federal income tax status of its sole member, Atlantic Housing Foundation, Inc. (the “**Sole Member**”), which is tax-exempt as an organization described in Section 501(c)(3) of the Code. The Borrower has no operating history and has no financial statements.

The Borrower does not intend to acquire any substantial assets or engage in any substantial business activities other than those related to the ownership and management of the Project and the Borrower is required to be a single asset/sole purpose entity by the Loan Agreement. However, the Sole Member and other affiliated entities may engage in the acquisition, development, ownership, leasing and management of similar types of housing projects.

None of the officers, managers, members or employees of the Borrower or the Sole Member will be personally liable for payments on the Note. Furthermore, no representation is made that the Borrower will have substantial funds to meet operating deficits of the Project should they occur. Accordingly, neither the Borrower’s financial statements nor those of the Sole Member are included in this Official Statement.

See **APPENDIX A** hereto for more information about the Borrower and the Sole Member.

The Project

The Project consists of the acquisition, construction, furnishing, and equipping of 886 units consisting of 1,244 beds of student housing within a 20-story high rise structure and approximately 7,000 square feet of retail space on the first floor of the Project, including the buildings, furniture, furnishings, fixtures, and equipment therefor and related parking, improvements and amenities (collectively, the “**Project**”) to be located in Sweetwater, Florida, adjacent to the campus of the University. See **APPENDIX A** hereto for more information about the Project.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

AN INVESTMENT IN THE SERIES 2018 BONDS INVOLVES A SUBSTANTIAL DEGREE OF RISK. PROSPECTIVE PURCHASERS OF THE SERIES 2018 BONDS SHOULD CAREFULLY CONSIDER ALL POSSIBLE FACTORS WHICH MAY AFFECT THEIR INVESTMENT IN THE SERIES 2018 BONDS. IN ADDITION TO THE OTHER INFORMATION SET FORTH HEREIN, THE FOLLOWING LIST, WHILE NOT SETTING FORTH ALL THE FACTORS, CONTAINS SOME OF THE FACTORS THAT SHOULD BE CONSIDERED PRIOR TO PURCHASING THE SERIES 2018 BONDS.

In order to identify risk factors and make an informed investment decision, prospective investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto, the documents describing the transactions, the third party reports with respect to the Project and the documents relating to the formation and organization of the Borrower and the Sole Member) and review the actual documents summarized herein to make a judgment as to whether the Series 2018 Bonds are an appropriate investment for the investor. Moreover, the order of presentation of the risk factors does not necessarily reflect the order of their importance.

Limited Obligations of Issuer

PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2018 BONDS IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY OUT OF THE TRUST ESTATE. THE SERIES 2018 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE LOCAL AGENCY, THE SPONSORING POLITICAL SUBDIVISIONS, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2018 BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE SERIES 2018 BONDS OR THE INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE SERIES 2018 BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE SERIES 2018 BONDS. THE ISSUER HAS NO TAXING POWER.

Limited Repayment Obligations of Borrower; Security for Repayment

The Borrower's obligation to make Loan Payments with respect to the Series 2018 Bonds is a limited, nonrecourse obligation of the Borrower, and holders of the Series 2018 Bonds will have recourse only to the Project and the Project Revenues to satisfy the obligation of the Borrower with respect to the Series 2018 Bonds. There can be no assurance that such amounts will be sufficient to repay the Borrower's obligations with respect to the Series 2018 Bonds. No other revenues or assets of the Borrower will be available for the payment of, or as security for, the Series 2018 Bonds. The security for the Series 2018 Bonds (subject to Permitted Encumbrances) will consist entirely of the Trust Estate. Prospects for uninterrupted payment of principal and interest on the Series 2018 Bonds in accordance with their terms are dependent upon the success of the Borrower in constructing, installing, equipping and operating the Project to generate adequate cash flow to meet its obligations under the Loan Agreement and the Note.

The Borrower and Related Parties; Conflicts of Interest

The Borrower was organized in Florida for the sole purpose of acquiring and operating the Project. It has no assets other than the Project and the rights and revenues incident thereto and no intention to acquire other assets. The ability of the Borrower to pay and perform its obligations under the Loan Agreement and the Note will depend primarily upon the ability of the Project to generate sufficient revenues. The Borrower has limited resources and is dependent on its successful operation of the Project to meet its obligations under the foregoing documents. Under the terms of the Loan Agreement and Florida law relating to limited liability companies, the Sole Member is not liable for the debts or losses of the Borrower, nor is it obligated to contribute any funds to or on behalf of the Borrower, irrespective of whether the revenues of the Project are sufficient to pay Operating Expenses and debt service requirements with respect to the Series 2018 Bonds. The Sole Member, the University and the Asset Manager have engaged in, and may continue to engage in, business for its own account, independently or with others, and whether or not in the vicinity of or in competition with the Project. As a result of other interests and activities, the Sole Member, the University and the Asset Manager may have conflicts of interest with their respective roles in the Project, including conflicts in allocating their respective time and resources between the Project and other activities in which they are involved.

Future Project Revenues and Expenses

As noted herein, and except to the extent payable from investment income or, under certain circumstances, proceeds of casualty insurance or condemnation awards, principal of and premium, if any, and interest on the Series

2018 Bonds is payable solely from Project Revenues, which include payments from tenants and from the security provided by or pursuant to the Indenture, the Loan Agreement and the Mortgage. No representation or assurance is given or can be made that Project Revenues, as presently estimated or otherwise, will be realized by the Borrower, the Trustee, or by any other person in amounts sufficient, together with such other moneys available under the Indenture and pledged to the Series 2018 Bonds, to pay debt service on the Series 2018 Bonds when due and to make other payments necessary to meet the obligations of the Borrower. Future revenues and expenses of the Project are subject to conditions which may change.

The realization of Project Revenues from the Project by the Borrower generally is subject to, among other factors, demand for multifamily rental housing for students and/or faculty that attend or work at the University, federal and state policies affecting rental housing and the housing market generally, the capability of management of the Project, the nature and condition of the housing stock in the neighborhood in which the Project is located, future economic conditions and other conditions which are impossible to predict. Such conditions may include an inability of the Project management to control expenses during periods of inflation, changes in government involvement in and regulation of rental housing, changes in local real estate taxes and zoning restrictions, and competition from other sources of student housing.

The payment of debt service on the Series 2018 Bonds is, among other things, dependent upon the Borrower's ability to maintain occupancy of the Project, collect rental and parking revenue and fund necessary reserves as required under the Indenture. See **APPENDIX A** hereto for a description of the Project. Occupancy levels may also be affected by a variety of future events, including but not limited to failure of the Project to attract such tenants because of competition from other rental housing, changes in zoning restrictions, or development activities near the Project.

The scheduled completion of the Project is not for another two years. Some assumptions in the Market Study inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from the estimates provided in the market study and the differences may be material. Meyers Research, LLC has no responsibility to update the market study for events and circumstances occurring after the date of the report. See "**MARKET STUDY**" in **APPENDIX F** hereto, "**CERTAIN BONDHOLDERS' RISKS - Actual Results May Differ from Market Study and Proforma Financial Projection**" and "**- PRELIMINARY NOTICES - CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING STATEMENTS**" herein. The Market Study should be read in its entirety.

Property Tax Exemption

The site for the Project currently does not enjoy an exemption from property taxation. The Borrower will use its best efforts to apply for and obtain a property tax exemption for the real property and improvements constituting the Project in accordance with the relevant provisions of the laws of the State. The Borrower has executed the Student Housing Agreement with the intent of securing property tax exemption in accordance with the laws of the State. See "**THE BORROWER, THE PROJECT AND THE UNIVERSITY - The Project - The Student Housing Agreement**" in **APPENDIX A** hereto. **THERE IS NO GUARANTEE THAT SUCH EXEMPTION FROM REAL PROPERTY TAXATION WILL BE GRANTED.** If the Project were to enjoy exemption from property taxation in the future and such exemption were to expire or be terminated, the real property and improvements constituting the Project would thereafter be assessed and conventionally taxed according to general laws applicable to nonexempt taxable property in the jurisdiction in which the Project is located. Failing to obtain, or obtaining and then losing, such an exemption could have a material adverse effect on the ability of the Borrower to pay operating expenses of the Project and debt service payments on the Series 2018 Bonds. See "**RISK FACTORS AND INVESTMENT CONSIDERATIONS - Actual Results May Vary from Market Study and Proforma Financial Projection**" herein. See also "**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS - Payment in Lieu of Taxes Agreement**" herein.

Risks of Construction

Construction of the Project is subject to the usual risks associated with construction projects, including, but not limited to, delays in issuance of required building permits or other necessary approvals or permits, strikes, labor disputes, shortages of materials and/or labor, transportation delays, restrictions related to endangered species,

adverse weather conditions, fire, casualties, acts of God, war, acts of public enemies, terrorism, orders of any kind of federal, state, county, city or local government, insurrections, riots, adverse conditions not reasonably anticipated or other causes beyond the control of the Borrower or its contractors. Such events could result in delayed marketing, substantial completion, and/or occupancy of the Project and thus negatively impact the revenue flow therefrom. In addition, the substantial completion, marketing and occupancy of the Project may be delayed by reason of changes authorized by the Borrower, delays due to acts or neglect of the Borrower, or by independent contractors employed by the Borrower. Cost overruns could also result in the Borrower not having sufficient money to complete the construction of the Project, thereby materially affecting the receipt of revenues needed to pay the Series 2018 Bonds.

The Borrower anticipates that the proceeds from the sale of the Series 2018 Bonds will be sufficient to complete the construction of the Project based upon the guaranteed maximum price obtained from the General Contractor. Cost overruns for projects of this magnitude may occur due to change orders and other factors. The agreement with the General Contractor provides for liquidated damages, if the construction of the Project is not completed by the date specified in the agreement as a result of the General Contractor's failure to perform, subject to extension under conditions set forth in the Construction Contract. There is no assurance the General Contractor will object to paying liquidated damages, if requested pursuant to the terms of the Construction Contract. In addition, there may be cost increases because of extraordinary events that may not give rise to claims for liquidated damages. The Construction Contract requires the General Contractor to furnish performance and payment bonds; however, there can be no assurance that the obligations of the surety under such bonds can be enforced without costly and time-consuming litigation. See "**THE BORROWER, THE PROJECT AND THE UNIVERSITY – The Project – The General Contractor**" in APPENDIX A hereto.

To the extent that construction is delayed or halted due to acts of force majeure or eminent domain, neither the Issuer, the University, the Borrower, nor the General Contractor will have any obligation to provide for such completion. In the event the Project is not completed, the only meaningful security for the owners of the Series 2018 Bonds would be the right to foreclose under the Mortgage on the Borrower's interest in the uncompleted Series 2018 Project. While the Indenture permits the Issuer to issue Additional Bonds to complete the Project, the Issuer is not obligated to issue such Additional Bonds and there can be no assurance that a purchaser for such Additional Bonds could be obtained.

Risks of Real Estate Investment

General. Development, leasing and operation of real estate, such as the Project, involves certain risks, including the risk of adverse changes in general economic and local conditions, including the possible future oversupply and lagging demand for housing; adverse use of adjacent or neighboring real estate; community acceptance of the Project; changes in the cost of operation of the Project; difficulties or restrictions in the Borrower's ability to raise rents charged; adverse weather and delays in rehabilitation; population decreases; uninsured losses; failure of residents to pay rent; operating deficits and mortgage foreclosure; lack of attractiveness of the property to residents; adverse changes in neighborhood values; and adverse changes in zoning laws, federal and local rent controls, other laws and regulations and real property tax rates. Such losses also include the possibility of fire or other casualty or condemnation. If the Project, or any parts of the Project, were uninhabitable during restoration after damage or destruction, the residence units or common areas affected would not be available during the period of restoration, which could adversely affect the ability of the Project to generate sufficient revenues to pay debt service on the Series 2018 Bonds. Changes in general or local economic conditions and changes in interest rates and the availability of mortgage funding may render the sale or refinancing of the Project difficult or unattractive. These conditions may have an adverse effect on the demand for the Project as well as the market price received for the Project in the event of a sale or foreclosure of the Project. Many other factors may adversely affect the operation of facilities like the Project and cannot be determined at this time.

Risks of Competition, the Rental Market and Occupancy and Rental Rates. The student housing industry is highly competitive. There are competitive housing communities both on University campus and in the nearby vicinity. Such competition may inhibit the extent to which the Borrower will be able to increase rates and charges and maintain or increase occupancy of the Project. Competing companies may offer newer or different projects, amenities, or services and thereby attract residents who are current or potential residents of the Project. Either the Developer or, under certain circumstances, the University may acquire or develop additional student housing facilities that compete with the Project. Therefore, there can be no assurance that the Project will achieve the

occupancy levels or the rental rates necessary to cover debt service requirements. In particular, the University's master plan calls for additional housing for its students and faculty to be built over the coming years. See "MARKET STUDY" in APPENDIX F hereto.

Failure to Achieve and Maintain Occupancy. The economic feasibility of the Project and its ability to provide revenues to the Borrower to make payments on the Note depend in large part upon its being substantially occupied. Occupancy of the Project may be affected by competition from existing competing facilities or from competing facilities which may be constructed in the area served by the Project, including new facilities which the Sole Member, or its affiliates, may construct. None of the participants in the Project have agreed to a covenant not to compete with the Project. Circumstances may occur, including but not limited to, insufficient demand for student housing in the Project's location, decreases in the student population, deterioration of the structure and living facilities of the Project, and construction of competing projects for students or other more attractive living accommodations, which could increase the rate of vacancy. Further, the sustained failure of tenants to meet their rental payment obligations would make it difficult for the Project to meet its Operating Expenses which could result in a curtailment of essential services and decrease the desirability of the Project to existing or prospective tenants.

The Borrower and the Manager have not done marketing efforts to date and have not secured any reservations for occupancy at the Project. Fill up and occupancy of the Project may be affected by competition from existing facilities or from competing facilities either on the University campus or off the campus, including new facilities which the Borrower, the University, the Developer, the General Contractor, or its affiliates, may construct. If the Project fails to achieve significant initial occupancy and thereafter maintain significant occupancy, there may be insufficient funds to pay debt service on the Series 2018 Bonds. If actual operating experience is substantially different from the experience anticipated by the Borrower as of the date of this Official Statement, the revenues of the Borrower could be less than needed which could have a material adverse effect on the ability of the Borrower to pay debt service on the Series 2018 Bonds and all other obligations.

Damage, Destruction or Condemnation. Although the Borrower will be required to obtain and maintain certain insurance against damage or destruction as set forth in the Loan Agreement and the Mortgage, there can be no assurance that the Project will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss, or the period during which the Project cannot generate Project Revenues, will not exceed the coverage of such insurance policies.

If the Project or any portion of the Project is damaged or destroyed, or is taken in a condemnation proceeding, funds derived from proceeds of insurance or any such condemnation award for the Project must be applied as provided in the Loan Agreement to restore or rebuild the Project or to redeem the Series 2018 Bonds. There can be no assurance that the amount of funds available to restore or rebuild the Project or to redeem the Series 2018 Bonds will be sufficient for that purpose, or that any remaining portion of the Project will generate Project Revenues sufficient to pay the expenses of the Project and the debt service on the Series 2018 Bonds remaining outstanding.

Actual Results May Differ from Market Study and Proforma Financial Projections

The Market Study and its projection of future demands included hereto, and the Proforma Financial Projections and its projection of future revenues and expenses with respect to the Project included hereto, are based upon assumptions concerning future events, circumstances, and transactions. These reports should be read in their entirety. See APPENDICES D and F hereto.

The scheduled completion of the Project is not for another two years. Some assumptions in the Market Study inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from the estimates provided in the market study and the differences may be material. Meyers Research, LLC has no responsibility to update the market study for events and circumstances occurring after the date of the report.

In addition, the Proforma Financial Projections contained herein only cover the approximate five-year period ending December 31, 2023 and consequently does not cover the entire period during which the Series 2018 Bonds may be Outstanding. The achievement of any results of the Proforma Financials Projections, or other

projection is dependent upon future events, the occurrence of which cannot be assured. Future results will also be affected by events and circumstances beyond the control of the Borrower.

Moreover, the Proforma Financial Projections included in this Official Statement have not been audited or examined by an independent certified public accountant, and as a result, no representations can be made as to the accuracy or completeness of such statements.

For the reasons described above, it is likely that the actual results of the Series 2018 Project will be different from the results projected in the Proforma Financial Projections included herein, and those differences may be material and adverse.

Effect of Increases in Operating Expenses

It is impossible to predict future increases in Operating Expenses. An extended period of inflation may cause the rate of increases in Operating Expenses to rise more rapidly than the Borrower's ability to raise rents. Conversely, an extended period of deflation may cause the Project's rents to decrease more rapidly than any decrease in the Project's Operating Expenses. In addition, any underestimation by the Borrower of the Operating Expenses of the Project may materially adversely affect sufficiency of the operating income of the Project.

Property reserves are an important consideration for replacing such items as kitchen appliances, heating and air conditioning systems, roofs and other major capital items to maintain the quality of the Project over time. The adequacy of the Project's reserve funds will depend in part on the quality of workmanship performed during construction or rehabilitation and the longevity of mechanical equipment that was installed in the units. The deterioration and replacement of capital items is not predictable with certainty, and real estate properties such as the Project may encounter a periodic need for capital for replacement or repair of capital items in excess of property reserves on hand.

In the event that additional capital is needed for the replacement of capital items, since the Borrower has no other source of income other than the Project, it is likely that the Borrower will either have to seek additional debt financing from third-party lenders or pay for such capital replacement or improvement out of residual cash flow from the Project. The Issuer has no obligation with respect to any operating, reserve or capital expenses of the Project and no obligation to issue additional bonds with respect to the Project.

To the extent there are any expenditures required to maintain the Project that are not foreseen by the Borrower, any uninsured losses are experienced, the only source of money to pay such expenses would be additional resources, if any, available to the Borrower. The Borrower may be unable or unwilling to pay for such additional expenditures.

Substantial increases in Operating Expenses would affect future net operating income of the Project and the ability of the Project to generate rental revenue in amounts sufficient to satisfy the Borrower's obligations under the Loan Agreement and the Note. Any failure by the Borrower to satisfy its payment obligations under the Loan Agreement and the Note will have an adverse impact on the ability of the Trustee to pay, from the Trust Estate, debt service payments on the Series 2018 Bonds.

Project Risks

Adequacy of the Project as Security. The security for the Series 2018 Bonds includes a lien on the Project, evidenced by the Mortgage which has been granted in favor of the Trustee. If the Borrower fails to make sufficient and timely payments required under the Loan Agreement, it may be necessary for the Issuer and the Trustee to exercise their remedies under the Mortgage or the Indenture, including foreclosure on the estate.

There can be no assurance that if and when the Trustee forecloses or otherwise obtains possession of the Project or realizes amounts from the sale of the interests thereof, that resulting proceeds or Project Revenues (if the Project is retained and operated by the Trustee), would be sufficient to pay debt service on the Series 2018 Bonds in full when due and Operating Expenses of the Project. The Trustee is not in the business of operating facilities such

as the Project and any amounts which might be realized from operation of the Project are uncertain. Further, attempts to foreclose under the Mortgage or to obtain other remedies under such document, the Indenture, the Loan Agreement or any other documents relating to the Series 2018 Bonds may be met with protracted litigation and/or bankruptcy proceedings, which could cause delays, and a court may decide not to order specific performance of covenants contained in such documents. Thus, there can be no assurance that upon the occurrence of an event of default on the Series 2018 Bonds the Trustee will be able to obtain possession of the Project or generate proceeds of sale or revenues from the Project, or obtain other relief, in a timely fashion.

The Project is a Special Purpose Facility. The Project was constructed for student and faculty residential rental housing purposes and is subject to physical restrictions that limit the alternative uses that can be made of such property. If the Borrower is unable to operate the Project successfully as a student and faculty residential rental housing facility, the number of entities that would be interested in purchasing or leasing the Project from the Borrower for other purposes could be limited, and the ability of the Trustee to sell the Project to third parties would be adversely affected.

The City of Sweetwater, Florida zoned the Project for its intended use as a student housing facility. In connection with City's zoning approval, the Prior Owner caused a Declaration of Restrictions (the "Declaration") to be recorded in the Miami-Dade County real estate records. This Declaration states the use of the property shall be limited to university housing units for University undergraduate and graduate students, faculty or staff. The City would have to amend or terminate the recorded Declaration prior to any adaptive reuse of the Project.

Therefore, there is no assurance that the Trustee could realize sufficient proceeds from the foreclosure of the Mortgage and the sale of the Project thereunder to pay the Series 2018 Bonds in their entirety.

Other Government Regulation. The Project is and will continue to be subject to rules and regulations promulgated by various agencies and bodies of federal, state and local governments which have jurisdiction over such matters as employment, environment, safety, traffic and health. The impact of such rules and regulations on the Project is unknown and cannot be predicted. Future orders, pursuant to existing or subsequently enacted rules or regulations, may require the expenditure by the Borrower of substantial sums to effect compliance therewith.

Environmental Risks. Based on the results of the Environmental Assessment, the Borrower has not identified any environmental concerns with the Project site. The Borrower represents that it is not aware of any releases of pollutants or contaminants at the Project other than as disclosed in the Environmental Assessment that would give rise to enforcement actions under applicable state or federal environmental statutes. However, there could be other such releases not known to the Borrower as of the date of the issuance of the Series 2018 Bonds. The Borrower is not aware of any enforcement actions currently in process with respect to any releases of pollutants or contaminants at the real property relating to the Project.

The Project will be subject to risks arising out of environmental law considerations generally associated with ownership and/or leasing of real estate. Such risks include, in general, a decline in property values in the Project resulting from possible violations of applicable federal or state environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Compensation and Liability Act of 1980 (CERCLA), the Resource Conservation and Recovery Act of 1976 (RCRA). These risks may be associated with contamination of the Project from hazardous substances located in, on, around or in the vicinity of the Project.

Reliance on Manager and Asset Manager

The Borrower has limited experience marketing, and managing facilities such as the Project, and as a consequence, the on-going management of the Project will be heavily dependent on the efforts of the Manager. The Manager will supervise the marketing, operation and management of the Project and the Asset Manager will perform various oversight services. The Borrower will rely on the experience and expertise of the Manager and the Asset Manager to supervise such operation and management.

If the Borrower were to terminate its relationship with the Manager and/or Asset Manager it would need to hire and train a successor management/consulting company for the Project. No assurance can be given that the

Manager can continue to successfully manage or operate the Project or that the Borrower will not terminate the relationship with the Manager or that another experienced successor management/consulting company to undertake the management or operation of the Project under the terms required by the Indenture. A failure to maintain the Manager as the management/consulting company for the Project or to hire, train and retain a successor management/consulting company may have an adverse effect on the ability of the Project to operate and could negatively impact occupancy levels and revenues of the Borrower. See “**THE BORROWER, THE PROJECT AND THE UNIVERSITY – The Manager, - - The Asset Manager**” in **APPENDIX A** hereto.

Insurance Risks

The Loan Agreement requires the Borrower to carry certain insurance; however, there are certain types of losses (generally of a catastrophic nature) that are either uninsurable or not economically insurable. Such risks include, but may not be limited to, earthquakes, terrorism, war, hurricanes and floods. The Project will be located in the State of Florida, which, over the years, has suffered from natural disasters, including hurricanes, floods and windstorms. Moreover, such insurance coverage is subject to certain upper limits, which may not be sufficient to pay the costs of remedying every event of casualty that may occur. In addition, the Borrower could mistakenly allow the insurance on the Project to lapse. If an uninsured loss occurs, a default in payment of the Series 2018 Bonds could result.

In recent years, the number of general liability suits and the dollar amounts of damage recoveries have increased nationwide, resulting in substantial increases in general liability insurance premiums and, at times, difficulty obtaining such insurance. Litigation may also arise from the corporate and business activities of the Borrower and from the status of the Borrower as an employer; many of these risks are covered by insurance, but some are not.

The Borrower has arranged for insurance coverage which is customary for apartment projects of a similar nature. In the event of damage or condemnation, the Borrower relies on insurance proceeds and condemnation awards to pay all or part of the costs of restoring the Project. Failure of an insurer to pay a claim could result in a default on the Loan. There are certain types of losses which are not insured or insurable, such as “force majeure.” Should such a catastrophic casualty occur, the Borrower would suffer a loss for which insurance benefits would not be available. Further, there is no assurance that insurance proceeds where available will be sufficient to repay the Series 2018 Bonds.

While the Borrower is required by the Loan Agreement to have in effect at all times comprehensive general liability insurance providing insurance against liability for personal and bodily injury including death resulting therefrom, if a claim or judgment against the Borrower for an amount in excess of the limits of such insurance were to arise, it would likely have a material adverse effect on the financial results of the Project and the Borrower. In the event of damage or condemnation, the Borrower relies on insurance proceeds and condemnation awards to pay all or part of the costs of restoring the Project. Failure of an insurer to pay a claim could result in a default on the Loan. There are certain types of losses which are not insured or insurable, such as “force majeure.” Should such a catastrophic casualty occur, the Borrower would suffer a loss for which insurance benefits would not be available. Further, there is no assurance that insurance proceeds where available will be sufficient to repay the Series 2018 Bonds.

The Borrower believes that it maintains adequate insurance to cover any loss arising from such natural disasters. There can be no assurance that in severe circumstances that such insurance will be adequate to rebuild the Project. Additionally, there can be no assurance that after experiences with natural disasters, residents will continue to choose to live in such areas of the country. Such decisions could have an adverse impact on the financial success of the Borrower.

Reliance on the University

The Project will be located adjacent to the campus of the University. The Borrower expects all of the residents of the Project to be students and faculty or staff at the University. Therefore, the success of the Project is dependent on the University maintaining (i) future enrollment growth, (ii) adequate matriculation, (iii) a good reputation in the educational community and (iv) financial stability. If the University encounters difficulties with

any of the matters listed in the previous sentence, such difficulties could decrease the desirability of the Project to existing or prospective tenants, which, in turn, could adversely affect the financial success of the Project and, in turn, cause a material adverse effect on the ability of the Borrower to pay debt service on the Series 2018 Bonds. No representation is made about the current financial position of the University or that the University might not encounter difficulties in the future.

Limited Value at Foreclosure

The Project has been specifically designed and constructed as a student and faculty rental housing facility, and the Project may not be practically suited for other uses. The number of entities that could be expected to purchase or lease the Project is limited, and thus the ability of the Trustee to realize funds from the sale or rental of the Project upon an Event of Default under the Indenture may be limited. The value of the Project at foreclosure thereof may also be limited by alleged or actual rights of residents in such facilities and may be less than the principal amount of Series 2018 Bonds and other Bonds then outstanding. **In addition, the Borrower has not secured an as-built appraisal in connection with the issuance of the Series 2018 Bonds.** Therefore, there can be no assurance that the Project will maintain its value in the future.

Financial Projections

The financial projections included in **APPENDIX D** present the Borrower's present estimate of future results of operations of the Project and are subject to certain assumptions used in preparing them as discussed therein. The Underwriter makes no representation or warranty as to the financial projections asserted therein. The passage of time and current economic conditions should be considered by investors when considering such projections. The financial projections included as **APPENDIX D** to this Official Statement were prepared by the Borrower and have not been audited or examined by an independent certified public accountant and are not intended to and do not meet the requirements of the American Institute of Certified Public Accountants for prospective financial forecasts or projects. The financial projections assume a property tax exemption and the corresponding Annual PILOT Payment for the real property designated and improvements constituting the Project. **SUCH PROPERTY TAX EXEMPTION HAS NOT BEEN GRANTED OR APPROVED, AND THERE IS NO GUARANTEE THAT THE REAL PROPERTY AND IMPROVEMENTS CONSTITUTING THE PROJECT WILL BE GRANTED AN EXEMPTION FROM PROPERTY TAXATION.** Failing to obtain, or obtaining and then losing, such an exemption could have a material adverse effect on the ability of the Borrower to pay operating expenses of the Project. See "**RISK FACTORS AND INVESTMENT CONSIDERATIONS – Property Tax Exemption**" herein.

SOME ASSUMPTIONS MAY NOT MATERIALIZE AND UNANTICIPATED EVENTS AND CIRCUMSTANCES ARE LIKELY TO OCCUR. THEREFORE, THE ACTUAL RESULTS ATTAINED WILL IN ALL LIKELIHOOD VARY FROM THE PROJECTIONS CONTAINED IN THE PRO FORMA FINANCIAL PROJECTIONS. ACCORDINGLY, NO PERSON CAN MAKE REPRESENTATIONS OR WARRANTIES AS TO THE FUTURE RESULTS OF OPERATIONS OF THE PROJECT. IN ADDITION, THE PRO FORMA FINANCIAL PROJECTIONS INCLUDED IN APPENDIX D HERETO HAVE NOT BEEN REVIEWED, COMPILED OR EXAMINED BY AN ACCOUNTANT.

Acceleration of the Series 2018 Bonds; Limitation

The Indenture provides that following an Event of Default thereunder, the maturity of the Series 2018 Bonds may be accelerated by the Trustee, subject to cure provisions of the Indenture, and upon written request of the holders of a majority of the principal amount of a Series of Bonds, shall be accelerated. See "**FORMS OF PRINCIPAL FINANCING DOCUMENTS - The Trust Indenture**" in **APPENDIX B** hereto.

Risk of Early Redemption

There are a number of circumstances in which all or a portion of the Series 2018 Bonds may be redeemed prior to their stated maturity. In addition, there are a number of circumstances where the Series 2018 Bonds may be

redeemed at a price of the principal amount of Series 2018 Bonds then Outstanding plus accrued interest to the redemption date.

For a description of the circumstances in which Series 2018 Bonds may be redeemed and the terms of redemption, see “**THE SERIES 2018 BONDS**” herein and “**FORMS OF PRINCIPAL FINANCING DOCUMENTS - The Trust Indenture, - The Loan Agreement**” in **APPENDIX B** hereto.

Risk of Loss Upon Redemption

The rights of Bondholders to receive interest will terminate on the date, if any, on which such Series 2018 Bonds are to be redeemed pursuant to a call for redemption, notice of which has been given under the terms of the Indenture and interest on such Series 2018 Bonds will no longer accrue on and after such date of redemption. There can be no assurance that the Borrower will be able or will be obligated to pay for any amounts not available under the Indenture. In addition, there can be no guarantee that present provisions of the Code or the rules and regulations thereunder will not be adversely amended or modified, thereby rendering the interest earned on the Series 2018 Bonds taxable for federal income tax purposes.

Incurrence of Additional Indebtedness

The Loan Agreement and the Indenture permit the Borrower to incur additional indebtedness, upon compliance with the provisions thereof. Such additional indebtedness, under certain circumstances, may be equally and ratably secured on a parity basis with respect to the Series 2018 Bonds. See “**FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Loan Agreement, —Other Indebtedness, and – The Indenture**” in **APPENDIX B** hereto.

Debt Service Reserve Fund

The Indenture creates a Debt Service Reserve Fund. In the event that the Borrower does not make timely payment under the Note, funds in the Debt Service Reserve Fund will be used to make payments of principal of and interest on the Series 2018 Bonds as they become due. Although the Borrower believes such reserve to be reasonable, and anticipates that Project Revenues will be sufficient to cover the debt service on the Series 2018 Bonds, there is no assurance that funds reserved and future Project Revenues will be sufficient to cover debt service on the Series 2018 Bonds. Although the Loan Agreement requires the Borrower to do so, there can be no assurance that the Borrower will repay into the Debt Service Reserve Fund money so advanced. Investments in the Debt Service Reserve Fund must be in Investment Securities (as described in the Indenture), but are subject to investment risks. There can be no assurance that if the Debt Service Reserve Fund has to be liquidated that sale of investments therein will not result in a loss.

Effect of Bankruptcy

Although the security given for the benefit of Owners of the Series 2018 Bonds is superior to the claims of others, bankruptcy and similar proceedings against the Borrower and usual equity principles may affect the enforcement of rights to such security. A court may invoke other equity principles to refuse to enforce specific rights to such security. If such security is inadequate for payment in full of the Series 2018 Bonds, bankruptcy proceedings and usual equity principles may also limit any attempt by the Trustee to seek payment from other property, if any, of the Borrower.

If the Borrower were to file a voluntary petition for bankruptcy under the United States Bankruptcy Code or have an involuntary petition in bankruptcy filed against it, the filing of such a petition, in either case, would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Borrower, and any interest it has in property. If the bankruptcy court so orders, after notice and opportunity for hearing, the Borrower’s property, including its accounts receivable and proceeds thereof, could be used, at least temporarily, for the benefit of the bankruptcy estate despite the claims of its creditors.

In a case under the current United States Bankruptcy Code, the debtor could file a plan of reorganization. The plan is the vehicle for satisfying, and provides for the comprehensive treatment of, all claims against such the debtor and could result in the modification of rights of any class of creditors, secured or unsecured. To confirm a plan of reorganization, with one exception discussed below, it must be approved by the vote of each class of impaired creditors. A class approves a plan if, of those who vote, those holding more than one-half in number and at least two-thirds in amount vote in favor of a plan. Approval by classes of interests requires a vote in favor of the plan by at least two-thirds in amount of the allowed interests that have voted. If these levels of votes are attained, those voting against the plan or not voting at all are nonetheless bound by the terms thereof if the plan is confirmed. Other than as provided in the confirmed plan, all claims and interests are discharged and extinguished. If fewer than all of the impaired classes accept the plan, the plan may nevertheless be confirmed by the bankruptcy court, and the dissenting claims and interests would be bound thereby. For this to occur, at least one of the impaired classes must vote to accept the plan and the bankruptcy court must determine that the plan does not “discriminate unfairly” and is “fair and equitable” with respect to the non-consenting class. A plan is fair and equitable if each class is treated in accordance with its credit priority and no class receives a distribution until senior classes are paid in full. The United States Bankruptcy Code establishes different fair and equitable tests for secured claims, unsecured claims and interest holders. To be confirmed, the bankruptcy court must also determine that a plan, among other requirements, provides creditors with at least what they would receive in the event of liquidation, is proposed in good faith, and that the debtor’s performance under the plan is feasible.

Bankruptcy proceedings by or against the Borrower could adversely affect Beneficial Owners of the Series 2018 Bonds by reducing or delaying payments on the Series 2018 Bonds and may impede enforcement by the Trustee and such Owners of their claims to the collateral assigned and pledged to secure the Series 2018 Bonds. Federal bankruptcy law also permits adoption of a reorganization plan without the approval of such Owners if they are provided with the benefit of their original security or the “indubitable equivalent.” In addition, if a bankruptcy court concludes that such registered Owners have “adequate protection,” the court may (1) substitute other security for the security of the registered Owners and (2) subordinate the security of the registered Owners to (a) claims by persons supplying goods, services or credit to the Borrower after bankruptcy and (b) the administrative expenses of the bankruptcy proceeding. In the event of such bankruptcy, the amount realized by the registered Owners of the Series 2018 Bonds may depend on the court’s interpretation of “indubitable equivalent” and “adequate protection” under then existing circumstances. The effect of these and other provisions of federal bankruptcy law cannot be predicted and may be significantly affected by judicial interpretation.

Furthermore, recent judicial decisions concerning the status of debt service reserve funds held by an indenture trustee have concluded that such reserves are “cash collateral” of a debtor in bankruptcy and have cast doubt on the ability of the Trustee to use moneys in the Debt Service Reserve Fund to make payments on the Series 2018 Bonds in the event of a bankruptcy by or against the Borrower absent the granting of relief from the automatic stay which may or may not be granted given the particular facts and circumstances of the case.

Enforceability of Remedies; Prior Claims

The Series 2018 Bonds are payable from the payments to be made under the Loan Agreement. Pursuant to the Indenture, the Series 2018 Bonds are secured by an assignment by the Issuer to the Trustee of certain of its rights under the Loan Agreement (except as provided therein) and by the Mortgage on the Project and the security interest in the personal property and Project Revenues. The practical realization of the value from this property upon any Event of Default will depend upon the exercise of various remedies specified by the Loan Agreement, the Note, the Mortgage and the Indenture. These and other remedies may require judicial actions, which are often subject to discretion and delay. Under existing law (including, without limitation, the Federal Bankruptcy Code), the remedies specified by the Loan Agreement, the Mortgage or the Indenture may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Loan Agreement, the Mortgage or the Indenture. The various opinions to be delivered concurrently with the delivery of the Series 2018 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws affecting the enforcement of creditors’ rights generally.

In addition, the various security interests established under the Indenture and the Mortgage will be subject to Permitted Encumbrances, and may be limited by or subject to other claims and interests. Examples of such claims

and interests or limitations on security interests are: (i) statutory liens and assessments for improvements; (ii) rights arising in favor of the United States of America or any agency thereof; (iii) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction; (iv) federal bankruptcy laws affecting amounts earned by the Borrower after institution of bankruptcy proceedings by or against the Borrower; and (v) the requirement that appropriate continuation statements be filed in accordance with the Uniform Commercial Code as from time to time in effect.

Secondary Market and Prices

The Underwriter will not be obligated to repurchase any of the Series 2018 Bonds and no representation is made concerning the existence of any secondary market therefor, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Series 2018 Bonds, and no assurance can be given that initial offering prices for the Series 2018 Bonds will continue for any period of time. Any prospective purchaser of the Series 2018 Bonds, therefore, should undertake an independent investigation through its own advisors regarding the desirability and practicality of the investment in the Series 2018 Bonds. Any prospective purchaser should be fully aware of the long-term nature of an investment in the Series 2018 Bonds and should assume that it will have to bear the economic risk of its investment indefinitely. Any prospective purchaser of the Series 2018 Bonds that does not intend or that is not able to hold the Series 2018 Bonds for a substantial period of time is advised against investing in the Series 2018 Bonds.

Credit Ratings

There is no assurance that the credit ratings assigned to any Series of the Series 2018 Bonds at the time of issuance or at a subsequent time will not be lowered or withdrawn, the effect of which could adversely affect the market price and the market for the Series 2018 Bonds of such Series. The Rating Agency may revise the criteria under which it rates the Series 2018 Bonds at any time, which revisions could result in significant changes to or withdrawal of the credit ratings assigned to the Series 2018 Bonds. In addition, in determining the initial credit ratings for the Series 2018 Bonds, and in conducting its annual rating surveillance, the Rating Agency may use assumptions regarding occupancy, revenues, expenses and values related to the Project that differ materially from those used by the Borrower. Such differences could result in a lowering or withdrawal of the ratings on the Series 2018 Bonds, if, for example, the Rating Agency's calculations resulted in a failure of the Project to meet the required Coverage Test for the Series 2018 Bonds. There is no covenant requiring the Borrower to maintain the credit rating assigned to the Series 2018 Bonds or to maintain any credit rating in the future.

Restrictions on Transfer

The Series 2018 Bonds may be transferred only to (1) "Accredited Investors," as defined in Rule 501 under the Securities Act or to (2) "Qualified Institutional Buyers," as defined in Rule 144A under the Securities Act. Therefore, there can be no guarantee that there will be a secondary market for the Series 2018 Bonds or, if a secondary market exists, that the Series 2018 Bonds can be sold for any particular price. Any prospective purchaser of Beneficial Ownership Interests in the Series 2018 Bonds should therefore undertake an independent investigation through its own advisors regarding the desirability and practicality of the investment in the Series 2018 Bonds. Any prospective purchaser should be fully aware of the long-term nature of an investment in the Series 2018 Bonds and should assume that it will have to bear the economic risk of its investment indefinitely.

State and Local Taxation

Interest earned on the principal amount of the Series 2018 Bonds may or may not be subject to state or local income taxes under applicable state or local tax laws. Each purchaser of the Series 2018 Bonds should consult his or her own tax advisor regarding the taxable status of the Series 2018 Bonds in a particular state or local jurisdiction.

Taxation of Interest on the Tax-Exempt Bonds

The interest on the Series 2018A Bonds may be includable in gross income for purposes of federal income tax purposes retroactive to the date of issuance of the Series 2018A Bonds for a variety of reasons. The exclusion of interest on the Series 2018A Bonds from gross income is dependent upon, among other things, compliance with certain restrictions regarding investment of Series 2018A Bonds proceeds and continuing compliance by the Borrower with the Tax Agreement. In addition, the Borrower must be and remain a disregarded entity treated as part of the Sole Member, and the Sole Member must remain an organization described in Section 501(c)(3) of the Code at all times while any Series 2018A Bonds remain Outstanding in order for the interest on the Series 2018A Bonds to retain its status as excludable from gross income for federal income tax purposes. Failure of the Borrower to comply with the terms and conditions of the Loan Agreement, the Tax Agreement and other documents relating to the Series 2018A Bonds, as described herein, may result in the loss of the tax-exempt status of the interest on the Series 2018A Bonds retroactive to the date of issuance of the Series 2018A Bonds. See “**TAX MATTERS FOR SERIES 2018A BONDS**” herein. Although a determination of taxability is not an express Event of Default, the Borrower has covenanted to take all action necessary to cause interest on the Series 2018A Bonds to remain tax-exempt; therefore, if interest on the Series 2018A Bonds becomes taxable, this could be an Event of Default. No assurance can be given that sufficient funds will be available in such a case to enable the Series 2018A Bonds to be redeemed at the applicable redemption price.

If interest on the Series 2018A Bonds should become included in gross income for federal income tax purposes, the market for and value of the Series 2018A Bonds could be adversely affected.

Moreover, there can be no assurance that the present advantageous provisions of the Code, or the rules and regulations thereunder, will not be retroactively adversely amended or modified, thereby resulting in the inclusion in gross income of the interest on the Series 2018A Bonds for federal income tax purposes or otherwise eliminating or reducing the benefits of the present advantageous tax treatment of the Series 2018A Bonds. There can be no assurance that Congress will not adopt legislation applicable to the Series 2018A Bonds, the Borrower or the Project or that the Borrower would be able to comply with any such future legislation in a manner necessary to maintain the tax-exempt status of the Series 2018A Bonds. The Borrower is required under the Loan Agreement to use its best efforts to comply with any other future federal income tax law requirements in order to maintain the tax-exempt status of the Series 2018A Bonds to the extent that any such other requirements are made applicable to the Borrower or the Project. There is no assurance, however, that the Borrower would be able to comply with any such other requirements.

Federal Income Tax Matters; 501(c)(3) Status of Borrower

Loss by the Borrower of the benefits of certain provisions of the federal income tax law could affect adversely its financial position as well as jeopardize the tax-exempt status of the Series 2018A Bonds. The IRS has determined that the Sole Member is an organization described in Section 501(c)(3) of the Code, and therefore is exempt from federal income taxation under Section 501(a) of the Code. Changes in the Code or Treasury Regulations or the judicial or administrative interpretation thereof or certain actions of the Sole Member or the Borrower could result in the revocation by the IRS of such determination and loss of the tax-exempt status of the Sole Member or the Borrower.

Any failure by the Sole Member or the Borrower to remain qualified as an organization described in Section 501(c)(3) of the Code could affect the amount of funds of the Borrower which would be available to pay debt service on the Series 2018A Bonds or could lead to a determination that the interest on the Series 2018A Bonds is not excludable from gross income for federal income tax purposes. The Borrower’s or the Issuer’s failure to continuously comply with certain covenants contained in the Indenture, the Loan Agreement or the Tax Agreement after delivery of the Series 2018A Bonds could result in the loss of the exclusion from gross income of interest on the Series 2018A Bonds by the owners thereof for federal income tax purposes.

Possible Consequence of Tax Compliance Audit

The IRS has established a general audit program to determine whether issues of tax-exempt obligations, such as the Series 2018A Bonds, are in compliance with requirements of the Code that must be satisfied in order for

the interest of those obligations to be, and continue to be, excluded from gross income for federal income tax purposes. It cannot be predicted whether the IRS will commence an audit of the Series 2018A Bonds. Depending on all the facts and circumstances and the type of audit involved, it is possible that commencement of an audit of the Series 2018A Bonds could adversely affect the market value and liquidity of the Series 2018A Bonds until the audit is concluded, regardless of its ultimate outcome. Such an audit would result in the IRS declaring that interest on the Series 2018A Bonds should be included in gross income for federal income tax purposes. See “**TAX MATTERS FOR SERIES 2018A BONDS**” herein.

Forward-Looking Statements

Certain statements in this Official Statement that relate to the Project and the Borrower including are forward-looking statements that are based on the beliefs of, and assumptions made by, the management of the Borrower. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance of the Project and the Borrower to be materially different from any expected future results or performance. Such factors include, but are not limited to, items described in “**RISK FACTORS AND INVESTMENT CONSIDERATIONS**.”

Other Possible Risk Factors

The occurrence of any of the following events, or other unanticipated events, could adversely affect the operations of the Borrower and the Project:

1. Reinstatement of or establishment of mandatory governmental wage, rent or price controls.
2. Inability to control increases in operating costs, including salaries, wages and fringe benefits, supplies and other expenses, without being able to obtain corresponding increases in Project Revenues from residents of the Project.
3. Unionization, employee strikes and other adverse labor actions which could result in a substantial increase in expenditures without a corresponding increase in Project Revenues.
4. Adoption of other federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of the Borrower and the Project.
5. The occurrence of any natural disasters, including hurricanes or other disruptions that impact the operations of the Project.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Series 2018 Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the appendices hereto so as to make a judgment as to whether the Series 2018 Bonds are an appropriate investment, and obtain such additional information as they deem advisable in connection with their evaluation of the suitability of the Series 2018 Bonds for investments.

LITIGATION

The Issuer

At the time of the issuance and delivery of the Series 2018 Bonds, the Issuer will deliver a certificate to the effect that there is not pending or, to the knowledge of the Issuer, threatened any litigation restraining or enjoining the issuance or delivery of the Series 2018 Bonds or questioning or affecting the validity of the Series 2018 Bonds or the proceedings or authority under which they are to be issued, and that there is no litigation pending or, to the

Issuer's knowledge, threatened that in any manner questions the right of the Issuer to enter into the Loan Agreement or the Indenture or to secure the Series 2018 Bonds in the manner provided in the Indenture or the Act.

The Borrower

The Sole Member is subject to litigation from time to time. At the time of the issuance and delivery of the Series 2018 Bonds, the Borrower will deliver a certificate to the effect that no litigation and no proceedings are pending or, to its knowledge, threatened against the Borrower, the Sole Member or otherwise with respect to the Project or the issuance of the Series 2018 Bonds or which would materially adversely affect the transactions contemplated by this Official Statement.

APPROVAL OF LEGAL MATTERS

Legal matters incident to the authorization, issuance, sale and delivery of the Series 2018 Bonds by the Issuer are subject to the approving opinion of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel. Copies of the approving opinion of Bond Counsel will be available at the time of delivery of the Series 2018 Bonds in substantially the form set forth in **APPENDIX C**.

Certain legal matters will be passed upon for the Issuer by its counsel, Michael J. Stebbins, P.L., Pensacola, Florida; for the Borrower and the Sole Member by their counsel, Coats Rose, P.C., Cincinnati, Ohio and by Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, Orlando, Florida; and for the Underwriter by its counsel, Butler Snow LLP, Atlanta, Georgia.

The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds express the professional judgment of the attorneys rendering those opinions on the legal issues explicitly addressed therein. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an expression of professional judgment of the transaction opined upon or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

CONTINGENT FEES

Bond Counsel, Disclosure Counsel, Bryant Miller Olive P.A., as Special Counsel to the Issuer, Michael J. Stebbins, P.L., as counsel to the Issuer, and the Trustee (who has retained Trustee's Counsel) have been retained with respect to the authorization, sale, execution and delivery of the Series 2018 Bonds. Payment of the fees and expenses to such professionals and an underwriting discount to the Underwriter, including the fees of its counsel, are each contingent upon the sale and delivery of the Series 2018 Bonds. In addition, the total compensation of the Issuer's Executive Director, an employee of the City of Gulf Breeze, Florida, may increase, in the form of an annual bonus, as a consequence of the issuance of the Series 2018 Bonds.

TAX MATTERS FOR THE SERIES 2018A BONDS

Certain Federal Income Tax Considerations

The Internal Revenue Code of 1986, as amended (the "**Code**"), includes requirements which the Issuer and the Borrower must continue to meet after the issuance of the Series 2018 Bonds in order that the interest on the Series 2018A Bonds be and remain excludable from gross income for federal income tax purposes. The failure to meet these requirements may cause the interest on the Series 2018A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2018 Bonds. In addition to the requirements as to investment and use of proceeds, in the case of the Series 2018A Bonds, Section 145 of the Code requires that the assets financed be owned by an organization described in Section 501(c)(3) of the Code or a governmental unit and that the use of proceeds and of bond financed facilities comply with private activity restrictions limiting use that is not governmental use or use by an organization described in Section 501(c)(3) of the Code in its charitable activities. The Issuer and the Borrower have covenanted in connection with the issuance of the Series 2018A Bonds, including in the Arbitrage and Tax Certificate, to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2018A Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the Issuer and the Borrower and continuing compliance by the Issuer and the Borrower with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2018A Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Series 2018A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Federal legislation enacted in 2017 eliminates alternative minimum tax for corporations for taxable years beginning after December 31, 2017. For taxable years beginning before January 1, 2018, corporations should consult their tax advisor regarding alternative minimum tax implications of owning the Series 2018A Bonds. Bond Counsel is further of the opinion that the Series 2018A Bonds and the income thereon will not be subject to taxation under the laws of the State of Florida (the “State”), except as to estate taxes and taxes under chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2018 Bonds. Prospective purchasers of the Series 2018A Bonds should consult their own tax advisors as to the status of interest on the Series 2018A Bonds under the tax laws of any state other than the State.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2018A Bonds, or the ownership or disposition of the Series 2018A Bonds. Prospective purchasers of the Series 2018A Bonds should be aware that the ownership of the Series 2018A Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2018A Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2018A Bonds, (iii) the inclusion of the interest on the Series 2018A Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2018A Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of interest on the Series 2018A Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2018A Bonds. Prospective purchasers of the Series 2018A Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of a particular result, and are not binding on the IRS or the courts; rather, such opinions represent Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Premium and Discount

Certain of the Series 2018A Bonds (“**Discount Bonds**”) may be offered and sold to the public at an original issue discount (“**OID**”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2018A Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Series 2018A Bonds (“**Premium Bonds**”) may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is

amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2018A Bonds, adversely affect the market price or marketability of the Series 2018A Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2018A Bonds. Prospective purchasers of the Series 2018A Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2018A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2018A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2018A Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2018A Bonds and proceeds from the sale of Series 2018A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2018A Bonds. This withholding generally applies if the owner of Series 2018A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2018A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Consequences of the Series 2018 Bonds

Although Bond Counsel is of the opinion that interest on the Series 2018A Bonds is excluded from gross income for federal income tax purposes, and the Series 2018A Bonds and the interest thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes on interest, income or profits on debt obligations owed to corporations as imposed by Chapter 220, Florida Statutes, as amended, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2018A Bonds may otherwise affect a Bondholder's federal, state or local tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

The above discussion is only a brief summary of the effects of the Code, and each prospective purchaser of the Series 2018A Bonds should consult with his or her own tax advisor regarding the federal, state and local tax consequences of owning the Series 2018A Bonds.

TAX MATTERS FOR SERIES 2018B BONDS

Under existing law, the Series 2018B Bonds and the income thereon will not be subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel expresses no opinion on any other state tax consequences regarding the Series 2018B Bonds.

In General

INTEREST ON THE SERIES 2018B BONDS IS *NOT* EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. In general, prospective purchasers of the Series 2018B Bonds should consult their tax advisors regarding the federal, state, local, and foreign tax consequences of acquisition, ownership, and disposition of 2018B Bonds. For example, the legal defeasance of the 2018B Bonds may result in a deemed sale or exchange of the 2018B Bonds under certain circumstances, with concomitant tax consequences.

The following summary is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, a particular Owner of Series 2018B Bonds, and is generally limited to U.S. Owners. “U.S. Owners” are beneficial Owners of the Series 2018B Bonds that for U.S. federal income tax purposes are individual citizens or residents of the United States, corporations or other entities taxable as corporations created or organized in or under the laws of the United States or any state or the District of Columbia, and certain estates or trusts with specific connections to the United States. As used in this summary, the term “Non-U.S. Owner” means a beneficial Owner of Series 2018B Bonds that is not a U.S. Owner.

In particular, this summary does not address (a) special classes of taxpayers that are subject to special treatment under the federal income tax laws, such as S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the United States, broker-dealers, traders in securities, and tax-exempt organizations, (b) persons that own taxable bonds as a hedge against, or as obligations that are hedged against, currency risk, or that are part of a hedge, straddle, conversion, or other integrated transaction, or (d) persons whose functional currency is not the U.S. dollar. This summary also does not address the tax consequences to an Owner of taxable bonds held through a partnership or other pass-through entity treated as a partnership for federal income tax purposes. **Partnerships holding taxable bonds, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of an investment in the Series 2018B Bonds, including their status as U.S. Owners.**

Further, this discussion is limited to persons purchasing the Series 2018B Bonds for cash in this original offering at the respective prices indicated on the inside front cover of this Limited Offering Memorandum (the “issue prices”). Owners that purchase the Series 2018B Bonds at prices other than their respective issue prices or after their original execution and delivery should consult their tax advisors regarding other tax considerations, such as market discount, as to all of which Bond Counsel expresses no opinion. This discussion assumes that the Series 2018B Bonds will be held as capital assets within the meaning of Code Section 1221.

Certain U.S. Federal Income Tax Consequences to U.S. Owners

Interest. In general, interest paid or accrued on the Series 2018B Bonds, including qualified stated interest on Discount Taxable Bonds (as defined below), if any, generally will be taxable to a U. S. Owner as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for federal income tax purposes. A U.S. Owner using the accrual method of accounting must include in ordinary income interest paid or accrued on the Series 2018B Bonds as the interest accrues, and a U.S. Owner using the cash receipts and disbursements method of accounting for federal income tax purposes must include interest in

ordinary income when payments are received or constructively received by the Owner, except as described below with respect to Original Issue Discount and Original Issue Premium.

Original Issue Discount. The Series 2018B Bonds (“**Discount Taxable Bonds**”) are being sold to the public at an original issue discount (“*OID*”). *OID* is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Taxable Bond, provided that the excess equals or exceeds a statutory *de minimis* amount (one-quarter of one percent of the Discount Taxable Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity (or, if required by applicable Treasury Regulations, to an earlier call date). For obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering. For federal income tax purposes, *OID* accrues to the owner of a Discount Taxable Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of *OID* that accrues during the ownership period of a Taxable Discount Bond (i) is interest includable in the U.S. Owner’s gross income for federal income tax purposes, and (ii) is added to the Owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale, or other disposition of that Discount Taxable Bond. The effect of *OID* is to cause a U.S. Owner to recognize taxable interest income over time prior to its receipt.

Owners of Discount Taxable Bonds consult their tax advisers regarding the determination for federal income tax purposes of the amount of *OID* or bond premium properly accruable in any period with respect to the Discount Taxable Bonds, other federal tax consequences regarding *OID* and bond premium, and the treatment of *OID* and bond premium for purposes of state and local taxes on, or based on, income.

Disposition of the Series 2018B Bonds. Upon the sale, exchange, retirement, or other taxable disposition of a Bond, a U.S. Owner, in general, will recognize gain or loss equal to the difference between the amount realized from the sale, exchange, retirement, or other disposition and the Owner’s adjusted basis, or applicable portion of the adjusted basis, in the Bond. The Owner’s adjusted basis generally will equal the Owner’s cost of the Bond, increased by any *OID* includable in the Owner’s ordinary income for the Bond, and reduced by any principal payments (and any other payments on the Series 2018B Bonds not treated as qualified stated interest) and by any amortizable bond premium allowed as a deduction as described above under “*Original Issue Discount and Original Issue Premium.*” Any such gain or loss generally will be long-term capital gain or loss, provided that the Series 2018B Bonds have been held for more than one year at the time of disposition. Net long-term capital gain recognized by an individual U.S. Owner generally will be subject to tax at a lower rate than that for net short-term capital gain or ordinary income. The deductibility of capital losses is subject to limitations.

Additional Tax on Net Investment Income. For taxable years beginning after December 31, 2012, an additional 3.8% tax is imposed on the “net investment income” of certain U.S. citizens and residents, and on the undistributed “net investment income” of certain estates and trusts. Among other items, “net investment income” generally includes gross income from interest and certain net gain from the sale, exchange, redemption, or other taxable disposition of a debt instrument that produces interest, minus certain deductions. **A U.S. Owner that is an individual, estate, or trust should consult its tax advisor regarding the applicability of this additional tax.**

Information Reporting and Backup Withholding. The Bond Trustee must report annually to the IRS and to each U.S. Owner any interest payable to the U.S. Owner, subject to certain exceptions. A non-corporate U.S. Owner of the Series 2018B Bonds may be subject to backup withholding at a rate of 28% with respect to “reportable payments,” which include interest paid on the Series 2018B Bonds and the gross proceeds of a sale, exchange, redemption, or retirement of the Series 2018B Bonds, if the Owner fails to provide an accurate taxpayer identification number in the manner required, or fails to report all interest required to be shown in its federal income tax return. A U.S. Owner of the Series 2018B Bonds generally can obtain complete exemption from backup withholding by providing a properly completed IRS form W-9 (Request for Taxpayer Identification Number and Certification).

Certain U.S. Federal Income Tax Consequences to Non-U.S. Owners

Interest. Under the Code, interest and *OID* on any Bond owned by a Non-U.S. Owner is generally not subject to United States income or withholding tax, including backup withholding, if the Non-U.S. Owner provides the payor of interest on the Series 2018B Bonds with an appropriate statement regarding its status as a Non-U.S.

Owner. This statement can be made on IRS Form W-8BEN or a successor form. If, however, interest on the Series 2018B Bonds is “effectively connected with the conduct of a trade or business within the United States” (as defined in the Code) by a Non-U.S. Owner, such interest will be subject to U.S. federal income tax in a manner similar to that for Series 2018B Bonds owned by a U.S. Owner, as described above. **Non-U.S. Owners should consult their tax advisors regarding the tax consequences of owning the Series 2018B Bonds.**

Application of Foreign Account Tax Compliance Act. The Foreign Account Tax Compliance Act (“*FATCA*”) generally imposes a 30% withholding tax on interest payments and proceeds from the sale of interest-bearing obligations for payments made after the relevant effective date to (i) certain foreign financial institutions that fail to certify their *FATCA* and (ii) investment funds and non-financial foreign entities if certain disclosure requirements related to direct and indirect United States shareholders and/or United States accountholders are not satisfied.

Under applicable Treasury Regulations, a 30% *FATCA* withholding tax generally will be imposed, subject to certain exceptions, on payments of (i) interest on Series 2018B Bonds and (ii) gross proceeds from the sale or other disposition of Series 2018B Bonds on or after January 1, 2019, where such payments are made to persons described in the immediately preceding paragraph.

With respect to payments made to a “foreign financial institution” (generally including an investment fund) either as a beneficial owner or as an intermediary, the *FATCA* withholding tax generally will be imposed, subject to certain, unless such institution (i) enters into (or is otherwise subject to) and complies with an agreement with the U.S. government (a “*FATCA Agreement*”) or (ii) is required by and complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an “*IGA*”), in either case to, among other things, collect and provide to the United States or other relevant tax authorities certain information regarding U.S. account holders of such institution. With respect to payment made to a foreign entity that is not a financial institution (as a beneficial owner), the *FATCA* withholding tax generally will be imposed, subject to certain exceptions, unless such entity provides to the withholding agent a certification that such entity does not have any “substantial” U.S. owner (generally, any specified U.S. person that owns, directly or indirectly, more than a specified percentage of such entity) or identifies its “substantial” U.S. owners.

If the Series 2018B Bonds are held through a foreign financial institution that enters into (or is otherwise subject to) a *FATCA Agreement*, subject to certain exceptions, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign institution) generally will be required to withhold the 30% *FATCA* tax on the payment of dividends or the items described above made to (i) a person (including an individual) that fails to comply with certain information requests, or (ii) a foreign financial institution that has not entered into (and is not otherwise subject to) a *FATCA Agreement*, and that is not required to comply with *FATCA* pursuant to applicable foreign law enacted in connection with an *IGA*. Coordinating rules may limit duplicative withholding where the withholding described above under “*Interest or Information Reporting and Backup Withholding*” also applies.

If any amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from payments made on Series 2018B Bonds because of a failure by the investor (or an institution through which an investor holds the Series 2018B Bonds) to comply with *FATCA*, none of the Issuer, any paying agent, or any person would, pursuant to the terms of the Series 2018B Bonds, be required to pay additional amounts with respect to any Series 2018B Bonds because of the deduction or withholding of such tax. **Non-U.S. Owners should consult their tax advisors regarding the application of *FATCA* to the ownership or disposition of Series 2018B Bonds.**

RATINGS

Moody’s Investors Service, Inc. (the “**Rating Agency**”) has assigned a rating of “Ba2” to the Series 2018 Bonds. An explanation of the significance of such ratings may be obtained from the Rating Agency. The ratings of the Series 2018 Bonds reflect only the views of the Rating Agency at the time such ratings were given, and none of the Issuer, the Borrower or the Underwriter makes any representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the Rating Agency, if in its judgment, circumstances (including the financial status of any investment agreement provider) so warrant. Any such downward revision or withdrawal of the ratings (or either of them) may have an adverse effect on the market price of the Series 2018 Bonds.

UNDERWRITING

Pursuant to a Bond Purchase Agreement among the Issuer, the Borrower, and Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), the Underwriter has agreed to purchase the Series 2018 Bonds at the purchase prices set forth on the inside front cover hereof plus accrued interest to the date of purchase. For its services, the Underwriter shall be paid by the Borrower an Underwriter fee equal to \$3,983,700.00 plus expenses. The Bond Purchase Agreement provides that the Underwriter shall purchase all of the Series 2018 Bonds if any are purchased, and that such obligation to purchase the Series 2018 Bonds is subject to certain terms and conditions set forth in such Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions. The initial offering price set forth on the inside cover page hereof may be changed from time to time by the Underwriter, the Underwriter may join with dealers and other Underwriter in offering the Series 2018 Bonds, and the Underwriter may offer and sell Series 2018 Bonds to certain dealers (including dealer banks and dealers depositing Series 2018 Bonds in investment trusts) and others at prices lower than the public offering prices stated on the inside cover of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

The Borrower has agreed, pursuant to the Bond Purchase Agreement, to indemnify the Underwriter and the Issuer against certain liabilities relating to this Official Statement.

The Underwriter does not guarantee a secondary market for the Series 2018 Bonds and is not obligated to make any such market for the Series 2018 Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

CONTINUING DISCLOSURE

In accordance with the Securities and Exchange Commission Rule 15c2-12 (the “**Rule**”) the Borrower has agreed pursuant to a Disclosure Dissemination Agent Agreement (the “**Continuing Disclosure Agreement**”) dated as of September 1, 2018 with Digital Assurance Certification, LLC, as dissemination agent (the “**Dissemination Agent**”), to be delivered on the date of delivery of the Series 2018 Bonds, to cause certain financial and operating information to be provided on a monthly, quarterly and annual basis through the Dissemination Agent to the Municipal Securities Rulemaking Board (the “**MSRB**”) via the Electronic Municipal Marketing Access (“**EMMA**”) System. The Issuer has determined that no financial or operating data concerning the Issuer is material to an evaluation of the offering of the Series 2018 Bonds or to any decision to purchase, hold or sell the Series 2018 Bonds and the Issuer will not provide any such information. The Borrower has undertaken all responsibilities for any continuing disclosure to holders of the Series 2018 Bonds as described in the Continuing Disclosure Agreement, and the Issuer has not, and will not, undertake any responsibilities to provide continuing disclosure with respect to the Series 2018 Bonds and will have no liability to the holders of the Series 2018 Bonds or any other person with respect to S.E.C. Rule 15c2-12. Because the Borrower is a new entity established to acquire and operate the Project, it has not previously entered into any undertakings similar to the Continuing Disclosure Agreement. For certain projects, certain affiliates of the Borrower have failed to comply with certain undertakings under the Rule during the five-year period prior to the date of this Official Statement, including instances of failure to file financial and/or operating data and failure to file such data in a timely manner. A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Loan Agreement (although Holders will have any available remedy at law or in equity for obtaining necessary disclosures). Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds. See “**FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT**” in **APPENDIX E** hereto.

RELATIONSHIPS AMONG PARTIES

Bond Counsel has previously represented, and is currently representing, the Underwriter with respect to other financings and has acted or is acting as bond counsel or counsel to the Underwriter with respect to other bonds underwritten by the Underwriter and may do so in the future. Counsel to the Underwriter has previously acted as bond counsel with respect to other bonds underwritten by the Underwriter and other bonds issued by the Issuer. Counsel to the Borrower and the Sole Member has previously acted as bond counsel with respect to other bonds

underwritten by the Underwriter, and has previously acted, and is currently acting as counsel to the Underwriter with respect to other bonds underwritten by the Underwriter and may do so in the future.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The references herein to the Act, the Indenture, the Loan Agreement, the Note, the Mortgage, the Student Housing Agreement, the Tax Agreement and other documents are brief outlines of certain provisions thereof. Such descriptions do not purport to be full, complete or comprehensive statements of the provisions thereof. Copies of such documents will be on file at the office of the Trustee following delivery of the Series 2018 Bonds or the Underwriter as noted herein during the initial offering of the Series 2018 Bonds.

The agreement of the Issuer with the Trustee, as trustee on behalf of the Holders of the Series 2018 Bonds, is fully set forth in the Indenture, and this Official Statement is not to be construed as constituting any agreement with the purchasers of the Series 2018 Bonds. The attached Appendices are integral parts of this Official Statement and must be read together with all of the foregoing statements. The Borrower has reviewed the information contained herein which relates to it and the Project and has approved all such information for use within this Official Statement. The Issuer has not participated in the preparation of this Official Statement and has not verified the accuracy of the information contained herein, other than the information respecting the Issuer contained under **“INTRODUCTION – The Issuer,” “THE ISSUER”** and **“LITIGATION – The Issuer.”** The Issuer’s acknowledgement of the use and distribution of this Official Statement does not constitute approval of the information contained herein, other than as provided in the preceding sentence, or a representation of the Issuer as to the completeness or accuracy of the information contained herein.

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The execution, delivery and distribution of this Official Statement has been duly authorized by the Borrower.

UNIVERSITY BRIDGE, LLC, a Florida limited liability company

By: Atlantic Housing Foundation, Inc., a South Carolina nonprofit corporation, as its Sole Member

By: /s/ Michael N. Nguyen

Name: Michael N. Nguyen

Title: President and CEO

APPENDIX A

CERTAIN INFORMATION ABOUT THE BORROWER AND THE PROJECT

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APPENDIX A

THE BORROWER, THE PROJECT, AND THE UNIVERSITY

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THE BORROWER

University Bridge, LLC (the “**Borrower**”) is a single member limited liability company formed on April 16, 2018 and is duly organized and existing under the laws of the State of Florida (the “**State**”). The Borrower was formed for the purpose of financing, acquiring, constructing, furnishing, equipping, and operating the Project and is not expected to have any assets other than the Project.

The Board of Managers

The Borrower is governed by a Board of Managers elected by Atlantic Housing Foundation, Inc. (the “**Sole Member**”), which serves as the sole member of the Borrower. The Board of Managers shall include: (i) at least one (1) manager designed to represent Florida International University (the “**University**”) and (ii) at least one (1) manager from the Miami-Dade County, Florida community with some relation to the University to the extent necessary. Following is certain information about the individuals that constitute the Board of Managers.

Michael N. Nguyen, President and CEO. Mr. Nguyen has over twenty (20) years of experience as an executive in multifamily acquisition, development, rehabilitation, disposition and asset management. Prior to joining the Sole Member, Mr. Nguyen founded Cima Advisors, a real estate structured finance and asset management firm. Previously, Mr. Nguyen was a Partner at the Utley Group, a private equity firm with a key focus on multifamily acquisition and development. Before the real estate business, Mr. Nguyen was an investment banker specializing in mergers and acquisitions, corporate restructuring, debt and equity placements. Mr. Nguyen was also a Principal with First Southwest Company in its corporate finance department and a Financial Analyst at Banque Paribas and Prudential-Bache in New York. Mr. Nguyen holds a Bachelor of Business Administration degree and Master of Business Administration from the University of Texas at Austin.

Jorge Escobar. Jorge R. Escobar is an associate attorney in Holland & Knight's Miami office and a member of that law firm's Real Estate practice. He is a member of the University's President's Council and received his undergraduate degree from the University. Mr. Escobar focuses his practice on the representation of clients in all aspects of commercial real estate transactions, including the acquisition, disposition, development and finance of condominium, office, hotel, warehouse and mixed-use projects. Mr. Escobar regularly represents local and national institutional lenders in connection with complex commercial loan transactions, including construction loans, permanent loans secured by real estate, asset-backed loans, collaborative modifications and workouts as well as distressed asset sales and acquisitions. Additionally, Mr. Escobar represents both private and public clients in the purchase, sale, leasing, and the development and financing of commercial real estate transactions.

Ernesto de la Fe. Mr. de la Fé is currently Managing Director and Head of Latin America Wealth Management for Jefferies LLC. He oversees the middle markets business, ultra-high net worth individuals and family offices throughout Florida and Latin America. He has previously served on an advisory board to the University's School of Business. Previously, Mr. de la Fé was Managing Director of International Wealth Management Americas at Morgan Stanley. During his tenure, he was responsible for business development of ultra-high net worth relationships and institutions throughout Latin America and South Florida as well as the global recruitment of diverse talent. Mr. de la Fé is active in community and professional organizations including serving as an Associate of the Hoover Institution at Stanford University and chairman of the Miami-Dade Public Health Trust which oversees one of the largest teaching hospitals in the USA.

The Sole Member

The Sole Member is a South Carolina nonprofit corporation incorporated on November 29, 1999 and is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”). The Sole Member was organized and is operated exclusively for charitable and educational purposes including the purpose of assisting colleges and universities in providing housing for their enrolled students and otherwise assisting them in furtherance of their educational missions. The Sole Member is governed by a nine-member Board of Trustees. Pursuant to Treasury Regulation Section 301-7701-2(c)(2)(i), unincorporated associations, such as the Borrower, that have a single owner, are, by default, disregarded as separate entities for federal income tax purposes. The principal offices of the Sole Member and of the Borrower are located at 5910 North Central Expressway, Suite 1310, Dallas, Texas 75206. As stated in its articles of incorporation, the principal

purposes of the Sole Member are to foster, support, provide, acquire, construct, rehabilitate, and operate qualified affordable housing for low-income persons and families, elderly persons, and mentally or physically disabled persons in a manner consistent with Section 501(c)(3) of the Code, to provide housing on a nonprofit basis for low and moderate-income families where no adequate housing exists for such families, and to provide aid to the poor and distressed, provide decent, safe, and sanitary housing for low-income persons and families, elderly, and disabled persons, provide social services to low-income persons and families, assist in the social and economic integration of the poor, combat community deterioration, lessen neighborhood tensions, eliminate prejudice and discrimination, and reduce the burden on government through the provision of affordable housing for low-income persons and families and mentally and physically disabled persons and to provide, acquire, construct, rehabilitate and operate student housing.

The Borrower and the Sole Member have entered into an Asset Management and Administrative Agreement (the “Sole Member Agreement”) whereby the Sole Member will provide certain services and assistance to the Borrower with respect to the management and administration of the Borrower during the period of development and ownership of the Project and to help ensure the Borrower’s compliance with the various development and financing documents (the “Project Documents”) relating to the Project and maintain the Sole Member as an organization described in Section 501(c)(3) of the Code. Pursuant to the Sole Member Agreement, the Sole Member shall have the authority to do the following on behalf of the Borrower during the term of the Sole Member Agreement:

- (1) Assist the Borrower in the oversight of the Borrower’s operations and compliance with the Project Documents;
- (2) Make periodic recommendations, as needed, to the Borrower for its consideration regarding matters concerning the Project Documents;
- (3) Make periodic recommendations to the Borrower for its approval regarding the selection and conduct of relations with consultants and technical advisors (including, without limitation, accountants, attorneys, architects, contractors, subcontractors, lobbyists, real estate and mortgage loan brokers and dealers, corporate fiduciaries, escrow agents, depositaries, custodians, agents for collection, insurers, insurance agents and banks) and persons acting in any other capacity, in connection with the Borrower; and
- (4) Assist the Borrower in preparing and distributing all reports and other communications required or permitted to be given to the Issuer, the Trustee, or any governmental authority concerning the Borrower.

Subject to the terms of this paragraph and during the term of the Sole Member Agreement, the Borrower shall pay the Sole Member a fee for its services during the term of this Agreement equal to \$2,250,000 per year, as adjusted for cost-of-living increases (the “Sole Member Asset Management and Administrative Fee”). **The Sole Member Asset Management and Administrative Fee is payable solely from monies distributed pursuant to and in accordance with the Surplus Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – Surplus Fund” herein.**

Key Personnel of the Sole Member

Michael N. Nguyen, President and CEO. Mr. Nguyen has over twenty (20) years of experience as an executive in multifamily acquisition, development, rehabilitation, disposition and asset management. Prior to joining the Sole Member, Mr. Nguyen founded Cima Advisors, a real estate structured finance and asset management firm. Previously, Mr. Nguyen was a Partner at the Utley Group, a private equity firm with a key focus on multifamily acquisition and development. Before the real estate business, Mr. Nguyen was an investment banker specializing in mergers and acquisitions, corporate restructuring, debt and equity placements. Mr. Nguyen was also a Principal with First Southwest Company in its corporate finance department and a Financial Analyst at Banque Paribas and Prudential-Bache in New York. Mr. Nguyen holds a Bachelor of Business Administration degree and MBA from the University of Texas at Austin.

Daniel B. French, Executive Vice President. Mr. French is the founder of the Sole Member and served as its President and CEO until 2008. Mr. French continues to serve as Chairman of its Board of Trustees and remains

involved with Finance and Acquisition activities for the Organization. Mr. French has been involved in the Affordable Housing field since 1990 when he was made head of the Affordable Housing Department of the San Antonio office of the Resolution Trust Corporation. Mr. French went on to serve the San Antonio Housing Authority as Director of Development. Mr. French has also served as Housing Commissioner of the Town of Hilton Head Island, SC and Chairman of the greater Hilton Head Community Development Corp. Mr. French has over forty (40) years of experience in the areas of development, finance, operation, appraisal, and brokerage of real estate. Mr. French holds an MBA from the University of Texas at San Antonio.

Kent Foster, Director of Development and Acquisitions. Mr. Foster joined the Sole Member in July, 2008. He has over 35 years of experience in commercial real estate development, construction, asset management, leasing, disposition and account management. He has worked with Opus Corporation, Beck (HCB Contractors), Champion Partners and the Travelers Realty Investment Company. He has played an instrumental role in the sourcing, development and stabilization of a variety of project types including office, mixed-use, multi-family and industrial with an aggregate transaction value in excess of \$1 billion. Mr. Foster holds a Bachelor of Business Administration degree from the University of Texas, is a past-Board member of the North Texas Commission and holds a Texas Real Estate License.

Liz Snyder, CFO and Controller. Ms. Snyder is a certified public accountant with over twenty years of corporate financial management and public accounting experience, most recently in multifamily property management and development. Prior to joining the Sole Member, she served as controller for Tarragon Corporation in Dallas, Texas, a publicly traded multifamily real estate investment and development company. Prior to Tarragon, she worked in healthcare, serving as chief financial officer for a large physician group practice in the Dallas, Texas area, and operations controller for one of the nation's largest healthcare staffing companies. She began her career with Coopers & Lybrand (now PriceWaterhouseCoopers) in Fort Worth, Texas. She holds a BSEd from Abilene Christian University and an MBA from the University of Texas at Arlington. Ms. Snyder plans to retire after end of this calendar year. The Sole Member started a search for replacement to assist with the transaction.

Russell Richardson, Director of Operations. Mr. Richardson has been in the commercial real estate finance industry for over seventeen (17) years, serving in various capacities, including in-house counsel and head of debt asset management, where he managed portfolios ranging in size from \$4 billion to \$24 billion, secured by as many as 5,000 commercial income-producing properties located nationwide. Mr. Richardson has led teams of more than 100 professionals and has directed and managed team and platform transformations, including large-scale systems conversions. Mr. Richardson is a licensed attorney, and has been the designated Chief Asset Manager/Head of Asset Management for three separate firms holding Fannie Mae, Freddie Mac, and FHA/GNMA approvals. Mr. Richardson received his B.A. from the University of Texas at Austin, and his J.D. from the University of Texas School of Law.

Michelle Figueroa, Regional Manager–Florida. Ms. Figueroa has lived in the Central Florida area since 1983. Ms. Figueroa started her career in Property Management in the late 1990's as a Leasing Agent. Ms. Figueroa is also a Licensed Florida Real Estate Agent, has a Bachelor's Degree in Business and Marketing, and has her CAM designation through the Apartment Association of Greater Orlando. Ms. Figueroa has experience with Affordable Housing, HUD, Conventional, and Receivership.

Other Projects of the Sole Member

The Sole Member, through its affiliated companies, presently owns 8,154 units of multifamily housing. AHF currently employs 250 people consisting of 8 people in finance/accounting, 230 people in operations and 12 people in development/acquisitions. The following table lists the rental housing communities owned by affiliates of the Sole Member. None of these properties or the revenues associated therewith are a source of security or repayment for the Series 2018 Bonds.

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Name	Number of Units	Location	Property Type
Arbors of Denton	191	Denton, TX	Student
Arbors of Sam Houston	420	Huntsville, TX	Student
Westfield	136	San Marcos, TX	Student
Manitoba	265	Fort Worth, TX	Multifamily/ Bonds
Palm House	155	Fort Worth, TX	Multifamily/ Bonds
Quail Ridge	296	Fort Worth, TX	Multifamily Bonds
SilverLeaf Villas	176	Fort Worth, TX	Multifamily/ Conventional
Waters at Bluff Springs	300	Austin, TX	Multifamily/ Conventional
Waters at Sunrise	300	Round Rock, TX	Multifamily / LIHTC
Waters at Willow Run	242	Austin, TX	Multifamily/ LIHTC
Waters at Longcreek	220	Columbia, SC	Multifamily/ LIHTC
Orleans Gardens	100	Charleston, SC	Multifamily / Bonds, Section 8
Parkview	60	Beaufort, SC	Multifamily / Bonds, Section 8
Roosevelt Gardens	200	Orangeburg, SC	Multifamily / Bonds, Section 8
Waters at Berryhill	180	Columbia, SC	Multifamily / LIHTC
Waters at Fairfield	144	Columbia, SC	Multifamily/ LIHTC
Waters at Magnolia Bay	300	Lincolville, SC	Multifamily/ LIHTC
Waters at St. James	336	Summerville, SC	Multifamily / LIHTC
Waters at Gateway	276	Savannah, GA	Multifamily / LIHTC
Arrowood	304	Houston, TX	Multifamily/ Bonds
Tall Timbers	256	Houston, TX	Multifamily / Conventional
Villas at Sonterra	156	San Antonio, TX	Multifamily/ Conventional
Waters at Elm Creek	200	San Antonio, TX	Multifamily/ Conventional
Covington Creek	248	Irving, TX	Multifamily/ Conventional
Heather Ridge	204	Irving, TX	Multifamily/ Conventional
Hillcrest Apartments	298	Euless, TX	Multifamily/ Conventional
Redbud Trail	150	McKinney, TX	Multifamily/ Bonds
Stonebriar Village	100	Plainview, TX	Multifamily/ LIHTC
Stone Creek	200	Lewisville, TX	Multifamily/ Bonds
Waterchase	134	Dallas, TX	Multifamily/ Bonds
Brittany Bay	568	Largo, FL	Multifamily/ Bonds
Waterman's Crossing	337	Tampa, FL	Multifamily/ Bonds
Village Lakes	228	Sanford, FL	Multifamily/ Bonds
Windover Oaks	238	Titusville, FL	Multifamily/ Bonds
Windover Palms	236	Melbourne, FL	Multifamily/ Bonds
Total	8,154		

Limited Liability of the Sole Member

The Sole Member will not have any obligation with respect to the Series 2018 Bonds, the Student Housing Agreement, the Loan Agreement, the Mortgage, the Security Agreement, the Assignment of Contracts and Agreements, or the Indenture.

THE PROJECT

General

The Series 2018 Bonds are being issued to provide funds for financing (i) the acquisition, development, construction, furnishing and equipping of an approximately 1,244-bed student housing facility containing approximately 7,000 square-feet of retail space, parking and related amenities located adjacent to the campus of Florida International University (the “**Project**”), (ii) the payment of capitalized interest on the Series 2018 Bonds during construction and for up to six months following the scheduled completion of the Project, (iii) the funding of a Debt Service Reserve Fund (as defined hereinafter) with respect to the Series 2018 Bonds, (iv) the funding of an

Operations and Maintenance Reserve Fund (as defined hereinafter) with respect to the Series 2018 Bonds and (v) the payment of the costs of issuance of the Series 2018 Bonds.

Location of Project

The Project is located at 740 SW 109th Avenue, which is adjacent to the University at the intersection of SW 109th Avenue and SW 7th Terrace, Sweetwater, Florida. Founded in 1969, the University is a four-year public research university. The University is part of the State University System of Florida and is governed by the Florida Board of Regents. The University enrolled 56,851 students for Fall 2017 making it the second largest university in the State and the largest university in south Florida. For additional information about the University, see “THE UNIVERSITY” herein.

The site of the Project is located along SW 109th Avenue and is bordered by the University to the south and residential and commercial properties to the north. The site of the Project contains all the utilities necessary for completion and installation of the Project. The site is a highly trafficked area, both pedestrian and vehicular. There are several crosswalks and a red light for student access from the Project to the main entry of the University’s campus. On March 15, 2018, a pedestrian bridge that was under construction collapsed. The pedestrian bridge, funded from grants awarded by the Florida Department of Transportation, was being constructed to provide above ground foot access from the University to the City. The collapse is currently under investigation by the National Transportation Safety Board. No members of the development team for the Project were involved in the construction of this bridge.

In 2014, the University and the City created a partnership known as University City. This initiative has two major components: creation of a transportation hub at the University featuring enhanced bus service and the development of a small and economically stable downtown in the City. The physical connection of the two areas via new infrastructure aims to help alleviate worsening traffic by stimulating development of a student-oriented housing in the City, encouraging use of public transit and decreasing travel times between school and off-campus student housing.

Student Housing Facility

The Student Housing Facility will consist of 886 units with 1,244 beds and will include studio apartments, one-bedroom and one-bathroom units, two-bedroom and two-bathroom units, three-bedroom and three-bathroom units and four-bedroom and four-bathroom units. The chart below shows the expected unit mix and fee schedule for the Student Housing Facility upon opening. Parking will be available in a 648-space multi-level parking garage for an additional monthly fee. Parking is not included in the rent which is typical for student housing properties in this market.

Unit Mix	# Units	# Beds	Square Feet	Rent Per Bed
Studio	278	278	330	\$1,306
1BR/1BA	342	342	400	1,476
2BR/2BA	198	396	655	1,109
3BR/3BA	44	132	930	1,033
4BR/4BA	24	96	1,150	944
Total	886	1,244	482	\$1,233

Each housing unit will be fully furnished with an appropriate number of beds, dressers and desks reflecting the number of unit occupants. The units will offer both hardwired and Wi-Fi Internet access, one cable television port and one in-unit control panel for the HVAC system. Each housing unit also includes stainless steel appliances, granite countertops, granite backsplashes, tile and carpet floors, and a washer and dryer.

Amenities

The Student Housing Facility is expected to include a variety of amenities including twenty-four-hour security, controlled access, monitored security cameras, rooftop terrace with dining areas, a yoga lawn, business centers, conference room, resident lounge with televisions, study rooms on each residential floor, a fitness center, a

movie theater, a billiards, shuffleboard and gaming room, a coffee bar, a swimming pool and pool cabanas and Retail Space. Parking for the Project will be available in a 648-space multi-level parking garage. Parking is not included in the monthly rents of the Student Housing Facility and is available for an additional monthly fee. The ground floor of the Project is expected to contain the Retail Space. A tenant improvement fund will be shared among the tenants, but it is expected that the tenants will complete the funding of any additional improvements required for their spaces over the tenant improvement allowance provided to them.

Tenants in the Retail Space are expected to include uses such as restaurants, clothing stores, general store, coffee shop, and outdoor sporting goods. As of the date of this Official Statement, the Borrower has not executed any leases for the Retail Space; however, the Borrower is engaging a broker to assist with recruiting efforts for tenants for the Retail Space. The Borrower has begun communications with several potential tenants for the Retail Space and expects to execute letters of intent with such retail operators in the near future. See “CERTAIN BONDHOLDERS’S RISKS – Failure to Achieve Certain Occupancy and Rents” herein.

Anticipated Project Timeline

Construction of the Project is scheduled to be completed by June 2020, allowing for leasing to students and retail tenants in Fall 2020. In June 2018, the Developer commenced construction of the Project including demolishing existing buildings on the site and installed the vertical concrete columns that are driven into the ground to support the building. The Developer is pouring the pile caps for the tower foundation in preparation for the vertical construction. The Developer has completed approximately half of the dewatering work and purchased the fencing, storm structures, concrete, steel, elevators, cranes and certain waterproofing.

The Student Housing Agreement

The University and the Borrower will enter into a Student Housing Agreement (the “**Student Housing Agreement**”) dated on or about the date of issuance of the Series 2018 Bonds. Pursuant to the Student Housing Agreement, the University agrees that, subject to applicable regulations, policies and procedures of the University that are in effect from time to time, the Project will have access to advertise to University students on the University’s off-campus housing website.

For Fall 2017, the University only had 3,159 beds of on-campus student housing. On-campus housing occupancy was 99% for Fall 2017.

Pursuant to the Student Housing Agreement, the Project shall be operated exclusively as a residential living-learning community for (i) lease to (A) full-time undergraduate sophomores, juniors and seniors and graduate students enrolled in the University’s schools and programs (collectively, “University Students”), and (B) members of the faculty or staff of the University (together with the University Students, the “Facility Residents”), and (ii) customary ancillary supporting uses necessary to fulfilling the charitable purposes and objectives and the administration and maintenance of the Project in accordance with the standards generally applicable to management and leasing of comparable first-class residential facilities in the Miami-Dade County, Florida area. The Borrower shall lease the units in the Project, or cause the units in the Project to be leased by the Manager only to Facility Residents, it being understood that units in the Facility shall not be leased at any time to undergraduate first-year freshmen students, except as may be approved by the University in connection with housing scholarships for veterans or as otherwise approved by University, in either case, in the University’s sole and absolute discretion.

Additionally, the University’s information technology department has been participating in the design of the cable and internet services for the Project and intends to enter into an agreement for the provision of such services on an ongoing basis for the Project. Any agreement between the University and the Borrower shall provide that all wiring for such services shall be a part of the Project and shall be owned wholly and exclusively by the owner of the Property.

Upon the repayment in full of the Bonds (including any refinancing of same by the Borrower, if any, such refinancing being subject to the University’s prior written consent, in its sole and uncontrolled discretion), all right, title, and interest in and to the Project shall be conveyed from Borrower to the University (subject to its approval) or to another similarly situated charitable organization or entity exempt from the payment of federal income tax under

Section 501(a) of the Code, as an entity organized under Section 501(c)(3) of the Code, organized and operated exclusively for charitable, educational, or scientific purposes, selected or designated by the University (a “**Designated Transferee**”) and vest in the University or a Designated Transferee, as applicable, and the University or a Designated Transferee, as applicable, shall be the sole and absolute owner of the Property, free of any right, title, interest or estate of the Borrower.

Regulations, Permits, and Zoning

Prior to the issuance of the Series 2018 Bonds, the Borrower will receive approval of all necessary permits and authority from the appropriate government agencies to construct the Project as planned, including a building permit or a letter indicating the building permit is ready to be paid for. The Project is currently zoned for its intended use by the City.

The City of Sweetwater, Florida (the “City”) zoned the Project for its intended use as a student housing facility. In connection with City’s zoning approval, the prior owner of the site of the Project, which is an affiliate of the Developer (the “Prior Owner”), caused a Declaration of Restrictions (the “Declaration”) to be recorded in the Miami-Dade County real estate records.

This Declaration states the use of the property shall be limited to university housing units for University undergraduate and graduate students, faculty or staff. Neighborhood serving retail and services uses shall be permitted and may be integrated exclusively on the ground floor of the property. The Borrower is to provide the City Building and Zoning Director a certified copy of the current and active tenant enrollment list of January 31 of each year to ensure that university housing units are being utilized and inhabited exclusively by University undergraduate and graduate students, faculty or staff.

The Declaration runs with the land and is for a term of 30 years or until such time as the same is modified or released.

In addition, the Borrower is recording a Declaration of Restrictive Covenants that runs with the land and states that the use of the Project shall be limited to providing a residential living-learning community for (i) lease to (A) full-time undergraduate sophomores, juniors and seniors and graduate students enrolled in the University’s schools and programs (collectively, “University Students”), and (B) members of the faculty or staff of the University (together with the University Students, the “Facility Residents”), and (ii) customary ancillary supporting uses necessary to fulfilling the charitable purposes and objectives and the administration and maintenance of the Facility in accordance with the standards generally applicable to management and leasing of comparable first-class residential facilities in the Miami-Dade County, Florida area.

In addition, the Property shall not be leased at any time to undergraduate first-year freshmen students, except as may be approved by the University in connection with housing scholarships for veterans or as otherwise approved by University, in either case, in the University’s sole and absolute discretion.

Environmental Site Assessment

A Phase I Environmental Site Assessment (the “**Phase I Assessment**”) was performed by EE&G Environmental Services, LLC (the “**Environmental Consultant**”). The Phase I Assessment was conducted consistent with standard industry procedures included in ASTM Practice E 1527-13, Standard Practice for Environmental Site Assessments. The Phase I Assessment identified no evidence of a recognized environmental condition (“**REC**”). A copy of the Phase I Assessment is available upon request of the Underwriter.

THE MANAGER

General

Landmark Property Management, LLC (the “**Manager**”) will manage the Project pursuant to a Management Agreement between the Borrower and the Manager (the “**Management Agreement**”). The Manager is based in Athens, Georgia and is the one of the largest student housing management companies in the United States.

As of Fall 2017, the Manager managed over 21,067 beds at thirty-four different off-campus properties with an average occupancy of 90%. The Manager has experience with leasing and stabilizing new construction student housing communities. Since Fall 2005, the Manager has increased its total managed beds by 20,810, achieved an average annual occupancy of 95.6%, and increased average rent per bed by \$333.39 or 5.1% annually. A table showing managed beds, average occupancy, and average rent per bed is below:

Academic Year	Total Beds Managed	Average Occupancy	Average Rent Per Bed
2005–2006	257	100%	\$414.11
2006–2007	488	100%	\$437.99
2007–2008	646	100%	\$456.09
2008–2009	1,105	100%	\$482.85
2009–2010	2,030	96%	\$503.64
2010–2011	2,981	96%	\$520.53
2011–2012	4,382	94%	\$536.42
2012–2013	4,904	92%	\$562.94
2013–2014	4,175	97%	\$577.93
2014–2015	8,724	97%	\$633.95
2015–2016	15,793	97%	\$687.49
2016–2017	17,127	84%	\$721.39
2017–2018	21,067	90%	\$747.50

Key Personnel of the Manager

J. Wesley Rogers, President and Chief Executive Officer. As President and CEO of the Manager, Mr. Rogers has overseen the design, financing, development, and operations of nearly \$4 billion worth of new construction student housing. Mr. Rogers is responsible for establishing and implementing Landmark’s overall corporate strategy. Mr. Rogers obtained his B.B.A. in Finance from the University of Georgia in 1999 and his Master’s in Business Administration from the University of Georgia in 2004. Mr. Rogers was named the 2017 E&Y Entrepreneur of the Year for the Southeast US in the Real Estate Category.

James B. Whitley, Vice Present and Chief Operating Officer. Since 2003, Mr. Whitley has been involved in the orchestration, design, development, and management of student housing projects across the country. As Vice President and Chief Operating Officer of the Manager, Mr. Whitley is responsible for all operational aspects associated with the company’s student portfolio. Mr. Whitley graduated from the University of Georgia with a B.L.A. in Land Planning with a focus on Urban Design. Mr. Whitley began his career in real estate in 1999. Mr. Whitley is on the Board of the Athens Boys and Girls Club and the University of Georgia’s Student Affairs Advisory Board. Mr. Whitley is an active real estate broker, a member of the Athens Area Homebuilders Association and Athens Chamber of Commerce.

Jonathan Bove, Vice President of Business Development and Consulting Services. With over 10 years of experience in student housing and college student services, he serves as the liaison for new clients as they join the Landmark managed portfolio. He also provides coordination and oversight of Landmarks’ consulting services. His experience includes numerous high quality studies for clients which spanned operational assessment, market assessment, feasibility analysis, and due diligence for acquisitions. Mr. Bove holds a M.Ed. in Higher Education and Student Affairs Administration from the University of Vermont. He completed his undergraduate studies in communication at the Rochester Institute of Technology (RIT).

Kevin Howe, Vice President of Operations. Mr. Howe brings an extensive background in hospitality, conventional multi-family, and national student housing portfolio management experience. He maintains a passion for student housing management and operations, and believes that a hospitality-based and service-oriented approach to serving the housing needs of our student customers (and their parents) is the key to building a strong sense of community and relationships, and our opportunity to support the Higher Education initiative for our customers. Mr. How most recently served in senior operations roles with Innovative Student Housing and Campus Living Villages and has managed on-campus/off-campus student housing investments for institutional owners, REIT’s, and private investors throughout the country. Mr. Howe is a graduate of the University of Houston and holds a Certified Property Manager (CPM®) designation from the Institute of Real Estate Management (IREM®).

The Manager intends to employ a local employee to oversee the Project during the period of the construction of the Project.

Representative Projects

In addition to the Project, the Manager has been involved with the lease up, management and/or development of the following selected student housing communities. As noted in the chart below, the Manager has a track record of leasing up beds after construction is complete.

Project Name	Target University	Units	Beds	First Year Occupancy
The Retreat	University of Georgia	108	397	100%
The Station	University of Georgia	48	192	100%
The Retreat at Columbia	University of South Carolina	196	756	100%
The Retreat at Lake Tamaha	University of Alabama	342	1,306	100%
The Retreat at Knoxville	University of Tennessee	65	265	98%
The Retreat at Lubbock	Texas Tech University	218	853	98%
The Retreat at Denton	University of North Texas	125	492	95%
The Retreat at Tallahassee	Florida State University	178	710	100%
The Retreat at San Marcos	Texas State University	187	780	100%
The Retreat at Raleigh	North Carolina State University	149	554	96%
The Retreat at Tucson	University of Arizona	183	774	100%
The Retreat at Oxford	University of Mississippi	160	668	100%
The Retreat at State College	Penn State University	138	587	100%
The Standard at Athens	University of Georgia	190	610	100%
The Retreat Orlando	University of Central Florida	221	894	100%
The Standard at Baton Rouge	Louisiana State University	287	847	94%
The Standard at St. Louis	St. Louis University	163	465	100%
The Retreat at Corvallis	Oregon State University	330	1,016	86%
The Retreat at Louisville	University of Louisville	157	656	95%
The Standard at Knoxville	University of Tennessee	234	672	94%
The Standard at Boone	Appalachian State University	203	561	85%
The Retreat at Gainesville	University of Florida	188	787	72%
The Retreat at College Station	Texas A&M University	192	796	69%
The Mark at Athens	University of Georgia	300	928	97%
The Retreat at Starkville	Mississippi State University	164	695	85%
The Retreat at Harrisonburg	James Madison University	175	700	75%
The Retreat at Tampa	University of South Florida	106	416	95%
The Metropolitan	Penn State University	132	501	100%
The Standard at Gainesville	University of Florida	430	1,200	100%
Stonefire at Berkley	University of California - Berkeley	98	160	85%

Source: The Manager

The Management Agreement

The Management Company and the Borrower have entered into a Management Agreement (the “**Management Agreement**”) effective June 1, 2019 (the “**Effective Date**”) to provide certain program management, pre-leasing, and managerial services at the Project. Services performed by the Manager under the Management Agreement and other terms of the Management Agreement follow.

Term. The Management Agreement has an initial term of approximately three years, beginning on the Effective Date, ending May 31, 2022, and with an annual automatic renewal unless either party provides notice of non-renewal sixty (60) days prior to the then-current term.

Management Fee. The Manager will be paid a monthly management fee (the “**Management Fee**”) of three percent (3%) of Gross Receipts, which includes residential rental revenue from the managed units, retail rental revenues, parking revenues, and other income.

Performance Fee. The Manager will be paid \$125 per executed lease, payable on December 31, 2020 and then each subsequent year of the term, annually upon collection of the first rental installment. If the Management Agreement is Terminated for Convenience prior to December 31, 2020, then the full amount of the performance fee will be paid in addition to the Termination Fee at that time. The amount per lease will be increased by the same percentage each year of the term as the average increase in rental rates shown in the Borrower’s approved operating budget.

Pre-Leasing Services. The Management Agreement provides for a pre-leasing period between June 1, 2019 and August 15, 2020 during which the Manager will perform certain pre-leasing services (the “**Pre-Leasing Services**”), including developing a marketing plan, advertising the Project, holding promotional events and producing and distributing promotional gifts to prospective tenants. The Manager will provide its marketing plan to the Borrower by November 1, 2018 (the “**Marketing Plan**”) and a form of lease for use at the Project by June 14, 2019. Within thirty (30) days of the Borrower’s receipt of the Marketing Plan, the Borrower may notify the Manager if it does not approve of the suggested rental rates; the Manager will use the Borrower’s substituted rates if provided. If during the leasing period of the Project, the Manager believes that higher or lower rates are necessary to achieve maximum revenues, the Manager will notify the Borrower of such possible change, which the Borrower has thirty (30) days to approve or disapprove. The Borrower will approve of the form of lease or will provide a separate form for the Manager to use and may request changes to the lease form, subject to the Manager’s approval.

Pre-Leasing Fee. For completing the Pre-Leasing Services, the Manager will be paid the “**Pre-Leasing Fee**” of \$10,285 monthly for fourteen (14) months, beginning June 1, 2019 through August 15, 2020.

Marketing Plan. The Marketing Plan will include (i) an executive summary describing the Project, the Project’s selling points, and analysis of rental rates and unit mix; (ii) an overview of the Project’s market, including supply and demand analysis, university data, on-campus and off-campus housing analysis, projects under development, SWOT analysis, and expected rents and occupancy; (iii) a marketing strategy describing the Manager’s plan for marketing and leasing the Project’s units, recommendations for print, digital, and street-level marketing, social media strategies, and reputation management; (iv) proposed rates for each unit size; (v) a marketing budget; and (vi) any other unique considerations for marketing and leasing the Project’s units.

Management Plan. The Manager will provide an initial management plan (the “**Initial Management Plan**”) by November 1, 2018 and an annual management plan (the “**Annual Management Plan**”) and, together with the Initial Management Plan, the “**Management Plan**”) annually by each November 1. The Management Plan will contain the marketing budget, the capital expenditures budget and the “**Operating Budget.**” The Operating Budget will include for each respective fiscal year estimates or copies of the (a) rental and other revenues from operating the Project; (b) anticipated annual operating expenses in line-item format; (c) property tax, charge, and assessments; (d) targeted occupancy; (e) budgeted net operating income; (f) marketing plan and budget, if not already submitted; (g) on-site personnel needs and (h) a review of the Project’s performance relative to budget for the prior fiscal year.

The Borrower will approve or disapprove of each Management Plan within thirty (30) days of receiving such Management Plan. If the Borrower disapproves, the Borrower provides comments to the Manager and the Manager will provide a revised plan within ten (10) days of receiving comments. If the Borrower does not approve the Management Plan, the Manager will continue to manage the property under the prior Management Plan except that (a) if Manager approves part, but not all, of the Proposed Management Plan, those portions of the Management Plan approved by the Borrower will become an approved Management Plan; (b) with respect to portions of the Operating Budget that are not within the discretion of Manager (e.g., taxes, utilities, contractually required increases), the actual amounts incurred in the prior Fiscal Year will be substituted into the Operating Budget for the current year’s operating expenses; (c) non-recurring capital and other expenditures for the prior Fiscal Year will not be included in the approved Management Plan.

The Manager is allowed for unbudgeted expenses of \$5,000. The Manager is allowed to make emergency expenses that are necessary or prudent to protect or preserve the Project or its tenants and will notify the Borrower of such expenses within five (5) days of being incurred.

Insurance. The Borrower will provide “all-risk” or special cause of loss property insurance, which covers for management fees as a continuing expense in the event of a claim. The Borrower will also provide commercial general liability insurance on an occurrence basis with limits not less than \$1,000,000 per occurrence, \$2,000,000 per location aggregate, and an \$8,000,000 umbrella policy for the term of the Management Agreement. The Borrower will also provide professional liability insurance for the Manager in an amount not less than \$1,000,000.

Bank Accounts, Monthly Reports, and Annual Reports. The Manager will establish an “**Operating Account**,” a “**Security Deposit Account**,” and other accounts as reasonably requested by the Borrower. No funds will be commingled by the Manager. The Manager will provide the Borrower with a monthly report (the “**Monthly Report**”) containing: (a) statement of receipts and disbursements; (b) accounts payable summary; (c) general ledger activity; (d) rent rolls; (e) bank reconciliation; (f) Operating Account bank statement; (g) leasing velocity report with rental rates charges; and (h) such other information that the Borrower reasonably requests. The Manager will also produce an annual report to be delivered to the Borrower by March 31 each year (the “**Annual Report**”). The Annual Report will contain the information found in the Monthly Report, but for the entire preceding fiscal year. If the Borrower requires, the Annual Report will be prepared and certified by a certified professional accounting firm.

Employees. The Manager (either directly or through an affiliate or employment agency) will hire, supervise, discharge, and pay an on-site property manager and staff necessary to lease and manage the Project within the guidelines of the Operating Budget.

Leasing Services. The Manager will collect all rents, charges, fees, and other sums arising from operating the Project. The Manager will also collect, hold, and disburse security deposits. The Manager will enforce non-payment of rent by tenants by providing two notices of non-compliance and, if necessary, referring the matter to the Borrower’s preferred attorney for enforcement.

Project Maintenance. The Manager will maintain the Project on behalf of the Borrower and will retain contractors to provide budgeted services and maintenance to the Project, including cleaning and janitorial services, pest control, landscaping, security, HVAC, plumbing, electrical, and mechanical systems, swimming pool maintenance, exercise equipment maintenance, elevator maintenance, and other services necessary in the Manager’s discretion. All such agreements will be made in the Borrower’s name and at the Borrower’s expense. The Manager will also arrange basic repair and restorations to the property by hiring service contractors. The Manager will enforce failures by service contractors to perform contracted services by providing two notices of non-compliance and, if necessary, referring the matter to the Borrower’s preferred attorney for enforcement.

Construction Management Fee. The Manager will be paid five percent (5%) of the total cost of any Borrower-designated capital projects which are managed by the Manager instead of the Borrower.

Termination Fee. If the Borrower terminates the Manager, the Borrower pays a percentage of the “**Termination Fee**,” which is equal to the prior three months of Management Fees:

- (i) If the effective date of the termination is within twelve (12) months of the Effective Date, the Borrower pays the full Termination Fee;
- (ii) If the effective date of the termination is between twelve (12) and twenty-four (24) months following the Effective Date, the Borrower will pay 50% of the Termination Fee;
- (iii) If the effective date of the termination is between twenty-four (24) and thirty-six (36) months following the Effective Date, the Borrower will pay 25% of the Termination Fee;
- (iv) If the effective date of the termination is more than thirty-six (36) months following the Effective Date, the Borrower will not pay the Termination Fee.

THE DEVELOPER AND ASSET MANAGER

General

Developer. University Bridge GP, LLC (the “**Developer**”) is providing development services for the Project. The Developer was formed in July 2014 and focuses on developing real estate opportunities in Florida, Texas, and the greater Washington DC area. The key principals of the Developer have developed a number of high rise residential living communities in south Florida, including (i) a 21-story condominium building containing 100 residential units in Miami Beach, Florida, (ii) a 26-story condominium building containing 185 residential units and 125 hotel rooms in Bal Harbour, Florida, (iii) a 30-story condominium building containing 250 residential units in Aventura, Florida (iv) a 44-story condominium building containing 698 residential units in Miami, Florida and (v) a 63-story condominium building containing 509 residential units in Miami, Florida.

Asset Manager. Collegiate City Asset Management, LLC (the “**Asset Manager**”) is providing certain services and assistance to the Borrower with respect to the management and administration of the Project. The Asset Manager was formed in connection with the issuance of the Series 2018 Bonds. The key principals of the Asset Manager are also the key principals of the Developer, which are described below.

Key Personnel of Developer

Brian Pearl, Principal and Co-Founder. Mr. Pearl has an extensive career in real estate development, and financial markets. Prior to co-founding the Developer, Mr. Pearl served as the Director of Urban Development for Terra Group, one of the largest real estate developers in South Florida. In this position, Mr. Pearl oversaw more than \$2 billion of development, from property acquisitions, financial structuring, and entitlements, to lender and investor relations, sales and marketing, and design and construction. In addition to his real estate expertise, Mr. Pearl has a background in investment banking and money management. Prior to joining Terra Group, Mr. Pearl worked as a fund of hedge funds manager overseeing a \$300 million portfolio and also as a senior equity analyst at JP Morgan in New York. Prior to JP Morgan, he worked as an equity analyst at Salomon Brothers. Mr. Pearl holds a master’s degree in statistics from Columbia University and a bachelor’s degree in economics from Rice University in Houston. He has a Chartered Alternative Investment Analyst Association designation and was ranked a top analyst by Institutional Investor, a leading international business-to-business publisher.

Diego Procel, Principal and Co-Founder. Mr. Procel’s real estate development and finance career has spanned more than twenty years. Prior to co-founding Global City in 2014, Mr. Procel served as a Director for Terra Group, one of the largest real estate developers in South Florida. Mr. Procel also led projects at WCI Communities—which at the time of his tenure was the largest residential for-sale developer in the United States—and Codina Partners, a highly successful real estate development firm in South Florida. Mr. Procel has provided real estate advisory services—including mergers and acquisitions, acquisition and disposition, and asset management—for significant institutions such as ICA, Chateau Group, and Orot Flagler, generating transactions that exceeded \$400 million. Mr. Procel was also responsible for creating the first real estate fund in Ecuador with Banco Popular. Mr. Procel holds a master’s degree in strategic management from the University of California and a bachelor’s degree in architectural engineering from the University of Texas.

Oskar Johansson, Principal. From 2004 to present, Mr. Johansson has served as Managing Director and Founding Partner of Podium Developments, a real estate development company specializing in the development and construction of student housing. Mr. Johansson has a long history of student housing development, having directed over 14 completed projects. At present, he has 5 other projects in various stages of development. From 1998-2009, Mr. Johansson competed as part of the Canadian National Sailing Team and represented Canada in the 2004 Olympics. Mr. Johansson holds an Engineering Degree (Mechanical) from Queen’s University, Canada.

The Development Agreement

Pursuant to a Master Development Agreement (the “**Development Agreement**”) between the Developer and the Borrower, the Developer has agreed to provide the following services:

Development Plan. The Developer has developed a detailed plan (the “**Development Plan**”) for the Borrower’s review and approval to develop a marketable student housing community including (a) building and site

plan drawings, (b) a construction and development budget (the “**Development Budget**”), and (c) a progress schedule (the “**Progress Schedule**”), which sets forth the anticipated dates for starting and completing the various stages of development and construction for the Project.

Review of Development Plan. The Developer has agreed to review and update the Development Plan and provide supportive information with respect to the Development Plan as the Borrower may reasonably request.

Accounts, Records, Reports, and Development Budget. The Developer has agreed to maintain and deliver the accounts, records, and reports pertaining to the Development Agreement. In addition, the Developer will prepare progress reports with respect to the Project on a monthly basis. The Development Budget for the Project will set forth in detail on a line item basis the “hard” and “soft” cost of constructing the contemplated improvements for the Project (the “**Project Costs**”).

Entitlements and Permits. The Developer has agreed to consult with, assist, and advise the Borrower on (i) matters relating to land use entitlements affecting the Project and compliance with outstanding requirements and conditions imposed upon such land use entitlements and (ii) required or advisable modifications to such entitlements or additional entitlements, if any. The Developer has agreed to assist or represent to the Borrower in obtaining such modifications or additional entitlements. The Developer will coordinate and make recommendations regarding all permits and approvals required for the development and occupancy of the Project.

Financing. The Developer has agreed to assist the Borrower in identifying potential lenders for the Project and prepare, submit, and monitor the application(s) to obtain such financing. The applications will first be reviewed by the Borrower and Developer will may any changes required by the Borrower. The Developer will attend all the meetings with such lenders as the Borrower’s agent.

Consultant Selection and Contract Negotiation. The Developer will assist the Borrower in selecting an architect, contractor, project manager, property manager, and other consultants and suppliers required for the Project.

Design Coordination. The Developer will coordinate and monitor the design process, review the design phases with the Borrower and assist the Borrower in its review and approval of the design documents for each of the phases.

Construction Administration. The Developer will work with the Borrower to monitor and administer all aspects of the construction of the Project including the following: (i) maintaining and keeping updated all relevant documents; (ii) preparing all construction bid documents, securing bids from general contractors, and negotiating terms; (iii) assisting, reviewing, and discussing with the Design Builder its means and methods of construction; (iv) performing construction management and cost control services, including assisting the Borrower in approving items for construction; (v) inspecting, approximately every two weeks, the progress of construction and confirming with the Architect that the construction is being carried out substantially in accordance with contract terms; (vi) evaluating all submissions for payment by general contractor; (vii) reviewing punch list items and assisting in the close-out of the construction; and (viii) coordinating the opening date of the Project.

Developer Guaranty. Under the Development Agreement, the Developer guarantees to the Borrower (i) the actual total cost of the Project will not exceed the total amount of Project Costs stated in the Development Budget and (ii) on or before the final completion date, the Project will be completed (collectively, the “**Guaranteed Obligations**”). The Developer’s Guaranty Obligations with respect to the scheduled completion date will terminate upon the issuance of a certificate of occupancy. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – Developer Guaranty of Construction**” in the front part of this Official Statement.

Compensation. Pursuant to the Development Agreement, the Borrower has agreed to pay the Developer certain fees (the “**Developer Fee**”) as follows:

Date	% of Total Developer Fee	Total Fee Disbursement
Date of Issuance of Series 2018 Bonds	25%	\$1,500,000
February 1, 2019	10%	\$600,000
August 1, 2019	15%	\$900,000
February 1, 2020	25%	\$1,500,000
July 1, 2020	25%	\$1,500,000

In addition, the Developer shall be entitled to an incentive fee up to \$3,000,000 as long as the Project Budget is not exceeded and the Project is available to be occupied as evidenced by a temporary certificate of occupancy (“Substantial Completion”) on or before August 15, 2020 and the Project achieves 90% occupancy. The amount of the Incentive Fee will be set prior to the issuance of the Series 2018 Bonds.

The Asset Management Agreement

Pursuant to the Asset Management Agreement, the Borrower has engaged the Asset Manager to perform certain services for a term of thirty (30) years (the “Term”).

The Asset Manager shall have the authority to do the following on behalf of the Borrower during the term of the Asset Management Agreement:

- (1) Assist the Company in coordination between the Property and the University;
- (2) Periodically review and provide comments to Borrower on the budgets prepared by the Borrower or its property manager for the Property, provided that Borrower shall have the ultimate decision-making authority over the budgets;
- (3) Make periodic recommendations to the Borrower for its consideration regarding the operations of the Property;
- (4) Make periodic recommendations to the Borrower for its consideration regarding the selection and conduct of relations with consultants and technical advisors (including, without limitation, accountants, attorneys, real estate and mortgage loan brokers and dealers, corporate fiduciaries, escrow agents, depositaries, custodians, agents for collection, insurers, insurance agents and banks) and parties acting in any other capacity, in connection with the Property;
- (5) Assist the Borrower in coordination between the Property and the City of Sweetwater (the “City”);
- (6) Make periodic recommendations to the Borrower for its consideration regarding, and assist the Borrower with respect to, capital transactions;
- (7) Assist the Borrower in preparing and distributing all reports and other communications required or permitted to be given to the member of the Company as well as its Board of Managers.

The Borrower has agreed to pay the Asset Manager an annual fee for its services during the Term of the Agreement (the “Asset Management Fee”) initially equal to Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000.00) per year and increased by the annual percentage increase in the Consumer Price Index on August 15th of each year as long as this Agreement is in effect. The payment of the Asset Management Fee will begin on August 15, 2020. **The Asset Management Fee is payable solely from monies distributed pursuant to and in accordance with the Surplus Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – Surplus Fund” herein.**

The Asset Management Agreement may not be terminated for any reason whatsoever unless the Asset Manager has been found in a non-appealable judgment by a court of competent jurisdiction to have committed fraud or been grossly negligent.

THE ARCHITECT

General

The Borrower has retained Arquitectonica International Corporation (the “**Architect**”) to serve as the architect for the Project. The Architect was founded in 1977 and is based in Miami, Florida with additional offices in New York, Los Angeles, Paris, Hong Kong, Shanghai, Manila, Dubai, Lima, and Sao Paulo. The Architect has designed projects in fifty-eight countries across five continents. Well-known projects by the Architect include the Microsoft Europe Headquarters in Paris, the Bronx Museum and Westin Times Square in New York, Festival Walk and the Cyberport Technology Campus in Hong Kong, the International Finance Center in Seoul, the headquarters of the Construction Bank and Agricultural Bank of China in Shanghai, the Mall of Asia in Manila, the Banco Santander Headquarters and W Torre Plaza in Sao Paulo, the US Embassy in Lima, the Infinity towers in San Francisco, the Hilton Americas in Houston, the Philips Arena in Atlanta, and the American Airlines Arena in Miami.

Key Personnel of the Architect

Bernardo Fort-Brescia, FAIA. Mr. Bernardo Fort-Brescia is a founding principal of Arquitectonica. A native of Lima, Mr. Fort-Brescia studied architecture and urban planning at Princeton University and received a Master of Architecture from Harvard University, where he later taught. Mr. Fort-Brescia moved to Florida in 1975 to teach at the University of Miami. In 1977 he founded Arquitectonica with a group of young architects and set up a studio in Coconut Grove. Mr. Fort-Brescia is a Fellow of the American Institute of Architects and a recipient of the AIA Silver Medal. H Mr. Fort-Brescia is active in community affairs including the University of Miami School of Architecture Advisory Board.

Laurinda Spear, FAIA, RLA, ASLA, LEED AP, IIDA. Ms. Laurinda Spear is a founding principal of Arquitectonica. Ms. Spear studied fine arts at Brown University, received her Master of Architecture degree from Columbia University and later a Master of Landscape Architecture from Florida International University. Ms. Spear has taught at Harvard and the University of Miami. Ms. Spear designed many of the firm’s signature projects, and her designs have won over a hundred design awards. Ms. Spear was also instrumental in the expansion of Arquitectonica into design fields beyond architecture and planning. Ms. Spear established the interior design practice, ArquitectonicaInteriors, which earned the firm its place in the Interior Design Hall of Fame. Ms. Spear also created the design products group, Laurinda Spear Products, which has over 150 products on the market under dozens of global brands. Ms. Spear established the landscape architecture practice ArquitectonicaGEO, focusing on environmental land planning and landscape design. Ms. Spear is a Fellow of the American Institute of Architects, a Registered Landscape Architect, a member of the American Society of Landscape Architects, and a LEED Accredited Professional. Ms. Spear is the recipient of the AIA Silver Medal and the Rome Prize in Architecture. Ms. Spear is active in community affairs and sits on the Board of Architecture and Arts at Florida International University, as well as the board of the National Tropical Botanical Garden and Auschwitz Institute for Peace and Reconciliation.

The following is a selected list of the Architect’s projects in south Florida.

Project Name	Type of Development	Location	Square Feet
500 Brickell Condominium	Residential, Condominium	Miami, Florida	1,400,000
American Airlines Arena	Stadium	Miami, Florida	692,000
Axis Condominium	Mixed Use/Residential	Miami, Florida	871,400
Bentley Bay Condominiums	Residential	Miami, Florida	295,000
Blue Condominium	Residential/Condominium	Miami, Florida	425,000
Icon Brickell Condominium	Mixed Use/Hotel/Residences	Miami, Florida	4,600,000
FIU School of International & Public Affairs	Academic	Miami, Florida	56,000
Biscayne Landing Master Plan	Mixed Use	Miami, Florida	1,100,000

THE GENERAL CONTRACTOR

General

Coastal Construction Group of Miami Dade County, Inc. (the “**General Contractor**”) is the Project’s general contractor. The General Contractor was ranked as a top five contractor by 2017 revenue in Florida by the Engineering News Report and is headquartered in Miami, Florida. Founded in 1988, the General Contractor employs more than 300 people, operates in eleven markets, and has experience in commercial, hospitality, single-family, multi-family, residential, educational, governmental, and disaster recovery projects.

The General Contractor has built or is building more than 10,000 residential units and fifty (50) hotels and resorts in South Florida and has over \$2.5 billion in active commercial and residential projects throughout Florida. The General Contractor has worked or is working on the St. Regis Resort & Residences, Bal Harbour, the SLS Hotel Miami Beach, the Ocean Reef Club, Boca Grande, the Ritz Carlton South Beach, the Surf Club by Four Seasons, FENDI Chateau, the Paramount Miami Worldcenter, the West Palm Beach Hilton, the Porsche Design Tower, the Bacardi World Headquarters, and the Miami Design District. The General Contractor has received the First Place National AGC Excellence in Safety Award, has never been involved in litigation with a project owner, carries no debt, and has a \$1 billion bond line to draw upon if necessary.

The services offered by the General Contractor include certain pre-construction services, including site evaluation and selection, conceptual budgets and estimates, schedule development, subcontractor prequalification, space evaluation and programming, constructability reviews, permitting, and regulatory approvals and value engineering recommendations. The General Contractor serves as general contractor, and construction manager. During construction, the General Contractor provides budget and schedule management, continued value engineering and value-added scope implementation, monthly progress reporting, permitting assistance, shop drawing and material submittal review and quality assurance, on and off-site project management and quality control and safety enforcement.

Key Personnel of the General Contractor

Tom Murphy, Jr., Chairman and Chief Executive Officer. Mr. Murphy founded the General Contractor and has grown its operations into a billion dollar corporate enterprise. Mr. Murphy has over forty (40) years of construction and development experience across hospitality, resort, office, retail, industrial, institutional, and residential projects. Mr. Murphy has served a Board Member of Baptist Health Systems of South Florida Foundation and is a Member of the National Construction Industry Round Table, the National Association of Home Builders, and the Florida Home Builders Association. At the time of his licensure, Mr. Murphy became Florida’s youngest-ever licensed general contractor.

Dan Whiteman, Vice Chairman. A certified general contractor, Mr. Whiteman earned a Bachelor’s and Master’s degree in building construction from the University of Florida. Mr. Whiteman has taught at the University of Florida, and as an Adjunct Professor at both the University of Miami and Florida International University. Mr. Whiteman has served as a member of the General Contractor’s advisory board since 1992. Mr. Whiteman was president of Associated General Contractors of Mid-Florida (1989–91) and was legislative chair for the association for eight years. Mr. Whiteman currently serves on the executive committee of Florida International University’s Construction Management and College of Engineering Advisory Councils. In addition to his Bachelors and Masters degrees, Mr. Whiteman holds a Ph.D. in Design, Construction, and Planning from the University of Florida and is author of Cost Accounting for the Construction Firm.

Tom. C. Murphy, Co-President. Mr. Murphy, a fifth-generation builder, concentrates on the development of new work. Mr. Murphy joined the family business at the age of fourteen (14) and worked his way up from a non-skilled laborer to carpenter, foreman, estimator, project manager, and chief estimator. While earning a Bachelor’s degree in building construction from the University of Florida, Mr. Murphy also studied architectural design. Mr. Murphy is a certified general contractor, past Treasurer of the National Association of Home Builders and has earned a Master’s in Business from the University of Miami.

Sean Murphy, Co-President. Mr. Murphy, also a fifth-generation builder, oversees the planning and management of all the General Contractor’s projects, which include the construction of hotels, commercial

buildings, private residences, and condominiums. Mr. Murphy is also Co-President of Coastal Homes and manages residential projects. Sean earned a Bachelor's degree in building construction from the University of Florida, and is a certified general contractor and a member of the National Association of Home Builders. He began working in the family business at age 18 as a laborer and has worked his way up the ladder as a superintendent, project manager and project executive.

George Adornato, Senior Vice President, Operations. Mr. Adornato has over forty (40) years of experience in the construction industry including renovations and new construction of hospitality projects. In his current role, Mr. Adornato has the overall executive responsibility for the General Contractor's project operations. Mr. Adornato supports and continuously reviews the General Contractor's on-site teams, overseeing all phases of construction through project closeout. Mr. Adornato is responsible for the continued development and implementation of the General Contractor's cost reporting, scheduling, quality control, safety, and personnel management procedures. Mr. Adornato has been involved in many high-end projects throughout the Southeastern United States including the Hearst Tower and Three First Union Center in Charlotte, North Carolina, and Metropolis Lofts and Post Riverside Corporate Headquarters in Atlanta, Georgia. Prior to joining the General Contractor, Mr. Adornato held several senior executive positions with general contractors throughout the Southern US. Mr. Adornato is a member of the Construction Management Association of America, the American Society of Professional Estimators and Associated Builders and Contractors, among others. Mr. Adornato is a graduate of Southern Poly Tech in Marietta, Georgia with a degree in Civil Engineering Technology.

Ken Smuts, Senior Vice President, Program Management Services. With over thirty (30) years of experience, Mr. Smuts provides real estate development, program management and related services to a growing list of national and international developers, investors, hedge funds and brokers. Some specific areas of Mr. Smuts's expertise includes market intelligence and acquisition analysis, business plan analysis, project and construction management, design, entitlements, scheduling, planning, budgeting, team building, contract negotiations, logistics, asset re-positioning and management.

Les O'Bryan, Senior Vice President, Preconstruction Services. Mr. O'Bryan has over forty (40) years of experience in the construction industry and currently manages over twenty-five (25) estimating professionals, while keeping an open line of communication between the Owner, Architect Design Team, and Sub-consultants. Mr. O'Bryan is an expert in value engineering, enabling owners to achieve budget goals without sacrificing the quality and aesthetic integrity of the project. Mr. O'Bryan ensures that a complete scope of work is passed on to the preconstruction team in order to produce a detailed estimate for each project.

Selected Projects

In addition to the Project, the General Contractor has been involved with the construction of the following selected facilities:

Name of Project	Location in Florida	Type of Facility	Number of Units
Red Road Commons	South Miami	Mixed Use	404
Abaca	Jupiter	Mixed Use	192
Poinciana Royale	Key West	Affordable Housing	50
Marlin Bay Yacht Club	Marathon	Single Family	84
Aqua Island Townhomes	Miami	Single Family	46
Trump Royale	Sunny Isles Beach	Residential	382
Trump Hollywood	Hollywood	Residential	208
Ocean Palms	Hollywood	Residential	241
Wind	Miami	Residential	489
Bella Mare	Miami	Residential	210
Luxuria	Boca Raton	Residential	26
Ritz Carlton	Miami	Hotel	205
St. Regis	Miami Beach	Hotel	500
Marriott Beachside	Key West	Hotel	215
Intercontinental at Doral	Doral	Hotel	150
Bacardi Headquarters	Coral Gables	Commercial	N/A
1450 Brickell	Miami	Commercial	N/A
University of Miami School of Business	Coral Gables	Education	N/A
Pankey Dental Institute	Biscayne	Education	N/A
Carol City High School	Miami Gardens	Education	N/A

The Construction Contract

Guaranteed Maximum Price. The General Contractor and the Borrower have entered into (i) AIA A102-2007, Standard Form of Agreement between Owner and Contractor and (ii) AIA A201-2007, General Conditions of the Contract for Construction, as amended (collectively, the “**Construction Contract**”). The commencement of construction is contingent upon receiving the Borrower’s notice to proceed. The construction schedule set forth in the Construction Contract requires that the General Contractor achieve substantial completion of the Community not later than 744 calendar days from June 11, 2018 (the “**Scheduled Substantial Completion Date**”).

The following construction costs, construction manager fees, site work, and other construction related costs are assumed for the Community under the Construction Contract:

	Total Cost
Construction Contract	
Subcontractor Cost for Building and Site Work	\$90,684,325
General Contractor Contingency	\$1,500,000
Performance and Payment Bond	\$613,963
General Liability/Subcontractor Default Insurance	\$2,826,712
Contractor’s Fee/General Conditions/Warranty	\$12,875,000
Total Construction Contract	\$108,500,000

Payment and Performance Bonds/Insurance. The General Contractor will furnish payment and performance bonds in the full amount of the Construction Contract. In addition, the General Contractor shall procure and maintain, during the life of the Construction Contract, insurance with a carrier licensed to do business in the State and acceptable to the Borrower and any lender. The General Contractor shall provide various amounts of insurance including comprehensive commercial general liability insurance against liability for personal and bodily injury including death resulting therefrom and for damage to property, including loss of use therefrom, occurring on or in any way related to the Community or any part thereof or the operation thereof, providing insurance and (b) Builder’s risk insurance or other similar product insuring the Community against fire, lightning and all other risks covered by the extended coverage endorsement then in use in the State to the full insurable value of the Contract.

Liquidated Damages. The Construction Contract provides that substantial completion will be achieved by the Scheduled Substantial Completion Date. The contract further provides that, if the Contract is not substantially completed by 45 days after the Scheduled Substantial Completion Date, the General Contractor is liable for liquidated damages in an amount equal to \$50 per day per bed that Substantial Completion extends beyond the contractual Substantial Completion Date. The total amount of such liquidated damages shall not exceed \$4,000,000. Substantial Completion is the date on which the Work is sufficiently complete in accordance with the Contract Documents so that Borrower can occupy and use all or substantially all of the Community for its intended purposes. Substantial Completion shall be deemed to have been achieved no later than the date of issuance of a Temporary Certificate of Occupancy issued by the local building official.

Early Completion Bonus. If substantial completion of the Community is attained on or before forty-five (45) days before the Scheduled Substantial Completion Date (the “**Bonus Date**”), the Borrower will pay the General Contractor an early completion bonus of \$50 per day per bed. The maximum aggregate early completion bonus is 100% of the General Contractor’s fee under the Construction Contract.

Contingency. The Project budget includes \$1,000,000 of contingency that is not included in the price of the Construction Contract.

Risks. Certain risks associated with the construction of the Community, including those relating to claims under the payment and performance bonds and under the liquidated damages provisions of the Construction Contract are discussed in this Limited Offering Memorandum under “**CERTAIN BONDHOLDERS’ RISKS – Construction Risks.**”

THE CONSTRUCTION MONITOR

General

The Borrower has engaged Lecessee Construction Services, LLC (the “**Construction Monitor**”) to serve as the construction monitor for the Project. Founded in 1952, LECESSE Construction is a client focused professional Construction Management Company with offices in New York and Florida and are a nationally recognized leader in the housing market with over 15,000 total units built.

The Construction Monitor has developed industry-specific due diligence, construction consulting and facility assessment services to fulfill financial institutions’ construction review requirements for startup, expansion and renovation projects, with a view towards ensuring that construction is completed on time, within budget and in compliance with design documents.

Key Personnel of the Construction Monitor

Rufus Judson, Chief Executive Officer. Mr. Rufus Judson serves as Chief Executive Officer of the Construction Monitor. Mr. Judson currently serves as a Board Member of the United Way of Greater Rochester, on the Finance Committee of the Rochester Regional Health System, as a Board Trustee of the George Eastman House, as a Board Member of Greater Rochester Enterprise, as a Board Member of the Associated General Contractors of New York State, as a member of the Regional Advisory Board, as a member of the Regional Advisory Board of Key Bank, as a member of the Construction Management Association of America, U.S. Green Building Council, and has served Past President of the Rochester Builders Exchange. Mr. Judson attended Union College and holds a Masters of Business Administration from the William E. Simon Graduate School of Business Administration at the University of Rochester.

Mauricio Riveros, President. As President, Mr. Riveros is responsible for enhancing organizational processes and effectiveness to ensure achievement of company-wide strategic goals and growth. Mr. Riveros works closely with the senior management team to oversee daily operations of the company including estimating, project management, human resources and field operations functions. He provides supervision and direction to team leaders and is responsible for resource management and performance standards. Mr. Riveros is highly active in the community and currently serves on the boards of the following organizations: Upstate Minority Council, Latino Branch of the United Way, and Allendale Columbia School. Mr. Riveros obtained his formal education in Bolivia

and holds a Master of Economic Law from La Universidad Andina Simon Bolivar and a Law Degree from La Universidad Catolica Boliviana.

Dennis Robinson, Executive Vice President. Mr. Robinson, an Executive Vice President of LECESSE Construction, is responsible for both preconstruction planning as well as construction period management. These activities include conceptual design planning and estimating, schedule development, contract negotiations, final cost estimates, job performance, and provision of post-construction services. Mr. Robinson is a Florida native and served in the U.S. Navy Seabees as an Engineering Aide. He then received a Bachelor of Science in Construction Technology from Purdue University. Mr. Robinson has led a construction division as Executive Vice President where he successfully delivered more than \$285 million of housing projects. His responsibilities encompassed business development, estimating and preconstruction, operations, and warranty management.

Scot Hamilton, Project Executive. Mr. Hamilton is a responsible for the preconstruction, construction and post construction management. Mr. Hamilton has more than 30 years of development, design and construction experience starting as a purchasing manager and moving up through project management and on to a team leader. Mr. Hamilton holds a Bachelor of Science in Construction Management from the University of West Florida.

Construction Risk Assessment

Pre-Construction Review. The Construction Monitor has been engaged to provide a full pre-construction risk assessment review for the Project, including verification of construction budgets; review of environmental and geo-technical reports; compliance and suitability review of plans and specifications; analysis of plan approvals and construction permit protocols and timelines; review of construction contracts and scheduled completion dates; and analysis of budgeted costs and sufficiency of funds to complete. The preconstruction risk assessment concluded that the budget is sufficient to construct the Project on the schedule contemplated. A copy of the pre-construction period is available from the Underwriter during the initial period of the offering of the Series 2018 Bonds.

Monthly Project Monitoring. In addition to the pre-construction review, the Construction Monitor will make single site visits on a monthly basis to evaluate the Borrower's payment requisition. The Construction Monitor will prepare a report setting forth the following: (a) status of work completed during the period covered, including comments on the construction activity of the various major trades since the date of the last site visit, comments as to whether the work is generally proceeding in a good and workmanlike manner and in general accordance with the approved drawings and specifications and review of field observation reports prepared by the designers-of-record as part of their construction administration roles; (b) direct cost payment requisition and budget status including the review of subcontracts, bonds/subcontractor default insurance, if applicable, trade payment breakdowns with respect to their corresponding line-item in the Borrower's direct cost budget, change orders received, the Borrower's payment requisitions; the actual cost of the work performed for the period covered and to recommend an amount as to the value of work completed to-date and the Borrower's monthly job cost reports and opining as to the status and adequacy of the direct cost contingency budget with respect to the cost-to-complete; (c) the construction schedule and (d) certain documentation including the review of certain documents to be submitted by the Borrower, annotated color photographs, and upon completion of the assignment, the Construction Monitor will forward to the Trustee all close-out documents received including, but not limited to: as-built drawings; as-built specifications; as-built survey; designer certifications; Certificates of Use, Occupancy, or Operation; Consents of Surety for final payments, if any bonds were provided.

The Disbursement Agreement

The Borrower is entering into a Construction Disbursement and Monitoring Agreement dated on or about the date of issuance of the Series 2018 Bonds (the "**Disbursement Agreement**") with the Construction Monitor, the Trustee, and the Borrower. Pursuant to the Disbursement Agreement, the Construction Monitor is responsible for monitoring the construction of the Project on behalf of the Trustee.

Disbursement Requests for Hard Costs. Prior to the submission to the Trustee of any Disbursement Request (the "**Disbursement Request**") for payment of Hard Costs (as defined in the Disbursement Agreement), the Borrower will submit such Disbursement Request to the Construction Monitor for its review and certification. Each Disbursement Request for Hard Costs will set forth the total amount of Hard Costs included in the Disbursement

Request, itemized by the categories identified in the Project Budget (as defined in the Disbursement Agreement), together with the following: (a) the schedule of values will be prepared in such form and supported by such data to substantiate its accuracy as the Architect and the Borrower may require; (b) forms G702 and G703, showing by trade the cost of work on the Project and the cost of materials incorporated into the Project to the dates stated in each form; (c) a Certificate of the Architect and (d) a certificate of the Construction Monitor.

The Borrower will prepare a monthly proposed Disbursement Request for Hard Costs, to be completed in accordance with the requirements of the Disbursement Agreement, and make it available for review by the Construction Monitor at a regularly scheduled monthly project review meeting. If the Construction Monitor determines at such meeting that the Disbursement Request is complete and certified for payment, it will so inform the Borrower, the Architect, and the Construction Manager. The Borrower will, within ten (10) Business Days of the monthly project review meeting, or upon receipt of all required documentation, distribute a copy of the Disbursement Request, together with the certificates required pursuant to the Disbursement Agreement, to the Trustee by hand, overnight delivery or electronic mail.

If the Construction Monitor determines at such meeting that the Disbursement Request is incomplete or is not certified for payment, it will so inform the Borrower and specify the reasons for its determination and the basis upon which such Disbursement Request may be determined to be complete and certified for payment. Upon receipt of additional or remedial information reasonably satisfactory to the Construction Monitor, the Construction Monitor will so inform the Borrower and the Borrower will, within five (5) Business Days of its receipt of such additional information, distribute a copy of the Disbursement Request, together with the certificates required pursuant to the Disbursement Agreement, to the Trustee by hand, overnight delivery or electronic mail. The Trustee will have no duty to review or verify the Hard Costs for which payment is being requested and will make payment of such request upon receipt of such approval from the Construction Monitor.

Disbursement Requests for Soft Costs. Prior to the submission to the Trustee of any Disbursement Request for payment of Soft Costs, the Borrower will submit such Disbursement Request to the Construction Monitor (for Construction Related Soft Costs) and to the Developer (for Other Soft Costs) for their review and certification (each as defined in the Disbursement Agreement). Each Disbursement Request for Soft Costs will set forth the total amount of Soft Costs included in the Disbursement Request, itemized by the categories identified in the Project Budget, together with a Certificate of the Construction Monitor for Construction Related Soft Costs in the form attached to the Disbursement Agreement and a Certificate of the Developer for Other Soft Costs in the form attached to the Disbursement Agreement.

The Borrower will prepare a monthly proposed Disbursement Request for Soft Costs, to be completed in accordance with the Disbursement Agreement, and make it available for review by the Construction Monitor and the Developer at a regularly scheduled monthly project review meeting. If the Construction Monitor and the Developer determine at such meeting that the Disbursement Request is complete and certified for payment, they will so inform the Borrower, the Architect, and the Construction Manager. The Borrower will, within ten (10) Business Days of the monthly project review meeting, or upon receipt of all required documentation, distribute a copy of the Disbursement Request, together with the certificate required pursuant to the previous paragraph, to the Trustee by hand, overnight delivery or electronic mail.

If the Construction Monitor and/or the Developer determine at such meeting that the Disbursement Request is incomplete or is not certified for payment, it will so inform the Borrower and specify the reasons for its determination and the basis upon which such Disbursement Request may be determined to be complete and certified for payment. Upon receipt of additional or remedial information reasonably satisfactory to the Construction Monitor and/or the Developer, the Construction Monitor and/or the Developer will so inform the Borrower and the Borrower will, within five (5) Business Days of its receipt of such additional information, distribute a copy of the Disbursement Request, together with the certificate, to the Trustee by hand, overnight delivery or electronic mail. The Trustee will have no duty to review or verify the Soft Costs for which payment is being requested and will make payment as set forth in a Disbursement Request duly executed by the Borrower.

Requirements for each Disbursement Request. Each Disbursement Request will be subject to, and the Borrower will be responsible for submitting to the Developer and the Construction Monitor, satisfactory proof of compliance regarding, among other items, the following:

(a) Lien Waivers. Except with respect to Disbursement Requests for payment to parties that do not have lien rights, lien releases and waivers from the Construction Manager, subcontractors, consultants, design and engineering professionals and suppliers for the work or materials for which funds are requested (which may be subject to receipt of payment of the funds requested) and lien releases and waivers from the Construction Manager's subcontractors for work performed by them which is covered by the immediately-preceding Disbursement Request. The selected title company will provide such notice of title continuation or an endorsement to the Title Policy directly to the Trustee. Such notice of title continuation or endorsement to the Title Policy is not subject to review by the Construction Monitor.

(b) Materials for the Project. The Borrower will cause all materials for the Project: (i) to be purchased in a manner that will result in the ownership thereof vesting unconditionally in the Borrower, free from all Liens (except Permitted Liens, as defined in the Indenture) upon payment by the Borrower and on delivery of such materials to the Premises (as defined in the Disbursement Agreement); (ii) to be reported stored and tracked in accordance with the MA guidelines and the ATA G703, under reasonable adequate safeguards satisfactory to the Construction Monitor; (iii) to be covered by the lien and security interest of the Premises and (iv) to be covered by a "Builder's Risk" insurance policy. The Borrower will deliver to the Construction Monitor, copies of any contracts, bills of sale, paid invoices, statements, or agreements under which the Borrower claims title to any materials used in the construction of, or incorporated or to be incorporated into, the Project.

THE UNIVERSITY

The following information about The University has been gathered from publicly availability information and has not been supplied by the University.

Introduction and Brief History

The University is a top-tier multi-campus public research university offering a broad array of undergraduate, graduate, and professional programs. Its colleges and schools offer 191 bachelor's, master's, and doctoral degree programs with more than 280 majors across 23 colleges and schools in fields such as engineering, international relations, architecture, law and medicine. The University offers south Florida's only public colleges of law and medicine. The University has over 215,000 alumni and enrolls approximately 56,886 across two campuses—the main 342-acre Modesto A. Maidique campus that is adjacent to the Project and the 200-acre Biscayne Bay Campus in northeast Miami-Dade County—plus centers in downtown Miami, South Beach, and Miramar. The University awards more than 13,000 degrees annually, is the largest university in South Florida, the second-largest in Florida, and is the fourth largest university in the United States based upon Fall 2017 student enrollment data. The University's 254,000 alumni constitute the largest university alumni group of any in Miami-Dade County. The Florida Legislature chartered the University in 1965. The University opened its doors in 1972. The University was initially a two-year, upper-division school with limited graduate programs. In 1981, the University added lower-division classes and, in 1984, the University received authority to begin offering degree programs at the doctoral level. The Carnegie Foundation for the Advancement of Teaching classifies the University as a Research University/High Research Activity with annual research expenditures of approximately \$177 million.

General Academic Information

The University offers more than 191 degree programs at the bachelor's, master's, and doctorate degree levels which are designed to respond to the changing needs of the growing metropolitan areas of South Florida. Degree programs are offered in the College of Architecture and the Arts, College of Arts and Sciences, College of Business Administration, College of Education, College of Engineering & Computing, College of Law, Herbert Wertheim College of Medicine, College of Nursing and Health Sciences, Robert Stempel College of Public Health and Social Work, School of Hospitality and Tourism Management, and School of Journalism and Mass Communication. In 2016–17, the University granted 10,118 baccalaureates, 3,186 masters, 200 research doctoral and 328 professional doctoral degrees and expects to continue increasing the number of degrees conferred at all levels. The University is one of the nation's major research universities, with research and development expenditures of approximately \$175 million during Fiscal Year 2016–2017. The University disseminates its discoveries for public benefit through publications, formal technology transfer agreements, public testimony and evidence-based advocacy, and the development of the next generation of scholars.

Buildings and Other Capital Facilities

The University has two main campuses including the 342-acre Modesto A. Maidique Campus, which is adjacent to the Project, and the 200-acre Biscayne Bay Campus in northeast Miami-Dade County. The University also operates four off-campus educational sites: the Engineering Center (near MMC); FIU Downtown Center (Brickell); Miami Beach Urban Studios; and FIU at 1-75 (West Broward County). In addition, the University has a major research facility, the Frost Museum on the Modesto A. Maidique Campus, and the Wolfsonian FIU, a museum located in historic South Beach that houses a collection of art and design. The Modesto A. Maidique Campus has approximately 60 major buildings, which include parking garages, residential housing, a football stadium, a baseball stadium, and an athletic arena that includes a gymnasium. Over the past fifteen years, the University has constructed a number of new buildings such as The Frost Museum, College of Law, Marine Biology, Graduate School of Business, Lakeview Housing Buildings, College of Nursing and Health Sciences, SIPA/Social Sciences, PG5 Market Station, Stocker AstroScience Center, Satellite Chiller Plant, Science Classroom Complex, the Stempel College of Public Health and Social Work Center, the Mixed Use College of Business Building, the Parkview student housing facility, and the PG6 Tech Station buildings. The University has begun construction on various building projects expected to be completed over the next several years.

Students

The University's undergraduate and graduate enrollment has increased over the past five years. Competition for acceptance to the University is created by the quality and extent of the applicant pool. Students with strong academic preparation and high test scores are given preference in a competitive admissions process. The requirements for admission include (i) submission of a State University System of Florida application form, (ii) submission of official secondary school transcripts and appropriate admission exam test scores, (iii) proof of graduation from an accredited secondary school and (iv) 19 academic units in specified college preparatory courses. Currently, applicants who show potential in areas not easily evaluated by standard tests can be considered for admission under an admission exception rule.

Applicants to a graduate program of the University must meet the minimum standards set by the Florida Board of Education, the University and when applicable, additional requirements set by each department for admission to a graduate program. A student seeking admission into a graduate program must have a bachelor's degree or equivalent from a regionally accredited institution or, in the case of foreign students, an institution recognized in its own country as preparing students for further study at the graduate level. Applicants must submit official copies of all transcripts. In most cases, an applicant must, at a minimum, present a "B" average in upper level work, or a graduate degree from an accredited institution and certain minimum scores on graduate admissions exams. A Florida Board of Education exception policy allows up to 10% of the graduate students admitted for a particular academic year to be admitted as exceptions to the graduate admissions criteria. For school year 2017-2018, in state, full time undergraduate tuition was \$6,168 and out of state, full time undergraduate tuition was \$18,556. In state, full time graduate tuition was \$8,202 and out of state, full time graduate tuition was \$18,030. The foregoing fees do not include certain fees, books and supplies.

Enrollment

The chart below shows five years of historical headcount at Florida International University.

Total Student Headcount					
	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017
Undergraduate	38,741	40,974	41,038	45,813	47,586
Graduate	8,691	8,729	8,854	9,298	9,265
Total	47,432	49,703	49,892	55,111	56,851

Student Admissions Data

The following tables show the number of applicants, acceptances and matriculants for the total number of students and first-time-in-college students.

Total Applicants, Acceptances and Matriculants					
	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017
Number of Applicants	40,454	42,601	42,273	42,057	40,379
Number of Admissions	19,126	20,364	20,572	21,060	19,530
% of Applicants Admitted	47%	48%	49%	50%	48%
Number Enrolled	10,554	10,491	10,687	11,179	10,759
% of Admitted Enrolled	55%	52%	52%	53%	55%

First-Time-in-College Applicants, Acceptances and Matriculants					
	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017
Number of Applicants	16,549	17,617	15,868	17,218	14,861
Number of Admissions	7,122	8,380	7,915	8,498	7,596
% of Applicants Admitted	43%	48%	50%	49%	51%
Number Enrolled	2,990	3,013	2,879	3,170	2,895
% of Admitted Enrolled	42%	36%	36%	37%	38%

Average Grade Point and Standardized Test Scores

The following table shows the average high school grade point averages (“GPA”), average Scholastic Aptitude Test (“SAT”) scores and average American College Test (“ACT”) scores for enrolled first-time-in-college students at the University for the past five Fall semesters for which information is available.

Fall	Average High School GPA	Average SAT Score ¹	Average ACT Score
2014	3.84	1,714	25.68
2015	3.91	1,675	24.93
2016	3.91	1,667	24.76
2017	3.94	1,680	25.04
2018	4.07	1,695	25.48

¹Excludes writing score. The above table includes only regularly admitted students who meet the Florida Board of Education Freshman Admissions Requirement.

STUDENT HOUSING

On-Campus Student Housing

The University currently offers on-campus housing for students in seven buildings consisting of residence halls and apartments. Since 2000, more than 2,100 beds have been added to the University’s on-campus housing

stock at the Modesto A. Maidique campus. As of Fall 2017, on-campus housing consists of 3,159 beds which are comprised of a mix of residence halls and apartments. For Fall 2017, on-campus student housing occupancy was 99%. The University does not require first-year students to live on-campus. For Fall 2017, 78% of first-time, first-year freshman live off-campus or commute while 93% of all undergraduates live off-campus or commute. The chart below lists the on-campus student housing options for Fall 2017.

On-Campus Student Housing – Fall 2017					
Name	Year Built	# of Beds	Freshman	Sophomore	Junior and Seniors
University Apartments	1985	537			x
Panther Hall	1995	369	x		
University Towers	2000	481			x
Everglades Hall	2002	372		x	
Lakeview Hall	2006	800	x	x	x
Parkview Hall	2013	340			x
Honors College at Parkview Hall	2013	260	x	x	x
Total		3,159			

Off-Campus Housing Occupancy

According to the Meyers Research market study (see Appendix F hereto), as of Fall 2017, there are 1,080 beds of off-campus student housing in two properties that would be considered comparables to the Project: 109 Tower, 530 beds of student housing located directly across the street from the Project, and 4th Street Commons, 550 beds of student housing located several blocks north of the Project. As of Fall 2017, the comparables were 98% occupied. When the Project is completed, it will be an average of six years newer than the off-campus comparables.

Limited Liability of the University

The University will not have any obligation with respect to the Series 2018 Bonds, the Loan Agreement, the Mortgage, the Security Agreement, the Assignment of Contracts and Agreements, or the Indenture.

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APPENDIX B

FORMS OF PRINCIPAL FINANCING DOCUMENTS

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TRUST INDENTURE

Dated as of September 1, 2018

by and between

CAPITAL TRUST AGENCY
as Issuer

and

REGIONS BANK
as Trustee

Relating to

\$227,640,000
CAPITAL TRUST AGENCY
STUDENT HOUSING REVENUE BONDS
(UNIVERSITY BRIDGE, LLC STUDENT HOUSING PROJECT)
Consisting of:
\$218,745,000 Series 2018A
\$8,895,000 Taxable Series 2018B

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TRUST INDENTURE

THIS TRUST INDENTURE is made and entered into as of September 1, 2018, by and between the **CAPITAL TRUST AGENCY**, a legal entity duly created and a public agency duly organized and existing under the laws of the State of Florida (together with its successors and assigns, the “Issuer”), and **REGIONS BANK**, an Alabama banking corporation and being qualified to accept and administer the trusts hereby created, as Trustee (the “Trustee”). All capitalized terms used in this Indenture and not otherwise defined herein have the meanings ascribed to them in Section 1.01 of this Indenture.

RECITALS:

WHEREAS, the Issuer is a legal entity duly created and a public agency duly organized and existing under the laws of the State of Florida established for the purposes set forth under Chapter 163, Part I, Chapter 166, Part II, Chapter 617, Florida Statutes, as amended; the Gulf Breeze Ordinance, the Century Ordinance and the Interlocal Agreement (as each term is hereinafter defined) and with powers as a “local agency” under Chapter 159, Part II, Florida Statutes, and other applicable provisions of law (the “Act”);

WHEREAS, by Resolution No. 07-18 duly adopted by the City Council of the City of Gulf Breeze, Florida, on May 21, 2018, Resolution No. 04-18 duly adopted by the Town Council of the Town of Century, Florida, on May 21, 2018, Resolution Nos. 07-18 and 16-18, duly adopted by the Issuer on May 3, 2018, and July 17, 2018, respectively, approvals have been duly and validly provided pursuant to the Act to issue revenue bonds for the purpose of providing funds to finance or refinance all or any part of the cost of the Project (as defined herein) which constitutes a “project” as defined in the Act;

WHEREAS, University Bridge, LLC, a Florida limited liability company (the “Borrower”), has requested that the Issuer provide financial assistance to the Borrower for the purpose of (i) financing a portion of the costs of acquiring, designing, constructing, installing, furnishing, and equipping of an approximately 886-unit rental housing facility, containing approximately 1,244 beds, parking, commercial space and ancillary facilities for students and faculty of Florida International University (the “University”), to be known as University Bridge Apartments, located at 740 SW 109th Avenue, Sweetwater, Florida 33174 (the “Project”); (ii) funding capitalized interest on the Series 2018 Bonds (hereinafter defined), (iii) funding one or more debt service reserve funds for the Series 2018 Bonds, (iv) funding working capital and (v) paying the costs of issuance of the Series 2018 Bonds; and

WHEREAS, pursuant to and in accordance with the Act, the Issuer desires to provide funds to finance the acquisition, construction, furnishing and equipping of the Project by issuing, pursuant to this Indenture, its \$218,745,000 in aggregate original principal amount Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A (the “Series 2018A Bonds”), and its \$8,895,000 in aggregate principal amount Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Taxable Series 2018B (the “Series 2018B Bonds” and, collectively with the Series 2018A Bonds, the “Series 2018 Bonds”); and

WHEREAS, the Issuer has determined that the purpose of the Act in providing for the acquisition, construction, furnishing and equipping of the Project will be realized by the issuance of the Series 2018 Bonds, and the loan of the proceeds of such Series 2018 Bonds pursuant to a Loan Agreement dated as of even date herewith (the "Loan Agreement"), between the Issuer and the Borrower, and therefore the Issuer has agreed to issue the Series 2018 Bonds and lend the proceeds thereof to the Borrower (the "Loan"); and

WHEREAS, the Borrower has delivered to the Issuer its promissory note dated the date of issuance of the Series 2018 Bonds in an original principal amount equal to the aggregate original principal amount of the Series 2018 Bonds (as amended, modified or supplemented from time to time, the "Series 2018 Note") evidencing its obligation to repay the Loan, and the Issuer has made the Loan to the Borrower, subject to the terms and conditions of the Loan Agreement and this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Issuer, authenticated and delivered by the Trustee and duly issued as provided in this Indenture, the valid, binding and legal limited obligations of the Issuer, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Indenture have been in all respects duly authorized.

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GRANTING CLAUSES

NOW, THEREFORE, the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Holders thereof, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby bargain, sell, convey, mortgage, assign, pledge and grant, a security interest in the Trust Estate to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Issuer hereinafter set forth, including all of the Issuer's right, title and interest in and to the following property:

GRANTING CLAUSE FIRST

Except for the Reserved Rights, all right, title and interest of the Issuer in the Loan Agreement, the Notes and the Mortgage, including all extensions and renewals of the terms thereof, if any, including, but not limited to, Loan Payments made by the Borrower pursuant to the Loan Agreement and the present and continuing right to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Loan Agreement, the Notes and the Mortgage, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer is or may become entitled to do under the Loan Agreement, the Notes and the Mortgage;

GRANTING CLAUSE SECOND

All money and securities and interest earnings from time to time held by the Trustee under the terms of this Indenture (except amounts on deposit in the Rebate Fund and except as otherwise expressly provided herein);

GRANTING CLAUSE THIRD

Except for the Reserved Rights, any and all other property rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated or otherwise subjected hereto, as and for additional security for the payment of the Bonds, by the Issuer or any other person on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof; and

GRANTING CLAUSE FOURTH

All the right, title, and interest of the Issuer in and to all proceeds (cash and noncash) of any or all of the foregoing, including, without limiting the generality of the foregoing, all inventory, accounts, chattel paper, documents, equipment, instruments, farm products, consumer goods, and general intangibles constituting proceeds acquired with cash proceeds of any or all of the foregoing.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, to the Trustee and its respective successors in trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds and any Parity Indebtedness that is secured on a parity basis with the Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds and as provided in Article VII hereof according to the true intent and meaning thereof, and shall cause the payments to be made as required under Article IV hereof, or shall provide, as permitted hereby, for the payment thereof in accordance with Article VII hereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall disburse or cause to be disbursed to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payments or deposits as provided in Article VII hereof, this Indenture and the rights hereby granted shall cease, terminate and be void.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the Trust Estate is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Holders, from time to time, of the Bonds, or any part thereof, as follows:

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ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions.

Unless the context otherwise requires, the following words and phrases shall, for all purposes of this Indenture and of the Loan Agreement and of any supplement or amendment hereto or thereto, have the following meanings:

“Account” or “Accounts” means any one or more, as the case may be, of the named and unnamed accounts established within any Fund.

“Act” has the meaning ascribed thereto in the preamble of this Indenture.

“Additional Bonds” means the additional parity Bonds authorized to be issued by the Issuer pursuant to the terms and conditions of Sections 2.13 and 2.14 of this Indenture.

“Additional Loan Payments” means that portion of the Loan Payments described in subsection (b)(ii) of Section 3.2 of the Loan Agreement.

“Administration Expenses” means (a) the Ordinary Trustee’s Fees and Expenses and the other Additional Loan Payments described in Section 3.2(b)(ii)(1) of the Loan Agreement, (b) the Dissemination Agent Fee, (c) the Rebate Analyst Fee, and (d) the Rating Agency Fee.

“Administration Fund” means the trust fund by that name established pursuant to Section 5.01 hereof.

“Advanced Funds” has the meaning provided in Section 8.04 hereof.

“Affiliate” means any Person (a) directly or indirectly controlling, controlled by, or under common control with the Borrower; or (b) a majority of the members of the Governing Body of which are members of the Governing Body of the Sole Member. For purposes of this definition, control means with respect to: (i) a corporation having stock, the ownership, directly or indirectly, of more than fifty percent (50%) of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation; (ii) a not for profit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the members of the Governing Body of such corporation; or (iii) any other entity, the power to direct the management of such entity through the ownership of at least a majority of its voting securities or the right to designate or elect at least a majority of the members of its Governing Body, by contract or otherwise. For the purposes of this definition, “Governing Body” means with respect to: (A) a corporation having stock, such corporation’s board of directors and owners, directly or indirectly, of more than fifty percent (50%) of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation (both of which groups will be considered a

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Governing Body); (B) a not for profit corporation not having stock, such corporation's members if the members have complete discretion to elect the corporation's directors, or the corporation's directors if the corporation's members do not have such discretion; or (C) any other entity, its governing body or board. For the purposes of this definition, all references to directors and members will be deemed to include all entities performing the function of directors or members however denominated.

"Amend" or "Amendment," as used in Article XI hereof, refer to any amendment, modification, alteration or supplement to any Bond Document, or any waiver of any provision thereof.

"Annual Debt Service" means, for any period of a calendar year, the amount of the scheduled principal and interest payment required with respect to all Outstanding Bonds, or all Outstanding Bonds of one or more Series, or Parity Indebtedness, as applicable, for such period.

"Annual Evaluation Date" means each December 31, beginning December 31, 2020.

"Annual Issuer's Fee" means an annual fee, payable to the Issuer in installments, monthly in advance on the first Business Day of each month in an amount equal to one-twelfth of the product of the Annual Issuer's Fee Percentage multiplied by the aggregate principal amount of the Bonds Outstanding on such date (the "Monthly Issuer's Fee"); provided, however, that the fee due on each January 1 shall be the greater of the (i) Monthly Issuer's Fee, or (ii) the amount necessary to make the sum of the Monthly Issuer's Fees paid during the preceding twelve months equal to the Annual Issuer's Fee Minimum on such date. In the final year of retirement or prepayment of all remaining principal on the Bonds, the final Monthly Issuer's Fee shall be prorated to achieve the greater of the Monthly Issuer's Fees or the amount necessary to make the sum of the Monthly Issuer's Fees paid during such year equal the prorated portion of the Annual Issuer's Fee Minimum for the number of months in which the Bonds are outstanding during such year.

"Annual Issuer's Fee Minimum" means, commencing September 25, 2018, and up to and including November 30, 2023, \$15,000, and after November 30, 2023, \$7,500.

"Annual Issuer's Fee Percentage" means, commencing September 25, 2018, and up to and including November 30, 2023, 0.04% of the Bonds Outstanding, and after November 30, 2023, 0.020% of the Bonds Outstanding.

"Annual PILOT Payment" means the payment due from the Borrower to the Local Agency pursuant to the PILOT Agreement dated as of September 25, 2018, between the Local Agency and the Borrower.

"Architect" means any architect, engineer or firm of architects or engineers which is Independent and which is appointed by the Borrower for the purpose of passing on questions relating to the design and construction of any particular facility, has all licenses and certifications necessary for the performance of such services, and has a favorable reputation for skill and experience in performing similar services in respect of a facility of a comparable size and nature of the Project.

"Architect Agreement" means that certain Professional Services Agreement dated as of September 9, 2016, between the Arquitectonica International Corporation and Collegiate City, LLC, which has assigned its interest therein to the Borrower.

"Asset Manager" means Collegiate City Asset Management, LLC, a Delaware limited liability corporation, and any subsequent asset manager under any Asset Management Agreement which subsequent asset manager satisfies the requirements of Section 4.7 of the Loan Agreement.

"Asset Management Agreement" means the Asset Management Agreement dated as of September 1, 2018 between Borrower and the Asset Manager, or any substitute agreement, in each case as it may be amended and supplemented from time to time.

"Asset Management and Administrative Agreement" means the Asset Management and Administrative Agreement dated as of September 1, 2018 between Borrower and the Sole Member, as amended and supplemented from time to time.

"Asset Management Fee" means the compensation described in the Asset Management Agreement as "Asset Management Fees" and payable to the Asset Manager under and pursuant to the Asset Management Agreement.

"Assignment of Contract Documents" means, with respect to the Project, the Borrower Assignment dated as of September 1, 2018, by the Borrower in favor of the Trustee, as it may thereafter to be amended or supplemented from time to time in accordance with its terms.

"Audited Financial Statements" means the financial statements prepared for each Fiscal Year for the Borrower prepared in accordance with generally accepted accounting principles and examined by a Certified Public Accountant.

"Authorized Denominations" means \$100,000 and any integral multiple of \$5,000 in excess thereof.

"Authorized Issuer Representative" means the person or persons at the time designated to act on behalf of the Issuer by written certificate furnished to the Borrower and the Trustee, containing the specimen signature of such person and signed on behalf of the Issuer by the Chairman or Vice-Chairman, Secretary or Executive Director of the Issuer. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

"Basic Loan Payments" means that portion of the Loan Payments described in Subsection 3.2(b)(i) of the Loan Agreement.

"Beneficial Owner" means with respect to the Bonds, the Person owning the Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

"Beneficial Ownership Interest" means the right to receive payments and notices with respect to the Bonds held in a Book-Entry System.

“Bond Counsel” means (a) Greenberg Traurig P.A. or (b) any Independent Counsel of nationally recognized standing in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, obligations issued by states and political subdivisions, familiar with the transactions contemplated under this Indenture appointed by the Borrower and reasonably acceptable to the Issuer.

“Bond Documents” means this Indenture and the Borrower’s Documents.

“Bond Fund” means each trust fund by that name created pursuant to Section 5.01 hereof.

“Bond Obligation” means the then outstanding principal amount of the Bonds.

“Bond Payment Date” means any Interest Payment Date, any Principal Payment Date and any other date on which the principal of, premium, if any, or interest on the Bonds is to be paid to the Holders thereof, whether upon redemption, at maturity or upon acceleration of maturity of the Bonds.

“Bond Year” means the period from and including the date of issuance of the Series 2018 Bonds through November 30, 2018, and thereafter each year beginning on December 1 and ending on the earlier of the following November 30, as applicable, or the maturity of the Series 2018 Bonds (whether by redemption, acceleration or otherwise).

“Bonds” means collectively the Series 2018 Bonds and any Additional Bonds.

“Book-Entry Form” or “Book-Entry System” means, with respect to the Bonds, a form or system, as applicable, under which (a) physical Bond certificates in fully registered form are issued only to a Depository or its nominee, with the physical Bond certificates “immobilized” in the custody of the Depository and (b) the ownership of book-entry interests in Bonds and Debt Service thereon may be transferred only through a book-entry made by others than the Issuer or the Trustee. The records maintained by others than the Issuer or the Trustee constitute the written record that identifies the owners, and records the transfer, of book-entry interests in those Bonds and Debt Service thereon.

“Borrower” means University Bridge, LLC, a Florida limited liability company, and its authorized successors and assigns.

“Borrower’s Documents” means, collectively, the Loan Agreement, the Mortgage, the Series 2018 Note, the Continuing Disclosure Agreement, the Tax Agreement, the Management Agreement, the Asset Management Agreement, the Asset Management and Administrative Agreement, the Student Housing Agreement, the Architect Agreement, the Construction Contract, the Construction Disbursement Agreement, the Development Agreement and the Assignment of Contract Documents together with all other documents or instruments executed by the Borrower evidencing or securing the Borrower’s obligations under the Loan Agreement, in each case as originally executed or as it may thereafter be amended or supplemented in accordance with its respective terms.

“Borrower’s Representative” means each person at the time designated to act on behalf of the Borrower, by written certificate furnished to the Issuer and the Trustee on behalf of the Borrower, containing the specimen signature of such person and any designated alternates.

“Budget” means the budget described in Section 6.8 of the Loan Agreement.

“Business Day” means any day other than a (a) Saturday, (b) Sunday, (c) day on which banking institutions in (i) any city in which the designated corporate trust or principal operations offices of the Trustee (such city being initially Jacksonville, Florida) are located, (ii) the State or (iii) the City of New York, New York, are authorized or obligated by law or executive order to be closed, or (d) day on which the New York Stock Exchange is closed.

“Capitalized Interest Account” means the account by that name in the Project Fund created pursuant to Section 5.01 hereof

“Century Ordinance” means, collectively, Ordinance 2-00 duly enacted by the Town Council of Century, Florida, on August 7, 2000, as amended and supplemented by Ordinance Nos. 1-01 and 5-11 duly enacted on May 7, 2001 and October 3, 2011, respectively.

“Certified Public Accountant” means any Person who is Independent, appointed by the Borrower, actively engaged in the business of public accounting and duly licensed as a certified public accountant under the laws of the State.

“Closing Date” means the date of initial issuance and delivery of the Series 2018 Bonds.

“Code” means the Internal Revenue Code of 1986, the applicable regulations (whether proposed, temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices and procedures regarding any of the foregoing. Unless otherwise indicated, reference to a Section of the Code means that Section of the Code, including such applicable regulations, rulings, announcements, notices and procedures.

“Completion Certificate” means a certificate of the Borrower’s Representative to the effect that, to the best of such representative’s knowledge, (i) the Project has been substantially completed in accordance with the plans and specifications, all applicable zoning and building laws, ordinances, rules and regulations and in accordance with the applicable provisions of the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq.; (ii) all labor, materials, equipment and services used in connection with such acquisition, construction, equipping and development have been paid in full (or will be paid from the proceeds of the retainage); (iii) all other material improvements necessary in connection with the Project have been acquired, constructed and completed, and all costs and expenses incurred in connection therewith have been paid in full or will be paid from the proceeds of the retainage; (iv) substantially all of the equipment, materials and furnishings have been purchased and installed in the property and have been paid in full or will be paid from the proceeds of the retainage; and the Project is suitable and sufficient for its intended purpose; and (v) all other requirements of the Construction Disbursement Agreement have been complied with. The Completion Certificate shall be accompanied by all other certificates and documentation required by the Construction

Disbursement Agreement. The Trustee shall not be responsible for determining either the accuracy of the matters described in the certificate or that the Borrower has provided the documents described in the preceding sentence.

“Completion Date” means the date occurring not later than August 15, 2020 on which an executed Completion Certificate, together with all certificates and documentation required to be accompanied therewith, has been delivered to the Trustee by the Borrower; provided, however, that, if the Project cannot be completed by August 15, 2020, the Borrower shall be entitled to such additional time as needed by the Borrower to complete construction of the Project so long as the Borrower agrees to diligently pursue completion of the Project.

“Compliance Certificate” means a certificate of a Borrower’s Representative stating that, as of the date of such certificate, the Borrower is in compliance with all requirements of the Borrower’s Documents.

“Condemnation Award” means the total condemnation proceeds paid by the condemner as a result of condemnation or eminent domain proceedings with respect to all or any part of the Project or of any settlement or compromise of such proceedings.

“Confirmation of Rating” means a written confirmation, obtained prior to the event or action under scrutiny, from the Rating Agency then rating any Outstanding Bonds to the effect that, following the proposed action or event under scrutiny at the time such confirmation is sought, the rating or ratings of the Rating Agency with respect to all Bonds then Outstanding and then rated by the Rating Agency will not be downgraded, suspended, qualified or withdrawn as a result of such action or event.

“Construction Account” means the account by that name in the Project Fund created pursuant to Section 5.01 hereof.

“Construction Contract” means that certain Agreement dated July 23, 2018 between the Borrower and the General Contractor.

“Construction Disbursement Agreement” means the Construction Disbursement and Monitoring Agreement, dated as of September 1, 2018, by and among the Borrower, the Trustee and the Construction Monitor, as amended and supplemented from time to time.

“Construction Monitor” means a firm engaged in construction management and oversight of the Project. The initial Construction Monitor for the Project is Lecesse Construction Services, LLC, a Florida limited liability corporation, and its successors and assigns.

“Consultant” means a Person who is Independent, appointed by the Borrower, and who is nationally recognized as being expert as to matters for which its certificate or advice is required or contemplated.

“Continuing Disclosure Agreement” means the Disclosure Dissemination Agent Agreement dated September 1, 2018 between the Borrower and the Dissemination Agent, as it may thereafter be amended or supplemented from time to time in accordance with its terms.

“Controlled Group” means a group of entities directly or indirectly controlled by the same entity or group of entities. An entity or group of entities (the “controlling entity”) directly controls another entity (the “controlled entity”), in general, if it possesses either of the following rights or powers and the rights or powers are discretionary and non-ministerial: (a) the right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity; or (b) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity. A controlling entity indirectly controls all entities controlled, directly or indirectly, by an entity controlled by such controlling entity.

“Controlling Holders” means, as of any date, in the case of consent or direction to be given hereunder, the Holders of the majority in aggregate principal amount of the then Outstanding Bonds.

“Costs of Issuance” means all fees, costs and expenses payable or reimbursable directly or indirectly by the Issuer or the Borrower and related to the authorization, issuance and sale of the Bonds.

“Costs of Issuance Account” means the account by that name in the Project Fund created pursuant to Section 5.01 hereof.

“Costs of the Project” means those costs and expenses in connection with acquiring, designing, constructing, installing, furnishing, and equipping the Project permitted by the Act to be paid or reimbursed from Bond proceeds including, but not limited to, the following:

(a) payment of (i) the cost of the preparation of plans and specifications (including any preliminary study or planning of the Project or any aspect thereof), (ii) the cost of acquisition, design, construction, installation, furnishing and equipping of the Project and all acquisition, construction and installation expenses required to provide utility services or other facilities and all real or personal properties deemed necessary in connection with the Project (including development, architectural, engineering, and supervisory services with respect to any of the foregoing), (iii) interest on the Bonds during the construction of the Project and for a period thereafter, and (iv) any other costs and expenses relating to the Project;

(b) payment of the cost of construction of the Project, improvements thereon, and the Equipment, and any fixtures to be incorporated into the Project, including all costs incident thereto, payment for labor, services, materials, and supplies used or furnished in site improvement and in the construction, furnishing and equipping of the Project, including all costs incident thereto, payment for the cost of the construction, acquisition, and installation of utility services or other facilities, payment for all real and personal property deemed necessary in connection with the Project, payment of consulting and development fees payable to the Borrower or others, and payment for the miscellaneous expenses incidental to any of the foregoing items including the premium on any surety bond;

(c) payment to the Trustee, as such payments become due, of the reasonable fees and expenses of the Trustee, including attorneys' fees, other than its initial fee (as Trustee, bond registrar and paying agent) and of any paying agent or dissemination agent properly incurred under this Indenture that may become due during the construction and equipping of the Project;

(d) to such extent as they are not paid by a contractor for construction or installation with respect to any part of the Project, payment of the premiums on all insurance required to be taken out and maintained during the period of construction and equipping of the Project;

(e) payment of the taxes, assessments, and other charges, if any, that may become payable during the period of construction of the Project;

(f) payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the Project;

(g) payment of the fees or out-of-pocket expenses of the Borrower, if any, including, but not limited to, architectural, engineering, and supervisory services with respect to the Project;

(h) payment of the fees or out-of-pocket expenses, if any, of those providing services with respect to the Project, including, but not limited to, architectural, engineering, and supervisory services;

(i) payment to the Borrower of such amounts, if any, as are necessary to reimburse the Borrower in full for all advances and payments made by it for any of the items set forth in (a) through (h) above; and

(j) payment of any other costs and expenses relating to the Project that would constitute a "cost" or "expense" permitted to be paid by the Issuer under the Act.

"Counsel" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and not unsatisfactory to the Trustee or the Issuer.

"Coverage Test" means that the Debt Service Coverage Ratio for the relevant period was equal to or greater than 1.20 to 1 on all Outstanding Bonds and all Parity Indebtedness.

"Dated Date" means the date of issuance and delivery of the Bonds.

"Debt Service" means the principal and redemption price of and interest due on the Bonds on any given Interest Payment Date.

"Debt Service Coverage Ratio" means, for any period, the ratio obtained by dividing Net Income Available for Debt Service for such period by the Annual Debt Service for such period, expressed as a percentage or a ratio, in each case, as calculated by the Borrower and certified to

the Trustee in writing and supported by the Audited Financial Statements described in Section 6.7 of the Loan Agreement. The Trustee is under no obligation to confirm compliance with the Debt Service Coverage Ratio.

"Debt Service Requirements" means for a specified period: (a) amounts needed to pay scheduled payments of principal of the Bonds during such period, including payments for mandatory sinking fund redemption pursuant to Section 3.03 hereof; (b) amounts needed to pay interest on the Bonds payable during such period; and (c) to the extent not duplicative of (a) or (b) above, amounts paid during such period to restore the amounts on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

"Debt Service Reserve Account" means the trust account by that name for the Bonds in the Debt Service Reserve Fund created pursuant to Section 5.01 hereof.

"Debt Service Reserve Fund" means the trust fund of that name created with respect to the Series 2018 Bonds pursuant to Section 5.01 hereof.

"Debt Service Reserve Requirement" means, with respect to the Series 2018A Bonds, the amount of \$13,360,402.93 and with respect to the Series 2018B Bonds, the amount of \$543,284.57 provided, however, that the foregoing amounts shall be reduced, at the written direction of the Borrower to the Trustee, upon which the Trustee may conclusively rely, on a pro-rata basis to the extent of any reduction in Annual Debt Service on the aggregate principal amount of the Series 2018A Bonds Outstanding or Series 2018B Bonds Outstanding, as applicable, if any Bonds are redeemed other than pursuant to mandatory sinking fund redemption.

"Default" under the Loan Agreement means any of the events described in Section 7.1 of the Loan Agreement.

"Default Rate" with respect to the Loan and Bonds, means the interest rate on the applicable Loan or the applicable Series of Bonds plus 10.00% per annum, and with respect to any other amounts due means 10.00% per annum, but in no case in excess of the maximum rate allowed under State law.

"Depository" means, with respect to the Bonds, DTC, until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter, Depository shall mean the successor Depository. Any Depository shall be a securities depository that is a clearing agency under a federal law operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of book-entry interests in Bonds or Debt Service thereon, and to effect transfers of book-entry interests in Bonds.

"Designated Office" means, when referring to the Trustee or any Paying Agent, means the office where the Trustee or Paying Agent, as applicable, maintains its designated corporate trust department, which as of the date of this Indenture, shall be the address provided in Section 12.07.

"Developer" means University Bridge GP, LLC

“Development Agreement” means the Master Development Agreement, dated as of September 25, 2018 by and between the Master Developer and the Borrower.

“Dissemination Agent” means Digital Assurance Certification L.L.C., a Florida limited liability company, or any successor thereto, acting as Dissemination Agent under the Continuing Disclosure Agreement.

“Dissemination Agent Fee” means a fee payable to the Dissemination Agent in an annual amount set forth in the then current Budget payable semi-annually in advance on the Closing Date (pro-rated to the initial Interest Payment Date) and on each Interest Payment Date thereafter annually, as compensation for its services and expenses in performing its obligations under the Continuing Disclosure Agreement.

“DTC” means The Depository Trust Company (a limited purpose trust company), New York, New York, and its successors or assigns.

“DTC Participant” means any participant contracting with DTC under its Book-Entry system and includes securities brokers and dealers, banks and trust companies and clearing corporations.

“EMMA” means the Electronic Municipal Market Access System, or any successor depository or system, designated and/or maintained by the Municipal Securities Rulemaking Board and its successors.

“Environmental Laws” means Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), Public Law No. 96-510, 94 Stat. 1613; the Resource Conservation and Recovery Act (“RCRA”), the National Environmental Policy Act of 1969, as amended (42 U.S.C. § 4321 et seq.); the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.); the Hazardous Material Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. §§ 136 et seq.); RCRA; the Toxic Substance Control Act, as amended (15 U.S.C. §§ 2601 et seq.); the Clean Water Act; the Clean Air Act, as amended (42 U.S.C. §§ 7401 et seq.); the Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251 et seq.); the Federal Coastal Zone Management Act, as amended (16 U.S.C. §§ 1451 et seq.); the Occupational Safety and Health Act, as amended (29 U.S.C. §§ 651 et seq.); the Safe Drinking Water Act, as amended (42 U.S.C. §§ 300(f) et seq.); and any other federal, state, or local law, statute, ordinance, and regulation, now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including, without limitation, any applicable judicial or administrative order, consent decree, or judgment applicable to the Project relating to the regulation and protection of human health and safety and/or the environment and natural resources (including, without limitation, ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species, and/or vegetation), including all amendments to such Acts, and any and all regulations promulgated thereunder, and all analogous local or state counterparts or equivalents, and any transfer of ownership notification or approval statutes, and any federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning any

petroleum, petroleum byproduct (including but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity) natural or synthetic gas, products and/or hazardous substance or material, toxic or dangerous waste, substance or material, pollutant or contaminant, as may now or at any time hereafter be in effect.

“Equipment” means the equipment, machinery, furnishings and other personal property located on the Site and all replacements, substitutions, and additions thereto

“Event of Default” means any occurrence or event specified in Section 8.01 hereof.

“Extraordinary Expenses” means all reasonable expenses properly incurred by the Trustee and any Co-Trustee under this Indenture, other than Ordinary Expenses.

“Extraordinary Services” means all reasonable services rendered by the Trustee and any Co-Trustee under this Indenture, other than Ordinary Services.

“Extraordinary Trustee’s Fees and Expenses” means the fees, expenses and disbursements payable to the Trustee and Paying Agent pursuant to Section 9.04 hereof during any Fiscal Year in excess of Ordinary Trustee’s Fees and Expenses, including but not limited to, reasonable counsel fees and expenses, reasonable fees of other third party professionals, and any costs of sending notices pursuant to the terms and conditions of the Bond Documents, including but not limited to, Section 3.06 hereof.

“Favorable Opinion of Bond Counsel” means, with respect to any action the taking of which requires such an opinion, an opinion of Bond Counsel addressed to the Issuer and the Trustee to the effect that such action will not, in and of itself, cause interest on the Tax-Exempt Bonds to be includible in gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion delivered upon the original issuance of the Tax-Exempt Bonds).

“Fiscal Year” means a period of 12 consecutive months ending on December 31, except that the first Fiscal Year shall begin on the Closing Date and end on December 31, 2018.

“Fitch” means Fitch, Inc., doing business as Fitch Ratings, or its successors in the business of providing investment rating services, provided that if neither Fitch nor any such successor is then in such business the references to Fitch and ratings thereof shall no longer be requirements of this Indenture or the Loan Agreement.

“Force Majeure” means (a) the following: acts of nature; strikes or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their subdivisions, departments, agencies or officials, or of any civil or military Issuer; insurrections; riots; landslides; earthquakes; fires; floods; explosions, but only to the extent that any such cause or event is not within the control of the Borrower; and (b) any other cause or event not reasonably within the control of the Borrower.

“Fund” or “Funds” means any one or more, as the case may be, of the separate trust funds created and established in Article V of this Indenture.

“GAAP” means generally accepted accounting principles consistently applied.

“General Contractor” means Coastal Construction of Miami Dade County, Inc. d/b/a Coastal Construction of Miami Dade, and its successors and assigns or any other entity engaged to provide design, construction and related services to the Borrower.

“Governing Body” means (a), with respect to the Issuer, the Board of Directors of the Issuer, or any governing body that succeeds to the functions of the Board of Directors of the Issuer, and (b) with respect to a Borrower, the Board of Directors of the Sole Member.

“Government Obligations” means direct obligations of the United States of America or obligations the full and timely payment of the principal of and interest on which is unconditionally guaranteed by the United States of America.

“Gulf Breeze Ordinance” means, collectively, Ordinance No. 05-97 duly enacted by the City Council of Gulf Breeze, Florida, on July 7, 1997, as amended, restated and supplemented by Ordinance Nos. 04-00, 05-01 and 10-11 duly enacted on May 15, 2000, May 7, 2001 and September 6, 2011, respectively.

“Hazardous Substances” means any petroleum or petroleum products and their by-products, flammable explosives, radioactive materials, toxic chemicals and substances, radon, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and polychlorinated biphenyls (PCB), asbestos-containing materials (ACMs), lead-containing or lead-based paint (LBP), radon, medical waste and other bio-hazardous materials and any chemicals, pollutants, materials or substances defined as or included in the definition of “hazardous substances” as defined pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act, “regulated substances” within the meaning of subtitle I of the federal Resource Conservation and Recovery Act and words of similar import under applicable Environmental Laws.

“Holder” or “Bondholder” means the Person or Persons in whose name any Bond is registered on the registration records for the Bonds maintained by the Trustee as registrar.

“Indebtedness” means (a) all indebtedness, whether or not represented by bonds, debentures, notes or other securities, for the repayment of money borrowed, (b) all deferred indebtedness for the payment of the purchase price of properties or assets purchased, (c) all guaranties, endorsements (other than endorsements in the ordinary course of business), assumptions, and other contingent obligations in respect of, or to purchase or to otherwise acquire, indebtedness of others, (d) all indebtedness secured by a mortgage, or secured by a pledge, security interest, or lien existing on property owned which is subject to a mortgage, pledge, security interest, or lien, whether or not the indebtedness secured thereby has been assumed, (e) all capitalized lease obligations, (f) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable, if such amounts were advanced under the credit facility, (g) all amounts required to be paid by the Borrower as a

guaranteed payment to partners or members or a preferred or special dividend, including any mandatory redemption of shares or interests, (h) all unfunded pension funds, or welfare or pension benefit plans or liabilities, and (i) all obligations (calculated on a net basis) of the Borrower under derivatives in the form of interest rate swaps, credit default swaps, total rate of return swaps, caps, floors, collars and other interest hedge agreements, in each case whether the Borrower is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations the Borrower otherwise assures a creditor against loss; provided, however, that for the purpose of computing Indebtedness, there will be excluded any particular Indebtedness if, upon or prior to the maturity thereof, there has been deposited with the proper depository in trust the necessary funds (or Government Obligations not callable or pre-payable by the Issuer thereof) for the payment, redemption, or satisfaction of such Indebtedness, and thereafter such funds and such Government Obligations so deposited will not be included in any computation of the assets of the Borrower and the income derived from such funds and such direct obligations of the United States of America so deposited will not be included in any computation of the income of the Borrower.

“Indenture” means this Trust Indenture dated as of the date hereof, as it may thereafter be amended or supplemented from time to time in accordance with Article XI hereof.

“Independent” means, with respect to Counsel or any Consultant, a person who is not a member of the Governing Body of the Issuer or the Borrower and is not an officer or employee of the Issuer or the Borrower and which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is a member of the Governing Body of the Issuer or the Borrower or who is an officer or employee of the Issuer or the Borrower; provided, however, that the fact that such person is retained regularly by or transacts business with the Issuer shall not make such person an employee within the meaning of this definition.

“Insurance and Tax Escrow Fund” means the trust fund by that name established pursuant to Section 5.01 hereof.

“Insurance Consultant” means a Consultant having the skill and expertise necessary to evaluate the insurance needs of Student rental housing and which may be a broker or agent with which the Borrower or the Issuer transacts business.

“Insurance Proceeds” means the total proceeds of insurance paid by an insurance company under the policies of property insurance required to be procured by the Borrower pursuant to the Loan Agreement.

“Interest Account” means, as applicable, the trust account by that name for the Bonds in the Bond Fund created pursuant to Section 5.01 hereof.

“Interest Payment Date” means each June 1 and December 1, commencing December 1, 2018, until the final Principal Payment Date of the Bonds.

“Interest Period” for any Bonds means initially the period from the Dated Date to but not including the first Interest Payment Date and thereafter the period from and including each

Interest Payment Date to but not including the next Interest Payment Date or other date on which interest is required to be paid on such Bonds.

“Interest Requirement” for any Bonds means an amount equal to the interest that would be due and payable on such Bonds on the Interest Payment Date next succeeding the date of determination (assuming that no principal of such Bonds is paid or redeemed between such date and the next succeeding Interest Payment Date) multiplied by a fraction the numerator of which is one and the denominator of which is the number of whole calendar months in the Interest Period in which such date occurs.

“Interlocal Agreement” means the Interlocal Agreement dated as of August 2, 1999, between the City of Gulf Breeze, Florida, and the Town of Century, Florida, as amended and supplemented, particularly as amended and supplemented by Amendment No. 92 to the Interlocal Agreement dated as of May 21, 2018.

“Investment Grade Notice” means any official notice released by any Rating Agency that the Bonds have been rated “Baa-” or its equivalent, or higher, by such Rating Agency.

“Issuer” means the Capital Trust Agency, a legal entity duly created and a public agency organized and existing under the laws of the State of Florida, and its successors and assigns.

“Issuer Indemnified Party” or “Issuer Indemnified Parties” means the Issuer, the Sponsoring Political Subdivisions, the Local Agency, and each of their respective past, present, and future incorporators, directors, board members or commissioners, council members, governing members, trustees, commissioners, officers, elected or appointed officials, counsel, advisors, and agents and employees, together with their respective successors and assigns individually and collectively.

“Issuer’s Fees and Expenses” means the fees and expenses, if any, payable to or incurred by the Issuer under or in connection with the Bonds or any of the other Bond Documents, and including but not limited to the Annual Issuer’s Fee and any fees and expenses of counsel to the Issuer.

“Land Restoration Account” means the account by that name in the Surplus Fund created pursuant to Section 5.01 hereof.

“Loan” means the loan evidenced by the Series 2018 Note from the Borrower to the Issuer and assigned to the Trustee, financed by the Issuer with proceeds of the Series 2018 Bonds in the aggregate principal amount of \$227,640,000.

“Loan Agreement” means the Loan Agreement of even date herewith between the Issuer and the Borrower, as it may thereafter be amended and supplemented from time to time in accordance with its terms.

“Loan Payments” means, collectively, the “Basic Loan Payments” and the “Additional Loan Payments.”

“Local Agency” or the “City” means the City of Sweetwater, Florida, the local elected governmental body approving the Bonds for federal income tax purposes.

“Long-Term Indebtedness” means any Indebtedness other than Short-Term Indebtedness.

“Mail” means either (a) first class mail by the United States Postal Service, postage prepaid, to the Holders at their respective addresses which appear on the registration books of the Paying Agent on the date of mailing, or (b) actual delivery to the Holders or their representatives evidenced by receipt signed by such Holders or their representatives.

“Management Agreement” means any agreement for the management, maintenance and operation of the Project, between the Borrower and the Manager, or any substitute agreement providing for the management, maintenance and operation of the Project, in each case as it may be amended and supplemented from time to time.

“Management Consultant” means a Consultant possessing significant management consulting experience in matters pertaining to owning and operating student residential rental housing facilities similar to the Project.

“Management Fee” means any and all compensation payable to the Manager under and pursuant to the Management Agreement.

“Manager” means (i) initially, Landmark Property Management, LLC, or (ii) any property manager under any Management Agreement which subsequent manager satisfies the requirements of Section 4.7 of the Loan Agreement as manager of the Project.

“Material Adverse Effect” means (a) a material adverse change in the financial condition of the Borrower or the Project; or (b) any event or occurrence of whatever nature which would materially and adversely change (i) the Borrower’s ability to perform its obligations under the Loan Agreement or any other Borrower’s Documents; or (ii) the Holders’ or the Trustee’s security interests in the security pledged hereunder or under any other Borrower’s Document.

“Maximum Annual Debt Service” means as of any date of calculation the highest principal and interest requirements with respect to all Outstanding Bonds of the applicable Series for any succeeding Fiscal Year, but excluding the period ending on the final Principal Payment Date of the Bonds.

“Modifications” means modifications, repairs, renewals, improvements, replacements, alterations, additions, enlargements, or expansions in, on, or to the Project (other than routine repair or maintenance), including any and all machinery, furnishings, and equipment therefor.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns.

“Mortgage” means, the Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated the Closing Date, from the Borrower in favor of the Trustee, securing the repayment of the Loan and the Series 2018 Note and certain additional amounts due and owing under the

Loan Agreement, as it may thereafter be amended and supplemented from time to time in accordance with its terms.

“Mortgaged Property” means the real property and all improvements thereon on which the Project is located which is subject to the lien of the Mortgage and this Indenture, as more specifically described in Exhibit A to the Mortgage.

“Needs Assessment Analysis” means the analysis and report required as set forth in Section 4.12 of the Loan Agreement.

“Net Income Available for Debt Service” means, for any period of determination thereof, Project Revenues for such period, plus all interest earnings on money held in Funds and Accounts which are transferred to the Revenue Fund pursuant to Article VI hereof plus any capitalized interest available for payment of Debt Service on the Bonds, minus (a) total Operating Expenses incurred on a GAAP basis by the Borrower for such period, (b) all required deposits to the Insurance and Tax Escrow Fund and the Repair and Replacement Fund for such period, (c) any profits or losses which would be regarded as extraordinary items under generally accepted accounting principles, (d) gain or loss on the extinguishment of Indebtedness, (e) restricted contributions, (f) proceeds of Additional Bonds and any other Permitted Indebtedness, (g) Net Proceeds of any Insurance Proceeds or Condemnation Award and (h) the proceeds of any sale, transfer or other disposition of all or any portion of the Project by the Borrower.

“Net Proceeds,” when used with respect to any Insurance Proceeds or Condemnation Award, means the gross proceeds from such Insurance Proceeds or Condemnation Award, less all expenses (including reasonable attorneys’ fees of the Borrower or the Trustee and any extraordinary fees and expenses of the Trustee) incurred in the realization thereof.

“Notes” means the Series 2018 Note and any promissory note issued in connection with Additional Bonds.

“Operating Account” means, the demand deposit bank account maintained by the Borrower pursuant to Section 4.3 of the Loan Agreement on which the Borrower or its authorized agent writes checks to pay Operating Expenses.

“Operating Expenses” means, for any period, cash expenses paid or accrued in connection with the operation, maintenance and current repair of the Project (determined on a cash basis) during such period including without limitation, the costs of any utilities necessary to operate the Project, advertising and promotion costs, payroll expenses, insurance premiums, lease payments, deposits to the Insurance and Tax Escrow Fund and to the Repair and Replacement Fund in the amount of the Repair and Replacement Fund Requirement, any Rebate Amount to the extent that it is not paid from the Rebate Fund, the Management Fee, administrative and legal expenses of the Borrower relating to the Project, labor, executive compensation, the Management Fee, the cost of materials and supplies used for current operations of the Project, taxes and charges for accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in connection with the Project and in accordance with sound accounting practice. “Operating

Expenses” does not include (a) Debt Service Requirements, (b) any loss or expense resulting from or related to any extraordinary and nonrecurring items, (c) any losses or expenses related to the sale of assets, the proceeds of which sale are not included in Project Revenues pursuant to clause (b) of the definition thereof, (d) expenses paid from operational reserves including, without limitation, the Operations and Maintenance Reserve Fund, (e) expenses paid from the Repair and Replacement Fund, (f) any Rebate Amount to the extent that it is paid from the Rebate Fund, (g) deposits in the Repair and Replacement Fund in excess of the Repair and Replacement Fund Requirement, (h) any allowance for depreciation or replacements of capital assets of the Project or amortization of financing costs, or (i) disbursements from the Surplus Fund. For the avoidance of doubt, “Operating Expenses” does not include the Asset Management Fee.

“Operating Fund” means the trust fund by that name created pursuant to Section 5.01 hereof.

“Operating Requirement” means all Operating Expenses, exclusive of amounts to be deposited to or payable from the Administration Fund, Insurance and Tax Escrow Fund, Operations and Maintenance Reserve Fund or Repair and Replacement Fund, projected to be payable in such month in accordance with the Budget.

“Operations and Maintenance Reserve Fund” means the trust fund by that name created pursuant to Section 5.01 hereof.

“Operations and Maintenance Reserve Fund Requirement” means an amount equal to six months of Operating Expenses, as determined for the current Fiscal Year in accordance with the Budget.

“Ordinary Expenses” means those reasonable expenses incurred in the ordinary course of business, by a trustee, a registrar, an authenticating agent and a paying agent under instruments similar to this Indenture, but excluding Extraordinary Expenses.

“Ordinary Services” means those services normally rendered by a trustee, a registrar, an authenticating agent and a paying agent under instruments similar to this Indenture, excluding Extraordinary Services.

“Ordinary Trustee’s Fees and Expenses” means those fees, expenses and disbursements for the services normally rendered by, and the expenses incurred in the ordinary course of business of, the Trustee and Paying Agent incurred in connection with their duties under this Indenture and the other Borrower’s Documents payable annually in advance on the Closing Date and on each September 1.

“Organizational Documents” means the documents under which the Borrower or the Sole Member is organized and governed, including its Articles of Organization or Code of Regulations, respectively, as such documents are in effect on the Closing Date and as they may be thereafter amended or supplemented from time to time in accordance with their terms.

“Outstanding” or “outstanding” with respect to Bonds means, as of any given date, all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except: (a) Bonds cancelled at or prior to such date or delivered to or acquired by the Trustee or Paying Agent on or prior to such date for cancellation; (b) Bonds deemed to be paid in accordance with Article VII of this Indenture; and (c) Bonds in lieu of which other Bonds have been authenticated under Section 2.08 or 2.09 hereof.

“Parity Indebtedness” means the Indebtedness permitted to be incurred by the Borrower pursuant to Section 6.11 of the Loan Agreement, on a parity with the Bonds.

“Paying Agent” means the Trustee or any successor or additional Paying Agent appointed hereunder that satisfies the requirements of Section 9.18 hereof.

“Permitted Encumbrances” means, with respect to the Project, the Mortgage, the mortgage from the Borrower to the Local Agency securing the obligations of the Borrower under the PILOT Agreement dated as of September 25, 2018, between the Local Agency and the Borrower, and (a) the lien of current real property taxes (if any), ground rents, water charges, sewer rents and assessments not yet due and payable, (b) covenants, conditions and restrictions, rights of way, easements and other matters of public record, none of which, individually or in the aggregate, materially interferes with the current use of the Project or the security intended to be provided by the Mortgage, (c) the exceptions (general and specific) set forth in the Title Policy or appearing of record, none of which, individually or in the aggregate, materially interferes with the current use of the Project or the security intended to be provided by the Mortgage, and (d) those permitted encumbrances set forth on Exhibit B to the Mortgage.

“Permitted Indebtedness” means (a) payment and other liabilities payable under the Loan Agreement or the Series 2018 Note, (b) liabilities of the Borrower under the Mortgage, and (c) Indebtedness of the Borrower allowed pursuant to Section 6.11 of the Loan Agreement incurred in the ordinary course of business.

“Permitted Investments” means dollar denominated investments, to the extent permitted by law, in any of the following:

- (a) Government Obligations;
- (b) Debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision, and (ii) at the time of purchase, rated by any Rating Agency in one of the three highest categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);
- (c) any bond, debenture, note, participation certificate or other similar obligation which is either (i) issued or guaranteed by the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal Farm Credit Bank, or (ii) backed by the full faith and credit of the United States of America;

(d) U.S. denominated deposit account, certificates of deposit and banker’s acceptances with domestic commercial banks, including the Trustee or its affiliates, which have a rating on their short-term certificates of deposit on the date of purchase of “A 1” by Standard & Poor’s, “F 1+” by Fitch or “P 1” by Moody’s, without regard to gradation, and which matures not more than 360 days after the date of purchase;

(e) commercial paper which is rated at the time of purchase within the classification or higher, “A 1” by Standard & Poor’s, “F 1+” by Fitch or “P 1” by Moody’s, without regard to gradation, and which matures not more than 270 days after the date of purchase;

(f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by any Rating Agency in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(g) investment agreements with banks that at the time such agreement is executed are rated by any Rating Agency in one of the three highest rating categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) or investment agreements with non-bank financial institutions which, (1) all of the unsecured, direct long-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency at the time such agreement is executed in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (2) if such non-bank financial institutions have no outstanding long-term debt that is rated, all of the short-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency in the highest rating category (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short term indebtedness by such Rating Agency; provided that if at any time after purchase the provider of the investment agreement drops below the three highest rating categories assigned by such Rating Agency, the investment agreement must, within 30 days, either (1) be assigned to a provider rated in one of the three highest rating categories or (2) be secured by the provider with collateral securities the fair market value of which, in relation to the amount of the investment agreement including principal and interest, is equal to at least 102%; investment agreements with banks or non-bank financial institutions shall not be permitted if no rating is available with respect to debt of the investment agreement provider or the related guarantor of such provider;

(h) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (b) and (c) above, which agreements may be entered into with a bank (including without limitation the Trustee), a trust company, financial services firm or a broker dealer which is a member of the Securities Investors Protection Corporation, provided that (i) the Trustee or a custodial agent of the Trustee has possession of the collateral and that the collateral is free and clear of third-

party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, and (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of the Trustee's agent; and

(i) shares of a money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, as amended, having assets of at least \$100,000,000 and having a rating AAAM or AAAM-G by a Rating Agency, including money market mutual funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund.

"Person" or "person" means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, a governmental body, any other political subdivision, municipality or authority or any other group or entity.

"PILOT Account" means the account by that name created within the Insurance and Tax Escrow Fund pursuant to Section 5.01(h) hereof.

"Potential Default" means any event which with the passage of time or the giving of notice, or both, would constitute an Event of Default under this Indenture or a Default under the Loan Agreement.

"Principal Account" means, as applicable, (i) the trust account by that name for the Bonds within the Bond Fund created with respect to the Bonds pursuant to Section 5.01 hereof.

"Principal Payment Date" means each maturity date of the Bonds and any date for mandatory sinking fund redemption of the Bonds pursuant to Section 3.03 hereof.

"Principal Requirement" for any Bonds means an amount equal to the regularly scheduled principal that is due and payable on such Bonds on the Bond Payment Date next succeeding the date of determination, whether by maturity or by mandatory sinking fund redemption pursuant to Section 3.03 hereof, multiplied by a fraction the numerator of which is one and the denominator of which is the number of whole calendar months in the period commencing on the last date of payment of regularly scheduled principal (or the date of issuance of such Bonds, if no principal has been paid) and ending on the next Principal Payment Date for payment of regularly scheduled principal.

"Project" means acquiring, designing, constructing, installing, furnishing, and equipping of an approximately 886-unit rental housing facility, containing approximately 1,244 beds, parking, commercial space and ancillary facilities for students and faculty of the University, to be known as University Bridge, located at 740 SW 109th Avenue, Sweetwater, Florida 33174, including all buildings, structures and improvements now or hereafter constructed thereon, and all fixtures, machinery, equipment, furniture, furnishings and other personal property hereafter attached to, located in, or used in connection with any such structures, buildings or improvements, and all additions, substitutions and replacements thereto, whether now owned or

hereafter acquired. The term "Project" does not include property owned by Persons other than the Borrower, including the Manager, the Sole Member or residents of the Project.

"Project Fund" means the trust fund by that name created pursuant to Section 5.01.

"Project Revenues" means for any period, all cash operating and nonoperating revenues of the Project, including rental payments, parking receipts and Unrestricted Contributions, less (a) any extraordinary and nonrecurring items (including any real property tax refunds), (b) income derived from the sale of assets not in the ordinary course of business which is permitted under the Bond Documents, (c) security, cleaning or similar deposits of tenants until applied or forfeited, (d) Net Proceeds of Insurance or Condemnation Awards and (e) any amount disbursed to the Borrower from the Surplus Fund, but including as Project Revenues (i) any such Net Proceeds resulting from business interruption insurance or other insurance or condemnation proceeds retained by the Borrower and (ii) amounts received by the Borrower or the Trustee pursuant to any payment guaranty, operating guaranty or similar agreement with respect to the Project.

"Qualified Insurer" has the meaning provided in Section 5.2 of the Loan Agreement.

"Rating Agency" means S&P, Moody's or Fitch, or any other nationally recognized rating agency if such agency currently has a rating in effect with respect to any Series of the Bonds. The initial Rating Agency shall be Moody's.

"Rating Agency Fee" means any fee required to be paid to a Rating Agency to maintain a rating on the Bonds, and initially means the annual surveillance fee of \$8,000 payable by the Borrower to the initial Rating Agency.

"Rebate Analyst" means, initially, Integrity Public Finance Consulting, LLC, and thereafter, an Independent certified public accountant, financial analyst or Bond Counsel, or any firm of the foregoing, or a financial institution experienced in making the arbitrage and rebate calculations required pursuant to Section 148(f) of the Code, selected by the Issuer and compensated by the Borrower to make the computations and give the directions required pursuant to Section 4.05 of this Indenture and the Tax Agreement.

"Rebate Analyst Fee" means a fee paid for each rebate calculation (which are to be made every fifth year, if required).

"Rebate Fund" means the trust fund by that name created pursuant to Section 5.01 hereof.

"Record Date" means the fifteenth day (whether or not a Business Day) of the calendar month preceding any applicable Interest Payment Date.

"Related Person" means any member of the same Controlled Group as the Issuer or the Borrower.

"Repair and Replacement Fund" means the trust fund by that name established pursuant to Section 5.01 hereof.

“Repair and Replacement Fund Requirement” means an amount initially equal to \$175 per bed per year, as increased pursuant to any Needs Assessment Analysis required by Section 4.12 of the Loan Agreement.

“Reserved Rights” shall mean (a) all of the Issuer’s right, title and interest in its reimbursement and indemnification pursuant to the Bond Documents and all enforcement remedies with respect to the foregoing, all of which shall survive any transfer, retirement or payment of the Bonds in full or in part and which shall also survive the termination of the Loan Agreement and this Indenture, (b) all the rights to receive the Issuer’s Fees and Expenses, (c) the right to receive notices and to make any determination and to grant any approval or consent to anything in this Indenture, the Loan Agreement, the Notes and the Bonds requiring the determination, consent or approval of the Issuer, (d) all rights of the Issuer to enforce the representations, warranties, covenants and agreements of the Borrower set forth in the Loan Agreement and the Tax Agreement, (e) any and all limitations of liability of the Issuer set forth in the Bond Documents and related rights and remedies regarding (1) the negotiability, registration and transfer of the Bonds, (2) the loss or destruction of the Bonds, (3) the limited liability of the Issuer as provided in the Act and in this Indenture and the Bond Documents, (4) the maintenance of insurance by the Borrower, (5) no liability of the Issuer to third parties, and (6) no warranties of suitability or merchantability by the Issuer, and (f) all rights of the Issuer in connection with any amendment to or modification of this Indenture, the Loan Agreement, the Notes and the Bonds.

“Responsible Officer,” when used with respect to the Trustee, means any corporate trust officer or assistant corporate trust officer or any other officer of the Trustee within its corporate trust department customarily performing functions similar to those performed by any of the above designated officers, and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of such person’s knowledge of and familiarity with the particular subject.

“Restoration” means the restoration, replacement, repair or rebuilding of the Project as a result of an event for which Condemnation Awards or Insurance Proceeds are received with respect to the Project, as provided in Section 5.3 of the Loan Agreement.

“Restoration Plans” has the meaning provided in Section 5.3 of the Loan Agreement.

“Revenue Fund” means the trust fund by that name created pursuant to Section 5.01 hereof.

“S&P” means S&P Global Ratings, its successors and assigns.

“Series” means any series of Bonds issued pursuant to this Indenture.

“Series 2018 Bonds” means the Series 2018A Bonds and the Series 2018B Bonds.

“Series 2018A Bonds” means \$218,745,000 aggregate original principal amount of the Issuer’s Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A.

“Series 2018B Bonds” means \$8,895,000 aggregate original principal amount of the Issuer’s Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Taxable Series 2018B.

“Series 2018 Note” means the note executed by the Borrower in favor of the Issuer on behalf of the Holders evidencing the Loan of the proceeds of the Series 2018 Bonds and endorsed to the Trustee.

“Short-Term Indebtedness” means any Indebtedness maturing not more than 365 days after it is incurred or which is payable on demand, except for any such Indebtedness which is renewable or extendable at the sole option of the debtor to a date more than 365 days after it is incurred, or any such Indebtedness which, although payable within 365 days, constitutes payments required to be made on account of Indebtedness expressed to mature more than 365 days after it was incurred.

“Site” means the real property on which the Project is located.

“Sole Member” means Atlantic Housing Foundation, Inc., a South Carolina nonprofit corporation described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code, and the Sole Member of the Borrower, and its successors and assigns.

“Special Redemption Account” means each trust account by that name within the Bond Fund created with respect to a Series of Bonds pursuant to Section 5.01 hereof.

“Sponsoring Political Subdivisions” means, collectively, the City of Gulf Breeze, Florida, and the Town of Century, Florida.

“State” means the State of Florida.

“Student Housing Agreement” means the Student Housing Agreement dated September 7, 2018, by and between the Borrower and the University.

“Subaccount” or “Subaccounts” means any one or more, as the case may be, of the named subaccounts established within any Account of any Fund.

“Supplemental Indenture” means any Amendment to this Indenture entered into in accordance with Article XI hereof.

“Surplus Cash” means the amount on deposit in the Surplus Fund that may be distributed to the Borrower pursuant to Section 5.13(b) hereof.

“Surplus Fund” means the trust fund by that name created pursuant to Section 5.01 hereof.

“Tax Agreement” means the Arbitrage and Tax Certificate, dated the Closing Date, as the same may be supplemented or amended from time to time in accordance with its terms.

“Tax-Exempt Bonds” means the Series 2018A Bonds and any Additional Bonds that as originally issued were the subject of an opinion of Bond Counsel to the effect that the interest thereon is excluded from the gross income of the Holders thereof for federal income tax purposes.

“Tax-Exempt Bond Fund Interest Subaccount” means the trust account by that name in the Interest Account of the Bond Fund for the Series 2018A Bonds created pursuant to Section 5.01 hereof.

“Tax-Exempt Bond Fund Principal Subaccount” means the trust account by that name in the Principal Account of the Bond Fund for the Series 2018A Bonds created pursuant to Section 5.01 hereof.

“Tax-Exempt Bond Fund Special Redemption Subaccount” means the trust account by that name in the Special Redemption Account of the Bond Fund for the Series 2018A Bonds created pursuant to Section 5.01 hereof.

“Tax-Exempt Capitalized Interest Subaccount” means the trust account by that name in the Capitalized Interest Account of the Project Fund for the Series 2018A Bonds created pursuant to Section 5.01 hereof.

“Tax-Exempt Construction Subaccount” means the trust account by that name in the Construction Account of the Project Fund for the Series 2018A Bonds created pursuant to Section 5.01 hereof.

“Tax-Exempt Costs of Issuance Subaccount” means the trust account by that name in the Costs of Issuance Account of the Project Fund for the Series 2018A Bonds created pursuant to Section 5.01 hereof.

“Tax-Exempt Debt Service Reserve Account” means the account by that name in the Debt Service Reserve Fund for the Series 2018A Bonds created pursuant to Section 5.01 hereof.

“Taxable Bond Fund Interest Subaccount” means the trust account by that name in the Interest Account of the Bond Fund for the Series 2018B Bonds created pursuant to Section 5.01 hereof.

“Taxable Bond Fund Principal Subaccount” means the trust account by that name in the Principal Account of the Bond Fund for the Series 2018B Bonds created pursuant to Section 5.01 hereof.

“Taxable Bond Fund Special Redemption Subaccount” means the trust account by that name in the Special Redemption Account of the Bond Fund for the Series 2018B Bonds created pursuant to Section 5.01 hereof.

“Taxable Capitalized Interest Subaccount” means the trust account by that name in the Capitalized Interest Account of the Project Fund for the Series 2018B Bonds created pursuant to Section 5.01 hereof.

“Taxable Construction Subaccount” means the trust account by that name in the Construction Account of the Project Fund for the Series 2018B Bonds created pursuant to Section 5.01 hereof.

“Taxable Costs of Issuance Subaccount” means the trust account by that name in the Costs of Issuance Account of the Project Fund for the Series 2018B Bonds created pursuant to Section 5.01 hereof.

“Taxable Debt Service Reserve Account” means the account by that name in the Debt Service Reserve Fund for the Series 2018B Bonds created pursuant to Section 5.01 hereof.

“Test Period” means the Fiscal Year ending on an Annual Evaluation Date.

“Title Policy” means title insurance in the form of an ALTA mortgagee’s Title Policy issued by a title insurance company acceptable to the Underwriter in the face amount of at least the principal amount of Series 2018 Bonds insuring that the Trustee has a first priority valid lien in subject only to Permitted Encumbrances.

“Trust Estate” means the property conveyed to the Trustee hereunder, including all of the Issuer’s right, title and interest in and to the property described in the Granting Clauses hereof, but excluding the Rebate Fund and amounts required to be rebated to the United States Treasury under Section 148(f) of the Internal Revenue Code of 1986, as amended, whether or not held in the Rebate Fund.

“Trustee” means Regions Bank, an Alabama banking corporation, or any successors or assigns hereunder.

“Underwriter” means Stifel Nicolaus & Company, Incorporated, and its successors and assigns.

“Unrestricted Contributions” means contributions that are not restricted in any way that would prevent their application to the payment of Debt Service on Indebtedness of the Borrower.

Section 1.02. Rules of Construction.

In this Indenture, unless the context otherwise requires:

(a) The singular form of any word used herein, including the terms defined in Section 1.01, shall include the plural, and *vice versa*, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders.

(b) Whenever the word “includes” or “including” is used, such word means “includes or including by way of example and not limitation.”

(c) Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” “direction” or similar action under this

Indenture by any party must be in writing and signed by a duly authorized representative of such party with a duly authorized signature.

(d) All approvals, consents and acceptances required to be given or made by any person or party hereunder shall be at the reasonable discretion of the party whose approval, consent or acceptance is required except to the extent otherwise specified herein.

(e) All references herein to “Articles,” “Sections” and other subdivisions hereof are to the corresponding Articles, Sections or subdivisions of this Indenture as originally executed; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

(f) Any headings preceding the text of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

(g) All references in this Indenture to “counsel fees,” “attorney fees” or the like mean and include fees and disbursements allocable to in-house or outside counsel, whether or not suit is instituted, and including fees and disbursements preparatory to and during any proceedings of a governmental or regulatory body, judicial or administrative hearing, trial and appeal and in any bankruptcy or arbitration proceedings.

(h) The parties acknowledge that the Issuer, the Trustee, the Borrower, and their respective counsel have participated in the drafting of this Indenture and the other Bond Documents. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Indenture or any of the other Bond Documents or any amendment or supplement or exhibit hereto or thereto.

(i) For purposes hereof, the Issuer shall not be deemed to have knowledge of any fact or the occurrence of any event unless and until its Authorized Issuer Representative has written notice thereof or actual knowledge thereof.

(j) References to the Tax-Exempt Bonds as “tax-exempt” or to the “tax-exempt status” of the Tax-Exempt Bonds, refer to the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code, irrespective of such forms of taxation as alternative minimum tax, environmental tax, or branch profits tax on foreign corporations, as is consistent with the approach taken in Section 59(i) of the Code.

(k) Whenever the Issuer is named or referred to, it shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations, and agreements by or on behalf of, and other provisions for the benefit of, the Issuer contained in this Indenture shall bind and inure to the benefit of such successors

and assigns and shall bind and inure to the benefit of any officer, board, commission, issuer, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Issuer, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

Section 1.03. Content of Certificates and Opinions.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture or the Loan Agreement shall include (a) a statement that the person or persons making or giving such certificate or opinion have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion made or given by counsel may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Issuer), upon the certificate or opinion of or representations by an officer of the Issuer, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his or her opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

Section 1.04. Issuer’s Performance.

Notwithstanding anything to the contrary contained herein or in any of the Bonds, the Loan Agreement, the other Bond Documents or in any other instrument or document executed by or on behalf of the Issuer in connection herewith: (i) the Issuer shall have no obligation to take action under the Loan Agreement, this Indenture, the Bonds or such other instruments or documents, unless the Issuer is reasonably requested in writing by an appropriate person to take such action, the Issuer is provided with indemnity and assurances satisfactory to it of payment of or reimbursement for any indemnity to persons identified by the Issuer, and expenses (including attorneys’ fees) in such action, and if applicable, the Issuer receives in a timely manner the instrument or document to be executed, in form and substance satisfactory to the Issuer; (ii) neither the Issuer nor any member of the Issuer or any officer, employee, attorney or agent of the Issuer shall be personally liable to the Borrower, the Trustee, the Holders of the Bonds or any other person for any action taken by the Issuer or by its officers, agents or employees or for any failure to take action under this Indenture, the Loan Agreement, the Bonds or such other

instruments or documents, except that the Issuer agrees to take, or to refrain from taking, any action if so required by an injunction or if required to comply with any final judgment for specific performance; and (iii) any judgment rendered against the Issuer for breach of its obligations under this Indenture, the Loan Agreement, the Bonds or such other instruments or documents, shall be payable solely from the revenues derived by the Issuer under the Loan Agreement and this Indenture, and no personal liability or charge payable directly or indirectly from the general funds of the Issuer shall arise therefrom.

None of the provisions of this Indenture shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the funds or moneys pledged for their payment in accordance with the Indenture, or unless the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any administrative service with respect to the Bonds or the Project (including, without limitation, record keeping, legal services and dissemination of continuing disclosure information), it being understood that such services shall be performed or provided by the Trustee or the Borrower.

No agreements or provisions contained in this Indenture nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project or the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except with respect to the application of revenues therefrom and the proceeds of the Bonds. No failure of the Issuer to comply with any term, condition, covenant or agreement herein shall subject the Issuer, its incorporators, members, directors, officers, employees, agents and counsel to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the Loan Agreement or revenues therefrom that have been pledged to payment of the Bonds or proceeds of the Bonds. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement herein; provided, that (i) prior to the official filing of any petition or complaint against the Issuer, provision shall have been made in a manner satisfactory to the Issuer, for payment of its costs and expenses relating to any such petition or complaint and (ii) no costs, expenses, damages or other monetary relief shall be recoverable from the Issuer or its officers, directors, employees, agent and counsel except as may be payable from the Loan Agreement or revenues therefrom that have been pledged to payment of the Bonds or the proceeds of the Bonds.

The Issuer shall be under no obligation to institute any suit or to take any remedial proceeding in the Event of a Default under this Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, including, without limitation, its acceptance or possession of the Project or any component thereof, until it shall be indemnified to its satisfaction against any and all reasonable costs, expenses, outlays and reasonable counsel fees and other reasonable disbursements, and against all liability. The Issuer nevertheless may, in its sole discretion, but is not required to, begin suit,

or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Issuer, without indemnity, and in such case the Issuer shall be entitled to reimbursement from any money under this Indenture and, subject to the prior rights of the Trustee, shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

The Issuer shall be entitled to advice of counsel concerning all matters under this Indenture and its duties under this Indenture or the other Bond Documents. The Issuer may in all cases pay such reasonable compensation to such attorneys, agents and receivers and shall be entitled to reimbursement from the Borrower for all such compensation paid. The Issuer may act upon the opinion or advice of counsel, accountants, or such other professionals as the Issuer deems necessary and selected by it in the exercise of reasonable care. The Issuer shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

The permissive right of the Issuer to do things enumerated in this Indenture or in the other Bond Documents to which the Issuer is a party shall not be construed as duties until specifically undertaken by the Issuer. The Issuer shall only be responsible for the performance of the duties expressly set forth in this Indenture and in the other Bond Documents to which it is a party and shall not be answerable for other than its willful misconduct in the performance of those express duties. In complying with any provision herein or in the Loan Agreement requiring the Issuer to "cause" another Person to take or omit any action, the Issuer shall be entitled to rely conclusively (and without independent investigation or verification) on the faithful performance by the Trustee or the Borrower, as the case may be, of their respective obligations hereunder and under the Loan Agreement.

The Issuer shall be protected in acting upon any Opinion of Counsel, notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons and which is not contrary to the express terms of this Indenture and the other Bond Documents. Any action taken by the Issuer pursuant thereto upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond as shown on the Bond Register will be conclusive and binding upon all future owners or Holders of the same Bonds and upon Bonds issued in exchange therefor or in place of such Bonds.

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ARTICLE II

THE SERIES 2018 BONDS

Section 2.01. Issuance of Series 2018 Bonds; Interest on the Series 2018 Bonds.

There is hereby authorized under this Indenture the Series 2018A Bonds and the Series 2018B Bonds. The total combined aggregate principal amount of Series 2018 Bonds that may be issued and Outstanding hereunder is expressly limited to \$227,640,000, except as provided in Section 2.08 hereof.

The Series 2018 Bonds: (i) shall be designated “Capital Trust Agency Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A” and “Capital Trust Agency Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Taxable Series 2018B”; (ii) shall be issuable only in fully registered form and substantially as set forth in Exhibit A and Exhibit B attached hereto; (iii) shall be exchangeable only for Bonds of Authorized Denominations, as provided herein; (iv) shall be numbered in a manner that will distinguish each Bond from each other Bond; (v) shall be in Authorized Denominations; (vi) shall initially be dated the Dated Date; (vii) shall be subject to optional redemption as provided in Article III hereof; (viii) shall mature on the Maturity Dates set forth in the tables below and shall be subject to mandatory redemption as provided in Article III hereof; and (ix) shall bear interest at the interest rates set forth in the table below, payable on the Interest Payment Date from the Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from the Dated Date. Subject to Section 8.11 of this Indenture, principal of and interest on the Bonds shall be payable without deduction for the services of the Trustee or any paying agent.

Series 2018A Bonds – Term Bonds

Maturity Date	Amount	Interest Rate
12/01/2028	\$11,010,000	4.000%
12/01/2043	65,855,000	5.250%
12/01/2058	141,880,000	5.250%

Series 2018B Bonds – Term Bond

Maturity Date	Amount	Interest Rate
12/01/2024	\$8,895,000	5.250%

The principal of and premium, if any, on the Bonds shall be payable, when due, in lawful money of the United States of America at the Designated Office of the Trustee upon presentation and surrender of the Bonds. Payment of interest on the Bonds shall be made on each Interest Payment Date to the Holder thereof as of the Record Date, by check or draft mailed by the

Trustee on such Interest Payment Date to the Holder at its address as it appears on the registration books maintained by or on behalf of the Trustee or at such other address as is furnished to the Trustee in writing by such Holder prior to such Record Date. Payment of interest on any Bonds may, upon written request to the Trustee of any Holder of Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer of immediately available funds on the Interest Payment Date to such Holder to the bank account number at a bank located within the continental United States on file with the Trustee as of the Record Date. Any such wire transfer request shall continue in force until revoked in writing by such Holder to the Trustee, and to be effective as to any interest payment such revocation must be received by the Trustee prior to the applicable Record Date.

Section 2.02. Interest on Bonds.

Interest accrued on the Bonds during each Interest Period shall be paid on the following Interest Payment Date. Interest on the Bonds shall be computed on the basis of a 360-day year comprised of twelve 30-day months. Notwithstanding any provision hereof to the contrary, interest on the Bonds (whether taxable or Default interest) shall never exceed the maximum rate allowed under State law.

Section 2.03. Execution.

The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of the Chairman or Vice Chairman of the Issuer, shall be attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the Issuer, and shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Issuer.

The facsimile, electronic or digital signature of any such officers of the Issuer shall be deemed to be the legal equivalent of a manual signature on specified documents or on all documents and valid and binding for all purposes. If any officer of the Issuer whose signature, countersignature or attestation appears on a Bond or Bond Document ceases to be an officer before delivery of the Bonds, his or her signature, countersignature or attestation appearing on the Bonds and any Bond Document is valid and sufficient for all purposes to the same extent as if he or she had remained in office until delivery of the Bonds.

Section 2.04. Limited Obligations.

PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY OUT OF THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY

OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE BONDS OR THIS INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS. THE ISSUER HAS NO TAXING POWER.

No recourse under or upon any obligation, covenant or agreement contained in the Bond Documents, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Indenture, or any claim based thereon or otherwise in respect thereof shall be had against the Sponsoring Political Subdivisions, the Local Agency or the Issuer or any incorporator, member, director, officer, employee, agent or counsel as such, past, present or future of the Issuer, the Local Agency or the Sponsoring Political Subdivisions, either directly or through the Issuer, the Trustee or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Holder of any Bond issued hereunder, or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such incorporator, member, director, officer, employee, agent or counsel, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Holder of any Bond issued hereunder or otherwise of any sum that may remain due and unpaid upon the Bond hereby secured or any of them is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds.

Notwithstanding anything to the contrary contained herein or in any of the Bonds, the Bond Documents or in any other instrument or document executed by or on behalf of the Issuer in connection herewith, (i) the Issuer shall have no obligation to take action under the Loan Agreement, this Indenture, the Bonds or such other instruments or documents, unless the Issuer is reasonably requested in writing by an appropriate person to take such action and is provided with indemnity and assurances satisfactory to it of payment of or reimbursement for any indemnity to persons identified by the Issuer, and expenses (including attorneys' fees) in such action, (ii) neither the Issuer nor any member of the Issuer or any officer, employee, attorney or agent of the Issuer shall be personally liable to the Borrower, the Trustee, the Holders of the Bonds or any other person for any action taken by the Issuer or by its officers, agents or employees or for any failure to take action under this Indenture, the Loan Agreement, the Bonds or such other instruments or documents, except that the Issuer agrees to take, or to refrain from taking, any action if so required by an injunction or if required to comply with any final judgment for specific performance, and (iii) any judgment rendered against the Issuer for breach of its obligations under this Indenture, the Loan Agreement, the Bonds or such other instruments or documents, shall be payable solely from the revenues derived by the Issuer under the Loan Agreement and this Indenture, and no personal liability or charge payable directly or indirectly from the general funds of the Issuer shall arise therefrom.

No agreements or provisions contained in this Indenture nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project or the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except with respect to the application of revenues therefrom and the proceeds of the Bonds. No failure of the Issuer to comply with any term, condition, covenant or agreement herein shall subject the Issuer, its incorporators, members, directors, officers, employees, agents and counsel to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the Loan Agreement or revenues therefrom that have been pledged to payment of the Bonds or proceeds of the Bonds. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement herein; *provided*, that (i) prior to the official filing of any petition or complaint against the Issuer, provision shall have been made in a manner satisfactory to the Issuer, for payment of its costs and expenses relating to any such petition or complaint and (ii) no costs, expenses, damages or other monetary relief shall be recoverable from the Issuer or its officers, directors, employees, agent and counsel except as may be payable from the Loan Agreement or revenues therefrom that have been pledged to payment of the Bonds or the proceeds of the Bonds.

The Issuer shall be under no obligation to institute any suit or to take any remedial proceeding in the Event of a Default under this Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, including, without limitation, its acceptance or possession of the Project or any component thereof, until it shall be indemnified to its satisfaction against any and all reasonable costs, expenses, outlays and reasonable counsel fees and other reasonable disbursements, and against all liability. The Issuer nevertheless may, in its sole discretion, but is not required to, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Issuer, without indemnity, and in such case the Issuer shall be entitled to reimbursement from any money under this Indenture and, subject to the prior rights of the Trustee, shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

The Issuer shall be entitled to advice of counsel concerning all matters under this Indenture and its duties under this Indenture and the other Bond Documents. The Issuer may in all cases pay such reasonable compensation to such attorneys, agents and receivers and shall be entitled to reimbursement from the Borrower for all such compensation paid. The Issuer may act upon the opinion or advice of counsel, accountants, or such other professionals as the Issuer deems necessary and selected by it in the exercise of reasonable care. The Issuer shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

The permissive right of the Issuer to do things enumerated in this Indenture or in the other Bond Documents to which the Issuer is a party shall not be construed as duties until specifically undertaken by the Issuer. The Issuer shall only be responsible for the performance of the duties expressly set forth in this Indenture and in the other Bond Documents to which it is

a party and shall not be answerable for other than its willful misconduct in the performance of those express duties.

The Issuer shall be protected in acting upon any Opinion of Counsel, notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons and which is not contrary to the express terms of this Indenture, the other Bond Documents or the Borrower's Documents. Any action taken by the Issuer pursuant thereto upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond as shown on the Bond Register will be conclusive and binding upon all future owners or holders of the same Bonds and upon Bonds issued in exchange therefor or in place of such Bonds.

Section 2.05. Authentication.

No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond substantially in the forms included in Exhibits A and B hereto shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.06. Form of Bonds.

The Series 2018 Bonds shall be substantially in the forms set forth in Exhibit A and Exhibit B, respectively, hereto with such variations, omissions and insertions as are permitted or required by this Indenture.

Section 2.07. Delivery of Series 2018 Bonds.

Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver the Series 2018 Bonds to the Trustee, and the Trustee shall authenticate the Series 2018 Bonds and shall deliver them to the original purchasers thereof as directed by the Issuer in the request described in (c) below.

Prior to the delivery of any of the Series 2018 Bonds against payment therefor, the Trustee shall have received the following:

- (a) A copy, duly certified by the Secretary, of the resolution of the Governing Body of the Issuer authorizing the issuance of the Series 2018 Bonds and the execution and delivery of this Indenture;
- (b) Original executed counterparts of this Indenture, the Loan Agreement, the Mortgage, the Series 2018 Note, the Tax Agreement, the Assignment of Contract

Documents, the Student Housing Agreement, the Construction Disbursement Agreement, the Asset Management Agreement and the Continuing Disclosure Agreement;

- (c) A request and authorization to the Trustee on behalf of the Issuer and signed by an Authorized Issuer Representative to authenticate and deliver the Series 2018 Bonds as set forth therein;
- (d) Receipt of the Title Policy or a commitment to issue the Title Policy, in form and substance acceptable to the Underwriter;
- (e) Evidence of insurance coverage required by Section 5.1 of the Loan Agreement;
- (f) The rating letter from the Rating Agency, showing the Moody's rating of "Ba2" for the Bonds, and which rating is in effect on the Closing Date;
- (g) Opinion of Counsel to the Issuer in form and substance satisfactory to the Underwriter and Bond Counsel;
- (h) Opinion of Counsel to the Borrower in form and substance satisfactory to the Underwriter, Bond Counsel, the Trustee and the Issuer;
- (i) An approving opinion of Bond Counsel addressed to the Issuer, with a reliance letter to the Underwriter and the Trustee; and
- (j) An executed investor letter substantially in the form attached hereto as Exhibit C.

Section 2.08. Mutilated, Lost, Stolen or Destroyed Bonds.

In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate and deliver a new Bond of the same Series and of like date, maturity and denomination as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and, in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity for the Issuer and the Trustee satisfactory to the Trustee, in its sole discretion. In the event any such Bond shall be about to mature or have matured or been called for redemption, instead of issuing a duplicate Bond, the Issuer may pay the same without surrender thereof. The Issuer and the Trustee may charge the Holder of such Bond their reasonable fees and expenses incurred pursuant to this Section.

All duplicate Bonds issued and authenticated pursuant to this Section 2.08 shall constitute original, contractual obligations of the Issuer to the extent provided in this Indenture (whether or not lost, stolen or destroyed Bonds be at any time found by anyone) and shall be entitled to equal and proportionate rights and benefits hereunder as all other Outstanding Bonds issued hereunder.

Section 2.09. Registration and Transfer of Bonds; Persons Treated as Holders.

The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee. At reasonable times and under reasonable regulations established by the Trustee and subject to applicable law providing to the contrary, such list may be inspected and copied by the Issuer, the Borrower or the Holders of \$1,000,000 or more in aggregate Bond Obligation, or a designated representative of such Holders.

Promptly following surrender for transfer of any Bond at its Designated Office, the Trustee shall enter the name and address of the transferee upon the registration books of the Issuer and shall deliver to the transferee a new fully authenticated and registered Bond or Bonds in the name of the transferee, such new Bond or Bonds of the same Series, of Authorized Denominations and of the same maturity and for the aggregate principal amount which the new Holder is entitled to receive. In addition, promptly following surrender of any Bond at the Designated Office of the Trustee, duly endorsed in blank, such Bond may at the option of the Holder thereof, be exchanged for a Bond or Bonds of the same Series in an equal aggregate principal amount of Authorized Denominations and of the same form and tenor of the Bond being exchanged.

All Bonds presented for transfer, exchange, redemption or payment shall (if so required by the Issuer or the Trustee) be accompanied by a written instrument or instruments of transfer, in form and with guaranty of signature as set forth in the form of Bond of the applicable Series or as may be satisfactory to the Trustee, duly executed by the Holder.

The Trustee also may require payment from the Holder of a sum sufficient to cover any tax or other governmental fee or charge that may be imposed in relation thereto. Such taxes, fees and charges shall be paid before any such new Bond shall be delivered. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Borrower.

The Issuer and the Trustee shall not be required (a) to issue or register the transfer of any Bonds during any period beginning on a Record Date with respect thereto and ending at the close of business on the Business Day preceding the next Interest Payment Date or (b) to transfer any Bonds selected, called or being called for redemption in whole or in part.

Bonds delivered upon any transfer as provided herein, or as provided in Section 2.08 hereof, shall be valid limited obligations of the Issuer payable solely from the Trust Estate (excluding the Reserved Rights), evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The Issuer, the Borrower and the Trustee shall treat the person in whose name a Bond is registered on the registration books maintained by the Trustee as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary.

Notwithstanding the foregoing, unless and until: (i) the Trustee and the Issuer have received an Investment Grade Notice, and (ii) the Trustee has received the written consent of the Issuer waiving the provisions of this paragraph; the Trustee shall only transfer Bonds or any interest therein to a Person who is: (a) a “qualified institutional buyer” as defined under Rule 144A promulgated by the Securities Act, or (b) an “accredited investor” under Regulation D promulgated pursuant to the Securities Act. A transfer in violation of this requirement shall be null and void.

Section 2.10. Cancellation of Bonds.

Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount thereof and interest thereon, for replacement pursuant to Section 2.08 hereof, for transfer or exchange pursuant to Section 2.09 hereof or otherwise, the Trustee shall cancel and destroy the Bond it has received in accordance with its retention policy then in effect.

Section 2.11. Temporary Bonds.

Pending preparation of definitive Bonds, there may be executed, and upon request of the Issuer, the Trustee shall authenticate and deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, temporary typewritten, printed, engraved or lithographed bonds, in the form of registered Bonds without coupons in Authorized Denominations, substantially in the respective forms of Exhibits A and B hereto.

If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed, authenticated and delivered to the Trustee not later than 14 days following the delivery or reissuance of such temporary Bonds, and the Trustee, upon presentation to it at its Designated Office of any temporary Bond, shall cancel the same and deliver in exchange therefor at the place designated by the Holder, without charge to the Holder, a definitive Bond or Bonds of the same Series in an equal aggregate principal amount, of the same maturity and bearing interest at the same rate or rates as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds of such Series to be issued and authenticated hereunder.

Section 2.12. Book-Entry Form.

Notwithstanding any provision of this Indenture to the contrary, the Issuer may direct that all Bonds issued hereunder shall be initially issued in a Book-Entry System, registered in the name of a Depository or its nominee as registered owner of the Bonds, and held in the custody of that Depository. Unless otherwise requested by a Depository, a single certificate will be issued and delivered to the Depository for each maturity of Bonds. Beneficial Owners of Bonds in a Book-Entry System will not receive physical delivery of Bond certificates except as provided hereinafter. For so long as a Depository shall continue to serve as securities depository for the Bonds as provided herein, all transfers of Beneficial Ownership Interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring Beneficial

Ownership Interests of Bonds is to receive, hold or deliver any Bond certificate; provided; that, if a Depository fails or refuses to act as securities depository for the Bonds, the Issuer shall take the actions necessary to provide for the issuance of Bond certificates to the Holders of such Bonds.

With respect to Bonds registered in the name of a Depository, the Issuer, the Borrower and the Trustee shall have no responsibility or obligation to any participant therein or to any Person on whose behalf any participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the Issuer, the Borrower nor the Trustee shall have any responsibility or obligation with respect to (a) the accuracy of the records of the Depository or any participant therein or any other Person, other than a registered owner of the Bonds, as shown in the Register, or any notice with respect to the Bonds or (b) the payment to any participant in the Depository or any other Person, other than a registered owner of the Bonds, as shown in the Register, of any amount with respect to principal of or interest on or purchase price of the Bonds.

Replacement Bonds may be issued directly to Beneficial Owners of Bonds other than a Depository, or its nominee, but only in the event that (a) the Depository determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the Issuer and the Trustee); or (b) the Issuer has advised a Depository of its determination (which determination is conclusive as to the Depository and Beneficial Owners of the Bonds) that the Depository is incapable of discharging its duties as securities depository for the Bonds; or (c) the Issuer has determined (which determination is conclusive as to the Depository and the Beneficial Owners of the Bonds) that the interests of the Beneficial Owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any of the foregoing events, the Issuer and the Borrower shall use commercially reasonable efforts to attempt to locate another qualified securities depository. If the Issuer and the Borrower fail to locate another qualified securities depository to replace the Depository, the Issuer and the Borrower, at the Borrower's expense, shall cause to be authenticated and delivered replacement Bonds, in certificate form, to the Beneficial Owners of the Bonds. In the event that the Issuer makes the determination noted in (b) or (c) above (provided that the Issuer undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Issuer to make any such determination), and has made provisions to notify the Beneficial Owners of Bonds of such determination by mailing an appropriate notice to the Depository, the Issuer and the Borrower shall cause to be issued replacement Bonds in certificate form to Beneficial Owners of the Bonds as shown on the records of the Depository provided to the Issuer.

Upon the written consent of 100% of the Beneficial Owners of the Bonds, the Trustee shall withdraw the Bonds from any Depository and authenticate and deliver Bonds fully registered to the assignees of that Depository or its nominee. If the request for such withdrawal is not the result of any Issuer action or inaction, such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing, preparing and delivering such Bonds) of the persons requesting such withdrawal, authentication and delivery; otherwise such withdrawal, authentication and delivery shall be at the cost and expense of the Borrower.

Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a book-entry at a Depository, (a) the requirements in this Indenture of holding, delivering or

transferring Bonds shall be deemed modified to require the appropriate Person or entity to meet the requirements of the Depository as to registering or transferring the book-entry to produce the same effect and (b) delivery of the Bonds will be in accordance with arrangements among the Issuer, the Trustee and the Depository notwithstanding any provision of this Indenture to the contrary.

The Trustee and the Issuer shall enter into any letter of representation with a Depository to implement the Book-Entry System of Bond registration described above.

In the event the Bonds are no longer rated in one of the three highest rating categories by a Rating Agency, the book-entry system may also be discontinued with respect to the Bonds, at the direction of the Issuer or the Borrower, and at the Borrower's expense, and the Issuer and the Trustee will cause the delivery of Bond certificates to such Beneficial Owners of the Bonds, registered in the names of such Beneficial Owners as are specified to the Trustee by the Depository in writing.

When the book-entry system is not in effect, all references herein to the Depository will be of no further force or effect.

Section 2.13. Additional Bonds.

So long as no Event of Default has then occurred and is continuing, the Issuer at the request of a Borrower's Representative may, but shall not be required to, issue Additional Bonds for the purpose of (i) financing the costs of making such Modifications as the Borrower may deem necessary or desirable, (ii) financing the cost of completing any Modifications, (iii) refunding any Bonds, and (iv) in each such case, paying the costs of the issuance and sale of the Additional Bonds, paying capitalized or funded interest and such other costs reasonably related to the financing as shall be agreed upon by the Borrower and the Issuer. The terms of such Additional Bonds, the purchase price to be paid therefor, and manner in which the proceeds therefrom are to be disbursed shall be determined by the Borrower and the sale of any Additional Bonds shall be the sole responsibility of the Borrower. The Borrower and the Issuer shall enter into an amendment to the Loan Agreement to provide for additional Basic Loan Payments in an amount at least sufficient to pay principal of, premium, if any, and interest on the Additional Bonds when due and to provide for any additional terms or changes to the Loan Agreement required because of such Additional Bonds. The Issuer and the Trustee shall enter into such amendments or supplements to this Indenture as are required to effect the issuance of the Additional Bonds. An amount equal to any increase in the Debt Service Reserve Requirement attributable to issuance of the Additional Bonds shall be deposited in the applicable account of the Debt Service Reserve Fund at the time of delivery of the Additional Bonds.

As a condition for the issuance of Additional Bonds, (i) such Additional Bonds shall be rated in a rating category that is not lower than the underlying rating (i.e., the rating of the respective Outstanding Bonds without giving effect to any credit enhancement) of the Series of Bonds of the same parity as such Additional Bonds, and (ii) prior to the issuance of such Additional Bonds, the Rating Agency then rating the Outstanding Bonds shall deliver a

Confirmation of Rating stating that the issuance of the Additional Bonds will not result in a qualification, downgrade or withdrawal of the then current ratings on the Series 2018 Bonds.

Section 2.14. Delivery of Additional Bonds.

Upon the execution and delivery in each instance of an appropriate indenture supplemental hereto, the Issuer shall execute and deliver to the Trustee and the Trustee shall register and authenticate Additional Bonds and deliver them to the purchaser or purchasers as may be directed by the Issuer, as hereinafter in this Section 2.14 provided. Prior to the delivery by the Trustee of any such Additional Bonds, there shall be filed with the Trustee:

(a) a valid and effective amendment to the Loan Agreement, pursuant to Section 11.04 hereof, providing for the inclusion within the Project of any real estate and interests therein and any buildings, structures, facilities, machinery, equipment, and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds and providing for an adjustment to in the Basic Loan Payment obligations of the Borrower to cover the Debt Service Requirement of all the Bonds that will be Outstanding after the issuance of the Additional Bonds, which shall be evidenced by a promissory note of the Borrower, and providing any other changes in connection with the issuance of Additional Bonds;

(b) a valid and effective supplemental indenture providing for the issuance of such new series of Additional Bonds and securing such Additional Bonds by the lien and security interest of the Trust Estate;

(c) a valid and effective amendment to the Mortgage subjecting to the lien of the Mortgage any and all real estate and interests therein and any buildings, structures, facilities, and related property acquired by purchase or construction from proceeds of such Additional Bonds and assigning and pledging to the Issuer and the Trustee the Borrower's interest in the leases, rents, issues, profits, revenues, income, receipts, money, royalties, rights and benefits thereof and therefrom and granting a security interest to the Trustee, as assignee of the Issuer, in the Borrower's interest in the machinery, equipment, and related property acquired by purchase or construction from the proceeds of the Additional Bonds, in any inventory then or thereafter located at the real estate or interests therein and any buildings, structures, facilities, and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds, and in the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's operation of any real estate or interests therein and any buildings, structures, facilities, machinery, equipment, and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds;

(d) a copy, duly certified by the Secretary, of a resolution of the Governing Body of the Issuer theretofore adopted and approved authorizing the execution and delivery of the supplemental indenture, amendment to the Loan Agreement, promissory note, and issuance of the Additional Bonds;

(e) a request and authorization to the Trustee on behalf of the Issuer, signed by an Authorized Issuer Representative or such other officers of the Issuer as are designated by the Governing Body of the Issuer, to authenticate and deliver the Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee, for the account of the Issuer, of a specified sum plus any accrued interest; the proceeds of the Additional Bonds shall be paid over to the Trustee and deposited to the credit of the Bond Fund or to such other funds as are provided and created by the supplemental indenture;

(f) a certificate signed by the Borrower's Representative to the effect that no Event of Default under this Indenture or any Borrower's Document has then occurred and is continuing;

(g) certification from the Borrower and *pro forma* calculations demonstrating that the Coverage Test will continue to be satisfied after giving effect to the issuance of the Additional Bonds;

(h) a Favorable Opinion of Bond Counsel with respect to the Outstanding Tax-Exempt Bonds and, if issued as Tax-Exempt Bonds, the Additional Bonds, addressed to the Issuer and the Trustee;

(i) the items required by Section 2.13 of this Indenture;

(j) an endorsement of the Title Policy, which endorsement includes any additional real property made subject to the Mortgage and increases the face amount of the policy to an amount equal to the principal amount of the Outstanding Bonds and the Additional Bonds;

(k) Unless evidence satisfactory to the Issuer is provided that upon issuance of the Additional Bonds, the rating on the Outstanding Bonds (including the Additional Bonds), is in an investment grade rating, an investor letter, in form satisfactory to the Issuer, from each of the initial purchasers of the Additional Bonds; and

(l) such other documents as the Trustee may require to evidence compliance with any of the Bond Documents.

Section 2.15. Parity Indebtedness.

The Issuer and Trustee acknowledge that pursuant to Section 6.11 of the Loan Agreement, under certain circumstances the Borrower is permitted to incur Parity Indebtedness that is secured by a lien on and security interests in all or any portion of the Project or the Project Revenues, and secured on an equal and ratable basis with the then Outstanding Bonds under the Mortgage.

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ARTICLE III

REDEMPTION OR PURCHASE OF SERIES 2018 BONDS

Section 3.01. Mandatory Redemption of Series 2018 Bonds.

Series 2018 Bonds shall be called for redemption (a) in whole or in part in the event the Project or any portion thereof is damaged or destroyed or taken in a condemnation proceeding and Net Proceeds resulting therefrom are to be applied to the payment of the Series 2018 Note as provided in Section 5.3 of the Loan Agreement, which Net Proceeds are to be used to redeem Series 2018 Bonds at the election of the Borrower made pursuant to Section 5.3 of the Loan Agreement, (b) in whole in the event the Borrower exercises its option to terminate the Loan Agreement pursuant to Article VIII thereof (and causes all of the Series 2018 Bonds to be redeemed as provided in this Article III), (c) in whole or in part from proceeds of the Title Policy pursuant to Section 3.9 of the Loan Agreement, or (d) in whole in the event the Borrower is required to prepay the Loan following a "Default" under the Loan Agreement.

If called for redemption at any time pursuant to (a) through (d) above, the Series 2018 Bonds of a Series to be redeemed shall be subject to redemption by the Issuer (in accordance with the provisions of Section 3.06 hereof) prior to maturity, in whole at any time or (in the case of redemption pursuant to clause (a) or (c) above) in part at any time (less than all of such Series 2018 Bonds to be selected in accordance with the provisions of Section 3.05 hereof) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date; such redemption date, to be a date determined by the Borrower and in the case of redemption pursuant to (d) above, to be the earliest practicable date, following acceleration of amounts due under the Loan.

Section 3.02. Optional Redemption of Series 2018 Bonds.

Except as set forth below, the Series 2018A Bonds are subject to optional redemption by the Issuer, at the direction of the Borrower, on or after December 1, 2028, in whole or in part at any time, at a redemption price equal to the par amount of the Series 2018 Bonds subject to redemption, plus accrued interest to the redemption date:

The Series 2018B Bonds are not subject to optional redemption prior to maturity.

The Borrower shall give the Trustee written notice of optional redemption pursuant to Section 8.1(d) of the Loan Agreement and, upon delivery of such written notice, the Issuer shall be deemed, without the necessity of any action on the Issuer's part, to have exercised its option to redeem the Series 2018 Bonds under this Section 3.02. A copy of such notice shall be provided to the Issuer, but failure or delay in providing such copy to the Issuer shall not affect the validity of such notice or redemption.

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Section 3.03. Mandatory Sinking Fund Redemption.

(a) The Series 2018A Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest on December 1 of each year and in the principal amounts shown below:

Series 2018A Bonds Maturing December 1, 2028

Date	Amount
December 1, 2024	\$ 135,000
December 1, 2025	2,560,000
December 1, 2026	2,665,000
December 1, 2027	2,770,000
December 1, 2028*	2,880,000

*Final Maturity

Series 2018A Bonds Maturing December 1, 2043

Date	Amount	Date	Amount
December 1, 2029	\$2,995,000	December 1, 2037	\$4,510,000
December 1, 2030	3,150,000	December 1, 2038	4,745,000
December 1, 2031	3,320,000	December 1, 2039	4,995,000
December 1, 2032	3,490,000	December 1, 2040	5,260,000
December 1, 2033	3,675,000	December 1, 2041	5,535,000
December 1, 2034	3,870,000	December 1, 2042	5,825,000
December 1, 2035	4,070,000	December 1, 2043*	6,130,000
December 1, 2036	4,285,000		

*Final Maturity

Series 2018A Bonds Maturing December 1, 2058

Date	Amount	Date	Amount
December 1, 2044	\$6,450,000	December 1, 2052	\$ 9,715,000
December 1, 2045	6,790,000	December 1, 2053	10,225,000
December 1, 2046	7,145,000	December 1, 2054	10,765,000
December 1, 2047	7,525,000	December 1, 2055	11,330,000
December 1, 2048	7,920,000	December 1, 2056	11,925,000
December 1, 2049	8,335,000	December 1, 2057	12,550,000
December 1, 2050	8,770,000	December 1, 2058*	13,205,000
December 1, 2051	9,230,000		

*Final Maturity

(b) The Series 2018B Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest on December 1 of each year and in the principal amounts shown below:

Date	Amount
December 1, 2021	\$2,090,000
December 1, 2022	2,195,000
December 1, 2023	2,310,000
December 1, 2024*	2,300,000

*Final Maturity

Section 3.04. Selection of Bonds to Be Redeemed.

Bonds may be redeemed only in Authorized Denominations. If less than all of the Bonds are being redeemed: (a) the principal amount and Series of the Bonds to be redeemed shall be designated by a Borrower's Representative in writing to the Trustee and (b) the particular Bonds of the Series or portions thereof to be redeemed shall be selected by DTC or any successor depository in accordance with its procedures, or, if the book-entry system is discontinued, by the Trustee by lot. If it is determined that less than all of the principal amount represented by any Bond is to be called for redemption, then, following notice of intention to redeem such principal amount, the Holder thereof shall surrender such Bond to the Trustee on or before the applicable redemption date for (i) payment on the redemption date to such Holder of the redemption price of the amount called for redemption and (ii) delivery to such Holder of a new Bond or Bonds of such Series in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond, which shall be an Authorized Denomination. A new Bond of such Series representing the unredeemed balance of such Bond shall be issued to the Holder thereof, without charge therefor. Such provision shall not apply to scheduled mandatory sinking fund redemptions. If the Holder of any Bond or integral multiple of the Authorized Denomination selected for redemption shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the amount called for redemption (and to that extent only), and interest shall cease to accrue from the date fixed for redemption.

Section 3.05. Notice of Redemption.

(a) In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Issuer, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the Designated Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of the Bonds, to be so redeemed, (ii) state any condition to such redemption, including but not limited to a statement that redemption is conditional upon receipt by the Trustee of sufficient moneys to redeem the Bonds, including any redemption premium and (iii) state that on the redemption date the Bonds to be redeemed shall cease to bear interest. Such notice may set forth any

additional information relating to such redemption. Such notice shall be given by Mail to the Holders of the Bonds to be redeemed, at least 30 days but no more than 60 days prior to the date fixed for redemption. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of the Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

(b) Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Holders receive the notice.

(c) Failure by the Trustee to give notice pursuant to the preceding paragraph of this Section shall not affect the sufficiency of the proceedings for redemption. Failure of the Trustee to give notice to a Holder or any defect in such notice shall not affect the validity of the proceedings for redemption of the Bonds of any Holder to whom notice shall have been properly given. The Trustee may give any other or additional redemption notice as it deems necessary or desirable, but it is not obligated to give or provide any additional notice or information.

(d) Any Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with Article VII hereof shall cease to bear interest on the specified redemption date.

Section 3.06. Payment of Redemption Price.

For the redemption of any of the Bonds of a Series, the Trustee shall cause to be deposited in the applicable Special Redemption Account of the Bond Fund, whether out of Project Revenues or any other money constituting the Trust Estate, including Net Proceeds of any Insurance Proceeds or Condemnation Awards available for such purpose pursuant to Article VIII of the Loan Agreement, or otherwise, an amount sufficient to pay the principal of, premium, if any, and interest to become due on the date fixed for such redemption. The obligation of the Trustee to cause any such deposit to be made hereunder shall be reduced by the amount of money in such Special Redemption Account available for and used on such redemption date for payment of the principal of, premium, if any, and accrued interest on the Bonds to be redeemed.

Section 3.07. No Partial Redemption After Event of Default.

Anything herein to the contrary notwithstanding, if there has occurred and is continuing an Event of Default described in Section 8.01(a) or (b) hereof, there shall be no redemption of less than all of the Bonds Outstanding.

Section 3.08. Effect of Notice of Redemption.

If notice of redemption has been given in the manner provided in this Article, and money for the redemption is held by the Trustee for that purpose, the Bonds so called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue on such date; and such Bonds shall thereafter no longer be entitled to any security or benefit under this Indenture except to receive payment of the redemption price thereof.

If any Bond called for redemption shall not be so paid on the redemption date upon proper surrender of the Bond for redemption, the redemption price and, to the extent lawful, interest thereon shall, until paid, bear interest from the redemption date at the rate borne by the Bond immediately before the redemption date.

Notwithstanding the foregoing, with respect to optional redemptions only, if the Trustee does not have funds in its possession on the redemption date sufficient to pay the redemption price (including interest accruing to the redemption date) of all of the Bonds to be optionally redeemed for any reason (including, but not limited to, failure to issue any refunding obligations intended for such purpose on or prior to the redemption date), then the purported optional redemption and such notice of redemption shall be void. Such event shall not constitute an Event of Default hereunder.

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ARTICLE IV

GENERAL COVENANTS

Section 4.01. Payment of Bonds; Limited Obligations.

(a) The Issuer covenants that it will promptly pay the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bonds, provided that the principal, premium, if any, and interest on the Bonds are payable by the Issuer solely from the Trust Estate, and nothing in the Bonds or this Indenture shall be considered as assigning or pledging any other funds or assets of the Issuer other than the Trust Estate.

(b) Each and every covenant made herein by the Issuer is predicated upon the condition that neither the Issuer, the State, the Sponsoring Political Subdivisions, the Local Agency nor any other political subdivision of the State shall in any event be liable for the payment of the principal of, premium, if any, or interest on any of the Bonds or for the performance of any pledge, obligation or agreement undertaken by the Issuer except to the extent that money pledged herein are sufficient therefor.

Section 4.02. Performance of Covenants; Issuer; Due Execution.

Subject to Section 1.04 hereof, the Issuer covenants that it will faithfully perform or cause to be performed at all times any and all covenants, undertakings, stipulations and provisions to be performed by the Issuer contained in this Indenture and the other Bond Documents, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Issuer is duly authorized under the laws of the State, including particularly the Act, to issue the Bonds, to execute this Indenture and to pledge the amounts hereby pledged in the manner and to the extent herein set forth. The Issuer further covenants that all action on its part for the issuance of the Bonds and the execution and delivery of the Bond Documents have been duly and effectively taken, and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable obligations of the Issuer according to the terms thereof and hereof.

Section 4.03. Instruments of Further Assurance.

Subject to Section 1.04 hereof, the Issuer covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may require for the better assuring, transferring, pledging, assigning and confirming to the Trustee all and singular the rights assigned hereby and the amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. The Issuer covenants and agrees that, except as herein and in the Mortgage provided, it will not sell, convey, assign, pledge, encumber or otherwise dispose of any part of the Trust Estate.

Section 4.04. Recording and Filing; Further Instruments.

(a) The Borrower shall cause to be recorded or filed, at the Borrower's expense, all necessary initial financing statements related to this Indenture, and the Mortgage and all supplements hereto and thereto, and such other documents as may be necessary to be kept and filed in such manner and in such places as may be required by law in order to perfect, preserve and protect fully the security of the Holders and the rights of the Trustee hereunder. The Borrower shall cause to be filed, at the Borrower's expense, all necessary continuation statements to continue in effect such financing statements. At the written request of the Trustee, the Borrower shall provide evidence to the Trustee that all necessary filings required by this paragraph have been made.

(b) Subject to Section 1.04 hereof, the Issuer shall (or shall cause the Borrower to, in each case at the expense of the Borrower), upon the request of the Trustee, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to effectuate the purposes of this Indenture or any provision hereof.

Section 4.05. Tax Covenants.

The Issuer shall not knowingly use or permit the use of any proceeds of Bonds and shall not knowingly use or permit the use of the Project Revenues in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Tax-Exempt Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, or which would otherwise affect, the exclusion of interest on the Tax-Exempt Bonds from gross income of the recipients thereof for federal income tax purposes.

Subject to Section 1.04, the Issuer shall at all times do and perform all acts and things permitted by law and necessary or desirable to assure that interest paid by the Issuer on the Tax-Exempt Bonds shall, for federal income tax purposes, be excluded from the gross income of the recipients thereof. In furtherance of this covenant, the Issuer, the Borrower and the Sole Member shall execute, deliver and perform the Tax Agreement, which is by this reference incorporated herein and made a part hereof as if set forth herein in full.

Notwithstanding any provision of this Indenture or the Loan Agreement to the contrary, unless otherwise specifically agreed in the Tax Agreement or in a separate written agreement, neither the Trustee nor the Issuer shall be liable or responsible for any calculation or determination which may be required in connection with, or for the purpose of complying with, Section 148 of the Code, or any successor statute or any regulation, ruling or other judicial or administrative interpretation thereof, including, without limitation, the calculation of amounts required to be paid to the United States of America or the determination of the maximum amount which may be invested in nonpurpose obligations having a yield higher than the yield on the Bonds, and the Trustee shall not be liable or responsible for monitoring the compliance by the Borrower or the Issuer with any of the requirements of Section 148 of the Code or any applicable regulation, ruling or other judicial or administrative interpretation thereof, or any other provision of the Tax Agreement, except as specifically provided in the Tax Agreement.

Section 4.06. No Disposition of Trust Estate, Project or Project Revenues.

Except as permitted by this Indenture (including specifically in connection with the discharge of the lien of this Indenture in accordance with Article VII hereof), the Issuer shall not sell, lease, pledge, assign or otherwise encumber or dispose of its interest in the Trust Estate. Except as described in the Loan Agreement and the Mortgage, the Issuer and the Trustee will not, and will not permit the Borrower to, sell, lease, pledge, assign or otherwise encumber or dispose of the Project or Project Revenues.

Section 4.07. Access to Books.

All books and documents in the possession of the Issuer or the Trustee relating to the Project, the Project Revenues and the Trust Estate shall at all reasonable times be open to inspection by the Trustee, the Issuer, the Borrower and the Holders of at least \$1,000,000 of the Bonds.

Section 4.08. Trustee To Retain Information.

So long as any of the Bonds shall be Outstanding, and thereafter so long as any right or obligation of the Issuer, the Trustee or the Borrower hereunder or under the Loan Agreement shall survive, the Trustee shall retain all certificates, requisitions, financial statements and other written information furnished to it by or on behalf of the Borrower or any other person under the Loan Agreement and any other agreement or instrument pertaining to the Bonds and shall make such documentation available to the Issuer, the Borrower, the Rating Agency, or any Holder for review after reasonable written notice during regular business hours at the Designated Office of the Trustee. The Trustee shall permit such reviewers to take copies of all or any part of such documentation, subject to their payment of such copying and handling charges as the Trustee may impose.

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ARTICLE V

DEPOSIT OF BOND PROCEEDS;
FUNDS AND ACCOUNTS; REVENUES

Section 5.01. Creation of Funds and Accounts.

There are hereby created by the Issuer and ordered established the following Funds and Accounts to be held by the Trustee:

(a) A Bond Fund and therein (i) a Principal Account, and within such Principal Account (A) a Tax-Exempt Bond Fund Principal Subaccount and (B) a Taxable Bond Fund Principal Subaccount, (ii) an Interest Account, and within such Interest Account (A) a Tax-Exempt Bond Fund Interest Subaccount and (B) a Taxable Bond Fund Interest Subaccount, and (iii) a Special Redemption Account, and within such Special Redemption Account (A) a Tax-Exempt Bond Fund Special Redemption Subaccount and (B) a Taxable Bond Fund Special Redemption Subaccount;

(b) A Debt Service Reserve Fund, and therein (i) a Tax-Exempt Debt Service Reserve Account, and (ii) a Taxable Debt Service Reserve Account;

(c) A Project Fund and therein: a Construction Account, and within the Construction Account, (i) (A) a Tax-Exempt Construction Subaccount and (B) a Taxable Construction Subaccount; (ii) a Costs of Issuance Account, and within the Costs of Issuance Account, (A) a Tax-Exempt Costs of Issuance Subaccount and (B) a Taxable Costs of Issuance Subaccount; and (iii) a Capitalized Interest Account, and within the Capitalized Interest Account, (A) a Tax-Exempt Capitalized Interest Subaccount and (B) a Taxable Capitalized Interest Subaccount;

(d) A Revenue Fund;

(e) A Rebate Fund;

(f) An Operating Fund;

(g) An Operations and Maintenance Reserve Fund;

(h) An Insurance and Tax Escrow Fund, and a PILOT Account therein;

(i) A Repair and Replacement Fund;

(j) An Administration Fund; and

(k) A Surplus Fund, and therein a Land Restoration Account. Moneys deposited in the Land Restoration Account shall not be deemed pledged or be subject to the lien of the Trust Estate herein.

Section 5.02. Deposit of Proceeds.

Upon initial execution and delivery of the Bonds, the proceeds of the Bonds and other funds contributed by the Borrower, if any, shall be deposited as follows:

(a) \$181,944,785.68 received from the sale of the Series 2018A Bonds shall be deposited in the Tax-Exempt Construction Subaccount;

(b) \$2,931,931.03 received from the sale of the Series 2018A Bonds shall be deposited in the Tax-Exempt Costs of Issuance Subaccount;

(c) \$24,094,362.41 received from the sale of the Series 2018A Bonds shall be deposited in the Tax-Exempt Capitalized Interest Subaccount;

(d) \$13,360,402.93 received from the sale of the Series 2018A Bonds shall be deposited in the Tax-Exempt Debt Service Reserve Account;

(e) \$3,085,401.33 received from the sale of the Series 2018B Bonds shall be deposited in the Taxable Construction Subaccount;

(f) \$2,566,135.25 received from the sale of the Series 2018B Bonds shall be deposited in the Taxable Costs of Issuance Subaccount;

(g) \$984,188.05 received from the sale of the Series 2018B Bonds shall be deposited in the Taxable Capitalized Interest Subaccount;

(h) \$543,284.57 received from the sale of the Series 2018B Bonds shall be deposited in the Taxable Debt Service Reserve Account; and

(i) \$1,600,000.00 from the sale of the Series 2018B Bonds shall be deposited in the Operations and Maintenance Reserve Fund.

Notwithstanding anything in this Indenture to the contrary, under no circumstances shall proceeds of the Series 2018A Bonds be applied to pay debt service on or any portion of the redemption price of Series 2018B Bonds.

Section 5.03. Disbursements From the Project Fund.

(a) The Trustee shall disburse moneys in the Tax-Exempt Costs of Issuance Subaccount and the Taxable Costs of Issuance Subaccount in the Costs of Issuance Account of the Project Fund to pay the Costs of Issuance on the applicable Bonds upon receipt of a written requisition of the Borrower, substantially in the form attached as Exhibit G to the Loan Agreement, or a closing memorandum prepared by the Underwriter and signed by the Borrower or a closing statement to the Trustee which states (i) that such amount is to be paid to persons, firms or corporations identified therein, and (ii) that such amount is properly payable as a Cost of Issuance hereunder. On the six-month anniversary of the Closing Date, the Trustee shall pay any remaining balance in a

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subaccount of the Costs of Issuance Account to the applicable Construction Account of the Project Fund.

(b) Prior to receipt of Project Revenues described in Section 5.04(a), the Trustee shall use amounts in the Tax-Exempt Capitalized Interest Subaccount and the Taxable Capitalized Interest Subaccount to pay capitalized interest on the Series 2018A Bonds and Series 2018B Bonds, respectively, and to pay any Annual Issuer's Fee then due and payable pursuant to Section 5.04 hereof. Capitalized interest on the Series 2018 Bonds shall be transferred by the Trustee from the applicable subaccount of the Capitalized Interest Account, without any disbursement request, from time to time in a timely manner from the applicable Subaccount of the Capitalized Interest Account to the applicable Interest Account of the Bond Fund in an amount equal to the interest accruing on the applicable series of Series 2018 Bonds through the next immediate Interest Payment Date.

(c) Amounts on deposit in the respective Subaccounts of the Construction Account shall be applied to payment of the Costs of the applicable Project and paying the costs of issuing the applicable Bonds (to the extent any such costs are not paid pursuant to clause (a) above) by disbursement thereof in accordance with one or more requisitions of the Borrower to the Trustee within 30 days of receipt of such requisition as provided in the Construction Disbursement Agreement.

(d) For purposes of complying with the requirements of this Section 5.03, the Trustee may conclusively rely and shall be protected in acting or refraining upon the form of requisition of the Borrower, which may be submitted by facsimile or email (pdf format). The Trustee shall not be bound to make an investigation into the facts or matters stated in any form of requisition of the Borrower. The Trustee shall not be responsible for determining whether the funds on hand in the Project Fund are sufficient to complete the Costs of the Project. The Trustee shall not be responsible for collecting lien waivers.

(e) Net Proceeds of any Insurance Proceeds or Condemnation Awards deposited in the Project Fund pursuant to Section 5.4 of the Loan Agreement shall be applied as provided in Section 5.3 and 5.4 of the Loan Agreement.

(f) Any amounts remaining in a subaccount of the Project Fund on the date that is three (3) years from the Closing Date (in the case of original and investment proceeds of the Bonds, or the date of deposit of such amounts into the Project Fund, in the case of other amounts) shall be deposited in the applicable Subaccount of the Interest Account of the Bond Fund as shall be directed in writing by a Borrower Representative, unless otherwise required by the Tax Agreement.

Section 5.04. Revenue Fund.

(a) There shall be deposited in the Revenue Fund (i) all Loan Payments and other amounts paid to the Trustee under the Loan Agreement (other than prepayments required to redeem Bonds pursuant to Sections 3.01 or 3.02 hereof, which shall be

deposited in the applicable Subaccount in the Special Redemption Account), (ii) all other amounts required to be so deposited pursuant to the terms hereof or of the Tax Agreement, including investment earnings to the extent provided in Article VI, (iii) any amounts derived from the Loan Agreement or the Mortgage to be applied to payment of amounts intended to be paid from the Revenue Fund, (iv) all Project Revenues, and (v) such other money as is delivered to the Trustee by or on behalf of the Issuer or the Borrower with written directions for deposit of such money in the Revenue Fund.

(b) Money on deposit in the Revenue Fund shall be disbursed on the 15th day of each month in the following order of priority:

(1) To the Tax-Exempt Bond Fund Interest Subaccount and the Taxable Bond Fund Interest Subaccount, the applicable Interest Requirement for the respective Series of Bonds for that calendar month, together with an amount equal to any unfunded Interest Requirement for such Bonds for any prior month and, at the written direction of a Borrower's Representative, to the holder of any Parity Indebtedness an amount, as certified by a Borrower's Representative, equal to the interest due in such month, together with an amount, as certified by a Borrower's Representative, equal to any unfunded interest for any prior month;

(2) To the Tax-Exempt Bond Fund Principal Subaccount and the Taxable Bond Fund Principal Subaccount, the applicable Principal Requirement for the respective Series of Bonds for that calendar month, together with an amount equal to any unfunded Principal Requirement for such Bonds from any prior month and, at the written direction of a Borrower's Representative, to the holder of any Parity Indebtedness an amount, as certified by a Borrower's Representative, equal to the principal due in such month, together with an amount, as certified by a Borrower's Representative, equal to any unfunded principal for any prior month;

(3) To the applicable Account in the Debt Service Reserve Fund, the amount, if any, required to be paid into the Debt Service Reserve Fund for the corresponding Series of Bonds pursuant to the Loan Agreement to restore the amount on deposit therein to the Debt Service Reserve Requirement for such Bonds;

(4) [Reserved]

(5) Subject to and in accordance with the provisions of Section 5.12 hereof, for transfer to the Administration Fund, (A) an amount equal to one-sixth (1/6) of the Administration Expenses scheduled to be due and payable on or before the next succeeding Interest Payment Date and (B) the portion of the Annual Issuer's Fee due the immediately succeeding month and any other Issuer's Fees and Expenses then due, it being understood that any amounts due the Issuer shall not be subject to review or approval by the Borrower or any action of the

Trustee except as to payment automatically with respect to the Annual Issuer's Fee and upon invoice with respect to remaining Issuer's Fees and Expenses;

(6) Subject to Section 5.10 hereof, for transfer to the Insurance and Tax Escrow Fund, an amount equal to one-twelfth of the amount set forth by the Borrower in the Budget for the current year for annual premiums for insurance required to be maintained pursuant to the Loan Agreement and for annual ad valorem real estate taxes (if any are applicable) or other charges for governmental services for the current year (all as shall be certified by a Borrower Representative to the Trustee, upon which certification the Trustee may conclusively rely), excluding the Annual PILOT Payment for such year, as provided in the Budget, provided that distribution by the Trustee to the Insurance and Tax Escrow Fund in respect of the first date or dates on which premiums for insurance and taxes or other payments described above are payable will be made in amounts equal to the respective quotients obtained by dividing the sum of (i) the amount of such premiums and (ii) the amount of such taxes or other charges, by the respective number of months, including the month of computation, to and including the month prior to the month in which such premiums or taxes are payable;

(7) To the Operating Fund, an amount equal to such month's Operating Requirement, as provided in the Budget (as shall be certified by a Borrower Representative to the Trustee, upon which certification the Trustee may conclusively rely), together with such additional Operating Expenses requested in writing by a Borrower's Representative pursuant to and after satisfaction of the conditions specified in Section 4.3 of the Loan Agreement;

(8) Subject to the provisions of Section 5.11 hereof, for transfer to the Repair and Replacement Fund, commencing with the month of January 1, 2021, an amount equal to the one-twelfth of the Repair and Replacement Fund Requirement;

(9) To the Rebate Fund, to the extent of any deposit required to be made thereto pursuant to the Tax Agreement (the amount of any such deposit as shall be certified by a Borrower Representative to the Trustee, upon which certification the Trustee may conclusively rely);

(10) Subject to the provisions of Section 5.09 hereof, to the Operations and Maintenance Reserve Fund, commencing with the month of January 1, 2021, an amount equal to one-sixth (1/6) of the amount necessary to restore the balance in such Fund to the Operations and Maintenance Reserve Fund Requirement; and

(11) To the Surplus Fund, all remaining amounts.

In the event that, for any month, there are insufficient funds in the Revenue Fund to fund any one or more of the uses set forth in clauses (1) through (11) above, the amount not funded in such month due to such insufficiency of revenues shall be added to the amount to be funded in

subsequent months under the same clause until such amount has been in fact funded. Failure to deposit sufficient Project Revenues to make the deposits described above shall not, in itself, constitute an Event of Default hereunder.

Additionally, any amounts funded directly by the Borrower pursuant to Sections 5.09, 5.10 and 5.11 hereof will not be added to the amount to be funded in subsequent months to the extent already paid under such sections by the Borrower.

Section 5.05. Bond Fund.

(a) There shall be deposited into the respective Principal Accounts and Subaccounts of the Bond Fund (i) money transferred to such Principal Account or Subaccount from the Revenue Fund pursuant to Section 5.04 hereof; (ii) money transferred from the Surplus Fund, the Operations and Maintenance Reserve Fund, the Repair and Replacement Fund, the applicable account of the Debt Service Reserve Fund or the Operating Fund pursuant to Section 5.05(f) hereof in respect of principal payable on the Bonds and (iii) any other amounts deposited with the Trustee with written directions from the Borrower's Representative to deposit the same in the applicable Principal Account or Subaccount of the Bond Fund.

(b) There shall be deposited into the respective Interest Accounts and Subaccounts of the Bond Fund (i) all accrued interest, if any, on the sale and delivery of the Bonds; (ii) money transferred to such Interest Account or Subaccount from the Revenue Fund pursuant to Section 5.04 hereof; (iii) money transferred from the Surplus Fund, the Operations and Maintenance Reserve Fund, the Repair and Replacement Fund, the applicable Account of the Debt Service Reserve Fund or the Operating Fund pursuant to Section 5.05(f) hereof in respect of interest payable on the Bonds; and (iv) any other amounts deposited with the Trustee with written directions from the Borrower's Representative to deposit the same in the applicable Interest Account or Subaccount of the Bond Fund.

(c) There shall be deposited in the applicable Special Redemption Account and Subaccount of the Bond Fund (i) any Net Proceeds of Insurance or Condemnation Award to be transferred to a Special Redemption Account or Subaccount pursuant to Section 5.17 hereof; and (ii) all other payments made by or on behalf of the Issuer with respect to the redemption of Bonds pursuant to Section 3.01 or 3.02 hereof. Amounts on deposit in each Special Redemption Account or Subaccount shall be used to pay the redemption price of Bonds of the related Series being redeemed.

(d) Except as otherwise provided herein, money in the Principal Accounts and Subaccounts shall be used for the payment of principal of the Bonds of the applicable Series as the same shall become due and payable on any Principal Payment Date, including a Principal Payment Date resulting from the redemption of the Bonds pursuant to Section 3.03 hereof.

(c) Except as otherwise provided herein, money in the Interest Accounts and Subaccounts shall be used for the payment of interest of the Bonds of the applicable Series as the same becomes due and payable on any Bond Payment Date.

(f) If on any Interest Payment Date, the amount on deposit in the Interest Account or a Principal Account is insufficient to make the payments or deposits described in (a) or (b) above, the Trustee shall make up any such shortfall by transferring amounts to the Principal Account and the Interest Account for the Bonds and their subaccounts (first, to the Interest Subaccounts and second, to the Principal Subaccounts) from the following Funds in the following order:

- (1) the Surplus Fund;
- (2) the Operations and Maintenance Reserve Fund;
- (3) the Repair and Replacement Fund;
- (4) the respective Debt Service Reserve Account; and
- (5) the Operating Fund.

(g) Any balance in the Principal Account and the Interest Account of the Bond Fund on each Interest Payment Date after making the transfers required above in this Section 5.05 shall be transferred to the Revenue Fund.

Section 5.06. Debt Service Reserve Fund.

(a) There shall be deposited in the Debt Service Reserve Fund (i) all money transferred to such Debt Service Reserve Fund pursuant to Section 5.02 hereof, (ii) money transferred from the Revenue Fund pursuant to Section 5.04 hereof, and (iii) any other money received by the Trustee with directions from such party to deposit the same in the Debt Service Reserve Fund.

(b) Amounts on deposit in the applicable account of the Debt Service Reserve Fund shall be used to make the payments required pursuant to Section 5.04(b)(1) or (2) after the transfer of any amounts from the Surplus Fund, the Operations and Maintenance Reserve Fund and the Repair and Replacement Fund pursuant to Section 5.05(f) hereof, if the amounts on deposit in the Revenue Fund are insufficient therefor.

(c) Amounts on deposit in the applicable Debt Service Reserve Accounts shall be transferred to the applicable Principal Accounts or Subaccounts of the Bond Fund at the written direction of the Borrower's Representative for the purpose of paying the last maturing principal of the Bonds on a Principal Payment Date or, if all of a Series of the Bonds are being redeemed, to the applicable Special Redemption Accounts of the Bond Fund for redemption of Bonds; provided that amounts in the Tax-Exempt Debt Service Reserve Account may not be used to pay principal or interest on the Series 2018B Bonds,

and amounts in the Taxable Debt Service Reserve Account may not be used to pay principal or interest on the Series 2018A Bonds.

(d) If the Debt Service Reserve Requirement for the Bonds is reduced or eliminated in accordance with the definition thereof, the amounts on deposit in the applicable Debt Service Reserve Account in excess of the applicable Debt Service Reserve Requirement shall, at the written direction of a Borrower's Representative delivered to the Trustee, be either (i) transferred to the applicable Special Redemption Account or Subaccount to be used to redeem Bonds pursuant to Section 3.02 hereof, (ii) transferred to the related Principal or Interest Account or Subaccount to pay the principal of and/or interest on the Bonds as it becomes due, or (iii) if no Bonds remain outstanding, used for any purpose directed in writing by a Borrower's Representative, which, in the opinion of a Favorable Opinion of Bond Counsel delivered to the Issuer and the Trustee, complies with the Act and will not adversely affect the exclusion from gross income of the recipients thereof of the interest on the Tax-Exempt Bonds for federal income tax purposes.

(e) All interest income derived from the investment of amounts on deposit in the applicable Debt Service Reserve Accounts shall be retained in the applicable Debt Service Reserve Accounts until the amount on deposit therein shall be equal to the Debt Service Reserve Fund Requirement for the Bonds, and thereafter shall be deposited into the Construction Account of the Project Fund until December 1, 2020 and thereafter to the Revenue Fund.

Section 5.07. Rebate Fund.

Amounts shall be deposited in the Rebate Fund and shall be applied as provided in the Tax Agreement.

Section 5.08. Operating Fund.

The Trustee shall deposit in the Operating Fund (i) money transferred from the Revenue Fund in the amounts and on the dates described in Section 5.04 hereof, (ii) any transfers from the Operating Account received by the Trustee for deposit in the Operating Fund, (iii) any transfers from the Operations and Maintenance Reserve Fund and (iv) any other amounts required to be deposited into the Operating Fund hereunder or under the Loan Agreement or the Mortgage and delivered to the Trustee with written instructions to deposit the same therein.

Except when an Event of Default under Section 8.01(a) or 8.01(b) of this Indenture or a Default under the Loan Agreement has occurred and is continuing, the Trustee shall transfer amounts deposited in the Operating Fund to the Operating Account promptly following such deposits.

If an Event of Default under this Indenture has occurred and is continuing, the Trustee shall, if so directed in writing by the Controlling Holders in accordance with Section 8.05 hereof, not make such transfers to the Operating Account, in which case (i) the Borrower will not be entitled to request withdrawals from funds on deposit in the Operating Fund, and (ii) the Trustee,

upon written direction of the Controlling Holders (upon which written direction the Trustee may conclusively rely), shall pay Operating Expenses of the Project directly, without receipt of direction from a Borrower's Representative.

Section 5.09. Operations and Maintenance Reserve Fund.

The Trustee shall deposit in the Operations and Maintenance Reserve Fund a portion of the proceeds of the sale of the Series 2018B Bonds in the amount set forth in Section 5.02(f) hereof. The Borrower is obligated to restore or replenish amounts paid out of the Operations and Maintenance Reserve Fund to the extent of any deficiencies in the Operations and Maintenance Reserve Fund Requirement in accordance with the Loan Agreement and Section 5.04(b)(10) hereof.

Amounts on deposit in the Operations and Maintenance Reserve Fund shall be used to pay (i) maintenance and repair costs to the Project which are not capital expenditures payable from the Repair and Replacement Fund, (ii) Operating Expenses in excess of amounts specified in the Budget, (iii) certain costs of repair and replacement in accordance with Section 5.11(b) hereof, (iv) shortfalls in any Interest Account or Subaccount or Principal Account or Subaccount in accordance with Section 5.05(f) hereof and (v) for any other legal purposes. The Borrower may also transfer monies from the Operations and Maintenance Reserve Fund to the Repair and Replacement Fund upon providing written direction to the Trustee. The Trustee shall disburse money in the Operations and Maintenance Reserve Fund upon receipt of a written direction of the Borrower Representative which states the purpose for such disbursement and the persons to which such amounts are to be paid. All interest income derived from the investment of amounts on deposit in the Operations and Maintenance Reserve Fund shall be retained in the Operations and Maintenance Reserve Fund until the amount on deposit therein shall be equal to the Operations and Maintenance Reserve Requirement, and thereafter shall be deposited into the Revenue Fund.

Section 5.10. Insurance and Tax Escrow Fund.

(a) The Trustee shall deposit in the Insurance and Tax Escrow Fund (i) money transferred from the Revenue Fund in the amounts and on the dates described in Section 5.04 hereof and (ii) any other amounts required to be deposited into the Insurance and Tax Escrow Fund hereunder or under the Loan Agreement or the Mortgage and delivered to the Trustee with instructions to deposit the same therein. Except as set forth in subsection (c) below, amounts in the Insurance and Tax Escrow Fund shall be disbursed by the Trustee as provided herein, upon delivery by a Borrower's Representative to the Trustee of a requisition, substantially in the form attached as Exhibit B to the Loan Agreement. Money on deposit in the Insurance and Tax Escrow Fund shall be disbursed by the Trustee to the Borrower to pay, or as reimbursement for the payment of, taxes (if applicable), assessments, and insurance premiums with respect to the Project, as hereinafter provided. Excess amounts may be disbursed to the Revenue Fund upon written direction of the Borrower if actual costs are below budgeted amounts.

(b) Upon presentation to the Trustee by a Borrower's Representative of a requisition described in subsection (a) above, accompanied by copies of bills or statements for the payment of such taxes, assessments, and premiums, when due, the Trustee will, not more frequently than once a month, pay to the Borrower to provide for the payment of, or as reimbursement for the payment of, such taxes, assessments and premiums, from money then on deposit in the Insurance and Tax Escrow Fund. If the total amount on deposit in the Insurance and Tax Escrow Fund shall not be sufficient to pay to or to pay or reimburse the Borrower in full for the payment of such taxes, assessments and premiums, then the Borrower shall pay the excess amount of such taxes, assessments and premiums directly.

(c) On November 30 of each year, the Trustee shall disburse to the Local Agency from the PILOT Account of the Insurance and Tax Escrow Fund, to the extent available, an amount as shall be certified by a Borrower Representative in writing (upon which certification the Trustee may conclusively rely) equal to the Annual PILOT Payment then due and, on or before November 30 of such year, shall provide written confirmation to the Borrower that such Annual PILOT Payment has been disbursed to the Local Agency. The obligation to make Annual PILOT Payments shall be as set forth in the PILOT Agreement. The Trustee shall cause such amount to be transmitted by wire transfer of immediately available funds to the Local Agency by wire or by such other method or to such other location as the Local Agency may direct the Trustee in writing.

Section 5.11. Repair and Replacement Fund.

(a) The Trustee shall deposit into the Repair and Replacement Fund (i) money transferred from the Revenue Fund in the amounts and on the dates described in Section 5.04 hereof and (ii) any other amounts required to be deposited into the Repair and Replacement Fund hereunder or under the Loan Agreement or the Mortgage and delivered to the Trustee with instructions to deposit the same therein. The Trustee shall apply money on deposit in the Repair and Replacement Fund upon request of a Borrower's Representative as evidenced by a requisition substantially in the form attached as Exhibit B to the Loan Agreement, but no more frequently than once a month, to pay to or to reimburse the Borrower for paying the cost of replacements or items of extraordinary maintenance or repair which may be required to keep the Project in sound condition, including but not limited to, replacement of appliances, major floor covering replacement, replacement or repair of any roof or other structural component of the Project, maintenance (including painting) to exterior surfaces and major repairs to or replacements of heating, air conditioning, plumbing and electrical systems, landscaping, storm water drainage, repairs to common area amenities and any other extraordinary costs required for the repair or replacement of the Project not properly payable from the Revenue Fund for the Operations and Maintenance Reserve Fund but in any case only if there are no funds available in the Project Fund for such purpose.

(b) Upon presentation to the Trustee by a Borrower's Representative of a requisition described in subsection (a) above, accompanied by a summary of the amount for which payment or reimbursement is sought and, for requests for a particular line item

of disbursement in excess of \$25,000, copies of bills or statements for the payment of the costs of such repair and replacement (provided that the Trustee shall have no duty or obligation to review or approve such bills or statements), the Trustee will pay to the Borrower the amount of such repair and replacement costs from money then on deposit in the Repair and Replacement Fund, provided no Event of Default shall then exist hereunder. If the total amount on deposit in the Repair and Replacement Fund shall not be sufficient to pay all of such repair and replacement costs when they shall become due, then funds in the Operations and Maintenance Reserve Fund may be disbursed until exhausted, and then the Borrower shall pay the excess amount of such costs directly (which Borrower's monies may be reimbursed from monies available in the Repair and Replacement Fund at a later date when they become available).

(c) The Repair and Replacement Fund will also be used to remedy any deficiency in the Bond Fund on any Interest Payment Date after exhaustion of the Surplus Fund and the Operations and Maintenance Reserve Fund, without any prior consents, as provided in Section hereto 5.05(f).

(d) All interest income derived from the investment of amounts on deposit in the Repair and Replacement Fund shall be retained in the Repair and Replacement Fund until the amount on deposit therein shall be equal to the Repair and Replacement Fund Requirement, and thereafter shall be deposited into the Revenue Fund.

Section 5.12. Administration Fund.

The Trustee shall deposit in the Administration Fund (i) money transferred from the Revenue Fund pursuant to Section 5.04 hereof, and (ii) any other amounts required to be deposited in the Administration Fund hereunder or under the Loan Agreement or the Mortgage with written instructions to deposit the same therein. The Trustee shall disburse amounts in the Administration Fund necessary for payment of Administration Expenses then due automatically to the party due such payment upon presentation of an invoice for payment from such requesting party without any approval of the Borrower, the Borrower's consent having been deemed given by the execution of the Loan Agreement. The Trustee shall disburse to the Issuer amounts in the Administration Fund necessary for payment of the portion of the Annual Issuer's Fee then due automatically without any invoice or approval of the Borrower. The Trustee shall disburse amounts in the Administration Fund necessary for payment of Extraordinary Trustee's Fees and Expenses upon presentation of an invoice for payment from the Trustee approved by the Borrower, which approval shall not be unreasonably withheld and which shall not be required in the event an Event of Default under the Indenture has occurred and is then continuing. The Trustee shall disburse amounts in the Administration Fund necessary for payment of the Issuer's Fees and Expenses (other than the Annual Issuer's Fee which is paid as described in the third sentence of this Section 5.12) upon presentation of an invoice for payment from the Issuer without any approval of the Borrower, the Borrower's consent having been deemed given by the execution of the Loan Agreement.

Section 5.13. Surplus Fund.

(a) The Trustee shall deposit, into the Surplus Fund, amounts provided in Section 5.04(b)(11) hereof and any other amounts delivered to it with written instructions to deposit the same in the Surplus Fund. Money in the Surplus Fund shall be applied each month, when needed, for the following purposes and in the following manner:

(i) transferred to the appropriate Subaccount of the Interest Account of the Bond Fund to pay interest on the Bonds to the extent amounts on deposit in such Subaccount are insufficient therefor;

(ii) transferred to the appropriate Subaccount of the Principal Account of the Bond Fund to pay principal on the Bonds to the extent amounts on deposit in such Principal Account are insufficient therefor;

(iii) pay any unpaid and due Administrative Expenses.

(iv) transferred to the Revenue Fund to the extent of any deficiency in the amounts needed to fully make all transfers from the Revenue Fund pursuant to Section 5.04 hereof (other than to the Surplus Fund);

(v) transferred to or upon the direction of the Borrower's Representative for deposit into the Operating Account for the payment of Operating Expenses when the Borrower's Representative certifies to the Trustee that there are not sufficient moneys in the Operating Fund or the Operating Account to pay Operating Expenses; and

(vi) paid to the Trustee an amount equal to Extraordinary Trustee's Fees and Expenses then due.

(b) If on or after the Annual Evaluation Date, the Trustee receives (i) audited financial statements of the Borrower, and (ii) a certificate signed by the Borrower's Representative stating that: (A) the Borrower has satisfied the Coverage Test (as shown in a report by a Certified Public Accountant delivered by the Borrower to the Trustee pursuant to Section 6.7(a) of the Loan Agreement) for the Fiscal Year ending on such Annual Evaluation Date, upon which the Trustee may conclusively rely; (B) no Event of Default, or event which with the passage of time or the giving of notice or both would constitute an Event of Default, has occurred and is continuing; and (C) the Debt Service Reserve Requirement and the required Repair and Replacement Fund and Operations and Maintenance Reserve Fund deposits have been fully funded to their then required amounts as applicable; then within two Business Days after written request by the Borrower's Representative to the Trustee, the Trustee shall disburse from the Surplus Fund, to the extent of available cash flow, the following in the order set forth below:

(1) to the PILOT Account of the Tax and Insurance Escrow Fund an amount, as shall be certified by a Borrower Representative in writing (upon which certification the Trustee may conclusively rely), equal to the Annual PILOT Payment to be paid to the Local Agency on November 30 of such year;

- (2) to the University, the sum of \$200,000;
- (3) to the Land Restoration Account, an amount specified by the Borrower to the Trustee in writing, upon direction of the University, as the annual funding amount due pursuant to Section 7 of the Student Housing Agreement;
- (4) to the Asset Manager, an amount equal to any Asset Management Fee due and payable, including any unpaid amounts from previous years and any accrued interest thereon; and
- (5) to the Borrower an amount equal to the remainder of any Surplus Cash available on the date of disbursement, for the charitable purposes delineated in the Student Housing Agreement, and payment of any amounts due to its Sole Member.

(c) Notwithstanding anything to the contrary herein, the Trustee shall not make disbursements pursuant to Section 5.13(b) hereof unless the Trustee has received the financial reports and certificates then due as set forth in Section 6.7 of the Loan Agreement.

Section 5.14. Bonds Not Presented for Payment.

In the event any Bonds shall not be presented for payment when the principal thereof becomes due on any Bond Payment Date, if money sufficient to pay such Bonds are held by the Trustee, the Trustee shall segregate and hold such money in trust, without liability for interest thereon, for the benefit of Holders of such Bonds who shall, except as provided in the following paragraph, thereafter be restricted exclusively to such funds for the satisfaction of any claim of whatever nature on their part under this Indenture or relating to said Bonds.

All money deposited with the Trustee for the payment of principal of, premium, if any, or interest on the Bonds and not claimed for the earlier of (a) two years after they become payable or distributable or (b) one day less than the applicable escheat laws shall be paid by the Trustee to the Issuer. In such event, the Trustee and the Borrower shall be relieved of all liability with respect to such money and payment for such Bonds and the Holder of such Bonds shall look solely to the Issuer for such payment.

Section 5.15. Money Held in Trust.

All money required to be deposited with or paid to the Trustee for deposit into any Fund, Account or Subaccount (other than the Rebate Fund) and all money withdrawn from the Bond Fund and held by the Trustee shall be held by the Trustee, in trust, and such money (other than money held pursuant to Section 5.07 hereof) shall, while so held, constitute part of the Trust Estate and be subject to the lien hereof. Money held in a Subaccount of an Account in the Bond Fund shall constitute a separate trust fund for the Holders of the related Series and shall not constitute property of the Issuer or the Borrower.

Section 5.16. Payment to the Borrower.

After the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Holders shall have ceased, terminated and become void and shall have been satisfied and discharged in accordance with Article VII hereof, and after payment in full of all Administration Expenses and all fees, expenses and other amounts payable to the Trustee and the Issuer pursuant to any provision hereof shall have been paid in full, any money remaining in the Funds and Accounts hereunder shall be paid or transferred to the Borrower upon the written request of a Borrower's Representative; provided that amounts on deposit in the Rebate Fund shall be retained therein to the extent required by the Tax Agreement.

Section 5.17. Deposit of Extraordinary Revenues.

(a) Any money representing Net Proceeds of Insurance or Condemnation Awards upon damage to, destruction of or governmental taking of the Project and deposited with the Trustee pursuant to the Loan Agreement shall be deposited by the Trustee in the Project Fund.

(b) At the direction of the Borrower's Representative, the Trustee shall disburse such money in the Project Fund as provided in Section 5.3 and 5.4 of the Loan Agreement to enable a Borrower to undertake a restoration of the Project if such restoration is permitted by law; provided that, if a Borrower exercises or is deemed to exercise its option to apply such money to the payment of the Series 2018 Note or the conditions of Sections 5.3 and 5.4 of the Loan Agreement are not satisfied, or an excess of such money exists after restoration of the Project, such money shall be transferred by the Trustee to the applicable Special Redemption Account of the Bond Fund and applied to redeem or prepay the Bonds pursuant to Article III hereof, in a principal amount equal to the amount so transferred or the next lowest Authorized Denomination of the Bonds.

(c) Title insurance proceeds shall be used to remedy any title defect resulting in the payment thereof or deposited in the Bond Fund for use in redeeming Bonds pursuant to Article III hereof.

(d) The proceeds of any rental loss, use and occupancy or business interruption insurance shall be deposited in the Revenue Fund.

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ARTICLE VI
INVESTMENTS

Money in all Funds and Accounts established hereunder shall, at the written direction of the Borrower's Representative at least two Business Days before the making of such investment (any oral direction to be promptly confirmed in writing), be invested and reinvested by the Trustee in Permitted Investments. Subject to the further provisions of this Article, such investments shall be made by the Trustee as directed and designated by the Borrower's Representative in a certificate of, or telephonic advice promptly confirmed by a certificate of a Borrower's Representative. As long as no Event of Default shall have occurred and be continuing, the Borrower's Representative shall have the right to designate the investments to be sold and otherwise to direct the Trustee in the sale or conversion to cash of the investments made with the money in any Fund or Account. The Borrower will not direct that any investment be made of any funds which would violate the covenants set forth in Section 4.05 hereof. Unless otherwise confirmed in writing, an account statement delivered by the Trustee to the Borrower's Representative shall be deemed written confirmation by the Borrower that the investment transactions identified therein accurately reflect the investment directions given to the Trustee by the Borrower, unless the Borrower's Representative notifies the Trustee in writing to the contrary within 30 days after the date of such statement. In the event that no written direction of the Borrower Representative is provided, the Trustee shall be permitted to invest in Permitted Investments described in Section (a) of the definition of Permitted Investments until written direction is provided.

Money in any Fund or Account shall be invested in Permitted Investments with respect to which payments of principal thereof and interest thereon are scheduled to be paid or are otherwise payable (including Permitted Investments payable at the option of the holder) not later than the earlier of (a) the date on which it is estimated that such money will be required by the Trustee, or (b) six (6) months after the date of acquisition thereof by the Trustee.

The Trustee may make any and all such investments through its own banking, trust or investment department or through any affiliate. All income attributable to money deposited in any Fund, Account or Subaccount shall be credited to the Revenue Fund, except that income on money (a) in an account in the Project Fund shall be credited to such account, (b) in the Rebate Fund shall be credited to the Rebate Fund, (c) in an account in the Debt Service Reserve Fund shall be credited to such Debt Service Reserve account to the extent provided in Section 5.06(e) hereof, (d) in the Repair and Replacement Fund shall be credited to the Repair and Replacement Fund to the extent provided for in Section 5.11 hereof, and (e) in the Operations and Maintenance Reserve Fund shall be credited to the Operations and Maintenance Reserve Fund to the extent provided in Section 5.09 hereof. Any net loss realized and resulting from any such investment shall be charged to the particular fund or account for whose account such investment was made. The Trustee is authorized and directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make any withdrawal therefrom as required under this Indenture. The Trustee shall not be liable for any depreciation of the value of any investment made pursuant to this Article VI or for any loss resulting from any such investment on the redemption, sale and maturity thereof.

Permitted Investments held in the Debt Service Reserve Fund shall be valued at cost on each Interest Payment Date.

The Trustee shall at all times maintain accurate records of deposits into each Fund and Account and the sources of such deposits and such records shall be made available to the Borrower upon reasonable written request.

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ARTICLE VII

DEFEASANCE

If the Issuer shall pay or cause to be paid to the Holder of any Bond the principal of, premium, if any, and interest due and payable, and thereafter to become due and payable, upon such Bond, or any portion of such Bond in any Authorized Denomination thereof, such Bond or portion thereof shall cease to be entitled to any lien, benefit or security under this Indenture. If the Issuer shall pay or cause to be paid the principal of, premium, if any, and interest due and payable on all Outstanding Bonds, and thereafter to become due and payable thereon, and shall pay or cause to be paid all other sums payable hereunder by the Issuer, including all fees, compensation and expenses of the Trustee and receipt by the Trustee of an opinion of Counsel that all conditions precedent have been complied with, then the right, title and interest of the Trustee in and to the Trust Estate shall thereupon cease, terminate and become void and the Trustee shall release or cause to be released the Trust Estate, the Mortgage and any other documents securing the Bonds or execute such documents so as to permit the Trust Estate, the Mortgage and such other documents to be released.

Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of this Indenture when (a) payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (i) shall have been made or caused to be made in accordance with the terms thereof or (ii) shall have been provided for by any irrevocable deposit with the Trustee in trust and irrevocably set aside exclusively for such payment of, (A) funds sufficient to make such payment and/or (B) Government Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient money to make such payment, and (b) all fees, compensation and expenses of the Trustee pertaining to the Bond with respect to which such deposit is made accrued and to accrue until final payment of the Bonds, whether at maturity or upon redemption, shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such funds or Government Obligations.

Notwithstanding the foregoing paragraph, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Bond as aforesaid until the Issuer or the Borrower's Representative, on behalf of the Issuer, shall have given the Trustee, in form satisfactory to the Trustee, irrevocable written instructions to notify, as soon as practicable, the Holders in accordance with Section 3.06 hereof, that the deposit required by (a)(ii) above has been made with the Trustee and that said Bond is deemed to have been paid in accordance with this Article VII and stating the maturity or redemption date upon which money is to be available for the payment of the redemption price of said Bond, plus interest thereon to the due date thereof; or (b) the maturity of such Bond. In addition to the foregoing, no deposit described in clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of said Bond until the Borrower has delivered to the Trustee (i) a report of an Independent Certified Public Accountant verifying the sufficiency of the amounts, if any, described in (a)(ii) above to insure

payment of such Bond, and (ii) a Favorable Opinion of Bond Counsel addressed to the Issuer and the Trustee to the effect that such deposit will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from the gross income of the recipients thereof for federal income tax purposes.

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ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default.

Each of the following events shall constitute an “Event of Default” hereunder with respect to the Bonds:

(a) a failure to pay the principal of or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption;

(b) a failure to pay an installment of interest on any of the Bonds when the same shall become due and payable;

(c) a failure by the Issuer to observe and perform any other covenant, condition, agreement or provision (other than as specified in paragraphs (a) and (b) of this Section) contained in the Bonds or in this Indenture on the part of the Issuer to be observed or performed with respect to the Bonds, which failure shall continue for a period of thirty (30) days after written notice is provided by the Trustee specifying such failure and requesting that it be remedied, shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Controlling Holders, unless the Trustee, or the Trustee and Holders which requested such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the Holders of such Bonds, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Issuer within such period and is being diligently pursued; provided, further that in no event shall such period be extended for more than 180 days after the date of giving of notice of such failure without the consent of the Controlling Holders;

(d) the occurrence of a “Default” under the Loan Agreement or an “Event of Default” under the Mortgage; or

(e) for any Fiscal Year ending on or after December 31, 2020, if the Debt Service Coverage Ratio determined as of the end of each such Fiscal Year, based on and supported by Audited Financial Statements, shall be less than 1.00:1.

Section 8.02. Acceleration; Other Remedies.

Upon the occurrence and continuance of an Event of Default, the Trustee, subject to the provisions of Section 8.04 hereof, may, and at the written request of the Controlling Holders shall, by written notice to the Issuer and the Borrower, declare the Bonds to be immediately due and payable, whereupon such Bonds shall, without further action, become and be immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and the Trustee shall give notice thereof to the Issuer and the Rating Agency, and shall give notice thereof by Mail to Holders the Bonds.

(a) The provisions of the preceding paragraph are subject to the condition that if, after the principal of the Bonds shall have been so declared to be due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered as hereinafter provided, (i) the Issuer shall, but only from any payment received from the Borrower for such purpose, deposit with the Trustee a sum sufficient to pay all matured installments of interest on all Bonds and the principal of any and all Bonds which shall have become due otherwise than by reason of such declaration (with interest on such principal and, to the extent permissible by law, on overdue installments of interest, at the Default Rate) and such amount as shall be sufficient to pay Extraordinary Trustee’s Fees and Expenses and accrued Issuer’s Fees and Expenses, and (ii) all Events of Default hereunder with respect to the Bonds other than nonpayment of the principal of such Bonds which shall have become due by said declaration shall have been remedied, then, in every such case, upon the written consent of the Controlling Holders provided to the Trustee, such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled, and the Trustee shall promptly give written notice of such waiver, rescission or annulment to the Issuer and the Rating Agency, and shall give notice thereof by Mail to all Holders of Bonds; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(b) Upon the occurrence and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written direction of the Controlling Holders and receipt of indemnity to its satisfaction shall, in its own name and as the Trustee of an express trust, perform any or all of the following:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders under this Indenture or the applicable Bonds, including without limitation requiring the Issuer or the Borrower to carry out any agreements with or for the benefit of the Holders and to perform its or their duties under the Act, the Loan Agreement, the Mortgage, and this Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of the Loan Agreement, the Mortgage or this Indenture, as the case may be;

(ii) bring suit upon the Bonds;

(iii) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of Bonds;

(iv) foreclose the Mortgage;

(v) file proofs of claim in any bankruptcy or insolvency proceedings related to the Issuer, the Borrower or the Project, necessary or appropriate to protect the interests of the Trustee or the Holders of the Bonds;

(vi) exercise any rights and remedies with respect to the Trust Estate as may be available to a secured party under the Uniform Commercial Code in effect in the applicable state.

(c) Notwithstanding anything herein to the contrary, neither the Holders of the Bonds nor the Trustee acting on behalf of the Holders of the Bonds shall have any right, and hereby waive any right, to institute a proceeding under the Bankruptcy Code seeking to adjudge the Issuer or the Borrower insolvent or a bankrupt or seeking a reorganization of the Issuer or the Borrower.

Upon instituting any such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Project and other assets pledged under this Indenture or the Mortgage, pending resolution of such proceeding. The Trustee shall have the right to decline to follow any direction of any Bondholder that in the sole discretion of the Trustee would be unjustly prejudicial to the Trustee, that would expose the Trustee to unreasonable liability or financial exposure or that is not in accordance with law or the provisions of this Indenture. The Trustee shall be entitled to rely without further investigation or inquiry upon any written direction given by the Controlling Holders, and shall not be responsible for the propriety of or be liable for the consequences of following any such direction. Notwithstanding anything to the contrary contained herein, the Trustee shall not be required to foreclose the Mortgage or bid on behalf of the Holders at any foreclosure sale (a) if, in the Trustee's sole discretion, such action would subject the Trustee to personal liability for the cost of investigation, removal and/or remedial activity with respect to Hazardous Substances, (b) if the presence of any Hazardous Substances on the property subject to the Mortgage results in such property having no or nominal value or (c) if as a result of any such action, the Trustee would be considered to hold title to or to be a "mortgagee-in-possession," "owner" or "operator" of the Project within the meaning of the Comprehensive Environmental Responsibility Cleanup and Liability Act of 1980, as amended, unless the Trustee has previously determined, based on a report prepared by an environmental audit consultant acceptable to the Trustee, that (i) the Project is in compliance with applicable environmental laws and (ii) there are not circumstances present at the Project relating to the use, management or disposal of any Hazardous Substances for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any federal, state or local law or regulation. It is acknowledged and agreed that the Trustee has no authority to manage, own or operate the Project, or any portion thereof, except as necessary to exercise remedies upon an Event of Default.

Section 8.03. Restoration to Former Position.

In the event that any proceeding taken by the Trustee to enforce any rights under this Indenture shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the Issuer, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 8.04. Cure by Holders.

Any Holder of Bonds may, but shall not be obligated to, cure an Event of Default under this Indenture, including the advancing of funds ("Advanced Funds") to the Trustee for payments required under this Indenture, or to indemnify the Trustee under Sections 9.04 and 9.06 hereof. Any Advanced Funds are to be applied by the Trustee in accordance with the instructions of the Holder providing the same; provided, however, that such Holder shall not have a right or interest in the Advanced Funds that is superior to any right or interest any other party has under this Indenture.

Section 8.05. Controlling Holders' Right To Direct Proceeding.

Anything in this Indenture to the contrary notwithstanding, the Controlling Holders shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Indenture or exercising any trust or power conferred on the Trustee by this Indenture.

Section 8.06. Limitation on Holders' Right To Institute Proceedings.

Unless otherwise provided in this Indenture, no Holder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on said Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also the Controlling Holders shall have made written request of the Trustee to do so after the right to institute said suit, action or proceeding under Section 8.02 hereof shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and the Trustee shall not have complied with such request within a reasonable time. No one or more of the Holders of the Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under the Bonds, except in the manner herein provided, and all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Holders of Bonds. Notwithstanding anything to the contrary, the furnishing of indemnity to the Trustee as provided in Section 9.06 hereof is hereby declared in every such case, at the option of the Trustee, to be a condition precedent to the institution of said suit, action or proceeding by the Trustee.

Section 8.07. No Impairment of Right To Enforce Payment.

Notwithstanding any other provision in this Indenture, the right of any Holder of a Bond to receive payment of the principal of and interest on such Bond, on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Holder.

Section 8.08. Proceedings by Trustee Without Possession of Bonds.

All rights of action under this Indenture or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit,

action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Holders of Bonds, subject to the provisions of this Indenture.

Section 8.09. No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to Holders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth herein to the taking of any remedy to enforce the provisions of this Indenture or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section.

Section 8.10. No Waiver of Remedies.

No delay or omission of the Trustee or of any Holder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article to the Trustee and to the Holders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 8.11. Application of Money.

(a) If an Event of Default occurs with respect to the Bonds, any money held in any Fund, Account or Subaccount hereunder (excluding the Rebate Fund) or received by any receiver or by the Trustee, by any receiver or by any Holder pursuant to any right given or action taken under the provisions of this Article, after payment of (i) the fees, expenses, liabilities or advances payable to or incurred or made by the Trustee, the Issuer or any Holder in such order of priority, (ii) the costs and expenses of the proceedings resulting in the collection of such money, and (iii) Operating Expenses of the Project as determined to be appropriate by the Trustee (and the Trustee may, in its discretion, rely on the direction of the Controlling Holders or the Budget to make such determination), shall be deposited in the Revenue Fund; and all money so deposited in the Revenue Fund during the continuance of an Event of Default (other than money for the payment of Bonds which have matured or otherwise become payable prior to such Event of Default or for the payment of interest due prior to such Event of Default) shall be applied (except as otherwise provided in Section 5.05 hereof with respect to money deposited in a Bond Fund Account for the benefit of the Holders of the Bonds) as follows:

(i) Unless the principal of all the Bonds shall have been declared due and payable, all such money shall be applied (A) first, together with any amounts on deposit in the applicable Debt Service Reserve Account, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds and any Parity Indebtedness, with interest on overdue installments, if lawful, at the Default Rate, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due

on such installment of interest on the Bonds and any Parity Indebtedness on a parity and pro rata basis, (B) second, together with any amounts on deposit in the applicable Debt Service Reserve Account, to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds and any Parity Indebtedness which shall have become due (other than Bonds called for redemption for the payment of which money is held pursuant to the provisions of this Indenture) with interest on such Bonds and any Parity Indebtedness at the Default Rate from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full such Bonds and any Parity Indebtedness due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds and any Parity Indebtedness, with interest on overdue interest and principal, as aforesaid at the Default Rate, if lawful, without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest, or of any Bond or any Parity Indebtedness over any other Bond or Parity Indebtedness ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(iii) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of clause (ii) of this Section 8.11(a) which shall be applicable in the event that the principal of all the Bonds shall later become due and payable, the money shall be applied in accordance with the provisions of clause (i) of this Section 8.11(a).

(b) Whenever money is to be applied pursuant to the provisions of this Section, such money shall be applied at such times, and from time to time, as the Controlling Holders shall certify to the Trustee in writing (upon which certification the Trustee may conclusively rely). Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such money and of the fixing of any such date by Mail to all Holders of the Bonds and shall not be required to make payment to any Holder of a Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.12. Severability of Remedies.

It is the purpose and intention of this Article to provide rights and remedies to the Trustee and the Holders which may be lawfully granted under the provisions of the Act, but should any

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right or remedy herein granted be held to be unlawful, the Trustee and the Holders shall be entitled, as above set forth, to every other right and remedy provided in this Indenture and by law.

Section 8.13. Notice of Event of Default.

If an Event of Default occurs and continues for five (5) Business Days after the Trustee has received written notice of the same as provided in Section 9.05 hereof, then the Trustee shall give notice thereof by Mail to the Holders, the Borrower, the Issuer and the Rating Agency.

Section 8.14. Costs and Expenses.

When the Trustee or the Issuer incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

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ARTICLE IX

TRUSTEE

Section 9.01. Acceptance of Trusts.

The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform such trusts, but only upon and subject to the following express terms and conditions set forth in this Article IX:

(a) The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs and may conclusively rely upon any direction from the Controlling Holders. The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may buy, sell, own and deal in any of the Bonds secured hereby with the same rights which it would have were it not the Trustee.

(b) The Trustee shall not withhold unreasonably its consent, approval or action to any reasonable written request of the Issuer, provided that any such consent, approval or action is permitted by this Indenture. Any action taken by the Trustee pursuant to this Indenture upon the written request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond shall be conclusive and binding upon all future Holders of the same Bond and upon Bonds, issued in exchange therefor or in place thereof.

(c) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by an Authorized Issuer Representative or a Borrower's Representative as sufficient evidence of the facts therein contained, and before the occurrence of a default of which the Trustee has notice as provided in Section 9.05 hereof, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may, secure further evidence, but shall not be bound to secure the same. The Trustee may accept a certificate signed on behalf of the Issuer to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(d) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and it shall not be answerable for other than its negligence or willful misconduct.

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(e) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the property herein conveyed, including all books, papers and records of the Issuer or the Borrower pertaining to the revenues and receipts relating to the Project or the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(f) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers hereunder or otherwise in respect of the premises.

(g) The Trustee shall not be under any duty or obligation to perform any act that would cause it to incur any expense or liability or to institute or defend any suit in respect of this Indenture or to advance any of its own money, unless it is provided with indemnification for the reimbursement of all expenses to which it may be put and to protect it against all liability, except all liability which is adjudicated to have resulted from its gross negligence or willful misconduct by reason of any action so taken.

(h) The Trustee shall not be required to enter, take possession of or take any other action with respect to the Project or the Site thereof unless it shall have first received assurances and indemnity satisfactory, the Trustee will not be subject to liability for, among other things, the existence of, or contamination by environmentally hazardous substances or other discharges, emissions or releases with respect to the Project or the Site thereof.

(i) The Trustee shall have no responsibility, opinion or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(j) The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds.

(k) The Trustee shall not be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Borrower, or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur. The Trustee may rely on any certification provided by the Borrower pursuant to Section 5.5 of the Loan Agreement with respect to satisfaction of the insurance requirements of the Loan Agreement and the Mortgage, and shall have no responsibility for assuring compliance with such insurance requirements, but shall notify the Issuer, the Borrower and the Rating Agency if it has not received the certification required by said Section 5.5 of the Loan Agreement.

(l) The Trustee may conclusively rely on any certifications or reports provided by the Borrower to the Trustee pursuant to this Indenture and any other Bond Documents as being in compliance with the provisions hereof and thereof and shall be

under no obligation to confirm that any such certifications or reports satisfy the applicable requirements of this Indenture and any other Bond Documents.

(m) All money received by the Trustee need not be segregated except to the extent required by law or this Indenture.

(n) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of the trusts hereof and the actions or duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney who may be the attorney or attorneys for the Issuer or the Borrower.

(o) The Trustee agrees to provide to the Rating Agency all information if reasonably requested by the Rating Agency.

(p) The Trustee shall provide to the Issuer and the Rating Agency copies of written notices it has received or produced with respect to any Event of Default, the occurrence of any casualty or material damage or loss or any condemnation proceedings concerning the Project, the resignation or removal of the Trustee and the appointment of a successor trustee, or any amendments or supplements to this Indenture or the Loan Agreement.

(q) The Trustee shall not be liable for any action taken or omitted by the Trustee at the direction of the Controlling Holders as to the time, method and place of conducting any proceedings for any remedy available to the Trustee or the exercising of any power conferred by this Indenture.

(r) Whether or not therein expressly so provided, every provision of this Indenture or any other Bond Document relating to the conduct of, or affecting the liability of, or affording protection to the Trustee shall be subject to the provisions of this Section 9.01.

(s) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Issuer and the Borrower shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer and the Borrower elect to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee acts upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer and the

Borrower agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk or interception and misuse by third parties.

(t) The Trustee acknowledges that the Issuer's sole source of money to repay the Bonds will be provided by the Trust Estate, and hereby agrees that if such amounts shall ever prove insufficient to pay all principal, premium, if any and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then the Trustee shall give notice to the Borrower in accordance with Article VIII of this Indenture to pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal of (or Redemption Price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor.

(u) The Trustee may consult with counsel, and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Trustee hereunder and in reliance thereon.

(v) The Trustee shall not be accountable for the use or application by the Borrower of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent.

(w) The Trustee shall be protected in acting and relying upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of independent counsel), affidavit, letter, telegram, or other paper or document appearing to have been signed or sent by the proper person or persons.

(x) Before taking any action under this Indenture relating to an Event of Default or in connection with its duties under this Indenture other than making payments of principal and interest on the Bonds as they become due or causing an acceleration of the Bonds whenever required by the Indenture, the Trustee may require that satisfactory indemnity be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its gross negligence or willful default in connection with any action so taken.

(y) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or

powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

(z) All references in this Article IX to the term "Indenture" shall be deemed to include all of the "Bond Documents."

(aa) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds.

Section 9.02. No Responsibility for Recitals.

The recitals, statements and representations contained in this Indenture or in the Bonds, save only the Trustee's authentication upon the Bonds, shall be taken and construed as made by and on the part of the Issuer, and not by the Trustee, and the Trustee does not assume, nor shall it have, any responsibility or obligation for the correctness of any thereof.

Section 9.03. Limitations on Liability.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of them hereunder by or through attorneys, agents, receivers or employees selected by them, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder and to obtain the Opinion of Counsel acceptable to the Trustee prior to taking action hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers or employees as is deemed necessary in connection with the performance of the Trustee's duties under this Indenture, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent or employee selected by it. The Trustee may act upon the advice of any attorney and the Trustee shall not be responsible for any loss or damage from any action or non-action taken upon such opinion or advice. Without limitation, the Trustee shall be entitled to the benefit of the foregoing sentence with respect to the delegation to the Trustee's duties hereunder with respect to payment of principal, premium, if any, or interest on, or redemption of, the Bonds, the authentication and delivery thereof, and exchange and transfer thereof. The Trustee shall not be answerable for the exercise of any discretion or power under this Indenture or for anything whatsoever in connection with the trust created hereby, except only for its own gross negligence or willful misconduct.

Section 9.04. Compensation, Expenses and Advances.

The Trustee shall be entitled to reasonable compensation for its services rendered hereunder (not limited by any provision of law in regard to the compensation of the trustee of an express trust) and to reimbursement for its actual out-of-pocket expenses (including counsel fees and expenses and any fees, expenses, payments, indemnification reserves or other security which may be incurred in connection with the appointment or designation of a separate trustee for all or part of the Bonds) reasonably incurred in connection therewith, except as a result of its own

gross negligence or willful misconduct. The Issuer agrees that it will, but solely from the Trust Estate as provided herein, pay to the Trustee such compensation and reimbursement first of expenses and advances. The Trustee shall have, in addition to any other rights hereunder, a lien and claim, for the payment of its compensation and the reimbursement of its expenses and any advances made by it, as provided in this Section, upon the money which is on deposit in the appropriate Funds, Accounts and Subaccounts, including without limitation the Debt Service Reserve Fund, subject to the requirements hereof for other applications of such Funds, Accounts and Subaccounts, and the Trustee may withdraw the same from such Funds, Accounts and Subaccounts when the same become due and payable, to the extent available for such purpose.

Section 9.05. Notice of Events of Default.

The Trustee shall not be required to take notice, or be deemed to have notice, of any default or Event of Default under this Indenture, other than an Event of Default under clause (a) or (b) of Section 8.01 hereof, unless a Responsible Officer of the Trustee shall have received actual knowledge or shall have been specifically notified in writing of such default or Event of Default by the Issuer, the Borrower or by the Holders of at least 25% of the Bond Obligation. The Trustee may, however, at any time, in its discretion, and shall, upon the request of at least 25% of the Bond Obligation, require of the Borrower full information and advice as to the performance of any of the covenants, conditions and agreements contained herein.

Section 9.06. Action by Trustee.

The Trustee shall be under no obligation to take any action in respect of any default or Event of Default hereunder or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, and if such action may tend to involve it in expense or liability, unless furnished, from time to time as often as it may require, with security and indemnity satisfactory to it; but the foregoing provisions are intended only for the protection of the Trustee, and, shall not affect any discretion or power given by any provisions of this Indenture to the Holders or to the Trustee to take action in respect of any default or Event of Default without such notice or request from the Holders, or without such security or indemnity.

Section 9.07. Good Faith Reliance.

The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith, reasonably exercised, upon any resolution, notice, telex or facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall appear to have been passed or signed by the proper board, body or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture or the other Bond Documents, or upon the written opinion of any attorney, engineer, accountant or other expert reasonably believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to the qualification of such person or any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

Section 9.08. Dealings in Bonds or with the Issuer or the Borrower.

The Trustee may buy, sell, own, hold and deal in any of the Bonds issued hereunder, and may join in any action which any Holder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer or the Borrower, and may act as depository, trustee or agent for any committee or body of Holders secured hereby or other obligations of the Issuer or the Borrower as freely as if it did not act in any capacity hereunder.

Section 9.09. Resignation of Trustee.

The Trustee may resign and be discharged of the trusts created by this Indenture by executing an instrument in writing resigning such trust and specifying the date when such resignation shall take effect, and filing the same with the Issuer and the Borrower, and by giving notice of such resignation by Mail, not less than 15 days prior to such resignation date, to all Holders. Such resignation shall only take effect on the day a successor Trustee shall have been appointed as hereinafter provided.

Section 9.10. Removal of Trustee.

The Trustee may be removed at any time by the Borrower or by the Holders of not less than a majority of the Bond Obligation with the consent of the Borrower (not to be unreasonably withheld), by filing with the Trustee so removed, and with the Issuer an instrument or instruments in writing appointing a successor, executed by a Borrower's Representative if the Trustee has been removed by the Borrower (and notice thereof given by Mail to the Holders and the Issuer), or executed by said Holders of Bonds if the Trustee was removed by said Holders; provided that the Borrower may not remove the Trustee, and the consent of the Borrower shall not be required (in the case of removal by the Holders), if an Event of Default has occurred and is continuing hereunder or a Default has occurred and is continuing under the Loan Agreement.

Section 9.11. Appointment of Successor Trustee.

If at any time the Trustee shall resign, be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason become incapable of acting, then a vacancy shall forthwith and ipso facto exist in the office of Trustee and the Borrower, with written notice to the Issuer, shall promptly appoint a successor Trustee. Any such appointment shall be made by a written instrument executed by a Borrower's Representative. Copies of such instrument shall be promptly delivered by the Borrower to the predecessor Trustee and to the Trustee so appointed. The successor Trustee shall give notice of such appointment by Mail, at least once within 30 days of such appointment, to all Holders.

If, in a proper case, no appointment of a successor Trustee shall be made pursuant to the preceding paragraph within 60 days after the receipt by the Issuer and the Borrower of the Trustee's notice of resignation given pursuant to Section 9.09 or of removal of the Trustee pursuant to Section 9.10, the retiring Trustee, at the expense of the Borrower, or any Holder may

apply to any court of competent jurisdiction to appoint a successor Trustee. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any new Trustee so appointed as presented in this Section 9.11 shall immediately and without further act be superseded by a Trustee appointed in the manner above provided.

Section 9.12. Qualifications of Trustee.

The Trustee and every successor Trustee, if any, (a) shall be a bank or trust company duly organized under the laws of the United States or any state thereof authorized by law to perform all the duties imposed upon it by this Indenture, (b) shall at the time of appointment have trust assets under management of at least \$500,000,000, (c) shall be permitted under applicable law to perform the duties of Trustee and (d) shall be acceptable to the Issuer.

Section 9.13. Judicial Appointment of Successor Trustee.

If at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the resigning Trustee may forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article within six (6) months after a vacancy shall have occurred in the office of Trustee, any Holder may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

Section 9.14. Acceptance of Trusts by Successor Trustee.

Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. Upon request of the Trustee and the payment of the predecessor Trustee's fees and expenses hereunder, such predecessor Trustee and the Issuer shall execute and deliver an instrument transferring to such successor Trustee all the estates, property, rights, powers and trusts hereunder of such predecessor Trustee and, subject to the provisions of Section 9.04 hereof, such predecessor Trustee shall pay over to the successor Trustee all money and other assets at the time held by it hereunder, and such predecessor Trustee shall assign its beneficial interest in the Mortgage to the successor Trustee and record said assignment in the same manner as the Mortgage were recorded.

Section 9.15. Successor by Merger or Consolidation.

Any entity into which any Trustee hereunder may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which any Trustee hereunder shall be a party, or any entity succeeding to the business of the

Trustee, or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such entity meets the qualifications contained in Sections 9.12 or 9.18 hereof, as appropriate, shall be a successor Trustee under this Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Indenture to the contrary notwithstanding.

Section 9.16. Intervention in Litigation of the Issuer.

In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Holders, the Trustee, if permitted by the court having jurisdiction in the premises, may intervene and shall intervene, upon receipt of indemnity satisfactory to it, at the written request of Holders of at least a majority of the Bond Obligation.

Section 9.17. Paying Agent.

The Issuer hereby appoints the Trustee as the Paying Agent for the Bonds.

Section 9.18. Qualifications of Paying Agent; Resignation; Removal.

Any Paying Agent (a) shall be a bank or trust company, duly organized under the laws of the United States of America or any state thereof authorized by law to perform all the duties imposed upon it by this Indenture, (b) shall at the time of appointment have trust assets under management of at least \$500,000,000, (c) shall be permitted under applicable law to perform the duties of Paying Agent, and (d) shall be acceptable to the Issuer. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' notice to the Issuer, the Borrower and the Trustee. The Paying Agent may be removed at any time at the direction of the Borrower or the Holders of a majority in principal amount of the Bond Obligation with the consent of the Borrower (not to be unreasonably withheld), with written notice to the Issuer, by an instrument signed by the Borrower or such Holders, as applicable, and filed with the Paying Agent and the Trustee; provided that the Borrower may not remove the Paying Agent, and the consent of the Borrower shall not be required (in the case of removal by the Holders), if an Event of Default has occurred and is continuing hereunder or a Default has occurred and is continuing under the Loan Agreement. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any money held by it in such capacity to its successor or, if there be no successor, to the Trustee. Successor Paying Agents shall be appointed in accordance with the provisions of this Section 9.18.

Section 9.19. Several Capacities: Duty To Cooperate.

Anything in this Indenture to the contrary notwithstanding, the same entity must serve hereunder as the Trustee and the Paying Agent.

Section 9.20. Additional Duties.

Notwithstanding any provisions hereof to the contrary, the Trustee shall have the following duties:

(a) Upon written request, the Trustee shall, subject to its right to resign set forth in Section 9.09 hereof, provide to the Rating Agency upon its written request, such information within the possession of and readily available to the Trustee as the Rating Agency shall reasonably require from time to time in order to maintain the Rating on the Bonds;

(b) Subject to Article III hereof, the Trustee shall continue to perform its function hereunder without regard to the insufficiency of payment of its fees, provided that nothing herein shall negate the Trustee's right to compensation and indemnification hereunder and as provided in the Loan Agreement; and

(c) The Trustee shall provide to the Underwriter upon its request a list of the names and addresses of the registered Holders of all Bonds then outstanding at the sole cost and expense of the Underwriter or, if the Bonds are held in book-entry form, the special position report (or similar list of Beneficial Owners) from the Depository to the extent available and at the sole cost and expense of the Underwriter.

Section 9.21. Notice to Rating Agency.

The Trustee shall notify the Rating Agency of (a) the occurrence of an Event of Default or a Default of which the Trustee has actual notice, (b) the occurrence of any monetary or other material default under the Loan of which the Trustee has notice, (c) any change in the identity of the Trustee, (d) any amendments, modifications, or changes to this Indenture, the Loan Agreement or the Bonds, including any extension of principal or modification of interest or redemption premium due on any of the Bonds, in each case only in the event the Trustee has actual notice, (e) any draws on the Debt Service Reserve Fund, (f) any damage, destruction or condemnation of the Project of which the Trustee has actual knowledge, (g) any change or proposed change in the structure or identity of the Issuer of which the Trustee has actual knowledge, (h) the initiation of any foreclosure action taken with respect to the Project by or on the Trustee's behalf, (i) any partial prepayment of the Loan or the giving of notice of the call for redemption of any Bonds, (j) any change in the investment of funds subject to the lien of this Indenture other than in Permitted Investments, (k) any defeasance of the Bonds hereunder, or (l) any change in the Manager of which its Trustee has actual knowledge.

Section 9.22. Covenants Relating to the Tax-Exempt Bonds.

(a) Notwithstanding any provision of this Indenture or the Loan Agreement to the contrary, the Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 or any applicable Treasury regulation (the "Arbitrage Rules"), including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of the Arbitrage Rules, the maximum amount which may be

invested in "nonpurpose obligations" as defined in the Code and the fair market value of any investment made under this Indenture, it being understood and agreed that the sole obligation of the Trustee with respect to investments of funds hereunder shall be to invest the money received by the Trustee pursuant to the written instructions of the Borrower given in accordance with the provisions of this Indenture. The Trustee shall have no responsibility for determining whether or not any investment made pursuant to the written direction of the Borrower or any of the instructions received by the Trustee under this Indenture comply with the requirements of the Arbitrage Rules and shall have no responsibility for monitoring the obligations of the Borrower or the Issuer for compliance with the provisions of this Indenture with respect to the Arbitrage Rules.

(b) Notwithstanding anything contained in this Indenture, or in any other instrument to the contrary, the Trustee shall not be under any duty to evaluate, verify or otherwise independently confirm the compliance of any instruction it receives from the Borrower, the Issuer, Bond Counsel or any rebate analyst for compliance with the requirements of Sections 103(a) or 148 of the Code or any applicable provisions of this Indenture.

Section 9.23. Survival.

(a) The rights of the Trustee to payment under this Indenture shall survive the Trustee's resignation or removal, the discharge of this Indenture and defeasance of the Bonds.

(b) Notwithstanding anything in this Indenture or any of the Bond Documents to the contrary, the rights, protections, indemnities and immunities afforded to the Trustee hereunder shall survive the resignation or removal of any such party and the payment in full or defeasance of the Bonds.

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ARTICLE X

EXECUTION OF INSTRUMENTS BY HOLDERS AND
PROOF OF OWNERSHIP OF BONDS

Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Holders or on their behalf by an attorney-in-fact may be in any number of concurrent instruments of similar tenor and may be signed or executed by Holders in person or by an agent or attorney-in-fact appointed by an instrument in writing or as provided in the Bonds. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

- (a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.
- (b) The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 2.09 hereof.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of matters herein stated which it may deem necessary or sufficient. Any request, consent of, or assignment by any Holder shall bind every future Holder of the same Bond or any Bond or Bonds issued in lieu thereof in respect of anything done by the Trustee or the Issuer in pursuance of such request or consent.

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ARTICLE XI

MODIFICATION OF BOND DOCUMENTS

Section 11.01. Limitations.

Neither this Indenture nor any of the Borrower's Documents shall be amended in any respect subsequent to the Closing Date except as provided in and in accordance with and subject to the provisions of this Article. Notwithstanding any provisions of this Article, the Tax Agreement may be amended pursuant to the provisions thereof, and the Tax Agreement shall be amended to the extent required by such document.

Section 11.02. Supplemental Indentures Without Holder Consent.

The Issuer and the Trustee may, from time to time and at any time, without the consent of, but with prompt notice to, the Holders and the Rating Agency, enter into Supplemental Indentures as follows:

- (a) to cure any formal defect, omission, inconsistency or ambiguity in this Indenture;
- (b) to add to the covenants and agreements of the Issuer in this Indenture other covenants and agreements, or to surrender any right or power reserved or conferred upon the Issuer if such surrender shall not, in the judgment of the Trustee, materially adversely affect the interests of the Holders, the Trustee being authorized to rely on an opinion of Counsel with respect thereto;
- (c) to confirm, as further assurance, any pledge of or lien on the Loan Agreement or of any other money, securities or funds subject to the lien of this Indenture;
- (d) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;
- (e) to preserve the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, as set forth in a Favorable Opinion of Bond Counsel;
- (f) to make changes to obtain, maintain or restore the rating on the Bonds from the Rating Agency;
- (g) to provide for any amendment specifically authorized or required by any provision of this Indenture;
- (h) in connection with any Additional Bonds or Parity Indebtedness; or
- (i) with respect to any other Amendment which does not have a material adverse effect on the Holders of the Bonds.

Section 11.03. Supplemental Indentures Requiring Holders' Consent.

Except for any Supplemental Indenture entered into pursuant to Section 11.02 hereof, subject to the terms and provisions contained in this Section and not otherwise, Holders of not less than a majority of the Bond Obligation shall have the right from time to time to consent to and approve the execution and delivery by the Issuer and the Trustee of any Supplemental Indenture deemed necessary or desirable by the Issuer for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that, unless approved in writing by all Holders of Bonds, nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of or interest on any Outstanding Bond or a reduction in the principal amount or redemption price of any Outstanding Bond or the rate of interest borne thereon, (ii) the creation of a claim or lien upon, or a pledge of, the Trust Estate ranking prior to or on a parity with the claim, lien or pledge created by this Indenture, or (iii) a reduction in the aggregate amount of the Bond Obligation.

If, at any time, the Issuer and the Trustee propose to enter into any such Supplemental Indenture for any of the purposes specified in this Section, the Trustee shall, subject to Section 11.07 and upon being satisfactorily indemnified with respect to expenses by the Borrower, cause notice of the proposed execution of such Supplemental Indenture to be mailed, postage prepaid, to all Holders affected thereby. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Designated Trust Office of the Trustee for inspection by all Holders affected thereby. If, within 60 days or such longer period as shall be prescribed by the Trustee following the mailing of such notice, the consent described in the first paragraph of this Section 11.03 shall have been received, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section is permitted and provided, this Indenture shall be deemed to be and shall be modified and amended in accordance therewith. The Trustee and the Issuer may rely upon an opinion of Bond Counsel as conclusive evidence that the execution and delivery of a Supplemental Indenture has been effected in compliance with the provisions of this Article.

Anything herein to the contrary notwithstanding, so long as no Default under the Loan Agreement with respect to the Borrower has occurred and is continuing, a Supplemental Indenture under this Article shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture to be mailed by certified or registered mail to the Borrower at least 20 days prior to the proposed date of execution and delivery of any Supplemental Indenture.

Section 11.04. Amendment of Borrower's Documents Without Holder Consent.

Without the consent of but with notice to the Holders, the Trustee may consent to any Amendment of any Borrower's Document from time to time as follows:

(a) to cure any formal defect, omission, inconsistency or ambiguity in such Borrower's Document;

(b) to add to the covenants and agreements of the Issuer or the Borrower in such document other covenants and agreements, or to surrender any right or power reserved or conferred upon the Issuer or the Borrower, if such surrender shall not, in the judgment of the Trustee, materially adversely affect the interests of the Holders, the Trustee being authorized to rely on an opinion of Counsel with respect thereto;

(c) to confirm, as further assurance, any lien on or pledge of the Project or the revenues therefrom or of any other property, money, securities or funds subject to the Mortgage or any other security for the Loan Agreement;

(d) to preserve the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, as set forth in an opinion of Bond Counsel;

(e) to make changes required to obtain or maintain the rating on the Bonds from the Rating Agency;

(f) to provide for any amendment specifically authorized or required by any provision of any Borrower's Document;

(g) in connection with any Additional Bonds or Parity Indebtedness; or

(h) with respect to any other Amendment which does not have a material adverse effect on the Holders of the Bonds.

Section 11.05. Amendment of Borrower's Documents Requiring Holders' Consent.

Except in the case of Amendments referred to in Section 11.04 hereof, the Issuer and the Trustee shall not enter into, and shall not consent to, any amendment of the Borrower's Documents without the written approval or consent of the Holders of the Bonds then Outstanding, given and procured as provided in Section 11.03 hereof; provided that the foregoing will not permit or be construed as permitting any change referred to in clause (i) of the first paragraph of Section 11.03 (substituting for such purpose the word "Note" for the word "Bond") without the consent of all Holders given and obtained in the manner set forth in Section 11.03 hereof. If at any time the Issuer requests the consent of the Trustee to any such proposed modification, alteration, amendment or supplement, the Trustee will, at the sole expense of the Borrower, cause notice thereof to be given in the same manner as provided by Section 11.06 hereof with respect to Supplemental Indentures. Such notice will briefly set forth the nature of such proposed modification, alteration, amendment or supplement and will state that copies of the instrument embodying the same are on file at the Designated Office of the Trustee for inspection by all Holders. The Issuer and the Trustee may enter into, or may consent to, any such proposed modification, alteration, amendment or supplement subject to the same conditions and with the same effect as provided in Section 11.03 hereof with respect to Supplemental Indentures.

Section 11.06. Procedures for Amendments.

If at any time the Trustee shall be requested to enter into any Supplemental Indenture pursuant to Section 11.03 or to consent to any Amendment pursuant to Section 11.05, the Trustee shall, at the sole expense of the Borrower, cause notice of the proposed Supplemental Indenture or other amendment to be given by Mail to all Holders. Such notice shall set forth with particularity the nature of the proposed Supplemental Indenture or other amendment and shall state that a copy thereof is on file at the Designated Office of the Trustee for inspection by all Holders. Within 2 months after the date of the first giving of such notice, the Issuer and the Trustee may enter into such Supplemental Indenture or the Trustee may consent to such Amendment in substantially the form described in such notice, but only if there shall have first been delivered to the Trustee (i) the required consents, in writing, of Holders and (ii) the opinion of Bond Counsel required by Section 11.07 hereof.

If Holders of not less than the amount of Bond Obligation required by Section 11.03 or 11.05, as applicable, shall have consented to and approved the execution and delivery thereof as herein provided, no Holder shall have any right to object to the execution and delivery of such Supplemental Indenture or other Amendment, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Issuer or the Trustee from executing and delivering or consenting to the same or from taking or permitting any action pursuant to the provisions thereof.

Section 11.07. Opinions; Certificate.

The Trustee shall not enter into or consent to any Amendment of any provision of any Bond Document unless there shall have been delivered to the Issuer and the Trustee an opinion of Bond Counsel stating that such Amendment is authorized or permitted by the applicable Bond Documents and such Amendment will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from the gross income of the recipients thereof for federal income tax purposes. In addition, the Trustee (i) may obtain, and shall be protected in relying on, an opinion of Counsel to the effect that such Amendment is authorized or permitted by this Indenture and complies with the terms hereof; and (ii) may require, as a condition to entering into or consenting to any such Amendment, a Compliance Certificate from the Borrower.

Section 11.08. Effect of Amendments; Other Consents.

Upon the execution and delivery of any Supplemental Indenture or any Amendment to a Borrower's Document pursuant to the provisions of this Article, this Indenture or such Borrower's Document shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Bond Documents of the Issuer, the Trustee, the Borrower and all Holders shall thereafter be determined, exercised and enforced under the Bond Documents subject in all respects to such modifications and amendments.

Notwithstanding anything herein to the contrary, (i) the Trustee shall not be required to enter into or consent to any Amendment of any Bond Document which, in the sole judgment of the Trustee, might adversely affect the rights, obligations, powers, privileges, indemnities, immunities or other security provided the Trustee herein or therein; and (ii) except as otherwise required hereby, the Trustee shall not enter into or consent to any Amendment of any Bond Document which affects the rights or obligations of the Borrower or the Issuer unless the Borrower or the Issuer enters into or consents to such Amendment.

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ARTICLE XII

MISCELLANEOUS

Section 12.01. Successors of the Issuer.

In the event of the dissolution or transfer of functions of the Issuer, all the covenants, stipulations, promises and agreements in this Indenture contained, by or on behalf of, or for the benefit of, the Issuer, shall bind or inure to the benefit of the successors of the Issuer from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Issuer shall be transferred.

Section 12.02. Parties in Interest.

Except as herein otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Issuer, the Borrower, the Trustee and the Holders any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Issuer, the Borrower, the Trustee and the Holders.

Section 12.03. Severability.

In case any one or more of the provisions of this Indenture or of any Borrower's Document or of the Bonds shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Indenture, such Borrower's Document or such Bonds, and this Indenture, the Borrower's Documents and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

Section 12.04. No Personal Liability.

No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any official, director, officer, member, agent or employee of the Issuer or the Trustee in his or her individual capacity, and no member of the Issuer or the Trustee or any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 12.05. Counterparts.

This Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Indenture.

Section 12.06. Governing Law.

This Indenture shall be governed by and construed in accordance with the laws of the State without regard to conflicts of law principles.

Section 12.07. Notices.

Except as otherwise provided in this Indenture, all notices, certificates, requests, requisitions or other communications by the Issuer, the Borrower or the Trustee pursuant to this Indenture shall be in writing and shall be sufficiently given and shall be deemed given when mailed by overnight delivery by a nationally recognized service provider (such as Federal Express or United Parcel Service) registered mail, postage prepaid, or by facsimile transmission which produces receipt of transmission, addressed as follows:

To the Issuer: Capital Trust Agency
315 Fairpoint Drive
Gulf Breeze, Florida 32561
Attention: Executive Director
Telephone: (850) 934-4046
E-mail: edgray3@muniad.com

With a copy to: Greenberg Traurig P.A.
333 S.E. 2nd Avenue
Miami, Florida 33131
Attn: Robert C. Gang, Esq.

To the Trustee: Regions Bank
10245 Centurion Parkway, 2nd Floor
Jacksonville, FL 32256
Attn: Corporate Trust Department

To the Borrower and Sole Member: University Bridge, LLC
c/o Atlantic Housing Foundation, Inc.
5910 N. Central Expressway, Suite 1310
Dallas, Texas 75206
Attn: President and CEO

With a Copy to: Coats Rose, P.C.
201 E. Fifth Street, Suite 1810
Cincinnati, OH 45202
Attn: Ronald A. Bell, Esq.

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To the Manager: Landmark Property Management, LLC
c/o Landmark Properties, LLC
315 Oconee Street
Building 300
Athens Georgia 30601
Attention: Corporate Offices

To the Underwriter: Stifel Nicolaus & Company, Inc.
3630 Peachtree Road NE, Suite 400
Atlanta, GA 30326
Telephone: (404) 504-2785
Attention: Public Finance Department

To Moody's: Moody's Investors Service
7 World Trade Center
250 Greenwich Street
New York NY 10007
Attention: Surveillance

A copy of any communication given by or to the Borrower shall also be sent, as provided above, to the Manager at the address designated by the Manager in writing to each of the parties listed above. Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder or under the Loan Agreement.

The Trustee agrees to accept and act upon instructions or directions pursuant to the Bond Documents sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Person sending such instructions or directions shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Borrower, the Issuer or any Person elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Borrower assumes all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee.

Section 12.08. Holidays.

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture or any of the other Bond Documents, shall not be a Business Day, such payment may, unless otherwise provided in this Indenture, be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture or any of the other Bond Documents, and no interest shall accrue for the period after such nominal date.

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed by an authorized officer, and the Trustee has caused this Indenture to be executed on its behalf by its duly authorized officer, all as of the day and year first above written.

CAPITAL TRUST AGENCY

ATTEST: By: _____
Rupert J. Snooks, Chairman

By: _____
Robert F. Cleveland, Secretary

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IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed by an authorized officer, and the Trustee has caused this Indenture to be executed on its behalf by its duly authorized officer, all as of the day and year first above written.

REGIONS BANK, as Trustee

By: _____
Name: Craig A. Kaye
Title: Vice President

EXHIBIT A

FORM OF SERIES 2018A BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND UNLESS THE TRUSTEE AND THE ISSUER HAVE RECEIVED AN INVESTMENT GRADE NOTICE, AND THE ISSUER HAS GIVEN ITS WRITTEN CONSENT, MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON WHO IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED UNDER RULE 144A PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, OR AN "ACCREDITED INVESTOR" UNDER REGULATION D PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED. THE PURCHASER HEREOF AGREES TO PROVIDE NOTICE OF THE RESTRICTION ON TRANSFERS TO ANY PROPOSED TRANSFEREE OF A BENEFICIAL OWNERSHIP INTEREST IN THE PURCHASED BOND. A TRANSFER OF THIS BOND IN VIOLATION OF THIS REQUIREMENT SHALL BE NULL AND VOID.

UNLESS THE RESTRICTIONS TO TRANSFER DESCRIBED ABOVE HAVE BEEN WAIVED IN WRITING BY THE ISSUER, EACH TRANSFEREE OF THIS BOND, BY ITS PURCHASE HEREOF, REPRESENTS THAT SUCH TRANSFEREE IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED UNDER RULE 144A PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, OR AN "ACCREDITED INVESTOR" UNDER REGULATION D PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, AND WILL ONLY TRANSFER, RESELL, REOFFER, PLEDGE OR OTHERWISE TRANSFER THIS BOND TO A SUBSEQUENT TRANSFEREE WHO IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED UNDER RULE 144A PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, OR AN "ACCREDITED INVESTOR" UNDER REGULATION D PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED.

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[Signature Page to Trust Indenture]

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A-1 = 1 4810-8265-2481.5

CAPITAL TRUST AGENCY
STUDENT HOUSING REVENUE BONDS
(UNIVERSITY BRIDGE, LLC STUDENT HOUSING PROJECT)
SERIES 2018A

NO. AR- \$[]

<u>Maturity Date</u>	<u>Dated Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
December 1, 20__	September 25, 2018	[]%	140536 []

REGISTERED OWNER: CEDE & CO.
 PRINCIPAL AMOUNT:

The CAPITAL TRUST AGENCY (together with its successors and assigns, the “Issuer”), a legal entity duly created and a public agency organized and existing under the laws of the State of Florida (the “State”), for value received, promises to pay, subject to the provisions hereof and of the Indenture, to the Registered Owner named above on the Maturity Date specified above, or upon earlier redemption as described herein, the Principal Amount shown above and to pay interest on the unpaid principal amount hereof at the Interest Rate specified above until payment of the principal or redemption price hereof has been made. Interest on this Bond is payable on each June 1 and December 1, commencing December 1, 2018 (each such date being hereinafter referred to as an “Interest Payment Date”) and on any other date on which payment of principal of this Bond is due. Interest hereon will be computed on the basis of a 360-day year of twelve 30-day months. Any term used herein as a defined term but not defined herein shall be as defined in the Indenture (hereinafter defined).

This Bond is payable in lawful money of the United States of America. The principal of and premium, if any, on this Bond is payable at the Designated Office of the Trustee, initially in Jacksonville, Florida, upon presentation and surrender of this Bond.

This Bond is one of a duly authorized issue of revenue bonds of the Issuer, aggregating \$218,745,000 in aggregate original principal amount, designated as “Capital Trust Agency Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A” (the “Series 2018A Bonds”). Simultaneously with the issuance of the Series 2018A Bonds, the Issuer is issuing \$8,895,000 aggregate original principal amount of its Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Taxable Series 2018B (the “Series 2018B Bonds”) as more fully set forth in the Indenture (the Series 2018A Bonds and the Series 2018B Bonds are collectively referred to as the “Bonds,” and each as a “Series”). The Bonds are issued pursuant to a Trust Indenture dated as of September 1, 2018 (as amended and supplemented from time to time, the “Indenture”), between the Issuer and Regions Bank, an Alabama banking corporation, as trustee (the “Trustee”).

PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY OUT OF THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY

LIMITATION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE BONDS OR THIS INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS. THE ISSUER HAS NO TAXING POWER.

No recourse under or upon any obligation, covenant or agreement contained in the Bond Documents, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of the Indenture, or any claim based thereon or otherwise in respect thereof shall be had against the Sponsoring Political Subdivisions, the Local Agency or the Issuer or any incorporator, member, director, officer, employee, agent or counsel as such, past, present or future of the Issuer, the Local Agency or the Sponsoring Political Subdivisions, either directly or through the Issuer the Trustee or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Holder of any Bond issued under the Indenture, or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such incorporator, member, director, officer, employee, agent or counsel, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Holder of any Bond issued under the Indenture or otherwise of any sum that may remain due and unpaid upon the Bond thereby secured or any of them is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of the Bonds.

Reference is hereby made to the Indenture for a description of the rights, duties and obligations of the Issuer, the Trustee and the Holders of the Bonds, the terms upon which the Bonds are issued, a description of the property and interests pledged for the payment of the Bonds, the relative claims of the various Series of Bonds against such property and interests, the terms upon which such property and interest are pledged and the terms and conditions upon which the Bonds will be deemed to be paid, at or prior to maturity or redemption of the Bonds, if any, upon the making of provision for the payment thereof in the manner set forth in the Indenture. The terms and provisions contained in the Indenture are hereby incorporated herein by reference and the Holder of this Bond, by purchase hereof, assents to all of such terms and provisions.

The Bonds are being issued for the purpose of (i) financing a portion of the costs of acquiring, designing, constructing, installing, furnishing, and equipping of an approximately 886-unit rental housing facility, containing approximately 1,244 beds, parking, commercial space and ancillary facilities for students and faculty of Florida International University, to be known as University Bridge [Apartments], located at 740 SW 109th Avenue, Sweetwater, Florida 33174

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(the "Project"), (ii) funding capitalized interest on the Bonds, (iii) funding one or more debt service reserve funds for the Bonds, (iv) providing for working capital and (v) paying a portion of the costs of issuance of the Bonds. The proceeds of the Bonds are being used by the Issuer to finance a loan ("Loan") by the Issuer to University Bridge, LLC (the "Borrower"), pursuant to a Loan Agreement dated as of September 1, 2018 (as amended and supplemented from time to time, the "Loan Agreement"), between the Issuer and the Borrower. Pursuant to the Loan Agreement, the Borrower is obligated to make payments sufficient to pay principal of, premium, if any, and interest on the Bonds, which obligation is evidenced by a promissory note (the "Note"). The liability of the Borrower under the Loan Agreement is limited as provided therein.

The Loan is secured by a lien on and security interest in the Project (the "Mortgage").

The Bonds are subject to optional and mandatory redemption as provided for in the Indenture.

Reference is hereby made to the Indenture and the Loan Agreement, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Borrower, the Trustee and the Holders of the Bonds, the terms upon which this Bond is issued, and the terms and conditions upon which this Bond will be deemed to be paid, at or prior to maturity or prepayment of this Bond, upon the making of provision for the payment hereof in the manner set forth in the Indenture, to all of the terms and conditions of which the Holder of this Bond hereby assents. The Holder of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Indenture and the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and things required by the Act and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Bond, do exist, have happened and have been performed in regular and due form as required by law.

Neither the members of the Governing Body of the Issuer nor any person executing this Bond shall be personally liable on this Bond or be subject to any personal liability or accountability by reason of the issuance of this Bond.

This Bond shall not be entitled to any security or benefit under the Indenture, or be valid or become obligatory for any purpose, until the Trustee has authenticated this Bond by the execution of the Certificate of Authentication inscribed hereon.

This Bond shall be construed in accordance with and governed by the Constitution and the laws of the State of Florida applicable to contracts made and performed in the State of Florida.

This Bond is one of a series which was validated by judgment of the Circuit Court for the First Judicial Circuit, Santa Rosa County, Florida, rendered on July 8, 2004.

IN WITNESS WHEREOF, the Capital Trust Agency has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chairman of its board of directors, and attested by the manual or facsimile signature of its Secretary.

CAPITAL TRUST AGENCY

By: _____
Chairman

(SEAL)

Attest:

By: _____
Secretary

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by final judgment of the Circuit Court of the First Judicial Circuit, Santa Rosa County, Florida rendered on July 8, 2004.

By: _____
Chairman

CERTIFICATE OF AUTHENTICATION

Date of Authentication: September __, 2018

This Bond is one of the Series 2018A Bonds described in the Indenture referred to herein.

REGIONS BANK, an Alabama banking corporation, as Trustee

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address, including Zip Code, and Federal Taxpayer Identification or Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

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EXHIBIT B

FORM OF SERIES 2018B BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND UNLESS THE TRUSTEE AND THE ISSUER HAVE RECEIVED AN INVESTMENT GRADE NOTICE, AND THE ISSUER HAS GIVEN ITS WRITTEN CONSENT, MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON WHO IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED UNDER RULE 144A PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, OR AN “ACCREDITED INVESTOR” UNDER REGULATION D PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED. THE PURCHASER HEREOF AGREES TO PROVIDE NOTICE OF THE RESTRICTION ON TRANSFERS TO ANY PROPOSED TRANSFEREE OF A BENEFICIAL OWNERSHIP INTEREST IN THE PURCHASED BOND. A TRANSFER OF THIS BOND IN VIOLATION OF THIS REQUIREMENT SHALL BE NULL AND VOID.

UNLESS THE RESTRICTIONS TO TRANSFER DESCRIBED ABOVE HAVE BEEN WAIVED IN WRITING BY THE ISSUER, EACH TRANSFEREE OF THIS BOND, BY ITS PURCHASE HEREOF, REPRESENTS THAT SUCH TRANSFEREE IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED UNDER RULE 144A PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, OR AN “ACCREDITED INVESTOR” UNDER REGULATION D PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, AND WILL ONLY TRANSFER, RESELL, REOFFER, PLEDGE OR OTHERWISE TRANSFER THIS BOND TO A SUBSEQUENT TRANSFEREE WHO IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED UNDER RULE 144A PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, OR AN “ACCREDITED INVESTOR” UNDER REGULATION D PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED.

CAPITAL TRUST AGENCY

**STUDENT HOUSING REVENUE BONDS
(UNIVERSITY BRIDGE, LLC STUDENT HOUSING PROJECT)
TAXABLE SERIES 2018B**

NO. BR- [] \$ []

<u>Maturity Date</u>	<u>Dated Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
December 1, 2024	September 25, 2018	5.250%	140536 []

REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT:

The CAPITAL TRUST AGENCY (together with its successors and assigns, the “Issuer”), a legal entity duly created and a public agency duly organized and existing under the laws of the State of Florida (the “State”), for value received, promises to pay, subject to the provisions hereof and of the Indenture, to the Registered Owner named above on the Maturity Date specified above, or upon earlier redemption as described herein, the Principal Amount shown above and to pay interest on the unpaid principal amount hereof at the Interest Rate specified above until payment of the principal or redemption price hereof has been made. Interest on this Bond is payable on each June 1 and December 1, commencing December 1, 2018 (each such date being hereinafter referred to as an “Interest Payment Date”) and on any other date on which payment of principal of this Bond is due. Interest hereon will be computed on the basis of a 360-day year of twelve 30-day months. Any term used herein as a defined term but not defined herein shall be as defined in the Indenture (hereinafter defined).

This Bond is payable in lawful money of the United States of America. The principal of and premium, if any, on this Bond is payable at the Designated Office of the Trustee, initially in Jacksonville, Florida upon presentation and surrender of this Bond.

This Bond is one of a duly authorized issue of revenue bonds of the Issuer, aggregating \$8,895,000 in aggregate original principal amount, designated as “Capital Trust Agency Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Taxable Series 2018B” (the “Series 2018B Bonds”). Simultaneously with the issuance of the Series 2018B Bonds, the Issuer is issuing \$218,745,000 aggregate original principal amount of its Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A (the “Series 2018A Bonds”), as more fully set forth in the Indenture (the Series 2018B Bonds and the Series 2018A Bonds are collectively referred to as the “Bonds,” and each as a “Series”). The Bonds are issued pursuant to a Trust Indenture dated as of September 1, 2018 (as amended and supplemented from time to time, the “Indenture”), between the Issuer and Regions Bank, an Alabama banking corporation, as trustee (the “Trustee”).

PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY OUT OF THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE

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OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE BONDS OR THIS INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS. THE ISSUER HAS NO TAXING POWER.

No recourse under or upon any obligation, covenant or agreement contained in the Bond Documents, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of the Indenture, or any claim based thereon or otherwise in respect thereof shall be had against the Sponsoring Political Subdivisions, the Local Agency or the Issuer or any incorporator, member, director, officer, employee, agent or counsel as such, past, present or future of the Issuer, the Local Agency or the Sponsoring Political Subdivisions, either directly or through the Issuer the Trustee or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Holder of any Bond issued under the Indenture, or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such incorporator, member, director, officer, employee, agent or counsel, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Holder of any Bond issued under the Indenture or otherwise of any sum that may remain due and unpaid upon the Bond thereby secured or any of them is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of the Bonds.

Reference is hereby made to the Indenture for a description of the rights, duties and obligations of the Issuer, the Trustee and the Holders of the Bonds, the terms upon which the Bonds are issued, a description of the property and interests pledged for the payment of the Bonds, the relative claims of the various Series of Bonds against such property and interests, the terms upon which such property and interest are pledged and the terms and conditions upon which the Bonds will be deemed to be paid, at or prior to maturity or redemption of the Bonds, if any, upon the making of provision for the payment thereof in the manner set forth in the Indenture. The terms and provisions contained in the Indenture are hereby incorporated herein by reference and the Holder of this Bond, by purchase hereof, assents to all of such terms and provisions.

The Bonds are being issued for the purpose of (i) financing a portion of the costs of acquiring, designing, constructing, installing, furnishing, and equipping of an approximately 886-unit rental housing facility, containing approximately 1,244 beds, parking, commercial space

and ancillary facilities for students and faculty of Florida International University, to be known as University Bridge, located at 740 SW 109th Avenue, Sweetwater, Florida 33174 (the "Project"), (ii) funding capitalized interest on the Bonds, (iii) funding one or more debt service reserve funds for the Bonds, (iv) funding working capital and (v) paying a portion of the costs of issuance of the Bonds. The proceeds of the Bonds are being used by the Issuer to finance a loan ("Loan") by the Issuer to University Bridge, LLC (the "Borrower"), pursuant to a Loan Agreement dated as of September 1, 2018 (as amended and supplemented from time to time, the "Loan Agreement"), between the Issuer and the Borrower. Pursuant to the Loan Agreement, the Borrower is obligated to make payments sufficient to pay principal of, premium, if any, and interest on the Bonds, which obligation is evidenced by a promissory note (the "Note"). The liability of the Borrower under the Loan Agreement is limited as provided therein.

The Loan is secured by a lien on and security interest in the Project (the "Mortgage").

The Bonds are subject to optional and mandatory redemption as provided for in the Indenture.

Reference is hereby made to the Indenture and the Loan Agreement, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Borrower, the Trustee and the Holders of the Bonds, the terms upon which this Bond is issued, and the terms and conditions upon which this Bond will be deemed to be paid, at or prior to maturity or prepayment of this Bond, upon the making of provision for the payment hereof in the manner set forth in the Indenture, to all of the terms and conditions of which the Holder of this Bond hereby assents. The Holder of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Indenture and the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and things required by the Act and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Bond, do exist, have happened and have been performed in regular and due form as required by law.

Neither the members of the Governing Body of the Issuer nor any person executing this Bond shall be personally liable on this Bond or be subject to any personal liability or accountability by reason of the issuance of this Bond.

This Bond shall not be entitled to any security or benefit under the Indenture, or be valid or become obligatory for any purpose, until the Trustee has authenticated this Bond by the execution of the Certificate of Authentication inscribed hereon.

This Bond shall be construed in accordance with and governed by the Constitution and the laws of the State of Florida applicable to contracts made and performed in the State of Florida.

This Bond is one of a series which was validated by judgment of the Circuit Court for the First Judicial Circuit, Santa Rosa County, Florida, rendered on July 8, 2004.

IN WITNESS WHEREOF, the Capital Trust Agency has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chairman of its board of directors, and attested by the manual or facsimile signature of its Secretary.

CAPITAL TRUST AGENCY

By: _____
Chairman

(SEAL)

Attest:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: September ___, 2018

This Bond is one of the Series 2018B Bonds described in the Indenture referred to herein.

REGIONS BANK, an Alabama banking corporation, as Trustee

By: _____
Authorized Signatory

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by final judgment of the Circuit Court of the First Judicial Circuit, Santa Rosa County, Florida rendered on July 8, 2004.

By: _____
Chairman

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ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a
member firm of the New York Stock
Exchange or a commercial bank or trust
company

NOTICE: The signature to this Assignment
must correspond with the name as it appears
on the face of the within Bond in every
particular, without alteration or enlargement
or any change whatsoever.

EXHIBIT C

FORM OF INVESTOR LETTER FOR INITIAL PURCHASERS

_____, 2018

Capital Trust Agency
315 Fairpoint Drive
Gulf Breeze, Florida 32561

University Bridge, LLC
c/o Atlantic Housing Foundation, Inc.
5910 N. Central Expressway, Suite 1310
Dallas, Texas 75206

Stifel, Nicolaus & Company, Incorporated
3630 Peachtree Road NE, Suite 400
Atlanta, GA 30326

Regions Bank
10245 Centurion Parkway, 2nd Floor
Jacksonville, FL 32256

Re: Capital Trust Agency Student Housing Revenue Bonds
(University Bridge, LLC Student Housing Project),
Series 2018A and Taxable Series 2018B
(collectively, the "Series 2018 Bonds")

Ladies and Gentlemen:

Reference is made to the Trust Indenture dated as of September 1, 2018 (the
"Indenture"), between Capital Trust Agency (the "Issuer") and Regions Bank, as trustee (the
"Trustee"). Capitalized terms not otherwise defined herein shall have the same meanings given
to them in the Indenture.

In connection with the purchase of a beneficial interest in a portion of the above-
captioned Series 2018 Bonds on the date hereof, the undersigned, as beneficial owner of such
portion of the Series 2018 Bonds, does hereby certify as follows:

1. The undersigned is purchasing \$ _____ aggregate principal amount of the Series 2018 Bonds, which have been issued and delivered on the date of this Letter.
2. The undersigned is (a) a "qualified institutional buyer" as defined under Rule 144A promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933 (the "Securities Act"), or (b) an "accredited investor" under Regulation D promulgated pursuant to the Securities Act.
3. The undersigned is purchasing the Series 2018 Bonds for investment, with no present intention of reselling the Series 2018 Bonds. Notwithstanding such present intention, the undersigned is not prohibited from reselling the Series 2018 Bonds in the future; provided, however, that the undersigned acknowledges that the Series 2018 Bonds may only be resold or transferred to other purchasers who

are either qualified institutional buyers or accredited investors, and only in authorized denominations of \$100,000 and integral multiples of \$5,000 in excess thereof. The undersigned further acknowledges that any transfer of its interest in the Series 2018 Bonds will be made only in compliance with the requirements of any applicable securities laws, state and federal.

4. The undersigned acknowledges and accepts the following:

PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2018 BONDS IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY OUT OF THE TRUST ESTATE. THE SERIES 2018 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE SERIES 2018 BONDS OR THIS INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE SERIES 2018 BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE SERIES 2018 BONDS. THE ISSUER HAS NO TAXING POWER.

No recourse under or upon any obligation, covenant or agreement contained in the Bond Documents, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Indenture, or any claim based thereon or otherwise in respect thereof shall be had against the Sponsoring Political Subdivisions, the Local Agency or the Issuer or any incorporator, member, director, officer, employee, agent or counsel as such, past, present or future of the Issuer, the Local Agency or the Sponsoring Political Subdivisions, either directly or through the Issuer, the Trustee or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Holder of any Bond issued hereunder, or

otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such incorporator, member, director, officer, employee, agent or counsel, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Holder of any Bond issued hereunder or otherwise of any sum that may remain due and unpaid upon the Bond hereby secured or any of them is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds.

Notwithstanding anything to the contrary contained herein or in any of the Bonds, the Bond Documents or in any other instrument or document executed by or on behalf of the Issuer in connection herewith, (i) the Issuer shall have no obligation to take action under the Loan Agreement, this Indenture, the Bonds or such other instruments or documents, unless the Issuer is reasonably requested in writing by an appropriate person to take such action and is provided with indemnity and assurances satisfactory to it of payment of or reimbursement for any indemnity to persons identified by the Issuer, and expenses (including attorneys' fees) in such action, (ii) neither the Issuer nor any member of the Issuer or any officer, employee, attorney or agent of the Issuer shall be personally liable to the Borrower, the Trustee, the Holders of the Bonds or any other person for any action taken by the Issuer or by its officers, agents or employees or for any failure to take action under this Indenture, the Loan Agreement, the Bonds or such other instruments or documents, except that the Issuer agrees to take, or to refrain from taking, any action if so required by an injunction or if required to comply with any final judgment for specific performance, and (iii) any judgment rendered against the Issuer for breach of its obligations under this Indenture, the Loan Agreement, the Bonds or such other instruments or documents, shall be payable solely from the revenues derived by the Issuer under the Loan Agreement and this Indenture, and no personal liability or charge payable directly or indirectly from the general funds of the Issuer shall arise therefrom.

No agreements or provisions contained in this Indenture nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project or the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except with respect to the application of revenues therefrom and the proceeds of the Bonds. No failure of the Issuer to comply with any term, condition, covenant or agreement herein shall subject the Issuer, its incorporators, members, directors, officers, employees, agents and counsel to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the Loan Agreement or revenues therefrom that have been pledged to payment of the Bonds or proceeds of the Bonds. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to

comply with any term, condition, covenant or agreement herein; provided, that (i) prior to the official filing of any petition or complaint against the Issuer, provision shall have been made in a manner satisfactory to the Issuer, for payment of its costs and expenses relating to any such petition or complaint and (ii) no costs, expenses, damages or other monetary relief shall be recoverable from the Issuer or its officers, directors, employees, agent and counsel except as may be payable from the Loan Agreement or revenues therefrom that have been pledged to payment of the Bonds or the proceeds of the Bonds.

The Issuer shall be under no obligation to institute any suit or to take any remedial proceeding in the Event of a Default under this Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, including, without limitation, its acceptance or possession of the Project or any component thereof, until it shall be indemnified to its satisfaction against any and all reasonable costs, expenses, outlays and reasonable counsel fees and other reasonable disbursements, and against all liability. The Issuer nevertheless may, in its sole discretion, but is not required to, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Issuer, without indemnity, and in such case the Issuer shall be entitled to reimbursement from any money under this Indenture and, subject to the prior rights of the Trustee, shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

- 5. The undersigned has received and read the Official Statement relating to the Series 2018 Bonds, including the information relating to: (i) the sources of repayment of the Series 2018 Bonds; (ii) the Project; (iii) the Borrower (including financial and operating data); and (iv) such other material matters relating to the Series 2018 Bonds and the Borrower as the purchaser deemed relevant. The undersigned acknowledges and accepts that the Official Statement is not guaranteed as to its accuracy or completeness, and is not to be construed as a representation by the Underwriter as to the Official Statement's accuracy or completeness. The undersigned acknowledges and accepts that it had the opportunity to ask questions of, and request additional information from, the Borrower regarding the information provided to it and any other matters that the undersigned considered to be relevant to the purchaser's decision to purchase Series 2018 Bonds.
- 6. The undersigned acknowledges and accepts that it has reviewed and has made its decision to invest in the Series 2018 Bonds based solely on its review of the information provided by the Borrower. The undersigned represents that it can bear the economic risk associated with a purchase of Series 2018 Bonds and it has such knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar investments, so as to be capable of evaluating the merits and risks of an investment in the Series 2018 Bonds on the basis of the information and review described herein.

- 7. The undersigned acknowledges that the Series 2018 Bonds have not been registered with the Securities and Exchange Commission (in reliance upon an exemption from the Securities Act of 1933, as amended), have not been registered under the "blue sky" laws of any State, and will not be listed on any stock or securities exchange. The undersigned further acknowledges that the Loan Agreement and the Indenture have not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such act.
- 8. The undersigned is duly and legally authorized to purchase obligations such as the Series 2018 Bonds.
- 9. The undersigned agrees that unless the Trustee and the Issuer have received an Investment Grade Notice, and the Issuer has given its written consent, the beneficial ownership of the Series 2018 Bonds may be transferred only to: (a) a "qualified institutional buyer" as defined under Rule 144A promulgated pursuant to the Securities Act of 1933, as amended, or (b) an "accredited investor" under Regulation D promulgated pursuant to the Securities Act of 1933, as amended. A transfer in violation of this requirement shall be null and void.

This letter and the statements contained herein are made for your benefit.

IN WITNESS WHEREOF, the undersigned has executed this letter effective as of the ____ of _____, 2018.

Beneficial Owner

By: _____

Its: _____

LOAN AGREEMENT

Dated as of September 1, 2018

by and between

CAPITAL TRUST AGENCY

as Issuer

and

UNIVERSITY BRIDGE, LLC

as Borrower

Relating to

\$227,640,000

Capital Trust Agency

Student Housing Revenue Bonds

(University Bridge, LLC Student Housing Project)

Consisting of:

\$218,745,000 Series 2018A

\$8,895,000 Taxable Series 2018B

The interest of the Capital Trust Agency in this Loan Agreement (except for Reserved Rights defined in the hereinafter described Trust Indenture) has been assigned pursuant to and as provided in the Trust Indenture dated as of the date hereof from the Issuer to Regions Bank, as bond trustee, and is subject to the security interest of the Trustee thereunder.

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LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of September 1, 2018 (this “Loan Agreement”), is by and between the **CAPITAL TRUST AGENCY** (together with its successors and assigns, the “Issuer”), a legal entity duly created and a public agency duly organized and existing under the laws of the State of Florida, and **UNIVERSITY BRIDGE, LLC**, a Florida limited liability company (the “Borrower”), the sole member of which is, Atlantic Housing Foundation, Inc., a South Carolina nonprofit corporation (the “Sole Member”), and its successors and assigns.

RECITALS:

WHEREAS, the Borrower has requested the assistance of the Issuer to finance a portion of the costs of acquiring, designing, constructing, installing, furnishing, and equipping of an approximately 886-unit rental housing facility, containing approximately 1,244 beds, parking, commercial space and ancillary facilities for students and faculty of Florida International University (the “University”), to be known as University Bridge Apartments, located at 740 SW 109th Avenue, Sweetwater, Florida 33174 (the “Project”); and

WHEREAS, in order to provide such assistance, the Issuer has provided for the issuance, pursuant to a Trust Indenture dated as of the date hereof (the “Indenture”), between the Issuer and Regions Bank, as trustee (the “Trustee”) of the Series 2018 Bonds, consisting of the Series 2018A Bonds and the Series 2018B Bonds, all as identified in the Indenture; and

WHEREAS, under and pursuant to this Loan Agreement, the Issuer will lend the proceeds of the Series 2018 Bonds to the Borrower and the Borrower is obligated to make loan payments in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2018 Bonds; and

WHEREAS, in order to evidence the obligation to make loan payments sufficient to pay the principal of, premium, if applicable, and interest on the Series 2018 Bonds pursuant to this Loan Agreement, the Borrower has agreed to execute and deliver to the Issuer and endorse to the Trustee its promissory note in an original principal amount equal to the aggregate principal amount of the Series 2018 Bonds, in substantially the form attached hereto as Exhibit D (the “Series 2018 Note”).

NOW, THEREFORE, for and in consideration of the mutual agreements hereinafter contained, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. All undefined capitalized terms used herein and defined in the Indenture shall have the meanings ascribed to them in the Indenture, or if not defined therein, in the Construction Disbursement Agreement.

Section 1.2 Rules of Construction. In this Loan Agreement, unless the context otherwise requires:

(a) The singular form of any word used herein, including the terms defined in Section 1.01 of the Indenture, shall include the plural, and *vice versa*, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders.

(b) Whenever the word “includes” or “including” is used, such word means “includes or including by way of example and not limitation.”

(c) Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” “direction” or similar action under this Loan Agreement by any party must be in writing and signed by a duly authorized representative of such party with a duly authorized signature.

(d) All approvals, consents and acceptances required to be given or made by any person or party hereunder shall be at the reasonable discretion of the party whose approval, consent or acceptance is required except to the extent otherwise specified herein.

(e) All references herein to “Articles,” “Sections” and other subdivisions hereof are to the corresponding Articles, Sections or subdivisions of this Loan Agreement as originally executed; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or subdivision hereof.

(f) Any headings preceding the texts of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Loan Agreement, nor shall they affect its meaning, construction or effect.

(g) All references in this Loan Agreement to “counsel fees,” “attorney fees” or the like mean and include fees and disbursements allocable to in-house or outside counsel, whether or not suit is instituted, and including fees and disbursements preparatory to and during any proceedings of a governmental or regulatory body, judicial or administrative hearing, trial and appeal and in any bankruptcy or arbitration proceedings.

(h) The parties acknowledge that the Issuer, the Trustee, the Borrower, and their respective counsel have participated in the drafting of this Loan Agreement and the other Bond Documents. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Loan Agreement or any of the other Bond Documents or any amendment or supplement or exhibit hereto or thereto.

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(i) For purposes hereof, the Issuer shall not be deemed to have knowledge of any fact or the occurrence of any event unless and until its Authorized Issuer Representative has written notice thereof or actual knowledge thereof.

(j) References to the Tax-Exempt Bonds as “tax-exempt” or to the “tax-exempt status” of the Tax-Exempt Bonds, refer to the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code, irrespective of such forms of taxation as alternative minimum tax, environmental tax, or branch profits tax on foreign corporations, as is consistent with the approach taken in Section 59(i) of the Code.

(k) Whenever the Issuer is named or referred to, it shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations, and agreements by or on behalf of, and other provisions for the benefit of, the Issuer contained in this Loan Agreement shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, issuer, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Issuer, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations and Covenants of the Issuer. The Issuer represents and covenants that:

(a) The Issuer is a legal entity duly created and a public agency duly organized and existing under the laws of the State of Florida (the “State”) established for public purposes pursuant to the Act. Pursuant to a resolution adopted by the Governing Body of the Issuer, the Issuer has authorized the execution and delivery of the Bonds, the Indenture and the other Bond Documents to which it is a party and the performance by the Issuer of all of its obligations hereunder and under the other Bond Documents to which it is a party.

(b) The Issuer has complied with all of the provisions of the laws of the State relating to the Bond Documents, including the Act, and has full power and authority to consummate all transactions contemplated by the Bonds, the Bond Documents and any and all other agreements relating thereto, and to perform all of its obligations hereunder and thereunder.

(c) The Bond Documents to which it is a party constitute valid, legally binding and enforceable obligations of the Issuer (subject to bankruptcy, insolvency or creditor’s rights laws generally, and principles of equity generally).

(d) The Issuer has not pledged and covenants that it will not pledge the amounts derived from this Loan Agreement other than to secure the Bonds (except for Reserved Rights, which the Issuer retains).

(e) The Issuer hereby directs Bond Counsel to duly and timely file Internal Revenue Form 8038 which shall contain the information required to be filed pursuant to Section 149 of the Code.

Section 2.2 Representations and Covenants of the Borrower.

The Borrower hereby represents and covenants as follows:

(a) The Borrower is a limited liability company created and existing under the laws of the State, is in good standing and is duly qualified to transact business in the State, is not in violation of any provision of its Organizational Documents, has power to enter into the Borrower’s Documents and has duly authorized the execution and delivery of the Borrower’s Documents.

(b) The execution and delivery of the Borrower’s Documents, the consummation of the transactions contemplated hereby and thereby, and the fulfillment of or compliance with the terms and conditions thereof do not conflict with or result in a breach of the terms, conditions, or provisions of the Borrower’s Organizational Documents or any restriction or any agreement or instrument to which the Borrower is now a party or by which the Borrower is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Borrower under the terms of any instrument or agreement. The Borrower agrees to fully and faithfully comply with and perform under the terms and conditions of the Borrower’s Documents.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best knowledge of the Borrower, threatened against or affecting the Borrower, nor to the best of the knowledge of the Borrower is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially and adversely affect the transactions contemplated by the Bond Documents or which would adversely affect, in any way, the validity or enforceability of the Bonds or the Bond Documents or any material agreement or instrument to which the Borrower is a party used or contemplated for use in the consummation of the transactions contemplated thereby.

(d) The Borrower will not take or permit to be taken any action which would have the effect, directly or indirectly, of subjecting interest on any of the Tax-Exempt Bonds to federal income taxation.

(e) The Borrower will use due diligence to cause the Project to be acquired, designed, constructed, installed, furnished, and equipped in accordance with the laws, rulings, regulations and ordinances of the State and the departments, agencies and political subdivisions thereof. The Borrower has obtained or will cause to be obtained all requisite approvals of the State and of other federal, State, regional and local

governmental bodies for the acquisition, design, construction, installation, furnishing, equipping and operation of the Project. The Borrower has good title to the Project.

(f) The Borrower agrees to fully and faithfully perform all the duties and obligations which the Issuer has covenanted and agreed in the Indenture to cause the Borrower to perform and any duties and obligations which the Borrower or the Issuer is required by the Indenture to perform. The foregoing shall not apply to any duty or undertaking of the Issuer which by its nature cannot be delegated or assigned.

(g) The Borrower agrees to provide to the Issuer all information necessary to enable the Issuer to complete and file all forms and reports required by the laws of the State and the Code in connection with the Project and the Series 2018 Bonds.

(h) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Issuer in any manner except to issue the Series 2018 Bonds in order to provide funds to lend to the Borrower.

(i) The Borrower represents that the Sole Member, which is the Borrower's sole member, is an organization described in Section 501(c)(3) of the Code and that the Sole Member is a South Carolina nonprofit corporation. The Borrower represents that the Sole Member has received a determination from the Internal Revenue Service to the effect that it is described in Section 501(c)(3) of the Code, that such determination has not been modified, limited or revoked, that the Sole Member was and is in compliance with all terms, conditions, and limitations, if any, contained in such determination applicable to it, that the facts and circumstances which form the basis of such determination as represented to the Internal Revenue Service continue substantially to exist, including, specifically, with regard to the acquisition, design, construction, installation, furnishing, equipping, and operation of the Project, and that the Sole Member is exempt from federal income taxation under Section 501(a) (other than the tax imposed with respect to unrelated business taxable income) because it is an organization described in Section 501(c)(3) of the Code.

(j) The Borrower shall not perform any acts or enter into any agreement or carry on or permit to be carried on at the Project or permit the Project to be used in or for any trade or business or by any person (i) if such activity would generate unrelated trade or business income that would adversely affect the federal income tax status of interest on the Tax-Exempt Bonds or (ii) if such activity would adversely affect the Sole Member's federal income tax status under Section 501(c)(3) of the Code to such extent as would adversely affect the federal income tax status of interest on the Tax-Exempt Bonds.

(k) The Borrower is a single asset limited liability company and was and will continue to be organized for the sole purpose of owning and operating the Project, has not and will not engage in any business transaction unrelated to the ownership of the Project, and has not and will not have any other assets than those related to the Project.

(l) The Borrower has not elected to be classified as a "Subchapter C corporation" or a "Subchapter S corporation" for federal income tax purposes. Except as permitted under Section 2.7 below, the Borrower agrees that it shall not perform any acts or enter into any agreement which shall adversely affect the Borrower's status as a disregarded entity for federal income tax purposes.

(m) The Borrower (i) has no knowledge of any material liability that has been incurred or is expected to be incurred by the Borrower that is or remains unsatisfied for any taxes or penalties with respect to any employee benefit plan, within the meaning of Section 3(3) of ERISA, or any "plan," within the meaning of Section 4975(e)(1) of the Internal Revenue Code or any other benefit plan (other than a multiemployer plan) maintained, contributed to, or required to be contributed to by the Borrower or by any entity that is under common control with the Borrower within the meaning of ERISA Section 4001(a)(14) (a "Plan") or any plan that would be a Plan but for the fact that it is a multiemployer plan within the meaning of ERISA Section 3 (37); and (ii) has made and shall continue to make when due all required contributions to all such Plans, if any. Each such Plan has been and will be administered in compliance with its terms and the applicable action shall be taken or fail to be taken that would result in the disqualification of loss of tax-exempt status of any such Plan intended to be qualified and/or tax-exempt.

(n) The Borrower has no known material contingent liabilities.

(o) The Borrower has no material financial obligation under any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which the Borrower is a party or by which the Borrower or the Project is otherwise bound, other than obligations incurred in the ordinary course of the operation of the Project and other than obligations under the Mortgage and the other Bond Documents.

(p) The Borrower has not borrowed or received other debt financing that has not been heretofore repaid in full.

(q) The Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (iii) subject to any other federal or state law or regulation that purports to restrict or regulate its ability to borrow money.

(r) The Project is located in a flood hazard area as defined by the Federal Insurance Administration, and the Borrower has obtained flood insurance as required by Section 5.1(g) of this Agreement.

(s) There is no proceeding threatened or pending for the total or partial condemnation, appropriation, or recapture of any material portion of the Project that would materially affect the Borrower's performance under the Borrower's Documents, or the use, value, or operation of the Project.

(t) All security deposits collected in connection with the Project are being and will be held (i) in accordance with all applicable laws and (ii) in a segregated eligible account.

(u) To the Borrower's knowledge, the Project is (i) free and clear of any damage that would materially and adversely affect the use or value of the Project as security for the Loan, (ii) in good repair and condition so as not to materially and adversely affect the use or value of the Project as security for the Loan, and (iii) all building systems contained therein are in good working order so as not to materially and adversely affect the use or value of the Project as security for the Loan.

(v) The Project constitutes one or more separate but contiguous tax parcels.

(w) Each component of the Project is, or when acquired will be, located within the jurisdictional limits of the City.

(x) All material information given by the Borrower to the Issuer concerning the Project and the Borrower and any related parties to the Borrower was and is on the date of execution of this Loan Agreement true and correct.

(y) The Permitted Encumbrances do not and will not materially and adversely affect (i) the ability of the Borrower to pay in full the principal and interest on the Series 2018 Note in a timely manner or (ii) the use of the Project for the use currently being made thereof, the operation of the Project as currently being operated or the value of the Project.

(z) The Project has adequate rights of access to public ways and is served by utilities, including, without limitation, adequate water, sewer, electricity, gas, telephone, sanitary sewer, and storm drain facilities. All public utilities necessary to the continued use and enjoyment of the Project as presently used and enjoyed are located in the public right-of-way abutting the Project, and all such utilities are connected so as to serve the Project without passing over other property. All roads necessary for the full utilization of the Project for its current purpose have been completed and dedicated to public use and accepted by all governmental authorities or are the subject of access easements for the benefit of the Project.

(aa) Except as disclosed in the title insurance policy, there are no pending or, to the knowledge of the Borrower, proposed special or other assessments for public improvements or otherwise affecting the Project, nor, to the knowledge of the Borrower, are there any contemplated improvements to the Project that may result in such special or other assessments.

(bb) The Borrower hereby covenants and agrees that it will comply with and carry out all of the provisions of the Post-Issuance Compliance Policies & Procedures of the Issuer as attached hereto as Exhibit F.

(cc) The Borrower hereby covenants and agrees that it will certify in writing to the Trustee the amount of the annual PILOT payment then due at least two (2) Business Days before November 30 of each year after the Annual Evaluation Date, and shall obtain written confirmation from the Trustee on or before November 30 of each year as to whether the Trustee has caused the Annual PILOT Payment to be disbursed to the Local Agency, as provided in Section 5.13(b) of the Indenture.

Section 2.3 Special Purpose Entity Covenants.

The Borrower agrees as follows:

- (a) To maintain books and records separate from any other person or entity.
- (b) To maintain its accounts separate from any other person or entity.
- (c) Not to commingle its assets with those of any other entity.
- (d) To conduct its own business in its own name.
- (e) To maintain separate financial statements.
- (f) To pay its own liabilities out of its own funds.
- (g) To observe all material business organization formalities.
- (h) To pay the salaries of its own employees and maintain a sufficient number of employees in light of its contemplated business operations.
- (i) Not to guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others.
- (j) Not to acquire obligations of its partners, members or shareholders.
- (k) To allocate fairly and reasonably any overhead for shared office space.
- (l) To use separate stationery, invoices and checks.
- (m) Not to pledge its assets for the benefit of any other entity or make any loans or advances to any entity.
- (n) To hold itself out as a separate entity except for federal income tax or any state or local governmental tax purposes because of the Company's status as a disregarded entity for federal income tax purposes.
- (o) To correct any known misunderstanding regarding its separate identity.

Section 2.4 Special Arbitrage Certifications. The Issuer covenants not to knowingly cause or direct any money on deposit in any Fund or Account under the Indenture to be used in a manner which would cause the Tax-Exempt Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code, and the Borrower certifies and covenants to and for the benefit of the Issuer and the Holders that so long as there are any Tax-Exempt Bonds Outstanding, money on deposit in any Fund or Account under the Indenture in connection with the Tax-Exempt Bonds, whether such money was derived from the proceeds of the sale of the Tax-Exempt Bonds or from any other source, will not be used in a manner which will cause the Tax-Exempt Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. In furtherance of this covenant, the Issuer, the Borrower and the Sole Member have entered into the Tax Agreement and covenant to comply with all of the terms and conditions thereof.

Section 2.5 Tax Exempt Status of Tax-Exempt Bonds. The Borrower hereby represents, warrants and agrees that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income of the recipients thereof of the interest on the Tax-Exempt Bonds for federal income tax purposes and, if it should take or permit, or omit to take or cause to be taken, any such action, the Borrower shall take or cause to be taken all lawful actions necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof. In furtherance of this covenant, the Issuer, the Borrower and the Sole Member have entered into the Tax Agreement and covenant to comply with all of the terms and conditions thereof.

Section 2.6 Reorganization or Reconstitution. Subject to Section 6.2 hereof, the Borrower may reorganize or reconstitute itself (including any reorganization or reconstituting of its federal tax status in order to qualify as a standalone tax-exempt entity pursuant to Section 501(c)(3) of the Code) by substituting or installing its Sole Member or an Affiliate described in Section 501(c)(3) of the Code as the “Borrower” or filing such documents as may be reasonably necessary to achieve standalone tax-exempt status pursuant to the Code at any time without the consent of the Holders of the Bonds so long as no Event of Default shall have occurred and then be existing or result from any such substitution. Such reorganization or reconstitution may include the merger of the Borrower into an entity described under Section 501(c)(3) of the Code. Prior to any such reorganization or reconstitution, the Borrower shall comply or cause compliance with the following conditions and deliver evidence of satisfaction of such conditions to the Trustee: (i) the resulting entity shall assume all of the obligations of the Borrower under the Bond Documents and counsel to such Borrower shall deliver enforceability opinions as to such documents against such resulting Borrower in form and substance substantially similar to the enforceability opinions delivered on the Closing Date, if applicable, (ii) the Borrower shall cause the Title Policy to be amended or endorsed in the name of the new entity, if applicable, (iii) the Borrower shall cause the Mortgage, UCC Financing Statement and other security documents that have been recorded in the applicable jurisdiction to be amended and re-recorded to reflect the change in corporate organization in the same or similar manner as the Mortgage and UCC Financing Statements and other security documents, if applicable, (v) the Borrower shall cause the entity assuming the obligations of the Borrower to provide evidence of all corporate approvals necessary to effect the reorganization, if applicable, (vi) the Borrower shall secure an opinion of Bond Counsel that such reorganization does not adversely affect the tax-exempt status of the Tax-Exempt Bonds, (vii) the Borrower shall file or cause the Dissemination Agent to file a

notice of such reorganization or reconstitution with EMMA, if applicable, and (viii) the Borrower shall file with the Trustee and the Issuer a certificate certifying that (A) the substituting entity or its sole member has received a determination from the Internal Revenue Service to the effect that it is described in Section 501(c)(3) of the Code, (B) that such determination has not been modified, limited or revoked, that the substituting entity or its sole member, as applicable, was and is in compliance with all terms, conditions, and limitations, if any, contained in such determination material applicable to it, (C) that the facts and circumstances which form the basis of such determination as represented to the Internal Revenue Service continue substantially to exist, including, specifically, with regard to financing the acquisition, design, construction, installation, furnishing, and equipping of the Project, and (D) that the substituting sole entity (1) is exempt from federal income taxation under Section 501(a) because it is an organization described in Section 501(c)(3) of the Code or (2) is a disregarded entity for federal income tax purposes, the sole member of which is an organization described in Section 501(c)(3) of the Code. In addition, the Borrower shall pay or cause to be paid all of the third-party costs, fees and expenses (including reasonable attorney fees) associated with the reorganization or reconstitution, including but not limited to, the costs associated with the matters described in this Section.

ARTICLE III

ISSUANCE OF BONDS; LOAN TO BORROWER; RELATED OBLIGATIONS

Section 3.1 Issuance of Series 2018 Bonds; Deposit of Proceeds. To provide funds to assist the Borrower in financing the Project, the Issuer, concurrently with the execution and delivery of this Loan Agreement, and upon satisfaction of the conditions to the delivery of the Series 2018 Bonds set forth in Section 2.07 of the Indenture, will issue, sell and deliver the Series 2018 Bonds and will deposit the proceeds of the Series 2018 Bonds with the Trustee in accordance with Section 5.02 of the Indenture.

Section 3.2 The Loan; Basic Loan Payments; and Additional Payments.

(a) The Loan. The Issuer agrees, upon the terms and conditions herein, to lend to the Borrower the proceeds received by the Issuer from the sale of the Series 2018 Bonds by causing such proceeds to be deposited with the Trustee for disposition as provided in the Indenture. The obligation of the Issuer to make the Loan shall be deemed fully discharged upon the deposit of the proceeds of the Series 2018 Bonds with the Trustee. The Loan shall be evidenced by the Series 2018 Note.

(b) Deposit of Project Revenues; Loan Payments; Basic Loan Payments; and Additional Loan Payments. The Borrower shall cause all Project Revenues to be deposited with the Trustee upon receipt by the Borrower or the Manager. The Project Revenues shall be used to pay the Basic Loan Payments and the Additional Loan Payments, as provided in this Section 3.2(b), in such lawful money of the United States

of America as at the time of payment shall be legal tender for the payment of public and private debts.

(i) Basic Loan Payments. The Project Revenues shall be used to pay, as Basic Loan Payments, the following amounts:

(1) except to the extent paid from amounts in the Capitalized Interest Account pursuant to Section 4.2(a) of this Agreement, on or before the 12th day of each month, commencing October 12, 2018, until such time as the principal of and the premium, if any, and interest on, the Bonds shall have been paid in full, or provisions made for such full payment in accordance with the provisions of the Indenture, to the Trustee for deposit in the Tax-Exempt Bond Fund Interest Subaccount and the Taxable Bond Fund Interest Subaccount of the Interest Account of the Bond Fund established under the Indenture, the applicable Interest Requirement for the respective series of Bonds for that calendar month, a sum equal to the Interest Requirement on then Outstanding Bonds for such month; and

(2) on or before the 12th day of each month, commencing November 12, 2020, to the Trustee for deposit in the Tax-Exempt Bond Fund Principal Subaccount and the Taxable Bond Fund Principal Subaccount of the Principal Account of the Bond Fund established under the Indenture, a sum equal to the Principal Requirement on then Outstanding Bonds for such month.

The monthly installments of Basic Loan Payments described in (1) and (2) above payable by the Borrower under this Loan Agreement shall in any event be equal in the aggregate to an amount that, with other funds in the respective Subaccounts in the Bond Fund then available for the payment of principal and interest on the Bonds, shall be sufficient to provide for the payment in full of the interest on, premium, if any, and principal on the Bonds as they become due and payable.

Except as otherwise provided in the Indenture, the Project Revenues shall also be used to pay, as Basic Loan Payments, to the Trustee for deposit in the Bond Fund, such amounts as shall, together with any other money available therefor, be sufficient to pay all amounts, if any, required to redeem each Series of Bonds pursuant to the provisions of Article III of the Indenture as and when they become subject to redemption pursuant thereto, together with any related redemption premium associated therewith, with all such payments to be made by the Borrower to the Trustee, for deposit in the respective Subaccounts in the Bond Fund on or before the date such money is required by said provisions of the Indenture.

(ii) Additional Loan Payments. The Borrower shall cause the Project Revenues to be remitted to the Trustee from time to time in amounts fully sufficient to timely pay, in addition to the Basic Loan Payments, the following costs and expenses (to the extent such costs and expenses are not paid from the proceeds of the sale of the Bonds), which are the Additional Loan Payments:

(1) the Ordinary Trustee's Fees and Expenses and Extraordinary Trustee's Fees and Expenses, and all other fees and other costs of the Trustee, including without limitation, reasonable fees and expenses of counsel to the Trustee, payable to the Trustee for services or indemnity under the Indenture and the Borrower's Documents (including services in connection with the administration and enforcement thereof and compliance therewith);

(2) all fees and other costs incurred for services of such agents, attorneys and independent accountants as are employed by the Issuer, the Borrower, the Sole Member or the Trustee to perform services required pursuant to this Loan Agreement, the other Borrower's Documents or the Indenture;

(3) the Issuer's Fees and Expenses in accordance with and in the manner described in Section 5.04(b)(7) and Section 5.12 of the Indenture, and all other fees and costs of the Issuer not otherwise paid under this Loan Agreement or the Indenture, related to the issuance of the Bonds or in connection with its administration and enforcement of, and compliance with or interpretation of, the Indenture or any of the Borrower's Documents, or otherwise in connection with the Project and the Bonds;

(4) all amounts advanced by the Issuer or the Trustee under authority of the Indenture or any of the Borrower's Documents that the Borrower is obligated to repay;

(5) any amounts required to be deposited in the respective Debt Service Reserve Accounts and Subaccounts in order to satisfy the applicable Debt Service Reserve Requirement pursuant to Section 5.04 of the Indenture; and should funds be withdrawn from a Debt Service Reserve Account or Subaccount, the Borrower shall restore the difference between the amount on deposit in the applicable Debt Service Reserve Account or Subaccount and the related Debt Service Reserve Requirement from the next available deposits of Project Revenues and other deposits to the Revenue Fund made in accordance with the Indenture;

(6) amounts sufficient to maintain balances in the Repair and Replacement Fund and the Insurance and Tax Escrow Fund equal to the amounts required pursuant to the Indenture;

(7) amounts sufficient to maintain the balance in the Operations and Maintenance Reserve Fund equal to the amount required pursuant to the Indenture;

(8) all fees and expenses of the Rebate Analyst to provide the rebate calculations required under the Tax Agreement, and if a deposit is

required to be made to the Rebate Fund as a result of any calculation made pursuant to the Tax Agreement, the Borrower shall cause to be paid from Project Revenues the amount of such deposit in accordance with the terms of the Indenture;

(9) amounts required to be deposited in the Operating Fund sufficient to pay the Operating Expenses of the Project, as provided for in the Budget and in the Indenture;

(10) the Dissemination Agent Fee payable in accordance with and as provided under the Indenture and Continuing Disclosure Agreement;

(11) the Rating Agency Fee; and

(12) the costs and expenses associated with any audit of the Tax-Exempt Bonds by the Internal Revenue Service.

All Additional Loan Payments shall be made by the Borrower to the Trustee for deposit by the Trustee into the Revenue Fund, to be used by the Trustee for payment to the Person or Persons entitled to such payments and in the order specified in Section 5.04 of the Indenture.

(iii) Revenue Fund. As security for its obligations to make the payments required in subsections (i) and (ii) above, the Borrower shall pay (or cause the Manager to pay) all Project Revenues from the Project to the Trustee for deposit in the Revenue Fund in accordance with the first paragraph of this Section 3.2(b).

(iv) Miscellaneous. In the event the Borrower shall fail to pay, or fail to cause to be paid, any Loan Payments as required by this Section 3.2(b) (except to the extent amounts due under this Section 3.2(b) are paid from amounts on deposit in the Debt Service Reserve Fund, the Repair and Replacement Fund, the Operations and Maintenance Reserve Fund or the Surplus Fund), the payment not paid shall continue as an obligation hereunder of the Borrower until the unpaid amount shall have been fully paid, and the Borrower shall pay, or cause to be paid, the same with interest thereon from the date of non-payment until the date so paid at the Default Rate. The requirement that interest be paid at the Default Rate shall be in addition to and not in lieu of any other remedy that may exist for the failure of the Borrower to make the payments required in this Section 3.2.

(c) Default. Upon occurrence of a Default and except as may be provided herein or in the Indenture, the Trustee shall apply, or cause to be applied, all Project Revenues and any sums or amounts received pursuant to this Loan Agreement, including but not limited to payment under any policy of insurance, or as rents or income of the Project or otherwise, to the payment of principal and interest of the Bonds or other amounts payable under the Indenture in such manner and order as the Trustee is permitted under the Indenture. The receipt, use or application of any such sums by the

Trustee hereunder shall not be construed to affect any of the rights or powers of the Trustee under the terms of the Bond Documents or any of the obligations of the Borrower under the Bond Documents.

The Borrower shall pay, or cause to be paid, in accordance with the terms of this Section 3.2, the Loan Payments without any further notice thereof.

The Borrower shall be permitted to distribute, free and clear of any and all liens or encumbrances on, or right to recovery of, such funds hereunder, to the Sole Member or any other Person any funds properly disbursed to the Borrower from the Surplus Fund subject to the terms and provisions of the Indenture.

Section 3.3 Obligations Unconditional; Limited Recourse. The obligations of the Borrower to make the payments required in Section 3.2 and other Sections hereof and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the Issuer or the Trustee of any obligation to the Borrower whether hereunder or otherwise, or out of any Indebtedness or liability at any time owing to the Borrower by the Issuer or the Trustee. Until such time as the principal of, premium, if any, and interest on the Bonds, and any costs incidental thereto, shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower (a) will not suspend or discontinue any payments provided for in Section 3.2 hereof, (b) will perform and observe all other agreements contained in this Loan Agreement, and (c) except as provided in Article VIII hereof, will not terminate this Loan Agreement for any cause, including, without limiting the generality of the foregoing, failure of the Borrower to complete the acquisition, design, construction, installation, furnishing, and equipping of the Project, the occurrence of any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of the Issuer or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement or otherwise.

Nothing contained in this Section shall be construed to release the Issuer from the performance of any of the agreements on its part herein contained, and in the event the Issuer fails to perform any such agreement on its part, the Borrower may institute such action against the Issuer as the Borrower may deem necessary to compel performance so long as such action does not abrogate the obligations of the Borrower contained in the first sentence of this Section. The Borrower may, at its own cost and expense and in its name with proper notice to the Issuer, prosecute or defend any action or proceeding or take any other action involving third persons which the Borrower deem reasonably necessary in order to secure or protect the Borrower's right of possession, occupancy and use of the Project, and in such event the Issuer hereby agrees to cooperate fully with the Borrower, at the Borrower's sole cost and expense and to take all action necessary to effect the substitution of the Borrower for the Issuer in any such action or proceeding if the Borrower shall so request and to take all action necessary to effect the substitution of the Borrower for the Issuer in any such action or proceeding if the Borrower shall so request.

Notwithstanding the foregoing or any other provision or obligation to the contrary contained in this Loan Agreement or any other Bond Document, with the exception of any and all indemnities provided in the Bond Documents, which such indemnities shall be general, absolute and unconditional obligations of the Borrower, (a) the liability of the Borrower under this Loan Agreement and the other Bond Documents to any person or entity, including, but not limited to, the Trustee or the Issuer and their successors and assigns, is limited to the Borrower's interest in the Project, the Project Revenues and the amounts held in the Funds, Accounts and Subaccounts created under the Indenture or other Bond Documents or any rights of the Borrower under any guarantees relating to the Project, and such persons and entities shall look exclusively thereto, to such other security as may from time to time be given for the payment of obligations arising out of this Loan Agreement or any other agreement securing the obligations of the Borrower under this Loan Agreement; and (b) from and after the date of this Loan Agreement, no deficiency or other personal judgment, nor any order or decree of specific performance (other than pertaining to this Loan Agreement, any agreement pertaining to the Project or any other agreement securing the Borrower's obligations under this Loan Agreement), shall be rendered against the Borrower nor any member of the Borrower, the assets of the Borrower (other than the Borrower's interest in the Project, this Loan Agreement, amounts held in the Funds, Accounts and Subaccounts created under the Indenture, any rights of the Borrower under the Bond Documents, their officers, directors or members (including specifically the Sole Member) or their respective heirs, personal representatives, successors, transferees assigns, as the case may be, in any action or proceeding arising out of this Loan Agreement and the Indenture or any agreement securing the obligations of the Borrower under this Loan Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding.

As provided in the Student Housing Agreement, the Issuer and the Borrower acknowledge and agree: (i) neither the University nor any University Party (as defined in the Student Housing Agreement) shall have any obligation at any time with respect to the payment of any amounts due by the Borrower under this Loan Agreement or any other financing for or related to the Mortgaged Property; and (ii) no recourse for the payment of any amounts due under this Loan Agreement, or for any claim based thereon or any agreement supplemental or collateral thereto, shall be had against the University, any University Party, or any trustee, member, director, officer or employee, past, present or future, of the University or of any University Party, or of any predecessor or successor corporation, as such, either directly, or through the University. Notwithstanding the foregoing, the Issuer and the Borrower acknowledge that, pursuant to the Student Housing Agreement, the University shall have the right, but shall not be obligated, in the event of default by the Borrower under this Loan Agreement which has not been cured pursuant to Article VII hereof, to cure such default within thirty (30) days and/or to acquire the Mortgaged Property and assume the Loan payment obligations of the Borrower hereunder, all on terms reasonably acceptable to the University; such decision to be made or not made in the University's sole and uncontrolled discretion.

Section 3.4 Assignment of Issuer's Rights. As security for the payment of the Bonds, the Issuer in the Indenture assigns to the Trustee certain of the Issuer's rights under this Loan Agreement, including the right to receive payments hereunder (except for any deposits to the Rebate Fund and the Reserved Rights), and the Borrower hereby assent to such assignment and agree to make payments directly to the Trustee, without defense or set off by reason of any dispute between the Borrower and the Issuer or the Trustee. By virtue of such assignment and

certain obligations of the Borrower to the Trustee, the Issuer shall have no obligation to, and instead the Trustee shall have the right without further direction from the Issuer, to enforce the obligations of the Borrower hereunder (except for the Reserved Rights), subject to the limitations hereof, including the limitations in Section 3.3.

Section 3.5 Amounts Remaining in Funds. It is agreed by the parties hereto that after (a) payment in full of the Bonds, or provision for such payment having been made as provided in the Indenture and the other Bond Documents, (b) payment of all reasonable fees, charges and expenses of the Trustee in accordance with the terms of the Indenture, and (c) payment of all other amounts required to be paid under this Loan Agreement and the Indenture, any amounts remaining in the Funds, Accounts and Subaccounts held by the Trustee under the Indenture and the other Bond Documents, subject to the application of money in the Rebate Fund as provided in the Tax Agreement, shall be applied by the Trustee as provided in Section 5.16 of the Indenture. The Issuer shall have no claim to such amounts.

Section 3.6 Borrower Required To Pay if Project Fund Insufficient. In the event the money in the Project Fund available for payment of the amounts described in Section 5.03 of the Indenture is insufficient to pay such amounts in full, the Borrower agrees to pay such insufficiency. The Issuer does not make any warranty, either express or implied, that the money which will be paid into the Project Fund and which, under the provisions of this Loan Agreement, will be available for payment of the Costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Borrower agrees that if, after exhaustion of the money in the Project Fund, the Borrower pays any portion of the Costs of the Project pursuant to the provisions of this Section, it will not be entitled to any reimbursement therefor from the Issuer or from the Trustee or from the Holders of any of the Bonds, nor will it be entitled to any diminution of the loan payments payable under Section 3.2 hereof. The obligation of the Borrower to complete the acquisition, design, construction, installation, furnishing, and equipping of the Project will survive any termination of this Loan Agreement.

Section 3.7 Security for Payments Under the Bonds. Contemporaneously with the issuance of the Series 2018 Bonds, as security for the payment of the Bonds, the Issuer will execute and deliver the Indenture, under the terms of which all of the right, title, interest, and remedies of the Issuer in this Loan Agreement (except the Reserved Rights), the Series 2018 Note and the Mortgage, together with all revenues and amounts to be received and all property to be held by the Issuer thereunder, will be assigned and will be the subject of a grant of a security interest to the Trustee and will be pledged as security for, among other things, the payment of the Bonds. The Borrower hereby consents to such assignment and grant of a security interest and hereby agrees that its obligations to make all payments under this Loan Agreement will be absolute and will not be subject to any defense, except payment, or to any right of setoff, counterclaim, or recoupment arising out of any breach by the Issuer of any obligation to the Borrower, whether hereunder or otherwise, or arising out of any Indebtedness or liability at any time owing to the Borrower by the Issuer. The Borrower further agrees that all Basic Loan Payments required to be made under this Loan Agreement will be paid directly to the Trustee for the account of the Issuer. The Trustee will have all rights and remedies herein accorded to the Issuer (except for the Reserved Rights), but shall not have assumed any obligation of the Issuer hereunder or under any of the Bond Documents, and any reference herein to the Issuer will be deemed, with the necessary changes in detail, to include the Trustee, and the Trustee and the

Bondholders are deemed to be and are third party beneficiaries of the representations, covenants, and agreements of the Borrower (but not any obligation of the Issuer) herein contained. Pursuant to the Indenture, the lien on the real property included in the Project and the security interest in the personal property included in the Project granted to the Issuer (if any) pursuant to the Mortgage will be assigned to the Trustee as security for the payment of the Bonds.

Section 3.8 Warranty of Title. The Borrower warrants that (a) simultaneously with the issuance of the Series 2018 Bonds, the Borrower holds or will acquire, good and indefeasible fee title to the Mortgaged Property, (b) the Borrower is or will be the legal owner of all real and personal property included in the Project and (c) the Project is and will be free from all adverse claims, security interests, and encumbrances, other than Permitted Encumbrances.

Section 3.9 Title Insurance. The Borrower, prior to or simultaneously with the issuance of the Series 2018 Bonds, will furnish the Title Policy to the Trustee and the Underwriter. The Borrower will furnish within the time limit specified in any binder an original of the Title Policy to the Trustee. The mortgagee's Title Policy will insure that the Trustee has a valid lien on the real property described in Exhibit "A" to the Mortgage subject only to Permitted Encumbrances. There will be deleted from the Title Policy the standard exceptions for discrepancies, encroachments, overlaps, conflicts in boundary lines, servitudes, shortages in area, or other matters which would be disclosed by an accurate survey and inspection of the Mortgaged Property, for mechanics' and materialmen's liens, or for rights or claims of parties in possession and easements or claims of easements not shown by the public records. The Title Policy will contain the standard zoning endorsement and will not contain an exception for matters shown by a current survey. In lieu of the standard zoning endorsement, the Borrower may provide an opinion of Independent Counsel to the effect that the Project is properly zoned or evidence of proper zoning from appropriate government officials. Any Net Proceeds payable either to the Trustee or the Borrower under the Title Policy will be subject to the lien of the Indenture, and held by the Trustee in the Construction Account of the Project Fund, and, at the Borrower's written direction, will be either (a) used to acquire or construct replacement or substitute property for that to which title has been lost, provided that the Borrower receive prior written consent from the Trustee and a Favorable Opinion of Bond Counsel that such action will not affect the excludability of interest from income of the Tax-Exempt Bonds, or (b) used to redeem Bonds pursuant to Section 3.01 of the Indenture. Any proceeds of the Title Policy remaining after the Bonds are no longer Outstanding will be paid to the Borrower. The Trustee has no duty to review the Title Policy to determine the sufficiency thereof.

Section 3.10 Borrower's Covenants Regarding Title. The Borrower agrees, at its sole expense, to protect, preserve, and defend its interest in the Project and its title thereto, to appear and defend such interest and title in any action or proceeding affecting or purporting to affect the Project, the liens of the Mortgage thereon, or any of the rights of the Trustee thereunder, and to pay on demand all costs and expenses reasonably incurred by the Trustee in or in connection with any such action or proceeding, including reasonable attorneys' fees, whether any such action or proceeding progresses to judgment and whether brought by or against the Trustee. The Trustee will be reimbursed for any such costs and expenses in accordance with the provisions of Section 6.3 hereof. If the Borrower does not take the action contemplated herein, the Trustee or the Issuer may, but will not be under any obligation to, appear or intervene in any such action or proceeding and retain counsel therein and defend the same or otherwise take such

action therein as it may be advised and may settle or compromise the same and, in that behalf and for any of such purposes, may expend and advance such sums of money as it may deem necessary, and such sums will be an advance payable in accordance with Section 6.12 hereof.

Section 3.11 Limited Obligation of Issuer. The Bonds and the interest thereon are special, limited obligations of the Issuer payable solely from the Trust Estate (other than Reserved Rights). The Bonds shall not be deemed to constitute a debt or liability of the State, the Sponsoring Political Subdivisions, the Local Agency, or any other political subdivision of the State within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit of the State, the Sponsoring Political Subdivisions, the Local Agency or any other political subdivision thereof, but shall be payable solely from the funds provided for herein and in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently obligate the State, the Sponsoring Political Subdivisions, the Local Agency or any other political subdivision thereof to levy any taxes or to make any appropriation for their payment. The Issuer has no taxing power.

Section 3.12 Limited Liability of Issuer. The liability of the Issuer under this Loan Agreement shall be enforceable solely from the Trust Estate and there shall be no other recourse against any other assets of the Issuer. In the exercise of the powers of the Issuer, the Issuer Indemnified Parties and the Trustee, under the Indenture, the Tax Agreement, the Continuing Disclosure Agreement, and this Loan Agreement or any other Bond Documents or Borrower Documents, the Issuer, the Issuer Indemnified Parties and the Trustee shall not be accountable to the Borrower for any action taken or omitted by it or its officers in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred on them. The Issuer Indemnified Parties, the Trustee and their officers shall be protected in its or their acting upon any paper or document believed by it or them to be genuine, and it and they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action.

No recourse shall be had against any commissioner, member, director, officer, employee, agent or counsel, past, present, or future of the Issuer, either directly or through the Issuer or otherwise for payment for or to the Issuer or any receiver thereof, or for or to any Holder of the Bonds, or otherwise, of any sum that may be due and unpaid by the Issuer upon the Bonds or under or upon any obligation, covenant or agreement contained in this Loan Agreement or in any other document executed in connection therewith. Neither shall any recourse be had against any such Persons on account of the issuance and sale of the Bonds or on account of any representations in connection therewith. Any and all personal liability or obligation, whether in common law or in equity, or by reason of statute or constitution or by the enforcement of any assessment or otherwise, of such commissioner, member, director, officer, employee, agent or counsel to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof, of for or to any Holder of the Bonds or otherwise, of any sum that may remain due and unpaid upon the Bonds or under any documents executed in connection with the issuance thereof is hereby expressly waived and released as a condition of and in consideration for the execution of this Loan Agreement and the issuance of the Bonds.

ARTICLE IV

THE PROJECT

Section 4.1 Acquisition, Construction, Installation and Equipping of the Project.

(a) **Project Scope.** The Borrower's interest in any land, buildings and equipment acquired, constructed or installed with the proceeds of the Bonds or amounts deposited in the Construction Account of the Project Fund shall be a part of the Project, shall belong to and be the property of the Borrower, and shall be subject to this Loan Agreement.

(b) **Construction.** Promptly following the issuance and sale of the Series 2018 Bonds, the Borrower shall acquire, construct, install and equip the Project. The Issuer hereby authorizes the Borrower to use the proceeds of the Series 2018 Bonds and other amounts deposited into the accounts of the Project Fund from time to time to acquire, construct, install and equip the Project, as provided in Section 5.03 of the Indenture. The Borrower agrees (i) that it will exercise the foregoing authorizations given to it by the Issuer, (ii) that the Project will be acquired, constructed installed and equipped in accordance with the Plans and Specifications for the Project, and (iii) that it expects that the proceeds of the Series 2018 Bonds deposited to the Project Fund will be expended within three years from the date of issuance of the Series 2018 Bonds.

(c) **Insurance Obligations of General Contractor.** The Borrower agrees that it will, at all times during the construction of the Project maintain or cause the General Contractor to satisfy the insurance requirements set forth in the Construction Contract. Such policy or policies of insurance shall name the Issuer, the Borrower, and the Trustee as additional insureds, as their respective interests may appear, and shall name the Trustee as mortgagee and sole loss payee under a standard loss payable endorsement providing that no act or omission by the named insured shall in any way prejudice the rights of the Trustee thereunder, and all Net Proceeds received under such policy or policies by the Borrower or the Issuer shall be paid over directly to the Trustee and deposited and applied in accordance with the provisions of Article V of this Loan Agreement. All such policies or copies thereof or certificates that such insurance is in full force and effect shall be delivered to the Trustee at or prior to the delivery of the Series 2018 Bonds.

(d) **Payment and Performance Bonds.** The Borrower further agrees that it will require the General Contractor to deliver to the Trustee separate performance and labor and material payment bonds (the "Payment and Performance Bonds") with respect to the Construction Contract relating to the Project, and in the full amount of the Construction Contract, made by the General Contractor as the principal and a surety company or companies that is or are licensed to do business in the State, rated at least "A2" by Moody's or "Excellent (A/A-)" by A.M. Best Company, Inc. The Payment and Performance Bonds shall name the Borrower as obligee and the Trustee as dual obligees with the right to proceed without the Borrower's involvement. All

Net Proceeds received under said bonds shall become a part of and be deposited into the Construction Account of the Project Fund, or if received after the Completion Date for the Project, shall be used to pay any obligation then owed by the Borrower under this Loan Agreement, and if any Net Proceeds remain, shall be paid to the Borrower. Any amounts recovered by way of penalties or damages, whether liquidated or actual, for delays in completion by a contractor payable to or to which the Borrower is otherwise entitled shall be deposited into the Bond Fund.

(e) **Plans and Specifications.** The Borrower shall construct the Project in accordance with the Plans and Specifications for the Project and the Construction Contract for the Project and warrants that the construction of the Project in substantial accordance with such Plans and Specifications will, when supplemented by the Equipment for the Project, result in a facility suitable for use by the Borrower as a student housing facility and related facilities and that all real and personal property provided for therein is necessary or appropriate in connection with the Project.

(f) **Construction Liens.** The Borrower shall not permit any mechanics' or materialmen's or other liens to be perfected or remain against the Project for labor or materials furnished in connection with the construction of the Project; provided that it shall not constitute an Event of Default upon such liens being filed, if the Borrower shall promptly notify the Trustee of any such liens, and the Borrower shall in good faith promptly contest such liens; in such event the Borrower may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom provided the Borrower shall furnish the Trustee with a bond or cash deposit equal to at least the amount so contested, a title insurance endorsement, or an opinion of Independent Counsel not unacceptable to the Trustee stating that by nonpayment of any such items, the liens of the Mortgage relating to the Project and the Assignment of Contract Documents relating to the Project as to any material part of the Project will not be materially and imminently endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. The proceeds of the bond, cash deposit, or title insurance endorsement may be used by the Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. If the Borrower shall be unable or shall otherwise fail to obtain such a bond or provide such a cash deposit or title insurance endorsement or such an opinion of Independent Counsel, the Borrower shall promptly cause to be satisfied and discharged all such items by payment thereof. If the Borrower shall fail to pay any of the foregoing items required by this Section to be paid by the Borrower, the Issuer or the Trustee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Issuer or the Trustee shall become an advance repayable in accordance with Section 6.12 hereof. The Borrower shall complete the construction of the Project as promptly as practicable and with all reasonable dispatch.

(g) **Construction Contract.**

(i) **Guaranteed Maximum Price.** The Borrower shall require that the Construction Contract shall have a guaranteed maximum price; provided that in no event shall the guaranteed maximum price be in an amount greater than the net

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proceeds of the Series 2018 Bonds allocated to the construction of the Project. The guaranteed maximum price shall be based on the final Plans and Specifications for the Project.

(ii) *Liquidated Damages.* The Borrower shall require that the Construction Contract shall require the General Contractor to pay as liquidated damages an amount for each day that completion of the Project is delayed beyond a date that is 45 days prior to the commencement of the August 2020 school year because of an act (or failure to act), event, or condition within the reasonable control of the General Contractor.

(h) *Project Records.* The Borrower will maintain such records in connection with the construction and equipping of the Project as are required to permit ready identification of the Project and the Costs.

Section 4.2 Disbursement of Project Fund and Establishment of Completion Date.

(a) Amounts in the Construction Account of the Project Fund shall be disbursed by the Trustee as provided in the Indenture, upon delivery by the Borrower to the Trustee of a requisition, substantially in the form attached to the Construction Disbursement Agreement, executed by the Borrower's Representative setting forth the nature of the amounts to be paid and the name of the payee and certifying that the amounts being paid are Costs of the Project.

Costs of Issuance shall be disbursed by the Trustee as provided in the Indenture, upon delivery by the Borrower to the Trustee of a requisition, substantially in the form attached hereto as Exhibit G, or as otherwise provided in the Indenture.

Prior to receipt of Project Revenues described in Section 5.04(a) of the Indenture, the Trustee shall use amounts in the Tax-Exempt Capitalized Interest Subaccount and the Taxable Interest Subaccount to pay capitalized interest on the Series 2018A Bonds and Series 2018B Bonds, respectively, and to pay any Annual Issuer's Fee then due and payable pursuant to Section 5.04 of the Indenture. Capitalized interest on the Series 2018 Bonds shall be transferred by the Trustee from the applicable subaccount of the Capitalized Interest Account, without any disbursement request, from time to time in a timely manner from the Capitalized Interest Account to the applicable Interest Account of the Bond Fund in an amount equal to the interest accruing on the applicable series of Series 2018 Bonds through the next immediate Interest Payment Date.

(b) The Completion Date for the Project shall be evidenced to the Trustee by a certificate of substantial completion listing the items to be completed or corrected, if any, and the amounts to be withheld therefor, signed by the Borrower's Representative stating that, except for amounts retained by the Trustee for Costs of the Project not then due and payable, (a) the Architect has certified, in accordance with the attachments to each requisition for payment and the Architect's Agreement, that construction of the Project has been completed substantially in accordance with the Plans and Specifications for the Project and all labor, services, materials and supplies used in such construction have been

paid or provided for; (b) the Architect has certified, in accordance with the attachments to each requisition for payment and the Architect's Agreement, that all other facilities necessary in connection with the construction of the Project have been constructed, acquired and installed substantially in accordance with the Plans and Specifications, and all costs and expenses incurred in connection therewith have been paid or provided for; (c) according to the "as built" survey of the premises on which the Project is located or a certificate of the surveyor, the building relating to the Project does not encroach on any other property or violate any setback or sideline requirements applicable to the Property relating to the Project; and (d) a certificate of occupancy for the Project has been issued by appropriate local governmental authorities, if applicable. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or that may subsequently come into being. With respect to the matters covered by clauses (a) and (b) above, the Architect has certified, in accordance with the attachments to each requisition for payment and the Architect's Agreement that all work performed is in compliance with the Plans and Specifications for the Project. It shall be the duty of the Borrower to cause the certificate contemplated by this Section to be furnished as soon as the construction of the Project shall have been substantially completed.

(c) If the Borrower determines not to complete any portion of the Project for which the Series 2018 Bond proceeds (or investment earnings thereon) are available and delivers the completion certificate, or funds such portion of the Project from any other source, such Bond proceeds (or investment earnings thereon) in the Project Fund otherwise allocable to such portion of the Project must be used: (a) to pay costs of the remaining parts of the Project; provided that the Borrower certifies to the Issuer and the Trustee that after recalculating the average reasonably expected economic life of the Project being financed, refinanced or reimbursed with proceeds of the Series 2018 Bonds (or investment earnings thereon), the weighted average maturity of the Series 2018 Bonds will not exceed 120% of the average reasonably expected economic life of the Project; (b) to redeem principal on the Series 2018 Bonds in accordance with the provisions of this Loan Agreement and the Indenture; or (c) in any other lawful manner, provided there shall be delivered to the Trustee and the Issuer a Favorable Opinion of Bond Counsel with respect to such application. If the Borrower shall so determine (i) not to complete any portion of the Project; or (ii) to fund such portion from any other source, such portion of the Project shall no longer be deemed to be within the meaning of the term "Project" for any purpose of this Loan Agreement or the Indenture.

Section 4.3 Operating Expenses. The Borrower agrees to pay when due all Operating Expenses. The Borrower agrees to review and approve invoices for Operating Expenses on a timely basis. The Borrower's Representative, the Asset Manager or the Manager shall be entitled to request in writing, in the form attached hereto as Exhibit E, the disbursement from the Operating Fund of the monthly Operating Requirements by the Trustee to fund the costs of operating the Project as provided pursuant to Section 5.08 of the Indenture. For purpose of complying with such request, the Trustee may conclusively rely and shall be protected in acting upon the request of the Borrower, the Asset Manager or the Manager, which may be submitted by facsimile or email (.pdf format). The Trustee shall not be bound to make an investigation into the facts or matters in any such request.

The Borrower shall establish and maintain the Operating Account in a federally insured financial institution. Money provided to the Borrower from the Operating Fund pursuant to Section 5.08 of the Indenture shall be held in the Operating Account and used by the Borrower, the Asset Manager or the Manager to pay Operating Expenses. On each Interest Payment Date, amounts on deposit in the Borrower's Operating Account in excess of the amount needed to pay or be reserved to pay actual Operating Expenses shall be transferred by the Borrower to the Trustee for deposit in the Revenue Fund. Any balance in the Operating Account at such time that transfers from the Operating Fund to the Operating Account are not permitted pursuant to Section 5.08 of the Indenture shall be promptly transferred by the Borrower to the Trustee for deposit in the Operating Fund.

If actual Operating Expenses and other actual disbursements with respect to the Project in any month exceed amounts budgeted therefor for that month, the Borrower's Representative, the Asset Manager or the Manager may requisition from the Operations and Maintenance Reserve Fund or the Surplus Fund the amount of such excess in the manner provided in Section 5.09 or Section 5.13, respectively, of the Indenture. For purpose of complying with such request, the Trustee may conclusively rely and shall be protected in acting upon the request of the Borrower, the Asset Manager or the Manager, which may be submitted by facsimile or email (.pdf format). The Trustee shall not be bound to make an investigation into the facts or matters in any such request. However, if there are two such requests by the Borrower, the Asset Manager or the Manager in any fiscal quarter that are in excess of 10% of the amounts budgeted therefor in any month, then (i) the Borrower must notify the Trustee, the Underwriter and the Rating Agency; and (ii) the Borrower must prepare or cause the Manager or the Asset Manager to prepare a report that describes the reasons for the additional expenses and the circumstances surrounding the additional expenses.

If the Borrower ascertains that the actual Operating Expenses in any month will continue to exceed amounts budgeted therefor for that month, then the Borrower will prepare or cause the Manager or the Asset Manager to prepare a revised Budget for the Project for the upcoming 12-month period which reflects the actual Operating Expenses in connection with the Project.

Section 4.4 Rate Covenant; Coverage. The Borrower shall fix, charge and collect, or cause to be fixed, charged and collected rents, fees and charges in connection with the operation and maintenance of the Project such that for each Fiscal Year, ending on or after December 31, 2020, the Debt Service Coverage Ratio will not be less than the applicable Coverage Test, determined as of the end of each such Fiscal Year based on and supported by Audited Financial Statements.

Section 4.5 Failure to Meet Rate Covenant; Retention of Management Consultant. If the Coverage Test in any Fiscal Year ending on or after December 31, 2020, as set forth in the certificate delivered pursuant to Section 6.7(a) hereof, is not satisfied, the Borrower shall retain a Management Consultant. Payment of the fees of the Management Consultant shall be deemed an Operating Expense. The Management Consultant shall prepare recommendations with respect to the operations of the Project and the sufficiency of the rates, fees and charges imposed by the Borrower.

The Management Consultant's report shall (a) include the projection of the Project Revenues, Operating Expenses and Net Income Available for Debt Service on a quarterly basis for not less than the next two Fiscal Years, and (b) make such recommendations to the Borrower as the Management Consultant believes are appropriate to enable the Borrower to increase the Debt Service Coverage Ratio to satisfy the Coverage Test for the current calendar year. If, in the judgment of the Management Consultant, it is not possible for the Borrower to meet such requirements, the report of the Management Consultant shall so indicate and shall project the Debt Service Coverage Ratio which could be achieved if the recommendations of the Management Consultant are followed. Continuous retention of a Management Consultant during the years that are the subject of the Management Consultant's report shall not be required, however, if the Borrower Representative delivers a certificate to the Trustee, within 45 days after the end of each calendar quarter, setting forth the actual results for such quarter (which may be based on unaudited financial statements) and such results show that the Debt Service Coverage Ratio is projected by the Management Consultant is being met. The Borrower shall, to the extent lawful and feasible and consistent with the preservation of the Sole Member's 501(c)(3) status, follow the recommendations of the Management Consultant.

Failure of the Borrower to satisfy the Coverage Test covenant constitutes a Default under this Loan Agreement only if (a) the Borrower fails to engage the Management Consultant or, (b) to the extent that the Rating Agency agrees with such recommendations, the Borrower fails to implement its reasonable recommendations, to the extent possible and to the extent consistent with the charitable mission of the Sole Member, as required by this Loan Agreement.

Section 4.6 Maintenance and Modification of Project; Removal of Manager. The Borrower agrees that during the term of this Loan Agreement it will at its own expense (i) keep the Project in a safe condition, (ii) keep the buildings and all other improvements forming a part of the Project in good repair and in good operating condition, making from time to time, subject to the provisions of this Section 4.6, all necessary and proper repairs thereto and renewals and replacements thereof, including external and structural repairs, renewals, and replacements, and (iii) use the Equipment in the regular course of its business only, within the normal capacity of the Equipment, without abuse, and in a manner contemplated by the manufacturer thereof. The Borrower may, also at its own expense, from time to time make any Modifications to the Project it may deem desirable for its business purposes that do not, in the opinion of an Independent Architect filed with the Trustee, adversely affect the operation or value of the Project, and provided further, that such Modifications (other than any modifications made to the Project with the proceeds of the Bonds) shall not cause the Debt Service Coverage Ratio to fall below the required Coverage Test for any Series of Bonds. Modifications to the Project so made by the Borrower (other than any modifications made to the Project with the proceeds of the Bonds) will be on the Mortgaged Property, will become a part of the Project, and will become subject to the lien of the Mortgage. Any contract for such Modifications which is in an amount in excess of \$500,000 will be made only by a contractor who furnishes performance and labor and material payment bonds in the full amount of such contract, made by the contractor thereunder as the principal and a surety company or companies rated "A" or higher by A. M. Best & Company, Inc. Such bonds must name the Borrower, the Issuer, and the Trustee as obligees, and all Net Proceeds received under such bonds will be paid over to the Trustee and deposited in the Construction Account of the Project Fund to be applied to the completion of the Modifications.

Such money held by the Trustee in the Construction Account of the Project Fund will be invested from time to time, as provided in Article VI of the Indenture.

The Borrower will execute a conditional assignment directing the architect who has prepared any plans and specifications for any Modifications to make available to the Trustee a complete set of the plans and specifications, which assignment will be effective only upon an Event of a Default hereunder by the Borrower. Each construction contract executed by the Borrower for construction of any Modifications must contain a provision that, or by separate agreement such contractors must agree that, upon an Event of Default by the Borrower hereunder and foreclosure under the Mortgage, such contracts with the contractors and/or subcontractors will be deemed assigned to the Trustee should the Trustee so direct and in which case the Trustee will be responsible for the carrying out of all the terms and conditions thereof in place of the Borrower in such contracts. The Borrower covenants to include such conditional assignments in all contracts and subcontracts executed for work to be performed on the Mortgaged Property.

The Borrower further agrees that at all times during the construction of Modifications (other than any modifications made to the Project with the proceeds of the Bonds) which cost in excess of \$100,000, the construction contract for such Modifications must be on a "fixed" or "guaranteed maximum price" basis and the Borrower must maintain or cause to be maintained in full force and effect Builder's Risk-Completed Value Form insurance to the full insurable value of such Modifications. The Borrower will not permit any mechanics' or materialmen's or other statutory liens to be perfected or remain against the Project for labor or materials furnished in connection with any Modifications so made by the Borrower, provided that it will not constitute an Event of Default hereunder upon such lien being filed, if the Borrower notifies promptly the Trustee, in writing, of any such liens, and the Borrower in good faith and in accordance with applicable law contests promptly such liens in the same manner as is provided for the contest of Impositions in Section 4.9 hereof; and in such event the Borrower may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom.

The Borrower will not do or permit others under its control to do any work in or about the Project or related to any repair, rebuilding, restoration, replacement, alteration of, or addition to the Project, or any part thereof, unless the Borrower has first procured and paid for all requisite municipal and other governmental permits and authorizations. All such work must be done in a good and workmanlike manner and in compliance with all applicable building, zoning, and other laws, ordinances, governmental regulations, and requirements and in accordance with the requirements, rules, and regulations of all insurers under the policies required to be carried under the provisions of Article V hereof.

If no Event of Default under this Loan Agreement has happened and is continuing, in any instance where the Borrower in its discretion determines that any items of Equipment or parts thereof have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the Borrower may remove such items of Equipment or parts thereof from the Mortgaged Property and sell, trade in, exchange, or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Issuer therefor, provided that the Borrower will:

(a) Substitute and install anywhere in the Project items of replacement equipment or related property having equal or greater value or utility (but not necessarily having the same function) in the operation of the Project for the purpose for which it is intended, provided such removal and substitution will not impair the nature of the Project, all of which replacement equipment or related property will be free of all liens, security interests, and encumbrances (other than Permitted Encumbrances), will become subject to the security interest of the Mortgage, and will be held by the Borrower on the same terms and conditions as the items originally constituting Equipment, or

(b) In the case of: (i) the sale of any such Equipment, (ii) the trade-in of such Equipment for other machinery, furnishings, equipment, or related property not to become part of the Equipment and subject to the security interest of the Mortgage, or (iii) any other disposition thereof, the Borrower will pay to the Trustee the proceeds of such sale or disposition or an amount equal to the credit received upon such trade-in for deposit into the applicable Special Redemption Account or Subaccount of the Bond Fund. In the case of the sale, trade-in, or other disposition of any such Equipment to the Borrower, or an Affiliate, the Borrower will pay to the Trustee an amount equal to the greater of the amounts and credits received therefor or the fair market value thereof at the time of such sale, trade-in, or other disposition (as certified by the Borrower, with evidence of the basis therefor) for deposit into the applicable Special Redemption Account or Subaccount of the Bond Fund.

Except to the extent that amounts are deposited into the Bond Fund as provided in the preceding subsection (b), the removal from the Project of any portion of the Equipment pursuant to the provisions of this Section will not entitle the Borrower to any abatement or diminution of the Basic Loan Payments payable under Section 3.2 hereof.

If prior to such removal and disposition of items of Equipment from the buildings and the Mortgaged Property, the Borrower has acquired and installed machinery, furnishings, equipment, or related property with its own funds which become part of the Equipment and subject to the security interest of the Indenture and the Mortgage and which have equal or greater utility, but not necessarily the same functions, as the Equipment to be removed, the Borrower may take credit to the extent of the amount so spent by it against the requirement that it either substitute and install other machinery and equipment having equal or greater value or that it make payment to the Trustee for deposit into the applicable Special Redemption Account or Subaccount of the Bond Fund.

The Borrower will promptly provide written notice to the Trustee regarding each such removal, substitution, sale, or other disposition referred to in subsection (b) of this Section and will pay to the Trustee such amounts as are required by the provisions of subsection (b) of this Section to be paid promptly into the Bond Fund after the sale, trade-in, or other disposition requiring such payment; provided, that no such report and payment need be made until the amount to be paid into the applicable Special Redemption Account of the Bond Fund on account of all such sales, trade-ins, or other dispositions not previously reported in the aggregate has a value of at least \$50,000. All amounts deposited in the Bond Fund pursuant to this Section 4.6 will be used to redeem Bonds pursuant to Section 3.02 of the Indenture on the earliest date Bonds can be redeemed at par. The Borrower will not remove, or permit the removal of, any of

the Equipment from the buildings or Mortgaged Property except in accordance with the provisions of this Section 4.6. The Trustee is not responsible for verifying or validating any amounts received pursuant to this Section 4.6.

Section 4.7 Management and Asset Management of the Project. The Borrower shall initially retain the Asset Manager identified in the Indenture to provide asset management services with respect to the Project pursuant to the Asset Management Agreement. The fees of the Asset Manager shall be payable solely from available money in the Surplus Fund established in the Indenture and from other money of the Borrower. No Person shall be engaged by the Borrower as the Asset Manager or the Manager (other than the initial Manager or Asset Manager named in the Indenture) unless such Person or a principal officer (or in the case of a limited liability company, manager) thereof (a) shall have at least 5 years of demonstrated experience in the management and leasing or, in the case of the Asset Manager, asset management services of affordable residential rental housing facilities, including having (or in the case of such an officer or manager, overseeing) not less than 500 units under management and (b) have its employees bonded for not less than the \$500,000 as required by Section 5.1(h) hereof.

The Borrower shall initially retain the Manager identified in the Indenture to provide management services with respect to the Project pursuant to the Management Agreement. The fees of the Manager shall be payable from available money in the Operating Fund established in the Indenture and from other money of the Borrower. No Person shall be engaged by the Borrower as the Manager (other than the initial Manager named in the Indenture) unless such Person or a principal officer (or in the case of a limited liability company, manager) thereof (a) shall have at least 5 years of demonstrated experience in the management and leasing services of student housing facilities, including having (or in the case of such an officer or manager, overseeing) not less than 500 units under management and (b) have its employees bonded for not less than the \$500,000 as required by Section 5.1(h) hereof.

The Borrower shall instruct the Manager that all Project Revenues collected by the Manager shall be remitted to the Trustee not later than three (3) Business Days following receipt thereof.

In the event any Management Agreement or Asset Management Agreement is terminated, the Borrower shall manage the Project itself until such time as it can engage a qualified successor Manager, as applicable, to manage the Project in accordance with the provisions of this Section. The Borrower shall so engage a successor Manager or Asset Manager, as applicable, on the earliest practicable date. Any successor Management Agreement shall have substantially the same terms, and fee structure as the Management Agreement originally entered into with the Manager identified in the Indenture, and shall be subject to the provision of Section 4.8 hereof regarding forbearance of fees. Prior to entering into a contract with any successor Manager or Asset Manager, the Borrower must first deliver to the Trustee (i) a Favorable Opinion of Bond Counsel regarding the proposed Management Agreement or Asset Management Agreement, and (ii) a certificate of the proposed successor manager or asset manager stating that it has reviewed, understands, and will comply with the restrictions contained in the Indenture.

Section 4.8 Forbearance and Subordination of Fees. The Borrower hereby agrees that it, the Sole Member, and any Manager or Asset Manager which is an Affiliate of the

Borrower or the Sole Member, shall forbear from taking any management, administration, development or other fees, or any portions thereof, in the event and to the extent that money in the Revenue Fund are insufficient in any month to make all current and deferred deposits (other than deposits to the Surplus Fund) provided in the Indenture, and that the payment of such fees be made and in accordance with Section 5.04 and Section 5.13 of the Indenture. The Borrower agrees that any Management Agreement or Asset Management Agreement entered into with respect to the Project during the term of this Loan Agreement shall be subject to this Section and shall contain provisions consistent herewith.

Section 4.9 Taxes and Impositions.

(a) Subject to paragraph (c) of this Section 4.9, the Borrower agrees to pay, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, which are assessed or imposed upon the Project, or become due and payable, and which create, may create or appear to create a lien upon the Project, or any part thereof, or upon any personal property, equipment or other facility used in the operation or maintenance thereof (all of which taxes, assessments and other governmental and non-governmental charges of like nature are hereinafter referred to as "Impositions"); provided, however, that if, by law, any such Imposition is payable, or may at the option of the taxpayer be paid, in installments, the Borrower may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest. Payments made by the Trustee on behalf of the Borrower from funds held under the Indenture in the Insurance and Tax Escrow Fund shall, to the extent of such payments, discharge the Borrower's obligations hereunder.

(b) If at any time after the date hereof there shall be assessed or imposed (i) a tax or assessment on the Project in lieu of or in addition to the Impositions payable by the Project pursuant to subparagraph (a) hereof or (ii) a license fee, tax or assessment imposed on the Trustee and measured by or based, in whole or in part, upon the amount of the outstanding Notes, then all such taxes, assessments or fees shall be deemed to be included within the term "Impositions," as defined in subparagraph (a) hereof, and the Borrower shall pay and discharge the same as herein provided with respect to the payment of Impositions.

(c) Subject to the applicable State law provisions, the Borrower shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending the Borrower's covenant to pay any such Imposition at the time and in the manner provided in this Section 4.9, unless the Borrower has given prior written notice to the Trustee of the Borrower's intent to so contest or object to an Imposition, and unless, at the Trustee's sole option, (i) the Borrower shall demonstrate to the Trustee's satisfaction that the legal proceedings shall conclusively operate to prevent the sale of the Project, or any part thereof, to satisfy such Imposition prior to final determination of such proceedings; (ii) the Borrower shall furnish a good and sufficient bond or surety in the amount of such Impositions; or (iii) the

Borrower shall have provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of such proceedings.

(d) The Borrower shall deposit with the Trustee amounts sufficient to pay the annual Impositions as set forth in the Budget to be next due on the Project, in accordance with the provisions of the Indenture. The Borrower further agrees to cause all bills, statements or other documents relating to Impositions to be sent or mailed directly to the Trustee. Upon receipt of such bills, statements or other documents, and provided the Borrower has deposited sufficient funds pursuant to this Section 4.9(d), the Trustee shall, so long as no Event of Default has occurred, pay such amounts as may be due thereunder out of the funds so deposited. If any time and for any reason the funds so deposited are or will be insufficient to pay such amounts as may then or subsequently be due, the Trustee shall notify the Borrower, and the Borrower shall immediately deposit an amount equal to such deficiency with, or as directed by, the Trustee. If the Borrower fails to deposit sums sufficient to fully pay such Impositions at least 30 days before delinquency thereof, the Trustee may, at the Trustee's election, but without any obligation to do so, advance any amounts required to make up the deficiency from the Revenue Fund, which advances, if any, shall be secured by the Mortgage and shall be repayable to the Trustee as herein elsewhere provided.

(e) The Borrower covenants and agrees not to suffer, permit or initiate the joint assessment of the real and personal property or any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the related Project as a single lien.

Section 4.10 Utilities. The Borrower shall pay, or cause to be paid, when due, all utility charges which are incurred for the benefit of the Project or which may become a charge or lien against the Project for gas, electricity, water or sewer services furnished to the Project and all other taxes, assessments or charges of a similar nature, whether public or private, affecting the Project or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

Section 4.11 Hazardous Waste Covenant. In addition to and without limitation of all other representations, warranties and covenants made by the Borrower under this Loan Agreement, the Borrower further represents, warrants and covenants that the Borrower will not use Hazardous Substances on, from or affecting the Project in any manner which violates Environmental Laws, and that to the best of the Borrower's knowledge, no tenant, subtenant, prior tenant or prior subtenant have used Hazardous Substances on, from, or affecting the Project in any manner which violates any Environmental Law. Without limiting the foregoing, the Borrower shall not cause or permit the Project or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process Hazardous Substances, except in compliance with all Environmental Laws, nor shall the Borrower cause or knowingly permit, as a result of any intentional act or omission on the part of the Borrower or any tenant or subtenant, a release of Hazardous Substances onto the Project. The Borrower shall comply with and require compliance by all tenants and subtenants with all Environmental Laws and shall obtain and comply with, and require that all tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required

thereunder. The Borrower shall conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other action required by a governmental authority under any applicable Environmental Law to clean up and remove all Hazardous Substances on, from or affecting the Project in accordance with all applicable federal, State and local laws, ordinances, rules and regulations. The Borrower shall defend, indemnify and hold harmless the Issuer Indemnified Parties, the Underwriter, and the Trustee from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (a) the presence, disposal, release or threatened release of any Hazardous Substances which are on or from the Project which affect the soil, water, vegetation, buildings, personal property, persons, animals or otherwise, (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances on or from the Project, and/or (c) any violation of laws, orders, regulations, requirements or demands of government authorities, or written requirements of the Issuer and the Trustee, which are based upon or in any way related to such Hazardous Substances, including, without limitation, reasonable attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses. In the event the Project is foreclosed upon, or a deed in lieu of foreclosure is tendered, the Borrower shall deliver the Project in a manner and condition that shall conform with all applicable federal, state and local laws, ordinances, rules or regulations affecting the Project. The provisions of this paragraph shall be in addition to any and all other obligations and liabilities the Borrower may have to the Issuer or the Trustee at common law or under the Bond Documents, and shall survive the termination of this Loan Agreement and the retirement or defeasance of the Bonds.

The indemnifications and protections set forth in this Section shall be extended to any of the respective directors, officers, employees, agents and persons under the control or supervision of the Issuer, the Trustee and the Underwriter, respectively.

Anything to the contrary in this Loan Agreement notwithstanding, the covenants of the Borrower contained in this Section shall remain in full force and effect after the termination of this Loan Agreement and the retirement or defeasance of the Bonds until the later of (a) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (b) payment in full or the satisfaction of such claim or cause of action and of all expense and charges incurred by the Issuer Indemnified Parties, the Underwriter or the Trustee relating to the enforcement of the provisions herein specified.

For the purposes of this Section, the Borrower shall not be deemed an employee, agent or servant of the Issuer or person under the Issuer's control or supervision.

Section 4.12 Needs Assessment Analysis. The Borrower will contract for a Needs Assessment Analysis to be prepared with respect to the Project every 5 years from the date of this Loan Agreement and then will submit copies of the report to the Trustee and the Rating Agency. The Needs Assessment Analysis must be conducted and prepared by a consulting engineer that in the objective and reasonable opinion of the Borrower, is experienced in conducting needs assessment analysis for student housing rental Projects. Each Needs Assessment Analysis shall identify the major maintenance requirements (including the replacement of machinery and appliances), for the next 5 years and the estimated costs thereof and include recommendations for (a) the monthly amount to be deposited to the Repair and

Replacement Fund, and (b) the Repair and Replacement Fund Requirement. The Borrower shall revise the Repair and Replacement Fund Requirement (and advise the Trustee in writing of the revised Repair and Replacement Fund Requirement) based on the recommendation of the consulting engineer and the Borrower shall promptly implement any recommendations contained in each Needs Assessment Analysis to the maximum extent practicable.

ARTICLE V

INSURANCE; DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 5.1 Required Insurance. The Borrower shall procure and maintain continuously in effect during the term of this Loan Agreement policies of insurance with respect to the Project insuring against such hazards and risks and in such amounts as are customary for a prudent owner of properties comparable to those comprising the Project. Without limiting the generality of the foregoing, the Borrower shall maintain the following insurance with one or more reputable insurance companies meeting the requirements set forth in Section 5.2 hereof with respect to the Project:

(a) insurance against loss or damage to the Project by fire and any of the risks covered by insurance of the type now known as “fire and extended coverage” in an aggregate amount not less than the greater of (i) the full replacement cost of the Project and or (ii) the outstanding principal amount of the Bonds, and with a deductible from the loss payable for any casualty; the policies of insurance carried in accordance with this paragraph (a) shall contain the “Replacement Cost Endorsement;”

(b) business interruption or loss of rent insurance in an aggregate amount equal to the greater of: (i) an amount equal to the maximum scheduled principal and interest payments on the Notes during any twelve month period, or (ii) the aggregate gross amount of annual income projected (or, if greater, actual) for the Project based upon the projected (or, if greater, actual) occupancy of the Project; provided that such coverage shall be adjusted annually on each anniversary date of the policy to comply with the provisions with this Section 5.1(b);

(c) comprehensive general liability insurance (including coverage for elevators and escalators, if any, on the Project and, if any construction of new improvements occurs after execution of this Loan Agreement, completed operations coverage for two years after construction of any improvements has been completed) on an “occurrence basis” against claims for “personal injury,” including, without limitation, bodily injury, death or property damage occurring on, in or about the Project and the adjoining streets, sidewalks and passageways, such insurance to afford immediate minimum protection to a limit in no event less than \$1,000,000 with respect to personal injury or death to any one or more persons or damage to property;

(d) workers’ compensation insurance (including employer’s liability insurance) for all employees of the Borrower engaged on or with respect to the Project in such amount as is required by law;

(e) during the course of any construction or repair of the Project, builder’s completed value risk insurance against “all risks of physical loss” during construction or repair, with deductibles as are common in similar policies obtained by prudent owners of property similar in use to the Project and located in the same area in which the Project is located, in non-reporting form, at the Borrower’s option covering the total value of work performed and equipment, supplies and materials furnished; such policy of insurance shall contain the “permission to occupy upon completion of work or occupancy” endorsement;

(f) boiler and machinery insurance covering pressure vessels, air tanks, boilers, machinery, pressure piping, heating, air conditioning and elevator equipment and escalator equipment, provided any improvements contain equipment of such nature, and insurance against loss of occupancy or use arising from any breakdown of the same, in such amounts as are commonly obtained by prudent owners of property similar in use to the Project and located in the same area in which the Project is located;

(g) flood insurance if the Project is in an area identified as a special flood hazard area pursuant to the Flood Disaster Protection Act of 1973, as amended, or other applicable law, unless the Project has been removed from the area by application, with such insurance to be at least the amount available under the National Flood Insurance Act of 1968;

(h) fidelity bonds or employee dishonesty insurance in an amount not less than \$500,000 covering all officers, agents, and employees of the Borrower responsible for causing the proceeds of Bonds to be disbursed and covering all officers, agents, and employees of the Manager responsible for handling Project Revenues; and

(i) such other insurance, in such amounts and against such hazards and risks, as is commonly obtained by prudent owners of property similar in use to the Project and located in the same area in which the Project is located.

All policies of insurance required by the terms of this Loan Agreement shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy, notwithstanding any act or negligence of the Borrower which might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of setoff, counterclaim or deductions against the Borrower.

Section 5.2 Delivery of Insurance Policies; Payment of Premiums. All policies of insurance provided for in Section 5.1 shall be issued by companies licensed to do business in the State, and such insurance companies must have a rating from the Rating Agency of no less than “BBB” by S&P (a “Qualified Insurer”). Such policies shall be at least in amounts as required by the provisions of this Loan Agreement. All policies of insurance shall name the Trustee as a named or an additional insured and loss payee and shall have (i) attached thereto a lender’s loss

payable endorsement for the benefit of the Trustee, which endorsement indicates that all insurance proceeds in excess of \$25,000 are payable directly to the Trustee and (ii) a clause in favor of the Trustee stating that there can be no changes, including modifications, amendments or cancellations, to the respective policy without 30 days written notice to the Trustee. The Borrower shall furnish the Trustee, on January 1 of each year (or as soon as reasonably practicable thereafter) commencing January 1, 2019, with an original or certified copies of certificates of insurance for all required insurance.

The Borrower shall not obtain (i) any umbrella or blanket liability or casualty insurance policy unless, in each case, the Trustee's interest is included therein as provided in this Loan Agreement and such policy is issued by a Qualified Insurer, or (ii) separate insurance concurrent in form or contributing in the event of loss with that required in Section 5.1 to be furnished by, or which may be reasonably required to be furnished by, the Borrower. In the event the Borrower obtains separate insurance or an umbrella or a blanket policy, the Borrower shall notify the Trustee of the same and shall cause certified copies of each policy to be delivered as required in Section 5.1. Any blanket policy shall specifically allocate to the Project the amount of coverage from time to time required hereunder and shall otherwise provide the same protection as would a separate policy insuring only the Project in compliance with the provisions of Section 5.1.

Prior to the expiration of each such policy, the Borrower shall furnish the Trustee with written evidence of the reissuance of the existing policy or the issuance of a new policy continuing insurance in force, as required by this Loan Agreement. All such policies shall contain a provision that such policies will not be canceled or materially amended in any manner, including without limitation, amended to reduce the scope or limits of coverage, without 20 days' prior written notice to the Trustee. In all cases, the Borrower shall immediately give notice to the Trustee of any notice received by the Borrower of any expiration, cancellation or modification of, or material reduction of coverage under, any such policy. The Borrower shall not consent to any material amendment to or the cancellation of any such policy.

In the event the Borrower fails to provide, maintain, keep in force or deliver and furnish to the Trustee the certificates of insurance required by this Loan Agreement or make the deposits required hereunder, the Trustee may, but is not required to do so, procure such insurance as provided for in Section 5.1, and the Borrower will immediately pay all premiums thereon promptly upon demand by the Trustee (to the extent such amounts are not paid from money in the Insurance and Tax Escrow Fund held under the Indenture), and, until such payment is made by the Borrower, the amount of all such premiums shall be secured by this Loan Agreement.

The Borrower shall deposit with the Trustee, in accordance with Sections 5.04 and 5.10 of the Indenture, amounts sufficient to pay when due estimated aggregate annual insurance premiums on all policies of insurance required by this Loan Agreement. Such amounts shall be disbursed as provided in the Indenture.

Section 5.3 Insurance Proceeds. Casualty and Condemnation.

(a) After the occurrence of any casualty or condemnation to the Project, or any part thereof, the Borrower shall give prompt written notice thereof to the Trustee and

each insurer and promptly submit a claim to insurer for payment of insurance proceeds; the Borrower shall provide the Trustee with a copy of such claim.

(b) All Insurance Proceeds with respect to the Project shall be paid to the Trustee, and each insurer is hereby authorized and directed to make payment for any such loss directly to the Trustee instead of payment to the Borrower. Any Insurance Proceeds shall be applied as provided in this Section 5.3 and Section 5.17 of the Indenture. Damage or destruction of the Project shall not affect the lien of the Mortgage or the obligations of the Borrower hereunder, and the Trustee is authorized, at the Trustee's option, to compromise and settle all loss claims on said policies if not adjusted promptly by the Borrower.

(c) Notwithstanding the application of Insurance Proceeds to the payment of a portion of the Notes and corresponding redemption of the Bonds pursuant to the Indenture, any unpaid portion of the Bonds shall remain in full force and effect, and the Borrower shall not be excused in the payment thereof. If any act or occurrence of any kind or nature on which insurance was not obtained or obtainable shall result in damage to or loss or destruction of the Project, the Borrower shall give immediate notice thereof to the Trustee and, unless otherwise so instructed by the Trustee, shall promptly, at the Borrower's sole cost and expense, whether or not the Insurance Proceeds are adequate to cover such cost and expense, restore, repair, replace and rebuild the Project as nearly as possible to its value, condition and character immediately prior to such damage, loss or destruction, in accordance with plans and specifications submitted to and approved by the Trustee (in reliance upon a Consultant who is an expert in construction), provided that such Restoration, repair, replacement and rebuilding is permitted by law.

(d) Except as provided below, nothing contained in this Loan Agreement shall be deemed to excuse the Borrower from repairing or maintaining the Project, as provided herein. The application or release by the Trustee of any Insurance Proceeds shall not cure or waive any Default or notice of default under this Loan Agreement or invalidate any act done pursuant to such notice. If the Insurance Proceeds are not applied to the Restoration of the Project, the Borrower shall not be required to restore, rebuild, replace or repair the portion of the Project damaged or destroyed, and the failure to do so shall not constitute a Default under this Loan Agreement.

(e) All Net Proceeds of Insurance shall be applied at the option of the Borrower either (i) to the payment of the Bonds in accordance with the Indenture, or (ii) to the Restoration of the Project (if permitted by law, and to the extent not permitted by law, such Insurance Proceeds shall be applied to the payment of the Bonds), except that (A) the proceeds of any loss of rents insurance shall be deposited in the Revenue Fund under the Indenture and applied as therein provided and (B) any surplus proceeds shall be applied to the payment of the Bonds.

(f) Unless the Borrower exercises its option to apply the Insurance Proceeds to the payment of the Bonds in accordance with the provisions of the Indenture, and so long as any Bonds shall be Outstanding and unpaid, and whether or not Insurance Proceeds are sufficient or available therefor, the Borrower shall promptly commence and

complete with all reasonable diligence the Restoration of the Project as nearly as possible to the same value and revenue producing capacity which existed immediately prior to such loss or damage in accordance with plans and specifications prepared by an Independent Architect (“Restoration Plans”), and in compliance with all legal requirements. Any Restoration shall be effected in accordance with procedures to be first submitted to the Trustee as provided in Section 5.1 hereof (in reliance upon a Consultant who is an expert in construction). The Borrower shall pay all costs of such Restoration to the extent not paid from net proceeds of Insurance Proceeds available therefor pursuant to Section 5.1 hereof. If such Restoration is not permitted by law, the Insurance Proceeds shall be applied to the payment of the Bonds.

(g) To exercise the option provided in paragraph (e) above, within thirty (30) days following the deposit of Insurance Proceeds or awards in accordance with the provisions of the Indenture, the Borrower shall give written notice of the option it has selected to the Trustee. If such notice is to exercise the option of prepaying the Bonds, the Trustee shall apply the Net Proceeds of such Insurance Proceeds in the manner provided in Section 5.17 of the Indenture. If such notice is to exercise the option of Restoration or if no such notice is received, the provisions of paragraph (e) above shall control.

Section 5.4 Disbursement of Insurance Proceeds and Condemnation Awards.

(a) All Net Proceeds of Insurance Proceeds received by the Trustee as provided in Section 5.3 hereof and/or Condemnation Awards shall be applied as provided in this Section.

(b) If no Default shall exist hereunder and if the Borrower has elected Restoration and such Restoration is permitted by law, all Net Proceeds shall be deposited in the Construction Account of the Project Fund and disbursed in accordance with the provisions of Section 5.03 of the Indenture to pay or reimburse the Borrower for the payment of the costs, fees and expenses incurred for the Restoration of the Project as required under Section 5.3 hereof; provided that no distribution of Net Proceeds for Restoration shall be made until the Trustee shall have received the following:

(i) Restoration Plans and procedures for the Restoration of the Project as required by Section 5.3(f) hereof.

(ii) A certificate of a Borrower Representative upon which the Trustee may conclusively rely to the effect that the Project Revenues (including the proceeds of any loss of rent insurance and other funds irrevocably committed to the payment of such amounts) to be received during, and after completion of, the Restoration of the Project in accordance with the approved Restoration Plans, will be sufficient and available to make all payments and deposits when due hereunder, including without limitation to pay all principal, premium, if any, and interest on the Bonds when due, to make all required deposits into the Funds, Accounts and Subaccounts required by Section 5.04 of the Indenture, to pay all other Operating Expenses of the Project, and to pay the debt service on any

Indebtedness (other than the Bonds) then outstanding or to be incurred in connection with such Restoration.

(iii) Construction schedules and budgets and independently verified estimates and other evidence (including stipulated sum or guaranteed maximum cost construction contracts) to establish the total amount of the costs, fees and expenses necessary to complete the Restoration of the Project in accordance with the approved Restoration Plans, and of the time period required to complete such Restoration.

(iv) A certificate from an independent architect or contractor appointed by the Borrower upon which the Trustee may conclusively rely that the Net Proceeds available therefor together with funds deposited with the Trustee, or irrevocably committed by or on behalf of the Borrower, shall be sufficient to fully pay all costs, fees and expenses necessary for the Restoration of the Project in accordance with the approved Restoration Plans and all legal requirements, free and clear of all mechanic’s liens and other liens or claims for lien which are not Permitted Encumbrances.

(v) A waiver of any rights of subrogation from any insurer under any Insurance Policy which, at any time claims that no liability exists as to the Borrower or the owner or insured under such Insurance Policies.

(vi) Such architect’s and engineer’s certificates, waivers of lien, contractor’s sworn statements, title insurance endorsements, surveys, opinions of counsel and such other evidences of cost, payment and performance as the Trustee may reasonably require and upon which it may conclusively rely.

(c) If, within 60 days after the receipt of such Net Proceeds, the Borrower shall fail to furnish sufficient funds and the other items required by paragraph (b) of this Section or if any other Default shall then exist or shall occur hereunder at any time (whether before or after the commencement of such Restoration) the Trustee may, and at the written request of the Controlling Holders shall, declare the entire principal balance of the Bonds or any portion thereof to be immediately due and payable and to avail itself of any and all remedies afforded hereunder upon a Default and whether or not the Bonds shall be so accelerated such Net Proceeds, or any portion thereof, then held by the Trustee or other depository hereunder may be applied as provided in the Indenture.

(d) No payment made prior to the final completion of the Restoration of the Project in accordance with the approved Restoration Plans shall exceed 90% of the value of the work performed from time to time, as such value shall be evidenced by an Independent architect’s or contractor’s certificate to that effect, delivered to the Trustee, upon which the Trustee may conclusively rely; and at all times the undisbursed balance of such proceeds remaining in the hand of the Trustee or such other depository, together with funds deposited or irrevocably committed to the satisfaction of the Trustee by or on behalf of the Borrower to pay the cost of such Restoration, shall be sufficient to pay the entire unpaid cost of the Restoration free and clear of all liens or claims for lien, other

than any Permitted Encumbrances evidenced by an Independent architect's or contractor's certificate to that effect, delivered to the Trustee, upon which the Trustee may conclusively rely.

(e) The Trustee, at Borrower's expense, shall hire a Consultant, who is an expert in construction, to monitor the Restoration and compliance with the provisions of this Section 5.4.

(f) Any surplus which may remain out of such Net Proceeds after payment of all costs, fees and expenses (including expenses of the Trustee and its counsel, agents, experts or other consultants retained in connection with such Restoration) of such Restoration shall be applied to the redemption of Bonds as provided in Section 3.01 of the Indenture.

(g) The Borrower shall make written monthly progress reports to the Trustee as to the status of construction and compliance with the budget prepared in connection with the Restoration of the Project.

Section 5.5 Report of Insurance Consultant; Insurance Commercially Unavailable.

(a) The insurance required to be maintained pursuant to this Article V shall be subject to the annual review of the Insurance Consultant, and the Borrower agrees that it will follow any recommendations of the Insurance Consultant. In order to establish compliance with this Article V, the Borrower agrees that it will deliver to the Trustee at or prior to the Closing Date and then annually thereafter within five months after the end of each Fiscal Year, a report of the Insurance Consultant setting forth a description of the insurance maintained, or caused to be maintained pursuant to this Article V and then in effect (including any alternative plan as permitted by Section 5.5(b) hereof) and stating whether, in the opinion of the Insurance Consultant, such insurance, the manner of providing such insurance and any reductions or eliminations of the amount of any insurance coverage during the Fiscal Year covered by such report comply with the requirements of this Article V and adequately protect the Project and the Borrower's operations.

(b) In the event that any insurance required by Section 5.1 hereof is commercially unavailable at a reasonable cost, the Borrower, upon notice to the Trustee, may provide such substitute coverage, if any, as is recommended by the Insurance Consultant at a reasonable cost. The Borrower shall make a continuing good faith effort to secure the insurance required by Section 5.1 hereof, and if the insurance becomes commercially available at a reasonable cost, the Borrower shall acquire such insurance upon expiration of the substitute insurance or as otherwise recommended by the Insurance Consultant.

Section 5.6 Obligation to Continue Payments. If prior to full payment of the Bonds (or provision for payment thereof in accordance with the provisions of the Indenture) the Project or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty,

or title to, or the temporary use of, the Project or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or any person, firm or corporation acting under governmental authority, the Borrower shall nevertheless be obligated to continue to pay the amounts specified in Section 3.2 hereof.

Section 5.7 Insufficiency of Net Proceeds. If, in accordance with this Loan Agreement, the Borrower elects to repair, restore or replace the Project and the Net Proceeds are insufficient to pay in full the cost of any Restoration, the Borrower will nonetheless complete the work and will pay any cost in excess of the amount of the Net Proceeds held by the Trustee. The Borrower agrees that if by reason of any such insufficiency of the Net Proceeds, the Borrower shall make any payments pursuant to the provisions of this Section, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee, or the Holders, nor shall the Borrower be entitled to any diminution of the amounts payable under Section 3.2 hereof.

Section 5.8 Cooperation of Issuer and Trustee. The Issuer (subject to Section 9.16 of this Loan Agreement) and the Trustee, as applicable, shall cooperate fully with the Borrower at the expense of the Borrower in filing any proof of loss with respect to any insurance policy covering the casualties described in Section 5.1 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project or any part thereof or any property of the Borrower in connection with which the Project are used and will, to the extent it may lawfully do so, permit the Borrower to litigate in any proceeding resulting therefrom in the name and on behalf of the Trustee, as applicable. In no event will the Issuer or the Trustee voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of the Borrower's Representative.

ARTICLE VI

OTHER AGREEMENTS

Section 6.1 Assignment, Selling and Leasing. Except as otherwise provided in the Mortgage, after the completion of the acquisition, design, construction, installation, furnishing, and equipping of the Project as described in Section 4.1 hereof, this Loan Agreement may be assigned and the Project sold or leased (other than by reason of foreclosure or deed in lieu of foreclosure), as a whole, by the Borrower only as permitted by Section 6.2 hereof or subject to each of the following conditions:

(a) The assignee, purchaser or lessee shall assume the obligations of the Borrower hereunder and under the other Borrower's Documents, in writing in form and substance reasonably satisfactory to the Trustee to the extent of the interest assigned or sold.

(b) The assignee, purchaser or lessee shall deliver an opinion of Independent Counsel in form and substance reasonably satisfactory to the Trustee that the assumption described in paragraph (a) above is a valid and enforceable obligation of the assignee, purchaser or lessee.

(c) The Borrower shall, within 10 days after the delivery thereof, furnish or cause to be furnished to the Issuer and the Trustee a true and complete copy of each assignment, assumption of obligation, or contract of sale, as the case may be.

(d) The Borrower shall provide a Favorable Opinion of Bond Counsel to the effect that such assignment, sale or lease does not adversely affect the exclusion from gross income of the recipients thereof of interest on the Tax-Exempt Bonds for federal income tax purposes.

(e) No Default or Event of Default with respect to the Bonds Outstanding after such assignment, sale or lease shall have occurred and be continuing hereunder or under any other Borrower Document, unless such Default or Event of Default is cured or waived in connection with such assignment, sale or lease, and the Borrower shall deliver a Compliance Certificate to that effect.

(f) The delivery to the Trustee of an opinion of Counsel to the effect that the successor to the Borrower hereunder will remain (i) a 501(c)(3) organization or a limited liability company whose sole member is a 501(c)(3) organization; and (ii) is duly qualified to transact business in the State and obligated to maintain an agent in the State on whom service of process may be made in connection with any actions against the Borrower arising out of the Borrower's Documents.

(g) The Rating Agency shall have provided a Confirmation of Rating on the Bonds with respect to such assignment, sale or lease.

(h) The assignee, purchaser or lessee must deliver an opinion of Independent Counsel to the effect that, regardless of the assumption described above, a valid and enforceable first lien on and perfected security interest in the Project and other collateral securing the Bonds will remain and any such assignments and other documents executed for purposes of this Section 6.1 are valid delivered and enforceable obligations of such parties enforceable in accordance with their terms.

(i) The Borrower may lease portions of the Project in the ordinary course of its business, provided such leases comply with the terms of the Mortgage.

It is hereby expressly stipulated and agreed that any disposition of the Project by the Borrower in violation of this Section will be null, void and without effect, will cause a reversion of title to the transferor Borrower, and will be ineffective to relieve the Borrower of its obligations under this Loan Agreement and any other document, agreement or instrument evidencing or securing the Borrower's obligations thereunder. The Borrower will include, verbatim or by incorporation by reference, all requirements and restrictions contained in this Loan Agreement in any deed or other documents transferring any interest in the Project to any other person or entity to the end that such transferee has notice of and is bound by such restrictions, and will obtain the express written assumption of this Loan Agreement by any such transferee.

Section 6.2 Continued Existence. The Borrower agrees that during the term of this Loan Agreement it will maintain its existence, will continue to be a limited liability company in

good standing in the State, will not change its state of formation, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another legal entity or permit one or more other legal entities to consolidate with or merge into it; provided that the Borrower may, without violating the agreement contained in this Section, (i) consolidate with or merge into another legal entity or permit one or more legal entities to consolidate with or merge into it, or (ii) sell or otherwise transfer to another legal entity all or substantially all of its assets as an entirety and thereafter dissolve; provided (a) that a Favorable Opinion of Bond Counsel is provided to the Issuer and the Trustee regarding such consolidation, merger or transfer; (b) that if the surviving, resulting or transferee legal entity, as the case may be, is not the Borrower, then such legal entity (1) shall be a legal entity organized and existing under the laws of one of the states of the United States of America, (2) shall be a 501(c)(3) organization or a limited liability company whose sole member is a 501(c)(3) organization, (3) shall be qualified to do business in the State, (4) shall be a single purpose entity whose only business operations shall be operation of the Project and whose only assets and liabilities shall be the Project (and assets and liabilities related thereto) and the Borrower's Documents and permitted debt hereunder, and (5) shall assume in writing in form and substance satisfactory to the Issuer all of the obligations of the Borrower under this Loan Agreement and the other Borrower's Documents; (c) that in the opinion of Independent Counsel, this Loan Agreement shall be a valid and enforceable obligation of such surviving, resulting or transferee entity; (d) that no Default has occurred and is continuing hereunder; (e) that prior to such acquisition, consolidation, merger or transfer, the Borrower shall furnish a Compliance Certificate to the Issuer and the Trustee; (f) that the Trustee shall have consented to such transfer, unless such consent is not required pursuant to said Section; and (g) the Sole Member shall acknowledge in writing that its obligations under Section 6.3 hereof shall survive such consolidation, merger or transfer.

Section 6.3 Indemnification.

The Borrower and the Sole Member shall pay and shall protect, indemnify and hold harmless, the Trustee and the Issuer Indemnified Parties (collectively, the "Indemnified Parties"), from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees), causes of action, suits, claims, demands and judgments of any nature (collectively referred to herein as the "Liabilities") in any manner relating to and/or arising from or in connection with the Bonds (including the approval, issuance or non-issuance, and, if issued, the administration thereof) or: (i) any injury to or death of any person or damage to the Project in or upon the Project or growing out of or connected with the use, nonuse, condition or occupancy of the Project; (ii) violation or breach of any agreement or condition of this Loan Agreement or any of the Bond Documents; (iii) a violation by the Borrower of any contract, agreement or restriction relating to the Project; (iv) any act, or failure to act, by the Borrower or negligence of the Borrower or any of its agents, contractors, servants, employees or licensees; (v) any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project during the period in which the Borrower is in possession or control of the Project; (vi) a violation by the Borrower of any law, ordinance or regulation affecting the Project or the ownership, occupancy or use thereof; (vii) any statement or information contained in the Indenture, this Loan Agreement, the Tax Agreement, any other Bond Documents or any other documents or agreements relating to the Bonds and the proceedings relating to their issuance and sale, or any documents in connection with the Continuing Disclosure Agreement which is

misleading, untrue or incorrect in any material respect, other than information furnished by the Issuer; (viii) the financing, refinancing, acquisition, design, construction, installation, furnishing and equipping of the Project or the failure to acquire, design, construct, install, furnish, and equip the Project; (viii) any proceeding concerning the validity or enforceability of the Bonds or the tax-exemption of the Tax-Exempt Bonds or the interest thereon; (ix) to the extent not previously mentioned, any claims whatsoever asserting any of the foregoing, regardless of the lack of merit thereof; and (x) the costs incurred in connection with any claims, investigations, governmental or regulatory actions, proceedings or inquiries relating in any way to the Bonds or the transactions contemplated hereby or by the Indenture.

The Borrower and the Sole Member also agree to indemnify, protect, defend, and hold harmless the Indemnified Parties from and against the Liabilities (i) in any manner whatsoever arising from or relating to the Bonds (including the approval, issuance or non-issuance, and, if issued, the administration thereof), or any errors or omissions in information provided to the Issuer in connection with any legal proceedings or other official actions of the Issuer pertaining to the Bonds, (ii) in any manner whatsoever arising from or relating to any fraud or misrepresentations or omissions contained in information provided to the Issuer or the Trustee in connection with the proceedings of the Issuer relating to the issuance of the Bonds or the Continuing Disclosure Agreement, (iii) in any way arising from or relating to the execution or performance of this Loan Agreement or other Bond Documents by the Borrower, the issuance or sale of the Bonds, actions taken under the Indenture, actions taken under the Continuing Disclosure Agreement or any other cause whatsoever pertaining to the financing of the Project with the proceeds of the Bonds and the Issuer's approval under the Act, specifically including, but not limited to, the defense of the validity of the Bonds, compliance of securities laws, or tax exemption of the interest on the Bonds; or (iv) any statement or information relating to the Borrower, its business or properties contained in any final official statement or prospectus furnished to purchasers of any Bonds that is untrue or incorrect in any material respect and any omission relating to the Borrower, its business or properties from any official statement or prospectus of any statement or information which should be contained in it for the purpose for which it is to be used or which is necessary to make the statement in it not misleading in any material respect, if the final official statement of prospectus is approved in writing by the Borrower.

It is the intention of the parties hereto that the Indemnified Parties shall not incur pecuniary liability or expense (specifically including, but not limited to, expenses incurred in defending any claim, action, lawsuit, or administrative or other legal proceeding) by reason of, arising out of, or relating to the Bonds (including the approval, issuance or non-issuance, and, if issued, the administration thereof) or (i) the terms of this Loan Agreement or other Bond Documents, or (ii) by reason of, arising out of, or relating to the undertakings required of the Issuer, the Trustee, the Sponsoring Political Subdivisions, the Local Agency and any of their officials, directors, commissioners, officers, agents and employees hereunder in connection with the issuance of the Bonds, the execution of the Indenture, the performance of any act required of the Issuer, the Trustee, the Sponsoring Political Subdivisions, the Local Agency and any of their officials, directors, commissioners, officers, agents, attorneys and employees by this Loan Agreement or other Bond Document, as applicable, or the performance of any act requested of the Issuer, the Trustee, the Sponsoring Political Subdivisions, the Local Agency and any of their

officials, officers, directors, commissioners, agents, attorneys and employees by the Borrower or in any way arising from the transaction of which this Loan Agreement or any other Bond Document, as applicable, is a part or arising in any manner in connection with the Project; nevertheless, if the Issuer, the Trustee, the Sponsoring Political Subdivisions, the Local Agency or any of their officials, officers, directors, commissioners, agents, attorneys and employees should incur any such pecuniary liability, then in such event the Borrower shall indemnify and hold harmless the Issuer, the Trustee, the Sponsoring Political Subdivisions, the Local Agency or any of their respective officials, officers, directors, commissioners, agents, attorneys and employees against all claims by or on behalf of any Person, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Issuer, the Trustee, the Sponsoring Political Subdivisions, the Local Agency or any of their officials, officers, directors, commissioners, agents or employees, the Borrower shall defend such party, its officials, officers, directors, commissioners, agents or employees in any such action or proceeding.

Promptly after receipt by an Indemnified Party under this Section 6.3 of notice of the existence of a claim in respect of which indemnity hereunder may be sought or of the commencement of any action against the Indemnified Party in respect of which indemnity hereunder may be sought, the Indemnified Party shall notify the Borrower in writing of the existence of such claim or commencement of such action (provided that a failure to so notify the Borrower will not excuse the Borrower and the Sole Member from their obligations hereunder). In case any such action shall be brought against an Indemnified Party under this Section 6.3, the Indemnified Party shall notify the Borrower of the commencement thereof and the Borrower and the Sole Member shall each be entitled to participate in and to assume the defense thereof, with counsel reasonably satisfactory to the Indemnified Party, with full power to litigate, compromise or settle the same; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement; provided, however, that if the Indemnified Party shall have been advised by independent counsel selected by the Indemnified Party that there may be legal defenses available to it which are adverse to or in conflict with those available to the Borrower, the Sole Member or other Indemnified Parties which, in the opinion of such counsel, should be handled by separate counsel, the Borrower and the Sole Member shall not have the right to assume the defense of such action on behalf of the Indemnified Party, but shall be responsible for the reasonable fees and expenses of the Indemnified Party in conducting its defense; and provided, further, that if the Borrower shall have failed to assume the defense of such action and shall have failed to employ counsel therefor reasonably satisfactory to the Indemnified Party within a reasonable time after notice of commencement of such action, such reasonable fees and expenses incurred by the Indemnified Party in conducting its own defense shall be borne by the Borrower and the Sole Member.

The duty of the Borrower and the Sole Member to defend each Indemnified Party under this Section 6.3 shall commence from the time the claim is known of, and such duty shall exist and continue regardless of the merits of the claim, and shall survive the payment or defeasance of the Bonds and the termination of any other provisions of the Indenture and this Loan Agreement.

In addition, the Borrower agrees that if either party initiates any action, suit or other

proceeding with respect to any claim, demand or request for relief, whether judicial, administrative, or other legal proceeding, in which the Issuer or any members of its board, its officers, attorneys, accountants, financial advisors or staff is named or joined as a party, the Borrower and the Sole Member will pay to and reimburse to the Issuer the full amount of all reasonable fees and expenses incurred by the Issuer with respect to the Issuer's defense of or participation in such action, suit or other proceeding. All Indemnified Parties shall be deemed third party beneficiaries hereof, with full right to enforce the provisions hereof in respect of such Indemnified Party.

The provisions contained in this Section 6.3 pertaining to indemnification of the Indemnified Parties shall be in addition to any other indemnification provided to such Indemnified Parties in any other agreement by the Borrower in connection with the issuance and sale of the Bonds and all matters relating thereto.

Notwithstanding any other provision of this Section 6.3 to the contrary, the Borrower's indemnification obligations under this Section 6.3 shall not extend to the Trustee or any of its respective officers, members, directors, officials, employees, attorneys and agents to the extent of any Liabilities arising from the gross negligence or willful misconduct of the Trustee or any of its respective officers, members, directors, officials, employees, attorneys and agents.

(b) The Issuer makes no warranty, either express or implied, as to the Project or the condition thereof, or that the Project will be suitable for the purposes or needs of the Borrower. The Issuer makes no representation or warranty, express or implied, that the Borrower will have quiet and peaceful possession of the Project. The Issuer makes no representation or warranty, express or implied, with respect to the merchantability, condition or workmanship of any part of the Project or its suitability for the purposes of the Borrower.

(c) Notwithstanding anything to the contrary contained herein or in any of the Bonds, the Indenture, or in any other instrument or document executed by or on behalf of the Issuer in connection herewith, (i) Issuer shall have no obligation to take action under this Loan Agreement, the Bonds, other Bond Documents or such other instruments or documents, unless Issuer is reasonably requested in writing by an appropriate person to take such action and is provided with indemnity and assurances satisfactory to it of payment of or reimbursement for any expenses (including attorneys' fees) in such action, (ii) neither Issuer nor any member of Issuer or any officer, agent relating to the Bonds or the Project, or employee of Issuer shall be personally liable to the Borrower, the Trustee or any other person for any action taken by Issuer or by its officers, agents relating to the Bonds or the Project, or employees or for any failure to take action under this Loan Agreement, the Bonds, the other Bond Documents or such other instruments or documents, except that the Issuer agrees to take, or to refrain from taking, any action if so required by an injunction or if required to comply with any final judgment for specific performance; and (iii) any judgment rendered against the Issuer for breach of its obligations under this Loan Agreement, the Bonds, the other Bond Documents or such other instruments or documents, shall be payable solely from the Revenues derived from the Project by the Issuer under this Loan Agreement, the Indenture or other Bond Documents, as applicable, and no other personal liability, or charge payable directly or indirectly from the general funds of the Issuer, shall arise therefrom.

(d) Notwithstanding anything to the contrary contained herein or in any of the Bonds, or this Loan Agreement, the Indenture, other Bond Documents or in any other instrument or document executed by or on behalf of the Issuer in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement, or obligation of any present or future member, officer, employee or agent of the Issuer, or of any incorporator, member, director, trustee, officer, employee or agent of any successor to the Issuer, in any such person's individual capacity, and no such person, in his individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or on any such stipulation, covenant, agreement, or obligation, against any such person, in his individual capacity, either directly or through the Issuer or any successor to the Issuer, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such person, in his individual capacity, is hereby expressly waived and released.

(e) In the Issuer accepting the provisions for the Borrower to indemnify the Issuer Indemnified Parties from claims of third parties, and in the Borrower agreeing to make such indemnities, as provided herein, the Issuer (and all applicable Indemnified Parties, intend to retain, and do not waive, the limits and scope of sovereign immunity enjoyed by the Issuer, or any applicable Indemnified Party, as provided pursuant to State law with respect to such claims, as well as all other immunities, defenses, and privileges the Issuer, or any applicable Indemnified Party) may enjoy with respect to such claims under State or federal law. By the same token, it is intended that the Borrower be able, and the Borrower may assert, with respect to claims for which indemnity is provided by the Borrower or the Sole Member to the Issuer, the Issuer's sovereign immunity under State law with respect to such claims, as well as all other immunities, defenses, and privileges the Issuer may enjoy with respect to such claims as may be provided under State or federal law.

(f) The provisions of this Section 6.3 and Section 3.2(b)(ii)(1) and (3) shall survive the termination of this Loan Agreement.

Section 6.4 Recording and Filing.

(a) At the time of the issuance of each Series of Bonds, the Borrower will cause the filing of all financing statements necessary to perfect the security interest of the Trustee and the Issuer in the Borrower's Documents.

(b) The Borrower agrees that it will cause to be filed all necessary continuation statements within the time prescribed by the State Uniform Commercial Code - Secured Transactions in order to continue the financing statements in connection with the security interests identified in this Loan Agreement or the Indenture filed on or before the Closing Date. The Trustee shall have no duty to determine, at any time, whether the financing statements filed in connection with the security interests identified in this Loan Agreement or otherwise were or remain sufficient to perfect such security interests under applicable law.

(c) Not earlier than 60 days nor later than 30 days before each fifth anniversary date after the Closing Date, the Borrower shall cause an opinion of Counsel to be given to the Trustee to the effect that all security agreements, financing statements, continuation statements, notices and other instruments required by applicable law have been recorded or filed or rerecorded or refiled in such manner and in such places as are required by law in order fully to preserve the rights of the Holders and the Trustee in the assignment to the Trustee of certain rights under this Loan Agreement pursuant to the Indenture and in the Project pursuant to the Mortgage.

(d) The Borrower and the Issuer shall execute and deliver all instruments and shall furnish all information and evidence deemed necessary or advisable by such Counsel in order to enable such Counsel to render the opinion referred to in subsection (c) of this Section 6.4. The Borrower shall file and refile and record and rerecord or cause to be filed and refiled and recorded and rerecorded all instruments required to be filed and refiled and recorded and rerecorded pursuant to the law of the State and shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be outstanding, except as otherwise required in this Loan Agreement.

(e) The Borrower will not suffer any liens to exist upon the Project as a result of any claims brought against the Borrower pursuant to a right or interest not existing in connection with or as permitted by this Loan Agreement or the Mortgage.

Section 6.5 Nonrecourse to Representatives of Issuer. No Issuer Indemnified Person shall be individually or personally liable for the payment of any principal premium, if any, or interest on the Bonds or any costs incidental thereto or any sum hereunder or under the Indenture, or subject to any personal liability or accountability by any reason of the execution and delivery of this Loan Agreement or the Indenture.

Section 6.6 Amendment of Borrower's Documents. Neither the Issuer nor the Borrower shall amend, supplement, alter, modify or terminate any Borrower Document, except as otherwise provided in such document, without the prior written consent of the Trustee, which may be given only as provided in Article XI of the Indenture. Nothing in this Section shall prohibit any assignment or transfer otherwise permitted by Section 6.1 or 6.2.

Section 6.7 Financial Statements and Reports.

(a) The Borrower shall deliver or cause to be delivered to the Trustee within 120 days after the end of each Fiscal Year of the Borrower, commencing with the fiscal year ending December 31, 2020, Audited Financial Statements of the Borrower prepared on an accrual basis, which shall include a balance sheet, income statement and a statement of sources and uses of funds for the preceding Fiscal Year together with a certificate prepared by the Borrower and the Certified Public Accountants in substantially the form of Exhibit C reporting on said Audited Financial Statements setting forth (A) the calculation of the Debt Service Coverage Ratio for the Fiscal Year (commencing with Fiscal Year 2020) reflected in said Audited Financial Statements, and (B) the Net Income Available for Debt Service, if any, for such Fiscal Year.

(b) The Audited Financial Statements submitted pursuant to paragraph (a) hereof shall be certified as true and correct by the party submitting such statement and shall be reported upon by a public accounting firm selected by the Borrower.

(c) The Borrower will deliver to the Issuer and the Trustee, within 150 days after the end of each Fiscal Year, a written statement signed by the Borrower Representative stating, as to the signer thereof, that (i) a review of the activities of the Borrower during such year and of performance under this Loan Agreement has been made under their supervision, and (ii) to the knowledge of the Borrower's Representative, based on such review, the Borrower has fulfilled all of its obligations throughout such year in all material respects, or, if there has been a default in the fulfillment of any such obligation, specifying each such Event of Default known to the Borrower's Representative and the nature and status thereof.

(d) The Borrower shall provide to each Rating Agency with an outstanding rating on the Bonds copies of any financial statements or other information described in paragraphs (a), and (c) of this Section 6.7, and shall cause the Dissemination Agent to post such information with EMMA as provided in the Continuing Disclosure Agreement. Upon the written request of the Trustee, any Holder of more than \$500,000 of the Bond Obligation, or any Rating Agency with an outstanding rating on the Bonds, the Borrower promptly and at their own expense shall obtain and furnish to the Trustee, such Holder or such Rating Agency any information which the Borrower may be entitled to request and receive under the Management Agreement or any other agreement or arrangement pertaining to the Project.

(e) The Borrower shall provide to the Trustee and the Rating Agency, within fifteen (15) days of receipt, a copy of the Management Consultant's report prepared and delivered in accordance with Section 4.3 hereof or otherwise provided for in the Bond Documents.

Section 6.8 Budget.

(a) On July 1, 2020 and on or before December 1 of each year, commencing December 1, 2020, for the annual period commencing on the following January 1, the Borrower shall prepare a Budget covering the Project of anticipated Project Revenues and Operating Expenses for the succeeding Fiscal Year, and shall submit a copy of such Budget to the Trustee. Such Budget shall show there to be sufficient income to achieve the Coverage Test provided for in Section 4.4 hereof. Such Budget shall also be prepared and presented to show the deposits to the Operating Fund and the Insurance and Tax Escrow Fund.

(b) The Budget shall be prepared on a cash basis and should provide a proposed budget for the next Fiscal Year in sufficient detail including income and expenses, deposits to the Repair and Replacement Fund, the Operations and Maintenance Reserve Fund and any other required funds and payments of principal of, premium (if any) and interest on the Bonds. The Budget shall report income on a 30-day lag period and shall not assume any prepayment on the Bonds. The Budget shall demonstrate

sufficient cash flow to pay all required expenses, payments of scheduled interest, principal and premium (if any) on the Bonds and the funding of any reserves as required in the flow of funds in the Indenture prior to the release of any funds from the Surplus Fund. The Budget shall be certified in writing as true and correct by the Borrower.

(c) The Budget may be amended from time to time, by the Borrower, during the course of the Fiscal Year, and such amendments shall be certified and submitted in the same manner as the Budget. Aggregate increases in a new or amended Budget in the category of costs to be paid or reimbursed from the Revenue Fund shall not exceed 20% on an annual basis unless the Borrower provides to the Trustee a statement of a Certified Public Accountant or Management Consultant to the effect that the increase is reasonable under the circumstances.

(d) Notwithstanding the foregoing, the failure of the Borrower to maintain the Coverage Test or the Borrower to adopt a Budget showing that such ratios will be achieved, shall not constitute an Event of Default hereunder except as set forth in Section 4.5 hereof.

(e) Each Budget shall include provision for payment by the Borrower of the costs, fees and expenses payable or incurred under this Loan Agreement and the Indenture including, without limitation, the costs of maintaining the insurance coverage required pursuant to Section 5.1 and all applicable ad valorem taxes (or payment in lieu of taxes), if any, assessed against the Project payable by the Borrower, and all Administration Expenses.

Section 6.9 Notices of Certain Events. The Borrower hereby covenants to notify the Issuer and the Trustee in writing of the occurrence of any Event of Default known to it hereunder or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto. Such notice shall be given promptly, and in no event less than 10 Business Days after the Borrower receives notice or knowledge of the occurrence of any such event. The Borrower further agrees that it will, and will require the Manager to, give prompt written notice to the Trustee if Insurance Proceeds or Condemnation Awards are received with respect to the Project and are not used to repair or replace the Project, which notice shall state the amount of such proceeds or awards.

Section 6.10 Inspection of Project Books; Right of Access. At any time during normal business hours upon not less than two Business Days' notice, the Trustee, the Issuer or any Holder of more than \$1,000,000 of the Bond Obligation may have access to the Project and all books and records of the Borrower pertaining to the Project and shall be permitted to inspect the same, discuss the affairs of the Borrower and the Project with appropriate representatives of the Borrower, the Manager and the Borrower's outside accountants and shall be permitted to make copies of any of such records.

Section 6.11 Other Indebtedness. The Borrower shall not incur any Indebtedness with respect to the Project, other than the Loan and other debts permitted or anticipated herein, or incurred in the ordinary course of business which do not give rise to a lien or encumbrance on

the Project, except for Permitted Encumbrances. In addition, the Borrower is permitted to incur the following:

- (a) Indebtedness incurred as a result of the issuance of Additional Bonds;
- (b) such Short-Term Indebtedness as the Borrower, in its judgment, deems expedient; provided that the aggregate amount of Short-Term Indebtedness outstanding at any time does not exceed ten percent (10%) of the total Operating Expenses of the Borrower for the preceding Fiscal Year; and
- (c) such Long-Term Indebtedness as the Borrower, in its judgment, deems expedient; provided that prior to incurring, assuming, or guaranteeing any Long-Term Indebtedness, the Borrower must furnish to the Issuer and the Trustee (i) a Certificate setting forth the terms of such Long-Term Indebtedness and stating that the incurrence of such Long-Term Indebtedness will not cause the Debt Service Coverage Ratio to fall below the required Coverage Test for any Series of Bonds and (ii) the Confirmation of Rating stating that the incurrence of such Long-Term Indebtedness will not result in a qualification, downgrade or withdrawal of the then current ratings on the Series 2018 Bonds.

The Borrower may secure Indebtedness incurred or assumed pursuant to (c) above by a lien on and security interests in all or any portion of the Project and the Project Revenues, secured on an equal and ratable basis with then Outstanding Bonds or other Indebtedness incurred pursuant to this Section 6.11, as applicable; provided, however, the following conditions are satisfied:

- (d) The Indebtedness is being incurred or assumed for any of the same purposes for which Additional Bonds may be issued under Section 2.13 of the Indenture, or for the purpose of refunding or refinancing any Outstanding Bonds or other Indebtedness;
- (e) The Indebtedness (other than Additional Bonds) will not be secured by the money and investments held in any fund established under the Indenture;
- (f) All Modifications to be financed will become part of the Project;
- (g) Any agreement for the repayment of such Indebtedness and instruments evidencing or securing the same must provide --
 - (i) that any Default will be an event of default thereunder,
 - (ii) that, if any event of default has occurred in respect of such Indebtedness, the holder thereof will be entitled only to such rights to exercise, consent to or direct the exercise of remedies (other than remedies relating to any funds established under the Indenture) as are available to the Trustee, and that all such remedies are, except as otherwise provided in this Loan Agreement, to be exercised solely by the Trustee for the equal and ratable benefit of all Bondholders and all holders of Indebtedness so secured, but subject to the

priorities provided in the Indenture with respect to then Outstanding Bonds or other Indebtedness incurred pursuant to this Section 6.11, as applicable;

(h) If the proposed Indebtedness is further secured by liens on properties and revenues other than the Project and/or the Project Revenues, a lien of equal rank and priority will be granted upon the same properties and revenues to secure the Bonds; and

(i) For the purpose only of being entitled to remedies hereunder and of consenting to or directing actions to be taken in respect to such remedies, the Holders of any such Indebtedness will be treated as Bondholders and the Indebtedness held by such persons will be treated as Additional Bonds.

Any Short-Term Indebtedness or any Long-Term Indebtedness which is incurred for the purpose of providing working capital may be secured by a security interest on the Project Revenues on a parity with the security interest created under the Mortgage with respect to the Bonds, and if so secured, the agreement for the repayment of such Short-Term Indebtedness or Long-Term Indebtedness and instruments evidencing or securing the same shall provide that: (i) any Default shall be an event of default thereunder; and (ii) if any event of default shall have occurred with respect to such Short-Term Indebtedness or Long-Term Indebtedness, the holder thereof shall be entitled only to such rights to exercise, consent to or direct the exercise of remedies as are available to the Trustee, and that all such remedies are, except as otherwise provided in this Loan Agreement, to be exercised solely by the Trustee for the equal and ratable benefit of all holders of Bonds and all holders of Short-Term Indebtedness or Long-Term Indebtedness so secured. Any agreement for the repayment of such Indebtedness and instruments evidencing or securing the same shall provide for notices to be given to the Trustee regarding defaults by the Borrower, and shall specify the rights of the Trustee to pursue remedies upon the receipt of such notice, and the sharing of the rights of the Trustee to control the exercise of remedies with the holder of such Indebtedness. Short-Term Indebtedness or Long-Term Indebtedness which is incurred for the purpose of providing working capital may also be secured by a security interest in Project Revenues which is subordinate to the security interest therein created under the Mortgage.

Section 6.12 Advances By Trustee.

(a) In the event the Borrower shall fail to pay, or fail to cause to be paid (including payment from amounts held in the Insurance and Tax Escrow Fund for that purpose), any Impositions required to be paid by the provisions of Section 4.9, or maintain, or cause to be maintained, the full insurance coverage required by the provisions of Section 5.1, the Trustee, without prior notice to the Borrower, may (but shall be under no obligation to) pay such Impositions or obtain or maintain the required policy of insurance from the Revenue Fund, and pay the premium or premiums on the same.

(b) The Borrower shall notify the Trustee within a reasonable amount of time any time it is aware of any unsafe or dangerous condition existing at the Project. In the event that the Borrower, any tenant of the Project, or any other Person, shall permit any unsafe or dangerous condition to exist in the Project and the Trustee is notified by any

party of such conditions, the Trustee may (but shall be under no obligation to) notify the Borrower in writing of such condition, and if the Borrower shall fail to correct such condition, or cause such condition to be corrected, within 30 calendar days after receipt of such notice, the Trustee may (but shall be under no obligation to) make the required correction, improvement, or repair.

(c) All amounts so advanced by any Person authorized by this Loan Agreement, the Mortgage or the Indenture to make such advances and pursuant to subsection (a) or (b) of this Section shall be promptly reimbursed by the Borrower to the Person making the advance with interest at the Default Rate.

Section 6.13 Continuing Disclosure. The Borrower and Dissemination Agent have entered into the Continuing Disclosure Agreement. While this Loan Agreement is in effect, the Borrower shall at all times remain party to the Continuing Disclosure Agreement, or if the Continuing Disclosure Agreement terminates, it shall enter into a similar agreement to provide for the dissemination of the financial statements and notices required by Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Borrower agrees that while the Bonds are Outstanding, it will perform its obligations under the Continuing Disclosure Agreement. The Borrower shall cause copies of any filings and/or disclosures which are required to be made pursuant to the terms of the Continuing Disclosure Agreement to be delivered to the Issuer within five (5) Business Days of any such filing or disclosure. The Borrower acknowledges and agrees that the continuing disclosure undertaking under the Continuing Disclosure Agreement is solely an obligation of the Borrower, and the Issuer shall have no obligation with respect to continuing disclosure. Notwithstanding any other provision of this Loan Agreement, failure of the Borrower to comply with the Continuing Disclosure Agreement shall not be a Default.

Section 6.14 Related Party Transactions. The Borrower shall not enter into any transaction, including, without limitation, the purchase, sale, lease, or exchange of property or the rendering of any service, with any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's business and upon terms found by the Governing Body of the Sole Member to be fair and reasonable and no less favorable to the Borrower than would be obtained in a comparable arm's length transaction with a Person not an Affiliate.

Section 6.15 Purchase of Tax-Exempt Bonds. Neither the Borrower nor any "related person" to the Borrower (within the meaning of Section 147(a)(2) of the Code), pursuant to any arrangement, formal or informal, will purchase any of the Bonds, unless the Borrower or such Related Person delivers a Favorable Opinion of Bond Counsel to the Trustee and the Issuer.

Section 6.16 Release of Certain Land and Subordination; Granting of Easements. The parties hereto reserve the right at any time and from time to time to (a) effect the release and removal from the Mortgage of any part (or interest in such part) of the Mortgaged Property with respect to which the Borrower proposes to convey fee title to a public utility or public body in order that utility services or public services may be provided to the Project, or to effect the subordination of the lien of the Mortgage to rights granted to a public utility or public body in order that utility services or public services may be provided to the Project, (b) grant easements, licenses, rights of way (including the dedication of public highways), and other rights or

privileges in the nature of easements with respect to any property included in the Project, free from the lien of the Mortgage, or (c) release existing easements, licenses, rights of way, and other rights or privileges with or without consideration; provided, that if at the time any such release, removal, or grant is made any of the Bonds are Outstanding and unpaid, the Borrower must deposit with the Trustee the following:

(a) a copy of the such amendment as executed,

(b) a resolution or action of the Governing Body of the Borrower (i) giving an adequate legal description of that portion of the Mortgaged Property to be released or subordinated, (ii) stating the purpose for which the Borrower desires the release or subordination, (iii) requesting such release or subordination, and (iv) approving an appropriate amendment to the Mortgage,

(c) a certificate of the Borrower to the effect that the Borrower is not in default under any of the provisions of this Loan Agreement and that neither any building nor any other improvement constituting part of the Project is located on a portion of the Mortgaged Property with respect to which the release or subordination is to be granted, accompanied by a plat of survey of the Mortgaged Property certified by a registered surveyor depicting (i) the boundaries of the portion of the Mortgaged Property with respect to which the release or subordination is to be granted, (ii) all improvements located on the property surveyed and the relation of the improvements by distances to the boundaries of the portion of such property with respect to which the release or subordination is to be granted, and (iii) all easements and rights of way with recording data and instruments establishing the same,

(d) a copy of the instrument conveying the title to or subordinating the lien of the Mortgage in favor of a public utility or public body, and

(e) a certificate of an architect, dated not more than 60 days prior to the date of the release or subordination and stating that, in the opinion of the person signing such certificate, (i) the portion of the Mortgaged Property so proposed to be released or with respect to which the subordination is proposed or with respect to which an easement, license or right of way is proposed to be granted is necessary or desirable in order to obtain utility services or public services to benefit the Project and (ii) the release or subordination so proposed to be made will not impair the usefulness of the Project as a student housing facility and will not destroy the means of ingress thereto and egress therefrom.

If such release or subordination relates to a part of the Mortgaged Property on which transportation or utility facilities are located, the Borrower will retain an easement to use such transportation or utility facilities to the extent necessary for the efficient operation of the Project as a student housing facility. Any money consideration received in connection with the release of any portion of the Mortgaged Property or the subordination of the lien of the Mortgage pursuant to this Section 6.16 will be deposited as specified in a written direction of the Borrower in the Tax-Exempt Bond Fund Special Redemption Subaccount and/or the Taxable Bond Fund Special Redemption Subaccount of the Special Redemption Account of the Bond Fund and used,

upon the written direction of the Borrower, to redeem Bonds pursuant to Section 3.01 of the Indenture on the earliest date Bonds can be redeemed at par.

If all of the conditions of this Section are met, the Trustee is authorized to release any such property from the lien of the Mortgage or subordinate such lien or execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way, or other right or privilege.

No release or conveyance effected under the provisions of this Section will entitle the Borrower to any abatement or diminution of the Loan Payments payable under Section 3.2 hereof.

Section 6.17 Withdrawal, Merger, Consolidation or Conveyance of Membership Interests of Sole Member. The Sole Member shall not withdraw from the Borrower or otherwise merge or consolidate with or convey all or substantially all of Borrower's assets or the Sole Member's membership interests in the Borrower to any other Person without the written consent of the Controlling Holders.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.1 Defaults. Each of the following shall constitute a "Default" or "Event of Default" hereunder:

(a) Failure by the Borrower to pay any Basic Loan Payments, subject to any applicable cure periods; provided that failure to make a Basic Loan Payment shall not constitute a Default to the extent that the amounts on deposit in the Surplus Fund, the Bond Fund, the Repair and Replacement Fund, the Operations and Maintenance Reserve Fund, the Operating Fund and the Debt Service Reserve Fund are sufficient and available to pay principal, premium (if any) and interest due on the related Series of Bonds on the next Bond Payment Date; and provided further that failure to pay the portion of the Loan related to any subordinate Indebtedness shall not constitute a Default hereunder while any Bonds are Outstanding.

(b) Failure by the Borrower to make, or cause to be made, any Additional Loan Payment or amounts required to be paid under Sections 3.2(b)(ii), 4.3, 4.9, 4.10, 5.1 and 6.12 on or before the date due.

(c) Failure by the Borrower to cause the amount on deposit in the Insurance and Tax Escrow Fund to be sufficient for the Trustee to pay annual assessments and insurance premiums as provided in Section 5.01(b) of the Indenture.

(d) Any material representation or warranty of the Borrower contained herein or in any of the other Borrower's Documents, or in any certificate or other document executed by Borrower pursuant to or in connection with this Agreement, is not true and correct in all material respects, or omits to state a material fact necessary to make such representation not misleading, in each case, as of the date made or deemed made.

(e) Failure by the Borrower to meet the Coverage Test covenant if (i) the Borrower fails to engage a Management Consultant or (ii) to the extent that the Rating Agency, if any agrees with such recommendations, the Borrower fails to implement any of the Management Consultant's reasonable recommendations to the extent possible, and to the extent consistent with the charitable mission of the Sole Member, as provided in this Loan Agreement.

(f) Failure by the Borrower or the Sole Member to perform or observe any of its covenants or agreements contained in this Loan Agreement or the Tax Agreement, other than as specified in paragraphs (a) through (e) of this Section 7.1, and such failure shall continue for the period and after the notice specified in Section 7.2 hereof.

(g) The dissolution or liquidation of the Borrower or the filing by the Borrower of a voluntary petition in bankruptcy, or adjudication of the Borrower as a bankrupt, or assignment by the Borrower for the benefit of its creditors or the entry by the Borrower into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Borrower in any proceeding instituted under the provisions of State law or the federal bankruptcy statute, as amended, or under any similar act which may hereafter be enacted. The term "dissolution or liquidation of the Borrower," as used in this Section 7.1(g), shall not be construed to include the cessation of the existence of the Borrower resulting either from a merger or consolidation of the Borrower into or with another entity or a dissolution or liquidation of the Borrower following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in Section 6.2 hereof.

(h) The occurrence or continuance of a "default," a "Default," an "event of Default" or "Event of Default" under the Mortgage or the Indenture.

(i) Unless waived, in writing, by the Issuer, failure of the Borrower to pay to the Trustee an amount sufficient to pay the Annual Issuer's Fee and the Issuer's Fees and Expenses then due in accordance with Section 3.02(b)(ii)(3) hereof within thirty (30) days of the due date of the Annual Issuer's Fee and any other Issuer's Fees and Expenses.

The provisions of paragraph (f) of this Section are subject to the following limitation: if by reason of Force Majeure the Borrower is unable in whole or in part to carry out any of its agreements contained herein (other than its obligations contained in Article III hereof), the Borrower shall not be deemed in Default during the continuance of such inability, if, but only if such default is cured as provided in Section 7.2. The Borrower agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreements, provided that, subject to the preceding sentence, the settlement of strikes and other industrial disturbances shall be entirely within the discretion of the Borrower and the Borrower shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Borrower unfavorable to the Borrower.

The Trustee shall not be deemed to have knowledge of any Default hereunder other than a Default under paragraph (a), (b) or (c) hereof, unless a Responsible Officer of the Trustee shall

have been specifically notified in writing of such Default by the Issuer, the Borrower or by the Holders of at least 25% of the Bonds Outstanding.

Section 7.2 Notice of Default: Opportunity to Cure. Except as provided below, no default under Section 7.1(e) hereof shall constitute a Default hereunder until:

(a) The Trustee or the Issuer, by Mail, shall give notice to the Borrower of such default specifying the same; and

(b) The Borrower shall have had 30 days after receipt of such notice to correct the Default and shall not have corrected it or, if such Default cannot be corrected within 30 days, shall have failed to initiate and diligently pursue appropriate corrective action, provided, that in any event such Default must be remedied within 120 days after the date of occurrence thereof.

Section 7.3 Remedies. Whenever any Default under Section 7.1 hereof shall have happened and be continuing, any or all of the following remedial steps shall be available:

(a) The Trustee may, and at the written request of the Controlling Holders of the Bonds shall, declare the outstanding principal balance and interest accrued on the Loan and all payments required to be made by the Borrower under Section 3.2 hereof with respect to the Bonds for the remainder of the term of this Loan Agreement to be immediately due and payable, whereupon the same shall become immediately due and payable. Upon any such acceleration of the Loan, the Bonds shall be subject to mandatory redemption as provided in Section 3.01(d) of the Indenture or default and acceleration under Article VIII of the Indenture, as directed by the Controlling Holders.

(b) The Trustee, for and on behalf of the Issuer, may, and with the consent of the Controlling Holders of the Bonds shall, take whatever action at law or in equity may appear necessary or desirable to collect the payments required to be made by the Borrower under Section 3.2 hereof then due and thereafter to become due, including, without limitation, pursuing remedies under the Mortgage and the remedies under Section 8.02 of the Indenture.

(c) The Issuer or the Trustee may take whatever action at law or in equity as may be necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Loan Agreement.

The provisions of clause (a) of the preceding paragraph, however, are subject to the condition that if, at any time after the Loan shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, there shall have been deposited with the Trustee a sum sufficient to pay all the principal of the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal as provided herein, and the reasonable expenses of the Trustee, and any and all other Defaults known to the Trustee (other than in the payment of principal of and interest on the Loan due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in

every such case, the Controlling Holders of the Bonds by written notice to the Issuer and to the Trustee, may, on behalf of the Holders of all the Bonds, rescind and annul such declaration and its consequences and waive such default; provided that no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

In case the Trustee or the Issuer shall have proceeded to enforce its rights under this Loan Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Issuer, then, and in every such case, the Borrower, the Trustee and the Issuer shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Borrower, the Trustee and the Issuer shall continue as though no such action had been taken, subject to the results of any such proceedings or any settlement thereof.

The Borrower covenants that, in case a Default shall occur with respect to the payment of the Loan payable under Section 3.2(a) hereof, then, upon demand of the Trustee, the Borrower will pay to the Trustee the whole amount that then shall have become due and payable under said Section, with interest, to the extent permitted by law, on the amount then overdue at the Default Rate until such amount has been paid.

In case the Borrower shall fail forthwith to pay such amounts upon such demand, the Trustee shall be entitled and empowered to institute any action or proceeding at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Borrower and collect in the manner provided by law the money adjudged or decreed to be payable.

In case proceedings shall be pending for the bankruptcy or for the reorganization of the Borrower under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Borrower or in the case of any other similar judicial proceedings relative to the Borrower, or the creditors or property of the Borrower, then the Trustee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to this Loan Agreement and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the Borrower, its creditors or its property, and to collect and receive any money or other property payable or deliverable on any such claims, and to distribute such amounts as provided in the Indenture after the deduction of its charges and expenses. Any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Trustee, and to pay to the Trustee any amount due it for compensation and expenses, including expenses and fees of counsel incurred by it up to the date of such distribution.

Section 7.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any

right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the Holders, subject to the provisions of the Indenture, shall be entitled to the benefit of all covenants and agreements herein contained. Upon the commencement of proceedings to enforce the rights of the Trustee and of the Holders, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers.

Section 7.5 Attorney's Fees and Expenses. If a Default hereunder occurs and if the Issuer or the Trustee, or the representative or agent of either, should employ attorneys or incur expenses for the enforcement of any obligation or agreement of the Borrower contained herein or in the other Borrower's Documents, the Borrower on demand will pay to the Issuer or the Trustee, as the case may be, the reasonable fees of such attorneys and the reasonable expenses so incurred, including all costs of any and all investigations, proceedings and court appeals.

Section 7.6 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.7 Issuer's Rights Not Impaired. Nothing in this Loan Agreement shall be deemed or construed to limit, impair or affect in any way, the Issuer's (or any other Issuer Indemnified Person's) right to enforce the Reserved Rights, regardless of whether there is then existing an Event of Default (including, without limitation, a payment default), or any action based thereon or occasioned by an Event of Default or alleged Event of Default, and regardless of any waiver or forbearance granted by the Trustee or any Holder in respect thereof. Any default or Event of Default in respect of the Reserved Rights may only be waived by the Issuer in writing.

ARTICLE VIII

OPTIONS TO TERMINATE AGREEMENT

Section 8.1 Grant of Option To Terminate. The Borrower shall have, and is hereby granted, the option to terminate this Loan Agreement as a whole at any time the Borrower declares it will cease to use the Project by reason of:

(a) the damage or destruction of all or a significant portion of the Project (with property damage equal to at least \$100,000) to such extent that, in the reasonable opinion of the Borrower, the Restoration thereof would not be economical;

(b) the condemnation of all or part of the Project or the taking by condemnation of such part, use or control of the Project (with the value of the property so taken or condemned equaling at least \$100,000) as to render it unsatisfactory to the

Borrower for its intended use, provided that any temporary taking by condemnation shall not give rise to the option unless, in the Borrower's reasonable opinion, such temporary taking shall render the Project unsatisfactory to the Borrower for its intended use for a period of at least six months;

(c) any changes in the Constitution of the State or the Constitution of the United States or of legislative or administrative action (whether state, federal, or local), by which this Loan Agreement shall become void or unenforceable or impossible of performance in accordance with the intent and purposes hereof; or

(d) the Borrower may also prepay the Loan in whole and terminate this Loan Agreement if the Loan is prepaid in whole and in amounts necessary to redeem the Bonds pursuant to Section 3.02 of the Indenture upon delivery of written notice by the Borrower's Representative to the Trustee delivered not less than 45 days prior the prepayment date.

Notwithstanding prepayment of the Loan or termination of this Loan Agreement, the Borrower shall not be relieved of any obligation hereunder or under any Bond Document in respect of indemnification under Section 6.4 (or any similar indemnification provision under any Bond Document) that by its terms survives prepayment or defeasance of the Bonds, as provided for in this Loan Agreement.

Section 8.2 Exercise of Option to Terminate. To exercise such options, the Borrower shall, within 90 days following the event authorizing such termination, if any, give written notice to the Issuer and the Trustee, and shall specify therein the date of termination, which date shall be not less than 50 days nor more than 90 days from the date such notice is mailed, and shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption of all of the Bonds. In order to exercise such option, the Borrower shall pay, or cause to be paid, on or prior to the applicable redemption date, to the Trustee, an amount equal to the sum of the following:

(a) An amount of money which, when added to the amounts then on deposit under the Indenture and available for such purpose will be sufficient to retire and redeem all the Outstanding Bonds on the earliest possible redemption date after notice as provided in the Indenture, including, without limitation, the principal amount thereof, all interest to accrue to said redemption date; plus

(b) An amount of money equal to the Ordinary Trustee's Fees and Expenses and Extraordinary Trustee's Fees and Expenses under the Indenture accrued and to accrue until such final payment and redemption of the Bonds, including fees and expenses related to such redemption; plus

(c) An amount of money equal to the Issuer's Fees and Expenses under this Loan Agreement accrued and to accrue until such final payment and redemption of the Bonds.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Confidential Information. The Borrower shall not be required to disclose, or to permit the Issuer, the Trustee or others to acquire access to, any trade secrets of the Borrower or any other processes, techniques or information reasonably deemed by the Borrower to be proprietary or confidential, except as may be appropriate under the state law for the prosecution or defense of any legal or equitable action arising hereunder or for the collection of a judgment or to insure compliance with the Bond Documents.

Section 9.2 Entire Agreement. The Bond Documents together constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, between the Issuer and the Borrower with respect to the subject matter hereof.

Section 9.3 Notices. All notices, certificates or other communications shall be sufficiently given and shall be deemed given on the second day following the date on which the same have been mailed by first class mail, postage prepaid, addressed as provided in the Indenture. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Borrower to the other shall also be given to the Trustee, the Asset Manager and the Manager.

Section 9.4 Assignments. This Loan Agreement may not be assigned by either party without consent of the other except that the Issuer shall assign to the Trustee its rights under this Loan Agreement (except its Reserved Rights) and the Borrower may assign its rights under this Loan Agreement as provided by Sections 6.1 and 6.2 hereof.

Section 9.5 Severability. If any provision of this Loan Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

Section 9.6 Execution of Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.7 Rights of Trustee. The Trustee shall have and be protected by all of the rights, powers, indemnities, privileges, immunities and other protections provided to the Trustee under the Indenture which are hereby incorporated herein by reference.

Section 9.8 Amendments, Changes and Modifications. Subsequent to the issuance of Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Indenture), this Loan Agreement may not be effectively amended, supplemented, modified, altered or terminated except by an instrument in writing signed by the parties hereto, and only as permitted in Section 6.6 hereof.

Section 9.9 Governing Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State without regard to conflicts of law principles.

Section 9.10 Term of Agreement. This Loan Agreement shall be in full force and effect from the date hereof until the later of (a) such time as all the Bonds shall have been fully paid or provision made for such payment pursuant to Article VII of the Indenture, or (b) such time as the Borrower has paid, or caused to be paid, all amounts payable hereunder.

Section 9.11 No Liability of Issuer's Officers. No recourse under or upon any obligation, covenant, or agreement contained in this Loan Agreement, or for any claim based thereon, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent of the Indenture, shall be had against any member of the Governing Body or officer, as such, past, present, or future of the Issuer, or any, for the payment for or to the Issuer or any receiver thereof, of any sum that may be due and unpaid by the Issuer upon the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such member of the Governing Body or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof, of any sum that may remain due and unpaid upon the Bonds, is hereby expressly waived and released as a condition of and in consideration for the execution of this Loan Agreement and the issuance of the Bonds.

Section 9.12 Receipt of and Compliance with Indenture. The Borrower acknowledges that it has received an executed copy of the Indenture, and accepts and agrees to the provisions thereof, including, without limitation, the provisions of Section 9.04 of the Indenture with respect to compensation and indemnification of the Trustee, and agrees that it will take all such actions as are required or contemplated of it under the Indenture to preserve and protect the rights of the Trustee, the Issuer and of the Holders thereunder and that they will not take any action which would cause a Default or Event of Default thereunder. It is agreed by the Borrower and the Issuer that all redemption of Bonds prior to maturity shall be effected as provided in the Indenture. The Borrower hereby agrees that its interest in the Mortgaged Property and its rights hereunder are subject to and subordinated to the interest and rights of the Trustee under the Indenture and acknowledges that the Trustee has entered into the Indenture in reliance upon the assignment to the Trustee of the Issuer's rights under this Loan Agreement and the Borrower's provision of indemnity. The Borrower covenants that it will perform all of the Issuer's obligations and covenants under the Indenture to the extent that they can be performed by the Borrower thereunder. The Borrower further agrees that it will reimburse the Issuer for any expenses incurred in the administration of any of the foregoing agreements and this Loan Agreement and will hold the Issuer harmless from any liabilities thereunder. The Borrower further covenants that it will perform all of the duties and obligations of the Borrower that are set forth in the Indenture.

Section 9.13 Usury; Total Interest. In no event shall the aggregate amounts contracted for, demanded, charged, or collected in connection herewith which are deemed "interest" exceed the Lawful Rate. The term "Lawful Rate" shall mean the highest lawful rate of interest applicable to the Bonds pursuant to laws of the State of Florida. It is expressly stipulated and agreed to be the intent of the Borrower and the Issuer at all times to comply with the applicable law governing the Lawful Rate or amount of interest payable on or in connection with the Bonds (or applicable United States federal law to the extent that it permits the Issuer to

contract for, demand, charge, take, reserve, or receive a greater amount of interest than under law of the State). If the applicable law, as judicially interpreted from time to time, shall ever render usurious any amount called for under this Loan Agreement, the Bonds, or under any of the other Bond Documents or contracted for, demanded, charged, taken, reserved, or received with respect to the Bonds, or if acceleration of the maturity of the Bonds or if any prepayment by the Borrower results in the Borrower having paid any interest in excess of that permitted by law, then it is the Borrower's and the Issuer's express intent that all excess amounts theretofore collected by the Issuer be credited on the principal balance of the Bonds (or, if the Bonds have been or would thereby be paid in full, the excess refunded to the Borrower), and the provisions of the Bonds and the other Bond Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder. The right to accelerate maturity of Bonds does not include the right to accelerate any interest which has not otherwise accrued on the date of acceleration, and the Issuer does not intend to collect any unearned interest in the event of acceleration. All sums paid or agreed to be paid to the Issuer for the use, forbearance, or detention of the Indebtedness (as defined in the Indenture) evidenced hereby shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full term of such Indebtedness until payment in full so that the rate or amount of interest on the account of such Indebtedness does not exceed the applicable usury ceiling. Notwithstanding any provision contained in the Bonds or in any other Bond Documents that permit the compounding of interest, including, without limitation, any provision by which any accrued interest is added to the principal amount of the Bonds, the total amount of interest that the Borrower is obligated to pay and the Issuer is entitled to receive with respect to the Bonds shall not exceed the amount calculated on a simple (i.e., noncompounded) interest basis at the Lawful Rate on principal amounts actually advanced to or for the account of the Borrower, so long as such advances remain outstanding, including all current and prior advances and any advances made pursuant to the Bond Documents (such as the payment of taxes, insurance premiums, and similar expenses or costs). This Loan Agreement is also subject to the condition that amounts paid hereunder representing late payment or penalty charges or the like shall only be payable to the extent permitted by law.

Section 9.14 Survival.

(a) The rights of the Trustee to payment under this Loan Agreement shall survive the Trustee's resignation or removal, the discharge of this Loan Agreement and defeasance of the Bonds.

(b) Notwithstanding anything in this Loan Agreement or any of the Bond Documents to the contrary, the rights, protections, indemnities and immunities afforded to the Trustee hereunder shall survive the resignation or removal of the Trustee and the payment in full or defeasance of the Bonds.

Section 9.15 Tax Agreement Controls. In any matter relating to the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, the terms and provisions of the Tax Agreement shall control in the event of any conflict between this Loan Agreement and the Tax Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement under seal, all as of the day and year first above mentioned.

CAPITAL TRUST AGENCY

ATTEST:

By: _____
Rupert J. Snooks, Chairman

By: _____
Robert F. Cleveland, Secretary

UNIVERSITY BRIDGE, LLC, a Florida limited liability company

By: Atlantic Housing Foundation, Inc.,
a South Carolina nonprofit corporation, its Sole Member

By: _____
Name: Michael N. Nguyen
Title: President and CEO

The Sole Member has executed this Loan Agreement under seal solely for the purposes of Section 6.3 and Section 5.17 hereof, all as of the day and year first above mentioned.

Atlantic Housing Foundation, Inc.
a South Carolina nonprofit corporation

By: _____
Name: Michael N. Nguyen
Title: President and CEO

EXHIBIT A

DESCRIPTION OF THE PROJECT AND PROPERTY DESCRIPTION

Description of Project

Acquiring, designing, constructing, installing, furnishing, and equipping of an approximately 886-unit rental housing facility, containing approximately 1,244 beds, parking, commercial space and ancillary facilities for students of Florida International University, to be known as University Bridge Apartments (the "Project") located at 740 SW 109th Avenue, Sweetwater, Florida 33174.

Legal Description of the Property

The East 96.4 feet of the West 396.4 feet as measured along the South and North line of Block 11, SWEETWATER GROVES, according to the Plat thereof, as recorded in Plat Book 8, Page 50, of the Public Records of Miami-Dade County, Florida;

Together with:

The East 191.4 feet of Block 11, less the East 109.2 feet, SWEETWATER GROVES, according to the Plat thereof, as recorded in Plat Book 8, Page 50, of the Public Records of Miami-Dade County, Florida.

Together with:

The East 109.2 feet of Block 11, SWEETWATER GROVES, according to the Plat thereof, as recorded in Plat Book 8, Page 50, of the Public Records of Miami-Dade County, Florida.

Together with:

The East 94.54 feet of the West 490.94 feet as measured along the South and North line of Block 11, SWEETWATER GROVES, according to the Plat thereof, as recorded in Plat Book 8, Page 50, of the Public Records of Miami-Dade County, Florida.

And Together with:

Block 11, less the West 490.44 feet as measured along the South and the North lines of Block 11, SWEETWATER GROVES, according to the Plat thereof, as recorded in Plat Book 8, Page 50, of the Public Records of Miami-Dade County, Florida.

EXHIBIT B

FORM OF REQUISITION FOR FUNDS OTHER THAN PROJECT FUND

Requisition No. _____ Date: _____

To: Regions Bank, as Trustee (the "Trustee") under the Trust Indenture dated as of September 1, 2018 (the "Indenture"), relating to Capital Trust Agency Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A and Taxable Series 2018B

Attention: Corporate Trust Department

Pursuant to the terms of the aforesaid Indenture and a Loan Agreement of even date therewith, each relating to the Bonds identified above, the undersigned Borrower Representative hereby requests that the Trustee disburse moneys as specified below. The terms used in this Requisition shall have the meaning given to those terms in the Indenture.

Account of the [SPECIFY FUND]	Payee Name and Address	Purpose	Amount
			\$
		Total:	\$

The Borrower Representative hereby certifies that:

- (1) the moneys requisitioned hereby represent proper charges against the Fund specified in the chart above as permitted under Article 5 of the Indenture; and
- (2) the moneys requisitioned hereby are not greater than those necessary to meet the obligations due and payable or to reimburse the applicable party for payment of costs, fees and/or expenses with respect to the Project, in each case in accordance with and as set forth under the Indenture.

[Signature Page to Follow]

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UNIVERSITY BRIDGE, LLC, a Florida limited liability company

By: Atlantic Housing Foundation, Inc., a South Carolina nonprofit corporation, its Sole Member

By: _____
Name: Michael N. Nguyen
Title: President & CEO

EXHIBIT C

FORM OF RELEASE CERTIFICATE

for the Period Ended _____, 20__

\$227,640,000
Capital Trust Agency
Student Housing Revenue Bonds
(University Bridge, LLC Student Housing Project)

Consisting of:
\$218,745,000 Series 2018A
\$8,895,000 Taxable Series 2018B

I, _____, an authorized representative of the Borrower for the above described Bonds (the "Bonds"), do hereby certify that (a): (i) the Borrower has satisfied the Coverage Test (as shown in a report by a Certified Public Accountant delivered by the Borrower to the Trustee pursuant to Section 6.7(a) of the Loan Agreement) for the Fiscal Year ending on such Annual Evaluation Date, (b) no Event of Default or Potential Default of which the Borrower has knowledge has occurred or is continuing, (c) the Debt Service Reserve Requirement and the required Repair and Replacement Fund and Operations and Maintenance Reserve Fund deposits have been fully funded and (d) the Net Income Available for Debt Service and Debt Service Coverage Ratio calculations for the _____ for the twelve months ending _____, as set forth below, are true and correct. Terms used herein as defined terms have the meanings provided in the Trust Indenture dated as of September 1, 2018 with regard to the Bonds.

Net Income Available for Debt Service

Divided by: Annual Debt Service:

Debt Service Coverage Ratio: _____

UNIVERSITY BRIDGE, LLC, a Florida limited liability company

By: Atlantic Housing Foundation, Inc., a South Carolina nonprofit corporation, its Sole Member

By: _____
Name: Michael N. Nguyen
Title: President & CEO

The undersigned _____, certifies that (a) it has reviewed the audited financial of the Borrower for the period ending _____, (b) the foregoing calculations of the Debt Service Coverage Ratio is correct, and (c) the Net Income Available for Debt Service as of the last day of such Fiscal Year was _____.

[INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT]

Dated:

By: _____
Name:
Title:

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EXHIBIT D

FORM OF STUDENT HOUSING PROMISSORY NOTE

\$227,640,000

September 25, 2018

FOR VALUE RECEIVED, the Borrower executing this Note, and its successors and assigns (the "Borrower"), promises to pay to the Capital Trust Agency (together with its successors and assigns, the "Issuer"), (1) the principal sum of \$227,640,000 payable on December 1, 2058, or such earlier dates as required in the Indenture or the Loan Agreement (as defined below), and interest accrued on the unpaid portion thereof, from the date hereof at the rate for each day of accrual equal to the rates of interest borne by the bonds of the Issuer designated as Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A ("Series 2018A Bonds"), and Taxable Series 2018B ("Series 2018B Bonds" and together with the Series 2018A Bonds, the "Bonds") at the time Outstanding (as defined in the Indenture) payable on the dates and computed as described in that certain Trust Indenture between Regions Bank, as trustee (the "Trustee") and the Issuer, as issuer, dated as of September 1, 2018 (the "Indenture"), and the Loan Agreement, relating to principal and interest on the Bonds, and (2) all other amounts specified in the Indenture and Loan Agreement at the times described in the Indenture and Loan Agreement.

This Note and the payments required to be made hereunder have been irrevocably assigned, without recourse, to the Trustee under the Indenture and such payments will be made directly to the Trustee for the account of the Issuer pursuant to such assignment. All the terms, conditions and provisions of the Indenture, the Loan Agreement and the Bonds are hereby incorporated as a part of this Note.

The principal hereof (and premium, if any) and the interest hereon shall be payable at the designated corporate trust office of the Trustee. All such payments shall be in immediately available funds or in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If the specified date for any such payment shall be a day other than a Business Day (as defined in the Indenture), then such payment may be made on the next succeeding day which is a Business Day without additional interest and with the same force and effect as if made on the specified date for such payment.

All sums due hereon shall be payable at the opening of business of the designated corporate trust office of the Trustee on the date such payments become due.

This Note is executed and delivered by the Borrower pursuant to the Loan Agreement, dated as of September 1, 2018 (the "Loan Agreement"), between the Issuer and the Borrower relating to the Bonds, to evidence a loan by the Issuer to the Borrower thereunder from proceeds of the Bonds. To the extent that any provision of this Note contradicts or is inconsistent with the provisions of the Loan Agreement, the provisions of the Loan Agreement shall control and supersede the contradictory or inconsistent provision herein.

The Borrower shall prepay the outstanding principal sum hereof, as a whole or in part, in the same amount and on the same dates, and with the same premiums, if any, as Bonds called for redemption prior to their maturity in accordance with the provisions of the Indenture. Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Borrower.

This Note is also secured by the Mortgage (as defined in the Indenture).

If an Event of Default or Default, as defined in the Indenture or the Loan Agreement, shall occur, the principal hereof and accrued interest hereon may, at the option of the holder hereof, be declared due and payable in the manner and with the effect provided in the Indenture or the Loan Agreement.

This Note is a contract made under and shall be construed in accordance with and governed by the laws of the State of Florida.

This Note has been executed by the Borrower on the date and year first above written.

UNIVERSITY BRIDGE, LLC, a Florida limited liability company

By: Atlantic Housing Foundation, Inc.,
a South Carolina nonprofit corporation, its Sole Member

By: _____
Name: Michael N. Nguyen
Title: President & CEO

[Signature Page of Promissory Note]

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ENDORSEMENT

FOR VALUE RECEIVED, the Capital Trust Agency (the "Issuer") hereby irrevocably assigns and transfers the foregoing Note, without recourse or warranty, except warranty of good title and warranty that the Issuer has not assigned the foregoing Note to a person other than the hereinafter defined Trustee, to the order of Regions Bank (the "Trustee"), Jacksonville, Florida, trustee under a Trust Indenture, dated as of September 1, 2018, between the Issuer and the Trustee. The Issuer hereby directs the maker of the Note, to make all payments with respect to principal of, premium, if any, and interest on the Note and all other payments required thereby directly to the order of the Trustee for the account of the Issuer at the Trustee's designated corporate trust office in Jacksonville, Florida, or such other place as the Trustee, or its successor in trust, may designate in writing.

Dated and executed on September __, 2018.

CAPITAL TRUST AGENCY

ATTEST:

By: _____
Rupert J. Snooks, Chairman

By: _____
Robert F. Cleveland, Secretary

ACKNOWLEDGMENT OF ASSIGNMENT

The undersigned hereby acknowledges and agrees to the aforesaid assignment of the Note by the Capital Trust Agency to Regions Bank, as trustee.

Dated this ____ day of September, 2018.

UNIVERSITY BRIDGE, LLC, a Florida limited liability company

By: Atlantic Housing Foundation, Inc.,
a South Carolina nonprofit corporation, its Sole Member

By: _____
Name: Michael N. Nguyen
Title: President and CEO

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EXHIBIT E

FORM OF DISBURSEMENT REQUEST FOR OPERATING EXPENSES

Requisition No. _____ Date: _____

To: Regions Bank, as trustee (the "Trustee") under the Trust Indenture dated as of September 1, 2018 (the "Indenture"), relating to Capital Trust Agency Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A and Taxable Series 2018B

Attention: Corporate Trust Department

The undersigned Borrower Representative designated pursuant to the terms of the aforesaid Indenture and a Loan Agreement dated as of September 1, 2018 (the "Agreement"), between the Capital Trust Agency and University Bridge, LLC (the "Borrower"), hereby requests that there be paid from the Operating Fund the sum set forth below, and in that connection with respect to the use of the proceeds of the Bonds, I HEREBY CERTIFY, as follow:

An obligation in each of the amounts set forth below has been incurred in connection with the Project and constitutes an Operating Expense.

<u>Payee Name and Address</u>	<u>Purpose</u>	<u>Amount</u>
		\$
		\$
		\$

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture.

UNIVERSITY BRIDGE, LLC, a Florida limited liability company

By: Atlantic Housing Foundation, Inc.,
a South Carolina nonprofit corporation, its
Sole Member

By: _____
Name:
Title:

EXHIBIT F

POST-ISSUANCE COMPLIANCE POLICIES & PROCEDURES OF THE ISSUER



Capital Trust Agency

Tax-Exempt Debt
Post-Issuance Compliance Policies and Procedures

Originally Adopted June 26, 2014
As Amended July 16, 2018

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Table of Contents

Part I.	Purpose
Part II.	Responsibility of a Borrower’s Primary Compliance Officer
Part III.	Closing of Debt Issuances
Part IV.	Use of Debt Proceeds – Qualified 501(c)(3) Bonds
Part V.	Use of Proceeds – Exempt Facility Bonds
Part VI.	Arbitrage Limitations Imposed on Debt Issuances
Part VII.	Accounting for Debt Proceeds
Part VIII.	Recordkeeping
Part IX.	Corrective Action
Part X.	Continuing Education
Exhibit A:	Capital Trust Agency Borrowers, Bond Issues, and Compliance Officials
Exhibit B:	Annual Post Issuance Tax Compliance Certification Questionnaires
Exhibit C:	Revenue Procedure 2017-13

Part I. Purpose.

It is the policy of Capital Trust Agency (“Agency”) to comply, and have each conduit borrower (each, a “Borrower”), as listed in Exhibit A, comply, with all applicable federal tax rules related to the tax-exempt debt (“debt”¹) issuances for which the Agency acts as a conduit issuer. As of the date of adoption of the following policies and procedures (“Policies and Procedures”), the Agency has acted as the conduit issuer for “qualified private activity” bonds authorized under Section 142 (“Exempt Facility Bonds”) of the Internal Revenue Code of 1986, as amended (“IRC”), or Section 145 (“Qualified 501(c)(3)” Bonds) of the IRC.

These Policies and Procedures are intended to serve as a guide for both the Agency and each of the Borrowers to facilitate compliance with the federal tax laws applicable to the Agency’s outstanding conduit debt issuances for a Borrower (collectively, such debt issuances are referred to as “Borrower’s Bonds”).

In the event these Policies and Procedures conflict, in whole or in part, with the Arbitrage and Tax Regulatory Certificate (or other similar certificate) (the “Tax Certificate”) prepared on behalf of the Agency in connection with a debt issuance for a Borrower, the terms of the Tax Certificate shall control.

Part II. Responsibility of a Borrower’s Primary Compliance Officer.

Except as otherwise described herein, the Agency Compliance Officer, has primary responsibility for ensuring that the Agency’s outstanding debt issuances are, and will remain, in compliance with federal tax law. It is the policy of the Agency to ensure this compliance by requesting each borrower to designate a “Primary Compliance Officer,” as listed in Exhibit A, for each Borrower, who will be responsible for ensuring that the responsibilities designated to the Borrower, as detailed in these Policies and Procedures, are met, with respect to each of the Borrower’s Bonds. The Agency Compliance Officer and each Borrower’s Primary Compliance Officer may consult with the Agency’s Bond Counsel, as well as other third party providers, as needed, to ensure compliance with these Policies and Procedures. The Agency Compliance Officer, in consultation with each Borrower’s Primary Compliance Officer, will review on an annual basis, the Policies and Procedures and make any necessary adjustments.

The Agency encourages each Borrower to implement its own post-issuance policies and procedures. In addition, the Agency will require each Borrower’s Primary Compliance

¹ Unless otherwise indicated herein, all references to “debt” shall include any tax-exempt debt.

Officer, at the same time that these Policies and Procedures are reviewed, to complete a questionnaire for each issue of Borrower's Bonds outstanding. The forms of the questionnaires are shown on Exhibit B.

Part III. Closing of Debt Issuances.

A. **Tax Certificates.** The Agency's bond counsel, with assistance from the Borrower for such debt issuance and professionals associated with the financing, shall prepare a Tax Certificate in connection with each conduit debt issuance issued by the Agency, to be executed by the Executive Director, as well as the Borrower's Primary Compliance Officer or other authorized designee of the borrower, at closing. The Tax Certificate shall serve as the operative document for purposes of establishing the Agency's and Borrower's reasonable expectations as of the date of issue of the Borrower's Bonds, as well as provide a summary of the federal tax rules applicable to such issuance. The Agency Compliance Officer and the Borrower's Primary Compliance Officer will review with the Agency's bond counsel the Tax Certificate prepared for each of the Agency's conduit debt issues for a Borrower prior to the closing of the issue.

B. **Internal Revenue Service Form 8038 – Tax-Exempt Bonds.** The Agency's bond counsel, with assistance from the Borrower's Primary Compliance Officer and other professionals associated with the financing, shall prepare an Internal Revenue Service ("IRS") Form 8038 (Information Return for Tax-Exempt Private Activity Bond Issues), in connection with each conduit debt issuance issued by the Agency, which the Agency Compliance Officer and the Borrower's Primary Compliance Officer will review prior to closing. Each IRS Form 8038 prepared for a debt issuance for a Borrower will be filed by the Agency's bond counsel with the IRS no later than the 15th day after the 2nd calendar month after the close of the calendar quarter in which the tax-exempt obligation to which such Form 8038 relates is issued.

Part IV. Use of Debt Proceeds – Qualified 501(c)(3) Bonds.

A. **Private Use Generally.** Neither the Agency nor any Borrower of proceeds of Qualified 501(c)(3) Bonds will knowingly take or permit to be taken any action which would cause any of the Borrower's Qualified 501(c)(3) Bonds to become "private activity bonds" other than Qualified 501(c)(3) Bonds as described below. Generally, a bond issue constitutes Qualified 501(c)(3) Bonds if:

1. 100% of the property which is financed or refinanced by the net proceeds of the bonds is owned by an organization described in Section 501(c)(3) of the IRC or a governmental unit, and

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2. (a) At least 95% of the net proceeds of the bonds are used by a 501(c)(3) organization in furtherance of its exempt purpose or by a governmental unit. In general, an activity is treated as "exempt" if it does not constitute an "unrelated trade or business" of the 501(c)(3) organization using the net proceeds of the bonds, determined by applying Section 513(a) of the IRC, or
 - (b) Not more than 5% of the net proceeds of the bonds is (a) secured by an interest in property, or payments in respect of property, used by a 501(c)(3) organization in an unrelated trade or business or for a private business use, or (2) derived from payments (whether or not to the Agency) made in respect of property, or borrowed money, used by a 501(c)(3) organization in an unrelated trade or business or for a private business use.

B. **Overview.** Each Borrower's Primary Compliance Officer will be responsible for routinely reviewing the uses of its facilities financed with the proceeds of Borrower's Qualified 501(c)(3) Bonds for continued qualification of such bonds as Qualified 501(c)(3) Bonds. In addition, the Borrower may consult with the Agency's bond counsel regarding the applicable federal tax limitations imposed on each series of Borrower's Qualified 501(c)(3) Bonds and whether arrangements with third parties give rise to private business use of the financed projects. The private business use arrangements to be monitored by the Borrower include, but are not limited to, the following:

1. **Management or Other Service Contracts.** In the event the Borrower enters into a management contract, service agreement, operating agreement or license with a third-party, the Borrower will evaluate whether such arrangement results in private business use. The Borrower's Primary Compliance Officer shall be responsible for such evaluation and will review every service contract entered into involving the use of property financed with the proceeds of Borrower's Qualified 501(c)(3) Bonds. For these purposes, a management contract, service agreement, operating agreement and license include any contract under which a service provider provides services involving any portion of property financed with the proceeds of Borrower's Qualified 501(c)(3) Bonds (a "Service Contract").

It is the intent of both the Agency and the Borrower to have the Borrower structure all Service Contracts impacting property financed with the proceeds of Borrower's Qualified 501(c)(3) Bonds so as to satisfy one of the private business use safe harbors set forth in Revenue Procedure 2017-13. If the Borrower expects

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to enter into a Service Contract that may not satisfy the safe harbors set forth in Revenue Procedure 2017-13, the Borrower should consult with the Agency's bond counsel to assess the impact, if any, that the noncompliant Service Contract would have on the tax status of the Borrower's Qualified 501(c)(3) Bonds, if any. For Borrower's reference, Revenue Procedure 2017-13 can be found as Exhibit C to this Policies and Procedures.

2. **Leases and Subleases.** Each Borrower's Primary Compliance Officer will monitor all leases and subleases that involve the use of property financed with the proceeds of Borrower's Qualified 501(c)(3) Bonds, including the name of the lessee (or sublessee), the term of the lease (or sublease), the amount of the rent paid by the lessee (or sublessee) and the square footage of space used by the lessee (or sublessee) relative to the square footage of such property.

3. **Naming Rights Agreements.** Each Borrower's Primary Compliance Officer will monitor all naming rights agreements that involve property financed with the proceeds of Borrower's Qualified 501(c)(3) Bonds, including the term of the arrangement and the amount paid by the naming party.

4. **Sponsored Research.** Each Borrower's Primary Compliance Officer will monitor all "Sponsored Research Agreements" that involve property financed with the proceeds of Borrower's Qualified 501(c)(3) Bonds. The Borrower will apply Revenue Procedure 2007-47, 2007-29 I.R.B. 108, to any research sponsorship agreement existing now or in the future with respect to such property.

5. **Clinical Trials.** Each Borrower's Primary Compliance Officer will monitor all clinical trial agreements that involve property financed with the proceeds of Borrower's Qualified 501(c)(3) Bonds, including the term of the arrangement, the sponsoring entity, the trial to be conducted and the amount paid by the sponsoring party.

6. **Joint Ventures and Partnership Arrangements.** Each Borrower's Primary Compliance Officer will monitor all joint ventures, partnerships, or other cooperative agreements that involve the use of property financed with the proceeds of Borrower's Qualified 501(c)(3) Bonds.

7. **Unrelated Trade or Business Use.** Each Borrower's Primary Compliance Officer will monitor all uses of the bond financed property to determine whether any uses of such property gives rise to unrelated trade or business use.

C. **Sales of Debt-Financed Property.** It is the Agency's policy to have the Borrower use proceeds of Borrower's Qualified 501(c)(3) Bonds to finance property that the Borrower intends to own for the entire term of the debt issue financing the projects. Prior to selling or otherwise disposing of any project financed with the proceeds of Borrower's Qualified 501(c)(3) Bonds for which debt remains outstanding, the Borrower shall consult with the Agency's bond counsel to determine the impact, if any, such sale or disposition would have on the tax status of the Borrower's Qualified 501(c)(3) Bonds.

D. **Form 990 – Schedule K.** Each Borrower of Qualified 501(c)(3) Bonds shall file Schedule K (Form 990) annually with the IRS to provide certain information on their outstanding liabilities associated with tax-exempt bond issues. Upon filing with the IRS, the Borrower shall provide a copy of Schedule K to the Agency.

Part V. Use of Debt Proceeds – Exempt Facility Bonds.

A. **Use of Proceeds.** Section 142(a) of the IRC requires that 95% or more of the "net proceeds" of a Borrower's Exempt Facility Bonds be used to provide the exempt facility.

B. **Use of Exempt Facilities.** The Borrower shall consult the Tax Certificate prepared for the Exempt Facility Bonds to determine the ownership and use standards applicable to the Exempt Facility Bonds.

Part VI. Arbitrage Limitations Imposed on Debt Issuances.

A. Arbitrage Rebate Monitor. Each of the Borrowers will continue to retain an arbitrage rebate monitor to review its outstanding debt issuances. The arbitrage rebate monitor will perform calculations to ascertain whether the Borrower owes an arbitrage rebate payment or yield reduction payment to the IRS, including whether the debt issuance in question qualifies for an exception to the arbitrage rebate rules. In the event a Borrower owes arbitrage rebate or has accrued a yield reduction payment liability to the IRS, that Borrower will timely² submit IRS Form 8038-T, Arbitrage Rebate Yield Reduction and Penalty in Lieu of Arbitrage Rebate, to be prepared by the arbitrage rebate monitor, together with payment in the amount equal to the arbitrage rebate or yield reduction payment liability calculated by the arbitrage rebate monitor in accordance with the Tax Certificate related to such debt issue, with notice to the Agency that such payment has been made.

Part VII. Accounting for Debt Proceeds.

A. General. Except as otherwise described below and in the Tax Certificate entered into by the Agency and a Borrower in connection with a debt issuance, it is the policy of the Agency to have each Borrower consistently apply a generally accepted method of accounting for and allocating its debt proceeds.

B. Investment of Proceeds. Proceeds of each borrower's capital borrowings shall be accounted for in a separate fund or account. All proceeds shall be invested at the direction of the Borrower's Primary Compliance Officer.

C. Expenditure of Debt Proceeds on Capital Projects. The Borrower's Primary Compliance Officer reviews and approves invoices related to debt financed expenditures and causes payments to be made. All invoices and records of payment (either in the form of paper checks or electronic funds transfer confirmations) are retained by, or caused to be retained by, the Borrower in accordance with Part VIII, "Recordkeeping," below.

² For these purposes, timely shall mean within 60 days after each installment computation date, the Borrower will cause to be paid to the IRS at least 90% of the amount of arbitrage rebate and yield reduction payment liability owed and within 60 days after the final installment computation date, the Borrower will cause to be paid to the IRS 100% of the amount of arbitrage rebate and yield reduction payment liability owed.

Each Borrower shall maintain accounting records, updated with each payment of an expenditure from proceeds of Borrower's Bonds, that for each outstanding issue of Borrower's Bonds show:

- (1) The name and date of issue of the issue of Borrower's Bonds to which the proceeds relate;
- (2) The projects financed with the proceeds of the issue of Borrower's Bonds;
- (3) The authorized amount of proceeds to be used to finance each project;
- (4) The amount of proceeds of the issue of Borrower's Bonds used to date to finance each project;
- (5) The amount of unspent proceeds of the issue of Borrower's Bonds to be used to finance each project; and
- (6) The date on which the debt proceeds related to each project were fully expended.

Part VIII. Recordkeeping.

A. General. The Agency's relationship with Digital Assurance Certification, L.L.C. ("DAC") is intended to assist the Agency in maintaining compliance with their recordkeeping responsibilities. Each Tax Certificate prepared on behalf of the Agency and a Borrower for a debt issuance shall provide for a description of the records to be maintained by or on behalf of the Agency and a Borrower and the period of time such records must be maintained. In addition, each Borrower will remain familiar with the IRS's Frequently Asked Questions related to the recordkeeping requirements for debt.

B. Means of Maintaining Records. Each of the Borrowers may maintain all records required to be held as described in this Part VIII in paper and/or electronic (e.g., CD, disks, tapes) form either internally or through the record-keeping system maintained by DAC. It is the policy of the Agency to have each Borrower maintain as much of its records electronically as feasible.

C. Transcript and Use of Debt Proceeds. Each Borrower shall maintain, or cause to be maintained, all records relating to the tax-exempt status of its debt issuances and the representations, certifications and covenants set forth in its respective Tax Certificates until the date 3 years after the last outstanding obligation of the issue to which such records and Tax Certificate relate has been retired. These records include, but are not limited to, the following:

- (1) basic records and documents relating to the obligations (including the transcript, which shall include, among other records, the Tax Certificate, Internal

Revenue Service Form 8038-G, verification report, authorizing resolution(s), trust indenture, loan agreement, record of public approval, and the opinion of bond counsel),

(2) documentation evidencing the expenditure of debt proceeds,
 (3) documentation evidencing the use of debt financed projects by public and private sources, including copies of all arrangements described in Part VI of these Policies and Procedures,

(4) documentation evidencing all sources of payment or security for the debt issuance; and

(5) documentation pertaining to any investment of debt proceeds (including the purchase and sale of securities, SLGS subscriptions (if applicable), yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations).

D. Investment Records. Each Borrower shall maintain detailed records with respect to every investment acquired with proceeds of its debt issuances until the date three years after the last outstanding obligation of the issue to which such records and nonpurpose investments relate has been retired. These records may reflect, but are not limited to, the following:

(1) purchase date, (2) purchase price, (3) information establishing fair market value on the date such investment became allocated to gross proceeds of the debt, (4) any accrued interest paid, (5) face amount, (6) coupon rate, (7) periodicity of interest payments, (8) disposition price, (9) any accrued interest received, (10) disposition date, and (11) broker's fees paid (if at all) or other administrative costs with respect to each such nonpurpose investment.

E. Arbitrage Rebate and Yield Reduction Payment Records. Each of the Borrowers shall maintain all records of arbitrage rebate payment and yield reduction payment calculations performed by the arbitrage rebate monitor (irrespective of whether that Borrower owed any amount to the IRS), and records related to any arbitrage rebate payments or yield reduction payments made to the IRS, including the calculations performed by the arbitrage rebate monitor substantiating such payments, together with the IRS Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, that accompanied all such payments, until the date 3 years after the

last outstanding obligation of the issue to which such records and rebate payments relate has been retired.

F. Overpayment of Arbitrage Rebate Records. In the event a Borrower has overpaid to the United States an arbitrage rebate or yield reduction payment liability, the Borrower shall maintain all records of such arbitrage rebate payments or yield reduction payments, including calculations performed by the arbitrage rebate monitor, together with the IRS Form 8038-R, Request for Recovery of Overpayments Under Arbitrage Rebate Provisions, that accompanied the request for a recovery of such overpayment until the date 3 years after the last outstanding obligation of the issue to which such records and rebate overpayments relate has been retired.

G. Other Records. In addition to the records described above, each Borrower will maintain the following records, to the extent applicable to a particular debt offering, until the date 3 years after the last outstanding obligation of the issue to which such relate has been retired:

- (1) minutes and resolutions authorizing the issuance of, or the reimbursement of expenditures using proceeds of, the financing,
- (2) appraisals, demand surveys and feasibility studies related to debt financed or refinanced property,
- (3) documentation relating to any third-party funding for a project to which debt proceeds will be applied (including government grants),
- (4) records of any Internal Revenue Service audit(s) or compliance check(s), or any other Internal Revenue Service inquiry related to the debt.

H. Applicability of Recordkeeping Requirement in the Event of a Refunding. In the event the Agency issues debt to retire prior debt of any of the Borrowers, that Borrower shall maintain all of the records described in this Part VIII with respect to the refunded debt until the date that is three years after the last outstanding tax-exempt obligation of the issue the proceeds of which were used to retire the refunded debt has been retired.

Part IX. Corrective Action.

A. General. In the event a violation of federal tax law is discovered, the Borrower's Primary Compliance Officer for such series of Bond will consult with the Agency Compliance Officer and the Agency's bond counsel to determine the best corrective action.

B. Remedial Actions. The Agency is aware of the remedial action rules contained in Treasury Regulations Section 1.141-12 (for Qualified 501(c)(3) Bonds) and Section 1.142-4 (for Exempt Facility Bonds), providing the Agency and Borrowers with the ability, in certain circumstances, to voluntarily remediate violations of the private business tests or private loan financing test. Although the Agency intends that none of its debt issuances will require the application of the remedial action rules, prior to taking any action that would cause one or more of its outstanding debt issuances to, absent a remedial action, violate the private business tests or private loan financing test, the Agency may consult with its bond counsel regarding the applicability of the remedial action rules to such action and the ability to remediate the impacted debt issuance.

C. Voluntary Closing Agreement Program. The Agency is aware of its ability, pursuant to IRS Notice 2008-31, to request a voluntary closing agreement with the IRS to correct failures on the part of a Borrower to comply with the federal tax rules related to tax-exempt debt issuances.

Part X. Continuing Education.

The Agency and each of the Borrowers will continue to consult regularly with the Agency's bond counsel regarding the federal tax rules applicable to its outstanding debt and changes to the federal tax law, and the Agency will regularly update these Policies and Procedures to reflect any such changes.

Each Borrower shall ensure that those who are tasked with bond compliance responsibilities shall undertake a reasonable amount of continuing education on an annual basis, including but not limited to, consulting with outside professionals, participation in conferences, reading informational updates from governmental resources and professional organizations, and participation in DAC webinars.

Exhibit A to Annual Post-Issuance Tax Compliance Procedures

Capital Trust Agency Conduit Borrowers

Borrower

Name: _____
Address: _____

Primary Compliance Officer

Name _____
Title _____
Contact Info _____

Bond Issue

Title: _____
Dated Date: _____
Questionnaire: _____

Exhibit B to Annual Post-Issuance Tax Compliance Procedures

Forms of Questionnaires

Exhibit B-1 – Exempt Facility

Exhibit B-2 – Qualified 501(c)(3)

B-108



Annual Post-Issuance Tax Compliance Certification
of Exempt Facility Bonds

Name of Borrower: _____
 Name of Bond Issue: _____
 Issue Date: _____

The Borrower certifies and acknowledges responsibility for monitoring post-issuance tax compliance with respect to the above-described bond issue, including, but not limited to:

- Qualified use of bond proceeds and bond-financed property, including the requirement that, in the event proceeds of the bond issue and/or the property financed thereby are used in a manner so as to require that a “remedial action” be taken, the Borrower complies with applicable federal tax law
- Arbitrage yield restriction and rebate requirements, including limiting the investment of bond proceeds, complying with applicable “temporary period” exceptions, monitoring amounts pledged directly or indirectly to secure the payment of debt service, and compliance with any applicable requirements to rebate excess investment earnings to the Federal Government.

In connection with the above, the Borrower hereby represents and certifies:

	Yes	No
(1) The Borrower is, and has been since the Issue Date, in compliance with the terms and conditions described in the Tax Certificate (or other similarly-named document) executed by the Borrower in connection with the issuance of the bonds		
(2) The Borrower is aware of its ability to take a “remedial action” pursuant to the Federal Income Tax Regulations arising out of the Borrower’s failure to use the proceeds of the bonds and/or the property financed thereby in a qualifying manner		
(3) The Borrower will consult with the Capital Trust Agency in the event that an action is taken (or is not taken) that results in the need to take a “remedial action” pursuant to the Federal Income Tax Regulations		
(4) The Borrower is in compliance with the applicable arbitrage yield restriction and rebate requirements with respect to the bonds, including:	Yes	No
(a) Investment of sale proceeds of the bonds at the applicable permissible yield		
(b) Monitoring and investment of “replacement proceeds” of the bonds at the applicable permissible yield		
(c) Payment of any yield reduction payments owed with respect to		

the bonds to the Internal Revenue Service		
(d) Compliance with the arbitrage rebate requirement, including the payment to the Internal Revenue Service of any arbitrage rebated owed with respect to the bonds		
(5) The Borrower maintains, and will continue to maintain, sufficient records to establish compliance with applicable federal tax law, including, but not limited to, the matters described in Questions [1] through [4] above	Yes	No

This Annual Post-Issuance Tax Compliance Certification of the Borrower is utilized by the Capital Trust Agency to assist the Agency in monitoring post-issuance tax compliance with respect to the above-referenced bonds. Nothing contained in this Annual Certification of the Borrower is intended to, or will, modify the Borrower’s representations, certifications or warranties made under the Tax Certificate (or other similarly-named document) entered into by the Borrower in connection with the issuance of the bonds or otherwise modify or limit the Borrower’s post-issuance tax compliance monitoring requirements.

Signature: _____

Name: _____

Title: _____

Date: _____



**Annual Post-Issuance Tax Compliance Certification
of the Borrower of Qualified 501(c)(3) Bonds**

Date : _____

Name of Borrower: _____

Name of Bond Issue: _____

Issue Date: _____

The Borrower certifies and acknowledges responsibility for monitoring post-issuance tax compliance with respect to the above-described bond issue, including, but not limited to:

- Qualified use of bond proceeds and bond-financed property, including the requirement that, in the event proceeds of the bond issue and/or the property financed thereby are used in a manner so as to require that a "remedial action" be taken, the Borrower complies with applicable federal tax law
- Arbitrage yield restriction and rebate requirements, including limiting the investment of bond proceeds, complying with applicable "temporary period" exceptions, monitoring amounts pledged directly or indirectly to secure the payment of debt service, and compliance with any applicable requirements to rebate excess investment earnings to the Federal Government.

In connection with the above, the Borrower hereby represents and certifies:

	Yes	No
(1) The Borrower is, and has been since the Issue Date, in compliance with the terms and conditions described in the Tax Certificate (or other similarly-named document) executed by the Borrower in connection with the issuance of the bonds		
(2) The Borrower has owned, and will continue to own, all property financed with the bond proceeds		
(3) The Borrower is aware of its ability to take a "remedial action" pursuant to the Federal Income Tax Regulations arising out of the Borrower's failure to use the proceeds of the bonds and/or the property financed thereby in a qualifying manner		
(4) The Borrower will consult with the Capital Trust Agency in the event that an action is taken (or is not taken) that results in the need to take a "remedial action" pursuant to the Federal Income Tax Regulations		

(5) The Borrower is in compliance with the applicable arbitrage yield restriction and rebate requirements with respect to the bonds, including:	Yes	No
(a) Investment of sale proceeds of the bonds at the applicable permissible yield		
(b) Monitoring and investment of "replacement proceeds" of the bonds at the applicable permissible yield		
(c) Payment of any yield reduction payments owed with respect to the bonds to the Internal Revenue Service		
(d) Compliance with the arbitrage rebate requirement, including the payment to the Internal Revenue Service of any arbitrage rebated owed with respect to the bonds		
(6) The Borrower maintains, and will continue to maintain, sufficient records to establish compliance with applicable federal tax law, including, but not limited to, the matters described in Questions [1] through [4] above	Yes	No
(7) The Borrower has filed Schedule K to Form 990 with the IRS. Attach copy of Schedule K hereto.	Yes	No

This Annual Post-Issuance Tax Compliance Certification of the Borrower is utilized by the Capital Trust Agency to assist the Agency in monitoring post-issuance tax compliance with respect to the above-referenced bonds. Nothing contained in this Annual Certification of the Borrower is intended to, or will, modify the Borrower's representations, certifications or warranties made under the Tax Certificate (or other similarly-named document) entered into by the Borrower in connection with the issuance of the bonds or otherwise modify or limit the Borrower's post-issuance tax compliance monitoring requirements.

Signature: _____

Name: _____

Title: _____

Date : _____

B-110

Revenue Procedure 2017-13

Internal Revenue Bulletin: 2017-6

February 6, 2017

Rev. Proc. 2017-13

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SECTION 1. PURPOSE

This revenue procedure provides safe harbor conditions under which a management contract does not result in private business use of property financed with governmental tax-exempt bonds under § 141(b) of the Internal Revenue Code or cause the modified private business use test for property financed with qualified 501(c)(3) bonds under § 145(a)(2)(B) to be met. This revenue procedure modifies, amplifies, and supersedes Rev. Proc. 2016-44, 2016-36 IRB 316, to address certain types of compensation, the timing of payment of compensation, the treatment of land, and methods of approval of rates. Sections 2.11 through 2.14 of this revenue procedure generally describe the modifications and amplifications made to Rev. Proc. 2016-44 by this revenue procedure.

SECTION 2. BACKGROUND

.01 Section 103(a) provides that, except as provided in § 103(b), gross income does not include interest on any State or local bond. Section 103(b)(1) provides that § 103(a) shall not apply to any private activity bond that is not a qualified bond (within the meaning of § 141). Section 141(a) provides that the term "private activity bond" means any bond issued as part of an issue (1) that meets the private business use test and private security or payment test, or (2) that meets the private loan financing test.

.02 Section 141(b)(1) provides generally that an issue meets the private business use test if more than 10 percent of the proceeds of the issue are to be used for any private business use. Section 141(b)(6) defines "private business use" as use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit. For this purpose, any activity carried on by a person other than a natural person must be treated as a trade or business.

.03 Section 1.141-3(a)(1) of the Income Tax Regulations provides, in part, that the 10 percent private business use test of § 141(b)(1) is met if more than 10 percent of the proceeds of an issue is used in a trade or business of a nongovernmental person. For this purpose, the use of financed property is treated as the direct use of proceeds. Section 1.141-3(a)(2) provides that, in determining whether an issue meets the private business use test, it is necessary to look at both indirect and direct use of proceeds. Proceeds are treated as used in the trade or business of a nongovernmental person if a nongovernmental person, as a result of a single transaction or a series of related transactions, uses property acquired with the proceeds of an issue.

.04 Section 1.141-3(b)(1) provides that both actual and beneficial use by a nongovernmental person may be treated as private business use. In most cases, the private business use test is met only if a nongovernmental person has special legal entitlements to use the financed property under an arrangement with the issuer. In general, a

nongovernmental person is treated as a private business user as a result of ownership; actual or beneficial use of property pursuant to a lease, a management contract, or an incentive payment contract; or certain other arrangements such as a take or pay or other output-type contract.

.05 Section 1.141-3(b)(3) provides generally that the lease of financed property to a nongovernmental person is private business use of that property. For this purpose, any arrangement that is properly characterized as a lease for federal income tax purposes is treated as a lease. Section 1.141-3(b)(3) further provides that, in determining whether a management contract is properly characterized as a lease, it is necessary to consider all the facts and circumstances, including the following factors: (1) the degree of control over the property that is exercised by a nongovernmental person; and (2) whether a nongovernmental person bears the risk of loss of the financed property.

.06 Section 1.141-3(b)(4)(i) provides generally that a management contract with respect to financed property may result in private business use of that property, based on all of the facts and circumstances. A management contract with respect to financed property generally results in private business use of that property if the contract provides for compensation for services rendered with compensation based, in whole or in part, on a share of net profits from the operations of the facility. Section 1.141-3(b)(4)(iv) provides generally that a management contract with respect to financed property results in private business use of that property if the service provider is treated as the lessee or owner of financed property for federal income tax purposes.

.07 Section 1.141-3(b)(4)(ii) defines "management contract" as a management, service, or incentive payment contract between a governmental person and a service provider under which the service provider provides services involving all, a portion, or any function, of a facility. For example, a contract for the provision of management services for an entire hospital, a contract for management services for a specific department of a hospital, and an incentive payment contract for physician services to patients of a hospital are each treated as a management contract.

.08 Section 1.141-3(b)(4)(iii) provides that the following arrangements generally are not treated as management contracts that give rise to private business use: (A) contracts for services that are solely incidental to the primary governmental function or functions of a financed facility (for example, contracts for janitorial, office equipment repair, hospital billing, or similar services); (B) the mere granting of admitting privileges by a hospital to a doctor, even if those privileges are conditioned on the provision of de minimis services if those privileges are available to all qualified physicians in the area, consistent with the size and nature of the hospital's facilities; (C) a contract to provide for the operation of a facility or system of facilities that consists primarily of public utility property, if the only compensation is the reimbursement of actual and direct expenses of the service provider and reasonable administrative overhead expenses of the service provider; and (D) a contract to provide for services, if the only compensation is the reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties.

.09 Section 141(e) provides, in part, that the term "qualified bond" includes a qualified 501(c)(3) bond if certain requirements stated therein are met. Section 145(a) provides generally that "qualified 501(c)(3) bond" means any private activity bond issued as part of an issue if (1) all property that is to be provided by the net proceeds of the issue is to be owned by a 501(c)(3) organization or a governmental unit, and (2) such bond would not be a private activity bond if (A) 501(c)(3) organizations were treated as governmental units with respect to their activities that do not constitute unrelated trades or businesses, determined by applying § 513(a), and (B) § 141(b)(1) and (2) were applied by substituting "5 percent" for "10 percent" each place it appears and by substituting "net proceeds" for "proceeds" each place it appears. Section 1.145-2 provides that, with certain exceptions and modifications, §§ 1.141-0 through 1.141-15 apply to § 145(a).

.10 Rev. Proc. 2016-44 provides safe harbor conditions under which a management contract does not result in private business use of property financed with governmental tax-exempt bonds under § 141(b) or cause the modified private business use test for property financed with qualified 501(c)(3) bonds under § 145(a)(2)(B) to be met. Rev. Proc. 2016-44 modified and superseded Rev. Proc. 97-13, 1997-1 C.B. 632; Rev. Proc. 2001-39, 2001-2 C.B. 38; and section 3.02 of Notice 2014-67, 2014-46 I.R.B. 822.

.11 Section 5.02 of Rev. Proc. 2016-44 sets forth general financial requirements for management compensation arrangements eligible for the safe harbor. Sections 5.02(2) and 5.02(3) of Rev. Proc. 2016-44 provide that the contract must neither provide to the service provider a share of net profits nor impose on the service provider the burden of bearing any share of net losses from the operation of the managed property. Before the publication of Rev. Proc. 2016-44, previously applicable revenue procedures expressly treated certain types of compensation, including capitation fees, periodic fixed fees, and per-unit fees (as defined therein), as not providing a share of net profits. Questions have arisen regarding whether these common types of compensation continue to be treated in a similar manner under Rev. Proc. 2016-44. Related questions have arisen about whether a service provider's payment of expenses of the operation of the managed property without reimbursement from the qualified user (as defined in section 4.04 of Rev. Proc. 2016-44) affects the treatment of these types of compensation. To provide continuity with

the previous safe harbors, this revenue procedure clarifies that these types of compensation and certain incentive compensation will not be treated as providing a share of net profits or requiring the service provider to bear a share of net losses.

.12 Sections 5.02(2) and 5.02(3) of Rev. Proc. 2016-44 also provide that the timing of payment of compensation cannot be contingent upon net profits or net losses from the operation of the managed property. Questions have arisen about the effect of these restrictions on the timing of payment of compensation. This revenue procedure clarifies that compensation subject to an annual payment requirement and reasonable consequences for late payment (such as interest charges or late payment fees) will not be treated as contingent upon net profits or net losses if the contract includes a requirement that the qualified user will pay the deferred compensation within five years of the original due date of the payment.

.13 Section 5.03 of Rev. Proc. 2016-44 provides that the term of the contract, including all renewal options (as defined in § 1.141-1(b)), must be no greater than the lesser of 30 years or 80 percent of the weighted average reasonably expected economic life of the managed property. For this purpose, under Rev. Proc. 2016-44, economic life is determined in the same manner as under § 147(b), but without regard to § 147(b)(3)(B)(ii), as of the beginning of the term of contract. Section 147(b)(3)(B)(i) provides that generally land is not taken into account, but § 147(b)(3)(B)(ii) provides that if 25 percent or more of the net proceeds of any issue is to be used to finance the acquisition of land, such land shall be taken into account and treated as having an economic life of 30 years. Questions have arisen about excluding land when the cost of the land accounts for a significant portion of the managed property. This revenue procedure provides that economic life is determined in the same manner as under § 147(b) as of the beginning of the term of the contract. Thus, land will be treated as having an economic life of 30 years if 25 percent or more of the net proceeds of the issue that finances the managed property is to be used to finance the costs of such land.

.14 Section 5.04 of Rev. Proc. 2016-44 provides that the qualified user must exercise a significant degree of control over the use of the managed property. Section 5.04 of Rev. Proc. 2016-44 further provides that this requirement is met if the contract requires the qualified user to approve, among other things, the rates charged for use of the managed property. Section 5.04 of Rev. Proc. 2016-44 also provides that a qualified user may show approval of rates charged for use of the managed property by either expressly approving such rates (or the methodology for setting such rates) or by including in the contract a requirement that service provider charge rates that are reasonable and customary as specifically determined by an independent third party. Questions have arisen about the requirement to approve the rates in various circumstances in which it may not be feasible to approve each specific rate charged, such as for a physician's professional services at a § 501(c)(3) hospital or hotel room rates at a governmentally-owned hotel. This revenue procedure clarifies that a qualified user may satisfy the approval of rates requirement by approving a reasonable general description of the method used to set the rates or by requiring that the service provider charge rates that are reasonable and customary as specifically determined by, or negotiated with, an independent third party.

SECTION 3. SCOPE

This revenue procedure applies to a management contract (as defined in section 4.03 of this revenue procedure) involving managed property (as defined in section 4.04 of this revenue procedure) financed with the proceeds of an issue of governmental bonds (as defined in § 1.141-1(b)) or qualified 501(c)(3) bonds (as defined in § 145).

SECTION 4. DEFINITIONS

For purposes of this revenue procedure, the following definitions apply:

.01 *Capitation fee* means a fixed periodic amount for each person for whom the service provider or the qualified user assumes the responsibility to provide all needed services for a specified period so long as the quantity and type of services actually provided to such persons varies substantially. For example, a capitation fee includes a fixed dollar amount payable per month to a medical service provider for each member of a health maintenance organization plan for whom the provider agrees to provide all needed medical services for a specified period. A fixed periodic amount may include an automatic increase according to a specified, objective, external standard that is not linked to the output or efficiency of the managed property. For example, the Consumer Price Index and similar external indices that track increases in prices in an area or increases in revenues or costs in an industry are objective, external standards. A capitation fee may include a variable component of up to 20 percent of the total capitation fee designed to protect the service provider against risk such as risk of catastrophic loss.

.02 *Eligible expense reimbursement arrangement* means a management contract under which the only compensation consists of reimbursements of actual and direct expenses paid by the service provider to unrelated parties and reasonable related administrative overhead expenses of the service provider.

.03 *Management contract* means a management, service, or incentive payment contract between a qualified user and a service provider under which the service provider provides services for a managed property. A management contract does not include a contract or portion of a contract for the provision of services before a managed property is placed in service (for example, pre-operating services for construction design or construction management).

.04 *Managed property* means the portion of a project (as defined in § 1.141-6(a)(3)) with respect to which a service provider provides services.

.05 *Periodic fixed fee* means a stated dollar amount for services rendered for a specified period of time. For example, a stated dollar amount per month is a periodic fixed fee. The stated dollar amount may automatically increase according to a specified, objective external standard that is not linked to the output or efficiency of the managed property. For example, the Consumer Price Index and similar external indices that track increases in prices in an area or increases in revenues or costs in an industry are objective external standards. Capitation fees and per-unit fees are not periodic fixed fees.

.06 *Per-unit fee* means a fee based on a unit of service provided specified in the contract or otherwise specifically determined by an independent third party, such as the administrator of the Medicare program, or the qualified user. For example, a stated dollar amount for each specified medical procedure performed, car parked, or passenger mile is a per-unit fee. Separate billing arrangements between physicians and hospitals are treated as per-unit fee arrangements. A fee that is a stated dollar amount specified in the contract does not fail to be a per-unit fee as a result of a provision under which the fee may automatically increase according to a specified, objective, external standard that is not linked to the output or efficiency of the managed property. For example, the Consumer Price Index and similar external indices that track increases in prices in an area or increases in revenues or costs in an industry are objective, external standards.

.07 *Qualified user* means, for projects (as defined in § 1.141-6(a)(3)) financed with governmental bonds, any governmental person (as defined in § 1.141-1(b)) or, for projects financed with qualified 501(c)(3) bonds, any governmental person or any 501(c)(3) organization with respect to its activities which do not constitute an unrelated trade or business, determined by applying § 513(a).

.08 *Service provider* means any person other than a qualified user that provides services to, or for the benefit of, a qualified user under a management contract.

.09 *Unrelated parties* means persons other than either: (1) a related party (as defined in § 1.150-1(b)) to the service provider or (2) a service provider's employee.

SECTION 5. SAFE HARBOR CONDITIONS UNDER WHICH MANAGEMENT CONTRACTS DO NOT RESULT IN PRIVATE BUSINESS USE

.01 *In general.* If a management contract meets all of the applicable conditions of sections 5.02 through section 5.07 of this revenue procedure, or is an eligible expense reimbursement arrangement, the management contract does not result in private business use under § 141(b) or 145(a)(2)(B). Further, under section 5.08 of this revenue procedure, use functionally related and subordinate to a management contract that meets these conditions does not result in private business use.

.02 *General financial requirements.*

(1) *In general.* The payments to the service provider under the contract must be reasonable compensation for services rendered during the term of the contract. Compensation includes payments to reimburse actual and direct expenses paid by the service provider and related administrative overhead expenses of the service provider.

(2) *No net profits arrangements.* The contract must not provide to the service provider a share of net profits from the operation of the managed property. Compensation to the service provider will not be treated as providing a share of net profits if no element of the compensation takes into account, or is contingent upon, either the managed property's net profits or both the managed property's revenues and expenses (other than any reimbursements of direct and actual expenses paid by the service provider to unrelated third parties) for any fiscal period. For this purpose, the elements of the compensation are the eligibility for, the amount of, and the timing of the payment of the compensation. Incentive compensation will not be treated as providing a share of net profits if the eligibility for the incentive compensation is determined by the service provider's performance in meeting one or more standards that measure quality of services, performance, or productivity, and the amount and the timing of the payment of the compensation meet the requirements of this section 5.02(2).

(3) *No bearing of net losses of the managed property.*

(a) The contract must not, in substance, impose upon the service provider the burden of bearing any share of net losses from the operation of the managed property. An arrangement will not be treated as requiring the service provider to bear a share of net losses if:

- (i) The determination of the amount of the service provider's compensation and the amount of any expenses to be paid by the service provider (and not reimbursed), separately and collectively, do not take into account either the managed property's net losses or both the managed property's revenues and expenses for any fiscal period; and
- (ii) The timing of the payment of compensation is not contingent upon the managed property's net losses.

(b) For example, a service provider whose compensation is reduced by a stated dollar amount (or one of multiple stated dollar amounts) for failure to keep the managed property's expenses below a specified target (or one of multiple specified targets) will not be treated as bearing a share of net losses as a result of this reduction.

(4) *Treatment of certain types of compensation.* Without regard to whether the service provider pays expenses with respect to the operation of the managed property without reimbursement by the qualified user, compensation for services will not be treated as providing a share of net profits or requiring the service provider to bear a share of net losses under sections 5.02(2) and 5.02(3) of this revenue procedure if the compensation for services is: (a) based solely on a capitation fee, a periodic fixed fee, or a per-unit fee; (b) incentive compensation described in the last sentence of section 5.02(2) of this revenue procedure; or (c) a combination of these types of compensation.

(5) *Treatment of timing of payment of compensation.* Deferral due to insufficient net cash flows from the operation of the managed property of the payment of compensation that otherwise meets the requirements of sections 5.02(2) and 5.02(3) of this revenue procedure will not cause the deferred compensation to be treated as contingent upon net profits or net losses under sections 5.02(2) and 5.02(3) of this revenue procedure if the contract includes requirements that:

- (a) The compensation is payable at least annually;
- (b) The qualified user is subject to reasonable consequences for late payment, such as reasonable interest charges or late payment fees; and
- (c) The qualified user will pay such deferred compensation (with interest or late payment fees) no later than the end of five years after the original due date of the payment.

.03 *Term of the contract and revisions.* The term of the contract, including all renewal options (as defined in § 1.141-1(b)), must not be greater than the lesser of 30 years or 80 percent of the weighted average reasonably expected economic life of the managed property. For this purpose, economic life is determined in the same manner as under § 147(b) as of the beginning of the term of the contract. A contract that is materially modified with respect to any matters relevant to this section 5 is retested under this section 5 as a new contract as of the date of the material modification.

.04 *Control over use of the managed property.* The qualified user must exercise a significant degree of control over the use of the managed property. This control requirement is met if the contract requires the qualified user to approve the annual budget of the managed property, capital expenditures with respect to the managed property, each disposition of property that is part of the managed property, rates charged for the use of the managed property, and the general nature and type of use of the managed property (for example, the type of services). For this purpose, for example, a qualified user may show approval of capital expenditures for a managed property by approving an annual budget for capital expenditures described by functional purpose and specific maximum amounts; and a qualified user may show approval of dispositions of property that is part of the managed property in a similar manner. Further, for example, a qualified user may show approval of rates charged for use of the managed property by expressly approving such rates or a general description of the methodology for setting such rates (such as a method that establishes hotel room rates using specified revenue goals based on comparable properties), or by requiring that the service provider charge rates that are reasonable and customary as specifically determined by, or negotiated with, an independent third party (such as a medical insurance company).

.05 *Risk of loss of the managed property.* The qualified user must bear the risk of loss upon damage or destruction of the managed property (for example, due to force majeure). A qualified user does not fail to meet this risk of loss requirement as a result of insuring against risk of loss through a third party or imposing upon the service provider a penalty for failure to operate the managed property in accordance with the standards set forth in the management contract.

.06 *No inconsistent tax position.* The service provider must agree that it is not entitled to and will not take any tax position that is inconsistent with being a service provider to the qualified user with respect to the managed property. For example, the service provider must agree not to claim any depreciation or amortization deduction, investment tax credit, or deduction for any payment as rent with respect to the managed property.

.07 *No circumstances substantially limiting exercise of rights.*

(1) *In general.* The service provider must not have any role or relationship with the qualified user that, in effect, substantially limits the qualified user's ability to exercise its rights under the contract, based on all the facts and circumstances.

(2) *Safe harbor.* A service provider will not be treated as having a role or relationship prohibited under section 5.07(1) of this revenue procedure if:

- (a) No more than 20 percent of the voting power of the governing body of the qualified user is vested in the directors, officers, shareholders, partners, members, and employees of the service provider, in the aggregate;
- (b) The governing body of the qualified user does not include the chief executive officer of the service provider or the chairperson (or equivalent executive) of the service provider's governing body; and
- (c) The chief executive officer of the service provider is not the chief executive officer of the qualified user or any of the qualified user's related parties (as defined in § 1.150-1(b)).

(3) For purposes of section 5.07(2) of this revenue procedure, the phrase "service provider" includes the service provider's related parties (as defined in § 1.150-1(b)) and the phrase "chief executive officer" includes a person with equivalent management responsibilities.

.08 *Functionally related and subordinate use.* A service provider's use of a project (as defined in § 1.141-6(a)(3)) that is functionally related and subordinate to performance of its services under a management contract for managed property that meets the conditions of this section 5 does not result in private business use of that project. For example, use of storage areas to store equipment used to perform activities required under a management contract that meets the requirements of this section 5 does not result in private business use.

SECTION 6. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2016-44 is modified, amplified, and superseded.

SECTION 7. DATE OF APPLICABILITY

This revenue procedure applies to any management contract that is entered into on or after January 17, 2017, and an issuer may apply this revenue procedure to any management contract that was entered into before January 17, 2017. In addition, an issuer may apply the safe harbors in Rev. Proc. 97-13, as modified by Rev. Proc. 2001-39 and amplified by Notice 2014-67, to a management contract that is entered into before August 18, 2017 and that is not materially modified or extended on or after August 18, 2017 (other than pursuant to a renewal option as defined in § 1.141-1(b)).

SECTION 8. DRAFTING INFORMATION

The principal authors of this revenue procedure are Johanna Som de Cerff and David White of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure, contact David White on (202) 317-6980 (not a toll-free number).

EXHIBIT G

FORM OF REQUISITION FOR COSTS OF ISSUANCE

Requisition No. _____ Date: _____

To: Regions Bank, as trustee (the "Trustee") under the Trust Indenture dated as of September 1, 2018 (the "Indenture"), relating to Capital Trust Agency Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A and Taxable Series 2018B

Attention: Corporate Trust Department

The undersigned Borrower Representative designated pursuant to the terms of the aforesaid Indenture and a Loan Agreement dated as of September 1, 2018 (the "Loan Agreement"), between the Capital Trust Agency and University Bridge, LLC (the "Borrower"), relating to the Bonds identified above, hereby requests that there be paid from the [Tax-Exempt Costs of Issuance Subaccount of the Costs of Issuance Account in the Project Fund][Taxable Costs of Issuance Subaccount of the Costs of Issuance Account in the Project Fund] the sum set forth below, and in that connection with respect to the use of the proceeds of the Bonds, I HEREBY CERTIFY, as follows:

An obligation in each of the amounts set forth below has been incurred in connection with the authorization, issuance and sale of the Bonds.

<u>Payee Name and Address</u>	<u>Purpose</u>	<u>Amount</u>
		\$
		\$
		\$
Total		

The Borrower Representative hereby certifies that:

(1) the moneys requisitioned hereby represent proper charges against the Fund specified in the chart above as permitted under Article 5 of the Indenture; and

(2) the moneys requisitioned hereby are not greater than those necessary to meet the obligations due and payable or to reimburse the applicable party for payment of costs, fees and/or expenses with respect to the Project, in each case in accordance with and as set forth under the Indenture.

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture.

[Signature Page to Follow]

UNIVERSITY BRIDGE, LLC, a Florida limited liability company

By: Atlantic Housing Foundation, Inc.,
a South Carolina nonprofit corporation, its
Sole Member

By: _____
Name: Michael N. Nguyen
Title: President & CEO

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This Instrument Prepared By and
Record and Return To:

Robert C. Gang, Esq.
Greenberg Traurig, P.A.
333 SE 2nd Avenue
Miami, FL 33131

[Reserved for Recording Office]

MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

BE IT KNOWN, that on September 25, 2018, before me, the undersigned Notary Public duly commissioned and qualified, personally came and appeared:

University Bridge, LLC, a Florida limited liability company, whose mailing address is c/o Atlantic Housing Foundation, Inc, 5910 N. Central Expressway, Suite 1310, Dallas, Texas 75206 (the "**Mortgagor**"), appearing herein through its undersigned officer, duly authorized pursuant to resolutions attached hereto as **Exhibit "B"**,

who declared to me, Notary, that Mortgagor does by these presents declare and acknowledge an indebtedness unto Regions Bank, an Alabama banking corporation, its successors and assigns (the "**Mortgagee**"), as trustee under the Indenture (defined below), acting on behalf of the owners of the Series 2018 Bonds (as hereinafter defined). Capitalized terms not otherwise defined in this Mortgage shall have the meanings given in the Indenture (defined below).

RECITALS

A. Mortgagor has applied to the Capital Trust Agency (the "**Issuer**") for the financing of its (i) \$218,745,000 Student Housing Revenue Bonds (University Bridge Student Housing Project), Series 2018A (the "**Series 2018A Bonds**"), and (ii) \$8,895,000 Student Housing Revenue Bonds (University Bridge Student Housing Project), Taxable Series 2018B (the "**Series 2018B Bonds**" and collectively with the Series 2018A Bonds, the "**Series 2018 Bonds**"), and the Issuer has determined to provide such financing.

B. Pursuant to a Trust Indenture dated as of September 1, 2018 (the "**Indenture**"), between the Issuer and the Mortgagee, as trustee (the "**Trustee**"), the Issuer has issued \$227,640,000 in combined aggregate principal amount of Series 2018 Bonds.

TO RECORDER: THIS MORTGAGE AND THE OBLIGATIONS IT SECURES ARE EXEMPT FROM FLORIDA DOCUMENTARY STAMP TAX AND FLORIDA INTANGIBLE PROPERTY TAX AS PROVIDED IN SECTION 159.31, FLORIDA STATUTES, AS AMENDED.

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C. Mortgagor and the Issuer are parties to that certain Loan Agreement dated as of September 1, 2018 (the "**Loan Agreement**"), providing for the proceeds of the Series 2018 Bonds to be loaned to Mortgagor.

D. In order to evidence Mortgagor's indebtedness under the Loan Agreement, Mortgagor has executed and delivered a student housing promissory note dated September 25, 2018 (the "**Note**") in the aggregate principal amount of \$227,640,000. Pursuant to the Indenture, the Issuer has pledged the Note, the Indenture, and certain other property to the Trustee.

E. In order to secure the full and punctual payment and performance of any and all present and future indebtedness, liabilities and obligations owing by Mortgagor under the Indenture, the Note, and Loan Agreement, together with interest, costs, expenses, attorneys' fees and other fees and charges (collectively, the "**Indebtedness**"), including without limitation any additional indebtedness incurred as permitted under the Indenture (as amended, supplemented or restated from time to time), Mortgagor has agreed to execute and deliver this Mortgage, Assignment of Rents, Security Agreement and Fixture Filing (this "**Mortgage**") and to grant a mortgage lien, collateral assignment, pledge and continuing security interest in and to the Mortgaged Property (as hereinafter defined).

AGREEMENT

Section 1. Definitions. For purposes of this Mortgage, the following terms shall have the meanings indicated:

(a) "**Collateral**" means, collectively, (i) all Property, (ii) all fixtures in, on, or attached to the Property, (iii) all Proceeds and products of all or any of the preceding, and (iv) all Leases and Rents.

(b) "**Facility**" means the student housing development and related facilities owned by Mortgagor located in the City of Sweetwater, Florida, including any apartment units, all necessary and useful furnishings, equipment and machinery, and such interests in land as may be necessary or suitable for the foregoing, including roads and rights of access, utilities and other necessary site preparation facilities.

(c) "**Fixtures**" has the meaning set forth in the UCC.

(d) "**Impositions**" means all duties, taxes, payments in lieu of taxes, water and sewer rents, rates and charges, assessments (including, but not limited to, all assessments for public improvement or benefit), charges for public utilities, excises, levies, licenses and permit fees and other charges, ordinary or extraordinary, whether foreseen or unforeseen, of any kind and nature, whatsoever, which prior to or during the term of this Mortgage will have been or may be laid, levied, assessed or imposed upon or become due and payable out of or in respect of, or become a lien on the Mortgaged Property, or any part thereof or appurtenances thereto, or which are levied or assessed against the rent and income received by Mortgagor from the Leases (as hereinafter defined) by virtue of any present or future law, order or ordinance of the United States of America or of any state, county or local government or of any department, office of bureau thereof or of any other governmental authority.

(e) "**Proceeds**" means all cash and non-cash proceeds of, and all other revenues, profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment,

licensing or other disposition of, or realization upon, the Collateral, including, without limitation, all claims of Mortgagor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Property and any condemnation or requisition payments with respect to any Property, and including proceeds of all such proceeds, in each case whether now existing or hereafter arising.

(f) **“Property”** has the meaning set forth in Section 2 hereof.

(g) **“UCC”** means the Uniform Commercial Code as in effect from time to time in the State of Florida; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interests in any Property is governed by the Uniform Commercial Code as in effect in a jurisdiction other than Florida, **“UCC”** means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

Section 2. Grant of Mortgage.

(a) **Hypothecation.** In order to secure the Indebtedness, Mortgagor does by these presents specially mortgage, pledge, affect, hypothecate and grant a continuing security interest in, to inure to the use and benefit of the Mortgagee, all of Mortgagor’s right, title and interest in and to the following: the facilities owned by Mortgagor and located in Sweetwater, Florida, including any student housing units and common areas, all necessary and useful furnishings, equipment and machinery, and such interests in land as may be necessary or suitable for the foregoing, including roads and rights of access, utilities and other necessary site preparation facilities, including the real (immovable) property situated in Miami-Dade County, Florida described in **Exhibit “A”** attached hereto and made a part hereof, together with all buildings, structures, fixtures, additions, enlargements, extensions, improvements, modifications or repairs now or hereafter located thereon or therein and with the tenements, hereditaments, servitudes, appurtenances, rights, privileges and immunities thereunto belonging or appertaining which may from time to time be owned by Mortgagor, together with any and all property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the security interest hereof by Mortgagor or by anyone on its behalf (and Mortgagee is hereby authorized to receive the same at any time as additional security hereunder by Mortgagor), which shall be subject to any reservations, limitations, or conditions that may be set forth in a written instrument executed by the grantor or the person so acting on its behalf or by the Mortgagee respecting the use and disposition of such property or the proceeds thereof, and further together with the right to receive proceeds attributable to any insurance loss of the property as provided in the Florida Statutes, as amended, and all of the foregoing shall be and remain or become and constitute a portion of the Property (as defined below) and the security covered by and subject to the lien of this Mortgage.

All of the foregoing immovable and movable property and incorporeal rights covered by and subject to this Mortgage are herein collectively referred to as the **“Property.”** Except as expressly provided herein below or in the Indenture, the Property is to remain so specially mortgaged, affected and hypothecated unto and in favor of Mortgagee until the full and final payment or discharge of the Indebtedness, and Mortgagor is herein and hereby bound and obligated not to sell or alienate the Property to the prejudice of this act.

(b) **Pledge of Leases and Rents.** In order to secure the full and punctual payment and performance of all present and future Indebtedness, up to the Maximum Amount (as defined below), Mortgagor does hereby assign and pledge to the Mortgagee, and grant a continuing security interest in all of Mortgagor’s right, title and interest in and to (i) all leases or subleases affecting the Property or any part thereof, whether now existing or hereafter arising, together with any and all renewals, extensions or modifications thereof (the **“Leases”**) and (ii) all revenues, rentals, incomes, profits, security deposits and other sums due or becoming due under the Leases (the **“Rents”**). The pledge of Leases and Rents in this Mortgage is granted in accordance with and subject to the provisions of Chapter 679 and Section 697.07, Florida Statutes, as amended, respectively.

(c) **Security Interests.** In order to secure the full and punctual payment and performance of all present and future Indebtedness, Mortgagor hereby grants to the Mortgagee a continuing security interest in and to all right, title and interest of Mortgagor in, to or under (i) all Property constituting movable property, (ii) all Fixtures in, on, or attached to the Property, and (iii) all Proceeds and products of all or any of the preceding.

(d) **Maximum Amount.** The maximum amount of the Indebtedness that may be outstanding at any time and from time to time that this Mortgage secures, including without limitation as a mortgage, as a collateral assignment and pledge and as a security agreement, including all principal, interest and any expenses incurred by the Mortgagee and all other amounts included within the Indebtedness is up to TWO HUNDRED TWENTY-SEVEN MILLION SIX HUNDRED FORTY THOUSAND DOLLARS (\$227,640,000) (the **“Maximum Amount”**). Mortgagor acknowledges that this Mortgage secures all loans and advances made or incurred by the Mortgagee under or pursuant to this Mortgage, whether optional or obligatory by the Mortgagee.

(e) **Additional Indebtedness.** If additional indebtedness is incurred that is permitted by the Indenture and is issued on parity with the prior existing Indebtedness, Mortgagor and the Mortgagee shall execute an amendment to this Mortgage to confirm the inclusion of such additional indebtedness with the Indebtedness secured by this Mortgage on a parity basis.

(f) **Mortgaged Property.** All of the foregoing immovable and movable property and incorporeal rights covered by and subject to this Mortgage from time to time, including the Property and the Collateral, is hereinafter referred to collectively as the **“Mortgaged Property”**.

Section 3. Title to Mortgaged Property. Mortgagor represents and warrants that it has good and merchantable title to the Mortgaged Property, free of all liens and encumbrances except as permitted by the Indenture.

Section 4. Release of Property. Mortgagee may at any time and without notice to Mortgagor, release any part of the Mortgaged Property from the effect of this Mortgage, or grant an extension or deferment of time for the discharge of any obligation hereunder, without affecting the liability of Mortgagor hereunder.

Section 5. Priority of Lien. Mortgagor shall maintain this Mortgage as a valid mortgage lien on the Mortgaged Property, and Mortgagor will not, directly or indirectly, create or suffer or permit to be created, or to stand against the Mortgaged Property or any portion thereof, or against the Rents

therefrom, and will promptly discharge, any lien or charge whatsoever other than the Permitted Encumbrances, whether prior to, upon a parity with, or junior to the lien of this Mortgage; provided, however, that nothing herein contained shall require Mortgagor to pay or cause to be paid any Imposition prior to the time the same shall become due and payable. Mortgagor shall keep and maintain the Mortgaged Property, and every part thereof, free from all liens of persons supplying labor and materials in connection with the construction, alteration, repair, improvement or replacement of the Mortgaged Property. If any such liens shall be filed against the Mortgaged Property, or any part thereof, Mortgagor shall promptly release or discharge the same of record, by payment, bonding or otherwise, or otherwise provide security satisfactory to Mortgagee in Mortgagee's sole discretion (acting upon the direction of the Controlling Holders, as such term is defined in the Indenture), within thirty (30) days after the filing thereof. In the event that Mortgagor fails to make payment of or bond such liens, Mortgagee shall, at the direction of the Controlling Holders, as such term is defined in the Indenture, make payment thereof (it being understood that Mortgagee shall be under no obligation to expend its own funds for this purpose), and any amounts paid as a result thereof, together with interest thereon at the Default Rate (as defined in the Indenture) from the date of payment by Mortgagee, shall be immediately due and payable by Mortgagor to Mortgagee and until paid shall be added to and become a part of the Indebtedness and shall have the benefit of the lien hereby created as a part thereof prior to any right, title or interest in or claim upon the Mortgaged Property attaching or accruing subsequent to the lien of this Mortgage. Mortgagor shall exhibit to Mortgagee, upon request, all receipts or other satisfactory evidence of the payment of taxes, assessments, charges, claims, liens or any other item which, if unpaid, may cause any such lien to be filed against the Mortgaged Property.

Section 6. Impositions, Documentary Stamps and Intangible Taxes.

(a) Mortgagor shall pay when due and before interest or penalties commence to accrue thereon, all Impositions. Mortgagor shall produce to Mortgagee, at the request of Mortgagee, official receipts evidencing payment of any Imposition. Mortgagor shall reimburse and hold harmless Mortgagee for and on account of all Impositions (including any penalties and interest for failure to pay such taxes or impositions) levied against the Mortgagee with respect to this Mortgage and/or the Indenture, or the amounts payable by the Mortgagor hereunder or thereunder or any assignment of the rights of any such persons. This provision shall survive payment in full of the Indebtedness and termination of this Mortgage.

(b) If at any time the State of Florida shall determine that the intangible tax paid in connection with this Mortgage, the Loan Agreement, the Note, the Indenture or any other document (if any) contemplated by any of the foregoing is insufficient or that the documentary stamps affixed hereto (if any) are insufficient or that additional intangible tax should be paid or that additional documentary stamps should be affixed, then Mortgagor shall pay for the same, together with any interest or penalties imposed in connection with such determination, and the Mortgagor hereby agrees to indemnify and hold Mortgagee harmless therefrom. The amount of money needed to pay for such documentary stamps or intangible taxes and penalties shall, until such stamps are purchased and affixed and such taxes and penalties are paid by Mortgagor, be a portion of the Indebtedness and bear interest from the date of such determination at the rate of ten percent (10.00%) per annum.

Section 7. Maintenance and Repair. The Mortgagor agrees that until payment of the Indebtedness due and payable shall have been made, it will, at its own expense, keep or cause to be kept the Mortgaged

Property (i) in safe operating condition and (ii) in good repair and in good operating condition, and make from time to time all necessary repairs thereto and renewals and replacements thereof. The Mortgagor shall not permit or suffer others to commit or suffer waste to the Mortgaged Property or commit a nuisance in or about the Mortgaged Property or itself commit a nuisance in connection with its use or occupancy thereof.

Section 8. Events of Default. The occurrence of an Event of Default (as defined in the Indenture) shall be considered an "Event of Default" as that term is used in this Mortgage, including without limitation default in the payment of the principal of (or premium, if any) or interest on any Indebtedness when it becomes due and payable and the continuance of such default beyond the period of grace, if any, provided in the instrument creating such Indebtedness.

Section 9. Remedies.

(a) Upon the occurrence of any Event of Default, the Mortgagee may, and at the direction of the Controlling Holders shall, take such action, without notice or demand, as it deems advisable or as directed, as applicable, to protect and enforce its rights against Mortgagor and in and to the Mortgaged Property, all in accordance with the Indenture, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Mortgagee or as directed by the Controlling Holders: (i) declare the entire Indebtedness to be immediately due and payable, or (ii) institute proceedings for the complete foreclosure of this Mortgage in which case the Mortgaged Property may be sold for cash or upon credit in one or more parcels under the judgment or decree of a court or courts of competent jurisdiction; or (iii) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained in this Mortgage; or (iv) recover judgment on the Indenture either before, during or after any proceedings for the enforcement of this Mortgage; or (v) collect and, at its option, apply to the Indebtedness, all rents, issues, profits, accounts, proceeds, revenue, income and other benefits from the Mortgaged Property; or (vi) apply for the appointment of a trustee, receiver, liquidator or conservator of the Mortgaged Property, without regard for the adequacy of the security for the Indebtedness and without regard for the solvency of Mortgagor or of any person, firm or other entity liable for the payment of the Indebtedness; or (vii) sell the Collateral constituting movable property or any part thereof at public or private sale, for cash, upon credit or for future delivery, at such price or prices as the Mortgagee may deem satisfactory, and in connection with any such sale, Mortgagor hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any law now existing or hereafter adopted and agrees that thirty (30) days prior written notice of the time and place of any such sale or other intended disposition of any of the Collateral constitutes "a reasonable notification" within the meaning of 679.611 and 679.612 of the UCC, except that shorter or no notice shall be reasonable as to any Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market; or (viii) pursue such other remedies as the Mortgagee may have under applicable law, either by suit in equity or action at law, or both, including, without limitation, as a secured party under the UCC.

(b) The proceeds or avails of any sale made under or by virtue of this Section, together with any other sums which then may be held by the Mortgagee under this Mortgage, whether under the provisions of this Section or otherwise, shall be applied in such manner as provided in the Indenture.

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(c) Upon any sale made under or by virtue of this Section, the Mortgagee may bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Indebtedness the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which the Mortgagee is authorized to deduct under this Mortgage.

(d) The Mortgagee may proceed under this Mortgage solely as to the immovable property interests, or solely as to the movable property interests, or as to both the immovable and movable property interests in accordance with its rights and remedies in respect of the immovable property interests.

(e) The Mortgagee, in the Mortgagee's sole discretion, may require, as a prerequisite to the commencement of any proceeding with respect to the Mortgaged Property that it be provided evidence reasonably satisfactory to the Mortgagee that the Mortgaged Property is not contaminated by hazardous substances or, if it is, that the Mortgagee will not incur any liability as a result of such proceeding. The Mortgagee shall have the authority to use and expend the Mortgaged Property to (i) conduct environmental assessments, audits, and site monitoring to determine compliance with any environmental laws thereunder, (ii) take all appropriate remedial action to contain, clean up or remove any environmental hazard including a spill, release, discharge or contamination, either on its own accord or in response to an actual or threatened violation of any environmental laws thereunder, (iii) institute legal proceedings concerning environmental damage or contest or settle proceedings brought by any local, state or federal agency litigant; (iv) comply with any local, state or federal agency order or court order directing an assessment, abatement or cleanup of any hazardous substances; (v) employ agents, consultants and legal counsel to assist to perform the above undertakings or actions; or (vi) exercise any other right or remedy provided in this Mortgage.

(f) The Mortgagee shall not be personally liable to Mortgagor or any other person for any decrease in value of the Mortgaged Property by reason of Mortgagee's compliance with any environmental laws, specifically including any reporting requirement under any such requirements. Neither the acceptance by the Mortgagee of the Mortgaged Property nor failure by the Mortgagee to inspect the Mortgaged Property shall be deemed to create any inference as to whether or not there is or may be liability under any environmental laws with respect to such Mortgaged Property.

(g) The Mortgagee shall be under no obligation to institute any suit, or take any remedial proceeding under this Mortgage, or to enter any appearance in or in any way defend against any suit, in which it may be a defendant, or to take any steps in the enforcement of any rights and powers hereunder until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, or against all liability.

(h) Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Mortgagee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Mortgagee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims,

judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action.

Section 10. Environmental Indemnity. Mortgagor will defend, indemnify and hold the Mortgagee and its directors, officers, agents and employees harmless from and against all claims, demands, causes of action, liabilities, losses, costs and expenses (including, without limitation, costs of suit, reasonable attorneys' fees and fees of expert witnesses) arising from or in connection with (i) the presence in, on or under or the removal from the Mortgaged Property of any hazardous substances or solid wastes (as hereafter defined), or any releases or discharges of any hazardous substances or solid wastes on, under or from such property, (ii) any activity carried on or undertaken on or off the Mortgaged Property, whether prior to or during the term of this Mortgage, and whether by Mortgagor or any predecessor in title or any officers, employees, agents, contractors or subcontractors of Mortgagor or any predecessor in title, or any third persons at any time occupying or present on the Mortgaged Property, in connection with the handling, use, generation, manufacture, treatment, removal, storage, decontamination, clean-up, transport or disposal of any hazardous substances or solid wastes at any time located or present on or under the Mortgaged Property, (iii) any breach of any environmental representation, warranty or covenant under the terms of this Mortgage, or (iv) any loss sustained due to any portion of the Property being considered "**wetlands**", as such term is defined by applicable federal law. The foregoing indemnity shall further apply to any residual contamination on or under the Mortgaged Property, or affecting any natural resources, and to any contamination of the Mortgaged Property or natural resources arising in connection with the generation, use, handling, storage, transport or disposal of any such hazardous substances or solid wastes, and irrespective of whether any of such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances. Such indemnity is subject to the limitations on liability following transfer provided in the Loan Agreement. The terms "**hazardous substance**" and "**release**" as used in this Mortgage shall have the meanings specified in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (as amended, "**CERCLA**"), and the terms "**solid waste**" and "**disposal**" (or "**disposed**") shall have the meanings specified in the Resource Conservation and Recovery Act of 1976, as amended by the Used Oil Recycling Act of 1980, the Solid Waste Disposal Act Amendments of 1980, and the Hazardous and Solid Waste Amendments of 1984 (as amended, "**RCRA**"); provided, in the event that the laws of the State of Florida establish a meaning for "**hazardous substance**," "**release**" "**solid waste**" or "**disposal**" which is broader than that specified in either CERCLA or RCRA, such broader meaning shall apply. Without prejudice to the survival of any other agreements of Mortgagor hereunder, the provisions of this Section shall survive the final payment of all Indebtedness and the termination of this Mortgage and shall continue thereafter in full force and effect.

Section 11. Covenant Against Unauthorized Transfer; Acceleration. Except as otherwise permitted by the Indenture, Mortgagor shall not remove, sell, transfer, convey, lease or otherwise dispose of any of the Mortgaged Property or any part thereof. Except to the extent permitted by the terms of the Indenture, if all or any material part of the Mortgaged Property or an interest therein is sold or transferred by Mortgagor in any manner whatsoever without Mortgagee's prior written consent, Mortgagee may, at Mortgagee's option, and as directed by the Controlling Holders shall, declare all of the Indebtedness to be accelerated and immediately due and payable. Mortgagee's right to accelerate this Mortgage upon any such sale or transfer of the Mortgaged Property or any interest therein is included in this Mortgage as a material inducement to the extension of the credit secured hereby and has been relied upon by

Mortgagee in establishing the terms and conditions thereof; accordingly, the limitations contained in this paragraph shall be strictly construed against the Mortgagor and Mortgagor's successor(s) in interest and in favor of Mortgagee.

Section 12. Attorney Fees. In case this Mortgage is placed in the hands of attorneys at law for the filing of foreclosure proceedings, to protect the rights of Mortgagee or to enforce any of the agreements contained in this Mortgage, Mortgagor will pay all costs of collection, including but not limited to reasonable attorneys' fees, incurred in connection with the protection of or realization of collateral or in connection with any of Mortgagee's collection efforts, whether or not suit on the Indebtedness or any foreclosure proceedings are filed. Mortgagor further agrees that the Indebtedness shall include the amount of said costs and fees.

Section 13. No Waiver. No delay or omission of Mortgagee or of any holder of the Indebtedness to exercise any right, power or remedy accruing upon any event of default shall exhaust or impair any such right, power or remedy or shall be construed to waive any event of default or to constitute acquiescence therein.

Section 14. Security Agreement; Fixture Filing. This Mortgage is intended to be a "security agreement" as defined in Section 679.1021 of the UCC and the Mortgagor and Mortgagee are "debtor" and "secured party" respectively, as such terms are defined in Section 679.1021 of the UCC. In addition to other rights granted herein, the Mortgagee shall have a security interest in, and the right to set off, any money, deposits, securities or other assets of any Mortgagor now or hereafter in the possession or control of Mortgagee or its agents or correspondents for whatever reason or purpose, including items in the process of collection. Mortgagor shall execute and deliver to Mortgagee all financing statements that may be required by Mortgagee to establish and maintain the validity and priority of Mortgagee's security interest. This Mortgage constitutes a financing statement filed as a fixture filing under the UCC, as amended or recodified from time to time, covering any portion of the Mortgaged Property which now is or later may become a fixture in, on, or attached to the Property.

Section 15. Future Advances. This Mortgage is given to secure not only the existing Indebtedness, but also such future advances made pursuant to this Mortgage, the Indenture, any notes or bonds representing any portion of the Indebtedness, any loan agreement or other instrument evidencing or securing the Indebtedness or as requested by the Mortgagor, whether such advances are obligatory or are to be made at the option of Mortgagee, or otherwise, as are made within twenty (20) years from the date hereof, to the Mortgagor, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the total unpaid balance so secured at one time shall not exceed the Maximum Amount, plus interest thereon, and any disbursements made for the payment of taxes, levies or insurance on the Mortgaged Property.

Section 16. No Limitation on Future Advance Rights. Mortgagor covenants and agrees with Mortgagee that:

(a) Mortgagor waives and agrees not to assert any right to limit future advances under this Mortgage, and any such attempted limitation shall be null, void and of no force and effect. Any

correspondence by Mortgagor regarding the limitation of future advances must be sent to Mortgagee at the address set forth above.

(b) An event of default under the Mortgage shall automatically exist (i) if Mortgagor executes any instrument which purports to have or would have the effect of impairing the priority of or limiting any future advance which might ever be made under the Mortgage or (ii) if Mortgagor takes, suffers, or permits any action or occurrence which would adversely affect the priority of any future advance which might ever be made under the Mortgage.

Section 17. Waiver of Jury Trial. THE MORTGAGOR AND MORTGAGEE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED UPON THIS MORTGAGE OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE INDEBTEDNESS, THIS MORTGAGE AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE MORTGAGEE.

Section 18. Indemnification. Mortgagor hereby indemnifies and holds harmless the law firm of Greenberg Traurig, P.A. and all of their attorneys, including but not limited to Robert C. Gang, Esq. from any and all loss, cost, expense, damage or claim, whether or not valid, including, without limitation, attorneys' fees and disbursements, arising under or in any way connected with Section 697.10, Florida Statutes, as amended, or any similar law. Mortgagor hereby verifies and confirms to the best of its knowledge all factual information in this Mortgage, including the accuracy and correctness of the legal description set forth herein. In the event any factual errors are found in this Mortgage or in the legal description, Mortgagor and Mortgagee shall, at Mortgagor's sole cost and expense, promptly correct or cause to be corrected subsequent to the date hereof any and all such errors. Mortgagor shall promptly pay or cause to be paid all damages, claims, or any other costs whatsoever arising under or in any way connected with any claim, whether or not valid, arising under or in any way connected with Section 697.10, Florida Statutes, as amended, or any similar law, due to or caused by any inaccuracy or incorrectness of factual information or inaccuracy or incorrectness of the legal description set forth herein. Notwithstanding the foregoing, all rights of Mortgagor and Mortgagee are preserved against Mortgagor's and Mortgagee's title insurers, the surveyor, the engineer, if any, and the appraiser, if any, and after payments made by Mortgagor, Mortgagor shall be subrogated to such rights.

Section 19. Notices. Any notice or demand which, by provision of this Mortgage, is required or permitted to be given or served shall be given and served properly if mailed by overnight delivery by a nationally recognized service provider (such as Federal Express or United Parcel Service) or by registered U.S. mail, postage prepaid, or by facsimile transmission as provided in the Indenture.

Section 20. Amendment. Neither this Mortgage nor any provisions hereof may be changed, waived, discharged or terminated orally or in any manner other than by an authentic instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

Section 21. Invalidity. In the event that any one or more of the provisions contained in this Mortgage shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage.

Section 22. Governing Law. This Mortgage is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Florida. Any judicial action to interpret or enforce the terms of this Mortgage shall be brought and maintained in the Miami-Dade County Circuit Court or the U.S. District Court for the Southern District of Florida.

Section 23. Successors and Assigns. All covenants and agreements contained by or on behalf of Mortgagor in this Mortgage shall bind its successors and assigns, and shall inure to the benefit of the Mortgagee and its successors and assigns. All covenants and agreements contained herein and all liens and security interests created hereby shall inure to any assignee or transferee of the Indebtedness, and in the case of any assignment or transfer of the Indebtedness, the assignee or transferee shall be deemed to be the secured party under this Mortgage.

Section 24. Time of Essence. Time shall be of the essence in the performance of the Mortgagor's obligations hereunder.

The acceptance of this Mortgage by Mortgagee and the consent by Mortgagee to the terms and conditions of this Mortgage is presumed, and Mortgagee has not been required to sign this Mortgage.

[Signature Page Follows]

THUS DONE AND PASSED on the day and in the month and year hereinabove first written, in the presence of the undersigned have executed this Mortgage.

WITNESSES:

MORTGAGOR:

UNIVERSITY BRIDGE, LLC,
a Florida limited liability company

By: Atlantic Housing Foundation, Inc.
a South Carolina nonprofit corporation, its
Sole Member

Print Name: _____

Print Name: _____

By: _____
Name: Michael N. Nguyen
Title: President and CEO

STATE OF FLORIDA)
)
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this ____ day of September, 2018, by Michael N. Nguyen, as President and CEO of Atlantic Housing Foundation, Inc., in its capacity as the sole member of University Bridge, LLC, on behalf of the Mortgagor. Such person ___ is personally known to me or ___ produced a _____ as identification.

[Notary Seal]

Signature of Notary

Name of Notary (Typed, Printed or Stamped)

Commission Number (if not legible on seal): _____

My Commission Expires (if not legible on seal): _____

[Signature Page to Mortgage, Assignment of Rents, Security Agreement and Fixture Filing]

MIA 186506875v8

EXHIBIT "A"

Legal Description

The East 96.4 feet of the West 396.4 feet as measured along the South and North line of Block 11, SWEETWATER GROVES, according to the Plat thereof, as recorded in Plat Book 8, Page 50, of the Public Records of Miami-Dade County, Florida;

Together with:

The East 191.4 feet of Block 11, less the East 109.2 feet, SWEETWATER GROVES, according to the Plat thereof, as recorded in Plat Book 8, Page 50, of the Public Records of Miami-Dade County, Florida.

Together with:

The East 109.2 feet of Block 11, SWEETWATER GROVES, according to the Plat thereof, as recorded in Plat Book 8, Page 50, of the Public Records of Miami-Dade County, Florida.

Together with:

The East 94.54 feet of the West 490.94 feet as measured along the South and North line of Block 11, SWEETWATER GROVES, according to the Plat thereof, as recorded in Plat Book 8, Page 50, of the Public Records of Miami-Dade County, Florida.

And Together with:

Block 11, less the West 490.44 feet as measured along the South and the North lines of Block 11, SWEETWATER GROVES, according to the Plat thereof, as recorded in Plat Book 8, Page 50, of the Public Records of Miami-Dade County, Florida.

EXHIBIT "B"

Resolutions of the Mortgagor

(See attached.)

B-121

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APPENDIX C

FORM OF BOND COUNSEL OPINION

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_____, 2018

Capital Trust Agency
315 Fairpoint Drive
Gulf Breeze, Florida 32561

Re: (i) 218,745,000 Capital Trust Agency Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A, and (ii) \$8,895,000 Capital Trust Agency Student Housing Revenue Bonds (University Bridge, LLC Student Housing Student Housing Project), Taxable Series 2018B

Ladies and Gentlemen:

We have acted as bond counsel to the Capital Trust Agency (the “Issuer”) in connection with the issuance of (i) \$218,745,000 in aggregate principal amount of Capital Trust Agency Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A (the “Series 2018A Bonds”), and (ii) \$8,895,000 in aggregate principal amount of Capital Trust Agency Student Housing Revenue (University Bridge, LLC Student Housing Project), Taxable Series 2018B (the “Series 2018B Bonds, and, together with the Series 2018A Bonds, the “Bonds”), pursuant to a Trust Indenture dated as of September 1, 2018 (the “Indenture”), between the Issuer and Regions Bank, as trustee (the “Bond Trustee”). Any capitalized term used herein but not otherwise defined herein shall have the meaning ascribed to it in the Indenture.

The Issuer is a legal entity and a public agency of the State of Florida (the “State”) and is authorized by the laws of the State, particularly Chapter 159, Part II, Chapter 163, Part I, Chapter 166, Part II, and Chapter 617, Florida Statutes, as amended, Ordinance No. 05-97 duly enacted by the City Council (the “City Council”) of Gulf Breeze, Florida (the “City”), on July 7, 1997, as amended, restated and supplemented by Ordinance Nos. 04-00, 05-01 and 10-11 duly enacted by the City Council on May 15, 2000, May 7, 2001 and September 6, 2011, respectively; Ordinance No. 02-00 duly enacted by the Town Council (the “Town Council”) of Century, Florida (the “Town”), on August 7, 2000, as amended and supplemented by Ordinance Nos. 01-01 and 05-11 duly enacted by the Town Council on May 7, 2001 and October 3, 2011, respectively; an Interlocal Agreement dated as of August 2, 1999, between the City and the Town, as amended and supplemented, particularly as amended and supplemented by Amendment No. 92 to the Interlocal Agreement dated as of May 21, 2018; Resolution No. 07-18, duly adopted by the City Council of the City of Gulf Breeze, Florida, on May 21, 2018, Resolution No. 04-18 duly adopted by the Town Council of the Town of Century, Florida, on May 21, 2018; and Resolution No. 07-18 and Resolution No. 16-18, duly adopted by the Issuer on May 3, 2018 and July 17, 2018, respectively (together, the “Resolution”); and other applicable provisions of law (collectively, the “Act”), to issue the Bonds.

The Bonds are issued as fully registered bonds, are dated, bear interest and mature, all as provided in the Indenture.

As to questions of fact and expectations material to our opinion, we have relied upon the representations of the Borrower and the Issuer contained in the Loan Agreement (hereinafter defined) and the Indenture, as applicable, and in the certified proceedings and other certifications of officials furnished to us without undertaking to verify the same by independent investigation.

The Issuer is loaning the proceeds of the Bonds to University Bridge, LLC, a Florida limited liability company (the “Borrower”), whose sole member is Atlantic Housing Foundation, Inc. (the “Sole Member”), a South Carolina nonprofit corporation and an exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) pursuant to a Loan Agreement dated as of September 1, 2018 (the “Loan Agreement”), between the Issuer and the Borrower. The Borrower’s obligations under the Loan Agreement are evidenced by a promissory note of even date herewith (the “Note”). The Note has been executed and delivered to the Issuer in a principal amount equal to the aggregate principal amount of the Bonds. Under the Loan Agreement and by the execution and delivery of the Note, the Borrower has agreed to make payments sufficient to pay when due the principal of, premium, if any, and interest on the Bonds in the manner provided in the Indenture, and such payments (the “Loan Payments”) and the rights of the Issuer under the Loan Agreement (except for the Reserved Rights) and the Note have been pledged and assigned by the Issuer to the Trustee as security for the Bonds.

The Borrower has represented in the Loan Agreement that the Sole Member is an organization described in Section 501(c)(3) of the Code and is exempt from federal income tax under Section 501(a) of the Code. The Borrower has covenanted that, throughout the term of the Loan Agreement, it will not take any action or omit to take any action or cause or permit any circumstances within its control to arise or continue, if such action, omission or circumstance would cause any revocation or adverse modification of such federal income tax status. We have also relied upon the opinion of Coats Rose, P.C., counsel to the Borrower, as to the due execution and delivery of the Loan Agreement and as to the status of the Sole Member as an organization described in Section 501(c)(3) of the Code, and as to certain related matters.

Under the Loan Agreement, the Borrower has covenanted to use the proceeds of the Bonds to finance (i) the development, construction, furnishing and equipping of an approximately 1,244-bed student housing facility containing approximately 7,000 square-feet of retail space and related amenities located adjacent to the campus of Florida International University (the “Project”), (ii) the payment of capitalized interest on the Bonds during construction and for up to six months following the scheduled completion of the Project, (iii) the funding of a debt service reserve fund with respect to the bonds, (iv) the funding of an operations and maintenance reserve fund with respect to the Bonds and (v) the payment of the costs of issuance of the Bonds.

The Code includes requirements which the Issuer and the Borrower must continue to meet after the issuance of the Series 2018A Bonds in order that interest on the Series 2018A Bonds not be included in gross income for federal income tax purposes. The failure by the Issuer or the Borrower to meet these requirements may cause interest on the Series 2018A Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. Under the Loan Agreement and certain certificates and agreements (the “Tax Certificates”), the Issuer, the Borrower and the Sole Member have covenanted that they will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Series 2018A Bonds for federal income tax purposes. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in law or events that may take place after the date hereof that may affect the tax status of interest on the Series 2018A Bonds.

The Bonds are payable from and secured by the Trust Estate created in the Indenture which includes all right, title and interest of the Issuer in and to (a) the Note, the Mortgage and the Loan Agreement (other than the Reserved Rights), including the proceeds thereof or recovery thereon; (b) all

funds, money and securities from time to time held by the Trustee under the terms of the Indenture (except with respect to money in the Rebate Fund and except as otherwise expressly provided therein) and any interest, profits and other income derived from the investment thereof, including the proceeds of the Bonds, subject to the application thereof in accordance with the Indenture, including Net Proceeds; (c) any and all other rights and interests in property conveyed, mortgaged, pledged, assigned or transferred as and for additional security for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee; and (d) to the extent not covered above, all proceeds of the foregoing. The Bonds are not an obligation, either general or special, of the Issuer, the State, or of any political subdivision thereof, and neither the State nor any political subdivision thereof shall be liable thereon. Neither the faith, credit, revenues nor the taxing power of the State or any political subdivision thereof shall be pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Issuer has no taxing power.

In our capacity as bond counsel, we have examined the Constitution and laws of the State, the Act, a record of proceedings relating to the adoption of the Resolution authorizing, among other things, the original issuance and sale of the Bonds and other proofs submitted to us relating thereto. In connection with the issuance of the Bonds, we have examined such documents, instruments, proceedings and opinions as we have deemed relevant in rendering this opinion. Based upon such examination, we are of the opinion, as of this date, that:

1. The Issuer is a legal entity and a public agency created under the laws of the State. Pursuant to the Act, the Issuer is empowered to authorize the issuance of the Bonds in the manner contemplated by the Indenture and the Loan Agreement and to perform its obligations thereunder.
2. The Bonds, the Indenture and the Loan Agreement were duly authorized, executed and delivered, are valid and binding obligations of the Issuer and are enforceable against the Issuer in accordance with their terms.
3. Assuming the accuracy of certain representations and certifications of the Issuer, the Borrower and the Sole Member and continuing compliance by the Issuer, the Borrower and the Sole Member with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2018A Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Series 2018A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Federal legislation enacted in 2017 eliminates alternative minimum tax for corporations for taxable years beginning after December 31, 2017. For taxable years beginning before January 1, 2018, corporations should consult their tax advisor regarding alternative minimum tax implications of owning the Series 2018A Bonds.
4. Interest on the Series 2018B Bonds is not excludable from gross income for federal income tax purposes.
5. The Bonds and the interest thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein.

Except as expressly stated above, we express no opinion as to any federal or state tax consequences of the ownership of, receipt of interest on, or disposition of, the Bonds.

In rendering the opinion in paragraph number 3 above, we are relying, without independent investigation, upon certifications, representations and warranties by the Issuer, the Borrower and the Sole Member as to compliance with the requirements of the Code that must be met on and after the issuance of the Bonds in order that interest on the Series 2018A Bonds not be included in gross income for federal income tax purposes.

This opinion is qualified to the extent that the enforceability of the Bonds, the Resolution, the Indenture, the Loan Agreement and the Note, respectively, may be limited by general principles of equity which may permit the exercise of judicial discretion, and by bankruptcy, insolvency, moratorium, reorganization or similar laws relating to the enforcement of creditors' rights generally, now or hereafter in effect.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We have not been engaged nor have we undertaken to review or verify and therefore, except to the limited extent set forth in our supplemental opinion dated of even date herewith, express no opinion as to the accuracy, adequacy, fairness or completeness of any official statement or other offering materials relating to the Bonds. In addition, other than as expressly set forth herein, we have not passed upon and therefore express no opinion as to the compliance by the Issuer, the Borrower or any other party involved in this financing, or the necessity of such parties complying, with any federal or state registration requirements or security statutes, regulations or rulings with respect to the offer and sale of the Bonds.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion, and is not a guaranty of a result. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX D

PRO FORMA FINANCIAL PROJECTIONS

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APPENDIX D
Proforma Financial Projections

Fiscal Year Ending	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Revenue						
Gross Potential Rent	\$ -	\$ -	\$ 8,339,228	\$ 20,718,420	\$ 21,339,973	\$ 21,980,172
Less: Vacancy Loss	\$ -	\$ -	\$ (416,961)	\$ (1,035,921)	\$ (1,066,999)	\$ (1,099,009)
Less: Bad Debt	\$ -	\$ -	\$ (75,817)	\$ (78,092)	\$ (80,434)	\$ (82,847)
Less: Concessions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Rental Income	\$ -	\$ -	\$ 7,846,449	\$ 19,604,407	\$ 20,192,540	\$ 20,798,316
Other Income:						
Commercial Rent/Lease	\$ -	\$ -	\$ 109,626	\$ 270,994	\$ 279,124	\$ 287,498
Less: Vacancy Loss	\$ -	\$ -	\$ (2,193)	\$ (5,420)	\$ (5,582)	\$ (5,750)
Parking Fees	\$ -	\$ -	\$ 281,815	\$ 696,647	\$ 717,546	\$ 739,073
Less: Vacancy Loss	\$ -	\$ -	\$ (5,636)	\$ (13,933)	\$ (14,351)	\$ (14,781)
Tenant Fees	\$ -	\$ -	\$ 220,453	\$ 544,961	\$ 561,310	\$ 578,149
Tenant Insurance	\$ -	\$ -	\$ 65,018	\$ 160,723	\$ 165,545	\$ 170,511
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Fund Earnings	\$ -	\$ 347,592	\$ 347,592	\$ 347,592	\$ 347,592	\$ 347,592
Total Other Income	\$ -	\$ 347,592	\$ 1,016,675	\$ 2,001,565	\$ 2,051,184	\$ 2,102,292
Total Revenue	\$ -	\$ 347,592	\$ 8,863,124	\$ 21,605,973	\$ 22,243,724	\$ 22,900,608
Operating Expenses						
Marketing and Advertisement	\$ -	\$ -	\$ 46,027	\$ 113,779	\$ 117,192	\$ 120,708
Administrative	\$ -	\$ -	\$ 53,000	\$ 131,017	\$ 134,948	\$ 138,996
Payroll	\$ -	\$ -	\$ 330,623	\$ 817,301	\$ 841,820	\$ 867,075
Contracts - Lawn Maintenance and Security	\$ -	\$ -	\$ 81,625	\$ 201,777	\$ 207,830	\$ 214,065
Repair and Maintenance	\$ -	\$ -	\$ 70,802	\$ 175,023	\$ 180,273	\$ 185,682
Turnover Expense	\$ -	\$ -	\$ 76,125	\$ 188,181	\$ 193,826	\$ 199,641
Utilities	\$ -	\$ -	\$ 220,192	\$ 544,314	\$ 560,643	\$ 577,463
Property Management	\$ -	\$ -	\$ 266,614	\$ 648,899	\$ 668,032	\$ 687,738
Insurance	\$ -	\$ -	\$ 219,000	\$ 541,368	\$ 557,609	\$ 574,337
Issuer Fee	\$ -	\$ -	\$ 91,056	\$ 90,220	\$ 89,342	\$ 88,418
Trustee Fee	\$ -	\$ -	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Rating Agency	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Total Operating Expenses	\$ -	\$ -	\$ 1,466,564	\$ 3,463,379	\$ 3,563,016	\$ 3,665,623
Net Operating Income	\$ -	\$ 347,592	\$ 7,396,560	\$ 18,142,594	\$ 18,680,708	\$ 19,234,985
Repair and Replacement Reserves	\$ -	\$ -	\$ -	\$ 224,231	\$ 230,958	\$ 237,887
Projected Breakeven Occupancy	-	-	-	80.1%	78.2%	76.3%

Notes:
Preliminary projections only. Subject to change based on current market conditions.
Assumes the Project is delivered in June 2020.
Fiscal year ending December 31, 2020 reflects five months of operations.

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APPENDIX E

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (this “*Disclosure Agreement*”), dated as of September 1, 2018 is executed and delivered by University Bridge, LLC (the “*Borrower*”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “*Disclosure Dissemination Agent*” or “*DAC*”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “*Rule*”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Borrower through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “*Act*”). DAC will not provide any advice or recommendation to the Borrower or anyone on the Borrower’s behalf regarding the “issuance of municipal securities” or any “municipal financial product,” each as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions.

Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“*Annual Filing Date*” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“*Annual Financial Information*” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“*Annual Report*” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“*Audited Financial Statements*” means the financial statements (if any) of the Borrower for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“*Certification*” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Semi-Annual Report, Monthly Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Borrower and include the full name of the Series 2018 Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“*Disclosure Dissemination Agent*” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Borrower pursuant to Section 9 hereof.

“*Disclosure Representative*” means any authorized representative of the Borrower or his or her designee, or such other person as the Borrower shall designate in writing to the Disclosure Dissemination

Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Borrower’s failure to file (i) an Annual Report on or before the Annual Filing Date, (ii) a Semi-Annual Report before the Semi-Annual Filing Date and (iii) a Monthly Report before the Monthly Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Semi-Annual Reports, the Monthly Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“Issuer” means Capital Trust Agency, as issuer of the Series 2018 Bonds.

“Monthly Filing Date” means, during the period of the construction of the Project, the 5th day of each month, commencing November 5, 2018 and prior to the completion of the construction of the Project.

“Monthly Report” means any Monthly Report provided by the Borrower pursuant to, and as described in, this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Borrower, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on **EXHIBIT A**.

“Official Statement” means that Official Statement prepared by the Borrower in connection with the Bonds.

“Semi-Annual Filing Date” means the date, set in Sections 2(i), by which the Semi-Annual Report is to be filed with the MSRB.

“*Semi-Annual Period*” means each period of time from (i) January 1 to June 30 and (ii) July 1 to December 31.

“*Semi-Annual Report*” means any Semi-Annual Report provided by the Borrower pursuant to, and as described in, this Disclosure Agreement.

“*Series 2018 Bonds*” means the bonds as listed on the attached **EXHIBIT A**, with the 9-digit CUSIP numbers relating thereto.

“*Trustee*” means the institution, if any, identified as such in the document under which the Bonds were issued.

“*Voluntary Event Disclosure*” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“*Voluntary Financial Disclosure*” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Reports.

(a) The Borrower shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy of each for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than 120 days after the end of each fiscal year of the Borrower, commencing with the fiscal year ending December 31, 2020. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Borrower of its undertaking to provide the Annual Report pursuant to Section 2(a) of this Disclosure Dissemination Agreement. Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Borrower will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as **EXHIBIT B**, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in **EXHIBIT C-1**.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Borrower irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as **EXHIBIT B** without

reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in **EXHIBIT C-1**.

(d) If Audited Financial Statements of the Borrower are prepared but not available prior to the Annual Filing Date, the Borrower shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Borrower pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 1. “Principal and interest payment delinquencies;”
 2. “Non-Payment related defaults, if material;”
 3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
 4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”
 5. “Substitution of credit or liquidity providers, or their failure to perform;”
 6. “Adverse tax opinions, IRS notices or events affecting the tax status of the security;”
 7. “Modifications to rights of securities holders, if material;”
 8. “Bond calls, if material;”
 9. “Defeasances;”
 10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
 11. “Rating changes;”
 12. “Tender offers;”

13. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
 14. “Merger, consolidation, or acquisition of the obligated person, if material;” and
 15. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of **EXHIBIT B** to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Borrower pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
 2. “change in obligated person;”
 3. “notice to investors pursuant to bond documents;”
 4. “certain communications from the Internal Revenue Service;”
 5. “secondary market purchases;”
 6. “bid for auction rate or other securities;”
 7. “capital or other financing plan;”
 8. “litigation/enforcement action;”
 9. “change of tender agent, remarketing agent, or other on-going party;”
 10. “derivative or other similar transaction;” and
 11. “other event-based disclosures;”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Borrower pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. “monthly financial information;”
 2. “change in fiscal year/timing of annual disclosure;”
 3. “change in accounting standard;”

4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and
9. “other financial/operating data.”

(viii) provide the Borrower evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Borrower may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee, and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

(h) Monthly Reports. On or prior to the Monthly Filing Date, the Borrower will file, or cause the Disclosure Dissemination Agent to file, with the MSRB a Monthly Report. If on the fifth (5th) day prior to the Monthly Filing Date, the Disclosure Dissemination Agent has not received a copy of the Monthly Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Borrower of its undertaking to provide the Monthly Report pursuant to this Disclosure Dissemination Agreement. Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Monthly Report and the Certification no later than two (2) business days prior to the Monthly Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Borrower will not be able to file the Monthly Report within the time required under this Disclosure Agreement, state the date by which the Monthly Report for such month will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as **EXHIBIT B**, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in **EXHIBIT C-1**.

(i) Semi-Annual Reports. On or prior to the Semi-Annual Filing Date (which is each July 15 and January 15, commencing July 15, 2021), the Borrower will file, or cause the Disclosure Dissemination Agent to file, with the MSRB a Semi-Annual Report. If on the fifteenth (15th) day prior to the Semi-Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Semi-Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Borrower of its undertaking to provide the Monthly Report pursuant to this Disclosure Dissemination Agreement. Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent

with an electronic copy of the Semi-Annual Report and the Certification no later than two (2) business days prior to the Semi-Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Borrower will not be able to file the Semi-Annual Report within the time required under this Disclosure Agreement, state the date by which the Semi-Annual Report for such month will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as **EXHIBIT B**, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in **EXHIBIT C-1**.

SECTION 3. Content of Annual Reports, Semi-Annual Reports and Monthly Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Borrower. Annual Financial Information shall include:

(i) Audited Financial Statements, which shall consist of combined or consolidated financial statements of the Borrower and its related entities for such Fiscal Year prepared in accordance with generally accepted accounting principles and examined and reported on by a certified public accountant; and

(ii) A certificate from the Borrower that the Borrower is in compliance with the Debt Service Coverage Ratio covenant and supporting evidence thereto;

(iii) The Annual Budget for the current fiscal year, along with management discussion and analysis providing commentary concerning the Annual Budget;

(iv) To the extent not set forth in the audited financial statements, additional historical financial information and occupancy and operating data of the type with respect to the Borrower and the Project (as defined in the Official Statement) contained in **APPENDIX A** to the Official Statement under the captions “**THE PROJECT – Student Housing Facility**” for the prior fiscal year; and

(v) a narrative explanation, if necessary to avoid misunderstanding, regarding the presentation of financial and operating data concerning the Borrower and the financial and operating condition of the Borrower.

(b) Contents of Semi-Annual Reports. The Semi-Annual Report will include semi-annual unaudited financial statements of the Borrower as soon as practicable after they are available but in no event more than 45 days after the completion of such Semi-Annual Period, including a combined and combining statement of operations and changes in net assets (deficit) and statement of cash flows of the Borrower during such period and a balance sheet of the Borrower as of the end of each such Semi-Annual Period, occupancy levels of the Project as of the end of Semi-Annual Period including the number of housing units and retail spaces occupied and vacated for such Semi-Annual Period on an aggregate basis, all prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Borrower. Such financial statements and calculations shall be accompanied by a comparison to the Annual Budget provided in the previous year’s Annual Report.

(c) Contents of Monthly Reports. The Monthly Report will include the following prior to the Completion Date (i) a copy of the report prepared by the Construction Monitor; (ii) a report by the Borrower on the progress of the construction, showing the dollar amount and percentage of completion for each stage of construction of the Project, comparing such amounts to the amounts estimated in the schedule of values and the construction progress schedule delivered at closing, estimating the amount of funds required to complete the Project, and certifying that the amount available in the construction fund, together with amounts that may be drawn on any existing construction draw down loan and anticipated investment earnings, will be sufficient to pay the costs of completing the Project; (iii)

unaudited financial reports on the development costs of the Project incurred during that month and on an aggregate basis, showing a comparison to the development budget, (iv) occupancy levels of the units (including reservations for units) in the Project as of the end of such month including the number of units that were reserved or occupied during that month and on an aggregate basis; and (v) a narrative concerning the status of the construction of the Project.

The Monthly Report will include the following after the Completion Date, (i) occupancy levels of the units in the Project as of the end of such month including the number of units that were occupied and vacated during that month and on an aggregate basis; (ii) a summary statement of the status of construction until the issuance of the last certificate of occupancy for the Project and (iii) unaudited financial reports on the development costs incurred during that month and on an aggregate basis until the issuance of the last certificate of occupancy for the Project.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Borrower is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, offering memorandum, or other type of offering document governed by the Rule, it must be available from the MSRB. The Borrower will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Borrower shall, in a timely manner not in excess of ten (10) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Borrower desires to make, contain the written authorization of the Borrower for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Borrower desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Borrower, or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Borrower determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Borrower desires to make, contain the written authorization of the Borrower for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Borrower desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Borrower as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure

Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in **EXHIBIT C-1**.

SECTION 5. CUSIP Numbers.

Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, Monthly Reports or Semi-Annual Reports, documents incorporated by reference to the Annual Reports, Monthly Reports or Semi-Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures, and Voluntary Financial Disclosures, the Borrower shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations.

The Borrower acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Borrower, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Borrower acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Borrower may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Borrower desires to make, contain the written authorization of the Borrower for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Borrower desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Borrower as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in **EXHIBIT C-2**.

(b) The Borrower may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Borrower desires to make, contain the written authorization of the Borrower for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Borrower desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Borrower as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in **EXHIBIT C-3**.

(c) The parties hereto acknowledge that the Borrower is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Monthly Report, Semi-Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure, or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report, Monthly report, Semi-Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Monthly Report, Semi-Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation.

The obligations of the Borrower and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Borrower is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent.

The Borrower has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Borrower may, upon thirty (30) days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Borrower or DAC, the Borrower agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities as the Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Borrower shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Borrower.

SECTION 10. Remedies in Event of Default.

In the event of a failure of the Borrower or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in *mandamus* or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures, or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Borrower, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The obligations of the Borrower under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Borrower.

(c) All documents, reports, notices, statements, information, and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. No Issuer Responsibility.

The Borrower and the Disclosure Dissemination Agent acknowledge that the Issuer has undertaken no responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices, or disclosures required by or provided pursuant to this Disclosure Agreement, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices, or disclosures.

SECTION 13. Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, the Borrower and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Borrower and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Borrower or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and

interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than twenty (20) days written notice of the intent to do so together with a copy of the proposed amendment to the Borrower. No such amendment shall become effective if either the Borrower shall, within ten (10) days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 14. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the Borrower, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law.

This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 16. Counterparts.

This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[The remainder of this page is intentionally left blank; signature pages follow.]

The Disclosure Dissemination Agent and the Borrower have caused this Disclosure Dissemination Agent Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name:
Title:

Accepted as of the date
first above written:

UNIVERSITY BRIDGE, LLC,
a Florida limited liability company

By: Atlantic Housing Foundation, Inc.,
a South Carolina nonprofit corporation, its Sole Member

By: _____
Name: Michael N. Nguyen
Title: President and CEO

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	Capital Trust Agency
Obligated Entity	University Bridge, LLC
Name of Bond Issue:	Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project) Series 2018
Series:	Series 2018A, Taxable Series 2018B
Date of Issuance:	September 25, 2018
Date of Official Statement:	September 13, 2018

CUSIP Numbers:

140536 AA1
140536 AC7
140536 AD5
140536 AE3

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL/
SEMI-ANNUAL/MONTHLY REPORT**

Name of Issuer: Capital Trust Agency
Obligated Entity: University Bridge, LLC
Name of Bond Issue: Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project) Series 2018
Series: Series 2018A, Taxable Series 2018B
Date of Issuance: September 25, 2018
Date of Official Statement: September 13, 2018

CUSIP Numbers:

140536 AA1
140536 AC7
140536 AD5
140536 AE3

NOTICE IS HEREBY GIVEN that the Borrower has not provided a [Monthly/Semi-Annual/Annual] Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer, the Borrower and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Borrower has notified the Disclosure Dissemination Agent that it anticipates that the [Monthly/Semi-Annual/Annual] Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Borrower

cc: Capital Trust Agency

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

____ Failure to provide [annual/semi-annual/monthly] financial information as required.

I hereby represent that I am authorized by the Borrower or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary event disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of September 1, 2018 between the Borrower and DAC.

Obligated Person’s Name:

Issuer’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1. _____ “amendment to continuing disclosure undertaking;”
2. _____ “change in obligated person;”
3. _____ “notice to investors pursuant to bond documents;”
4. _____ “certain communications from the Internal Revenue Service;”
5. _____ “secondary market purchases;”
6. _____ “bid for auction rate or other securities;”
7. _____ “capital or other financing plan;”
8. _____ “litigation/enforcement action;”
9. _____ “change of tender agent, remarketing agent, or other on-going party;”
10. _____ “derivative or other similar transaction;” and
11. _____ “other event-based disclosures.”

I hereby represent that I am authorized by the Borrower or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of September 1, 2018 between the Borrower and DAC.

Obligated Person’s Name:

Issuer’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ “monthly financial information;”
2. _____ “change in fiscal year/timing of annual disclosure;”
3. _____ “change in accounting standard;”
4. _____ “interim/additional financial information/operating data;”
5. _____ “budget;”
6. _____ “investment/debt/financial policy;”
7. _____ “information provided to rating agency, credit/liquidity provider or other third party;”
8. _____ “consultant reports;” and
9. _____ “other financial/operating data.”

I hereby represent that I am authorized by the Borrower or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

APPENDIX F
MARKET STUDY

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UNIVERSITY BRIDGE

Depth of Demand and Rent Analysis

Collegiate Suites Miami

Miami, FL

March 2018

Meyers
RESEARCH
a Kennedy Wilson Company

Objective

The objective of this analysis is to assess the market based opportunity for the development of student housing targeted to Florida International University. The proposed development is located near the FIU campus within the Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area ("MSA"). The site is located at the intersection of SW 109th Avenue and SW 7th Terrace (740 SW 109th Avenue). The Subject Property, "University Bridge", is to consist of 886 units, or 1,244 beds, within a 20-story high-rise structure. A mix of studio, one, two, three and four bedroom floor plans will be offered along with a top-of-the line amenity package. The scope of this assignment includes an analysis of the university (factors specific to historical and projected enrollment figures), rent recommendation, and the calculation of the maximum demand for off-campus housing units using a depth of demand model that addresses future enrollment and supply/demand factors. Plans are for the subject to be completed in 2020.

Limiting Conditions

Collegiate Suites Miami is responsible for representations about its development plans, marketing expectations and for disclosure of any significant information that might affect the ultimate realization of the projected results. There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material. Meyers has no responsibility to update our report for events and circumstances occurring after the date of our report. Payment of any and all of our fees and expenses is not in any way contingent upon any factor other than our providing services related to this report.

The following key team members participated on this analysis:

Kimberly Byrum, Principal, oversees our Advisory practice. With 27 years of experience, Ms. Byrum has worked extensively with all commercial real estate functions throughout the United States and Canada, including site selection and development, due diligence, acquisitions, property management and asset management. Kimberly is recognized as an expert in the fields of multifamily consumer research, rent positioning, and product design. Kimberly also has a strong technical background in market-submarket selection, econometric modeling, and revenue management. Follow up questions should be directed to Kimberly Byrum at 459-513-8490 or kbyrum@meyersllc.com

Christine Sills, Manager, is a member of the Advisory practice. With over 12 years of experience in the commercial real estate industry, Ms. Sills is an expert in feasibility studies, project underwriting, and highest and best use analysis.

Marissa Fiala, Market Research Coordinator, works with the Advisory team on consumer research projects, market studies, and various marketing efforts. She has been active in the real estate industry for over a decade and is experienced with multifamily, student housing, and senior housing property types.

Additional support was provided as needed.

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Introduction and Background

University Bridge

Collegiate Suites Miami is evaluating the market-based opportunity for the development of a purpose-built student housing community to be located adjacent to the Modesto A. Maidique campus of Florida International University at 740 SW 109th Avenue. Plans are for the development to consist of 886 units and 1,244 beds. Parking will be available in a 648-space multi-level parking garage for an additional monthly fee.

Florida International University is a four-year public research university with a Fall 2017 enrollment of 56,886 comprised of 41,852 undergraduates, 8,700 graduates, and 6,334 non-degree students making it the second largest university in the state and the largest in South Florida. The main campus (named after the fourth president Modesto A. Maidique) has Fall 2017 undergraduate enrollment of 25,364 and graduate enrollment of 5,208. Undergraduate enrollment has remained consistent for the past four years following a surge in enrollment in the years prior. *U.S. News & World Report* ranked FIU #7 for its International Business undergraduate program and #15 for its International Business graduate program in the annual report Best Colleges of 2017.

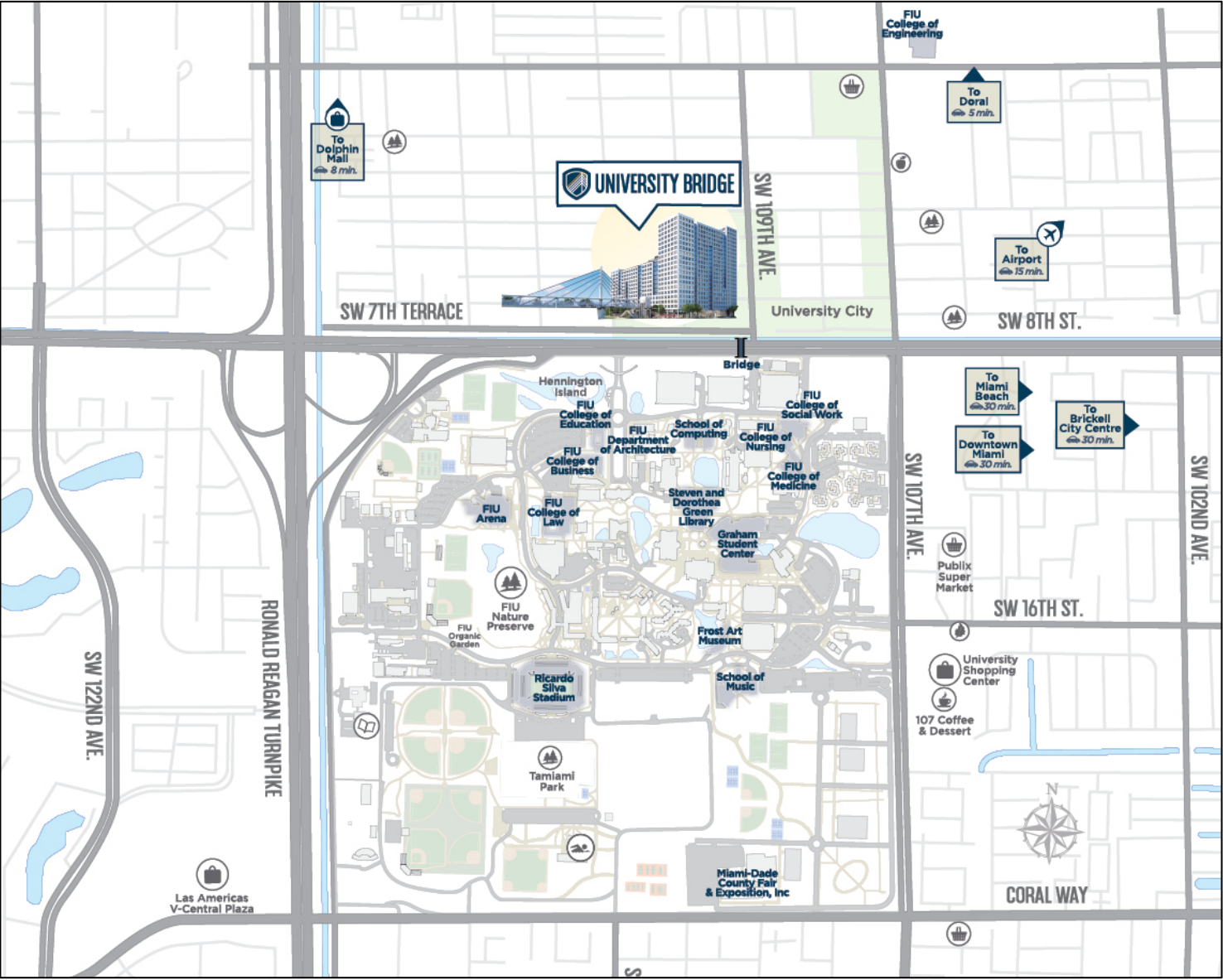
The Carnegie Classification of Institutions of Higher Learning has classified Florida International University as an R1 Doctoral Research University – a doctoral institution with the highest research activity. In 2017, research expenditures totaled approximately \$177 million. The university's strategic plan includes a specific goal to reach Carnegie Very High Research Designation.

The scope of this assignment includes an analysis of the university (factors specific to historical and projected enrollment figures), rent recommendation, and the calculation of the maximum demand for off-campus housing units, pent-up demand, and required capture.

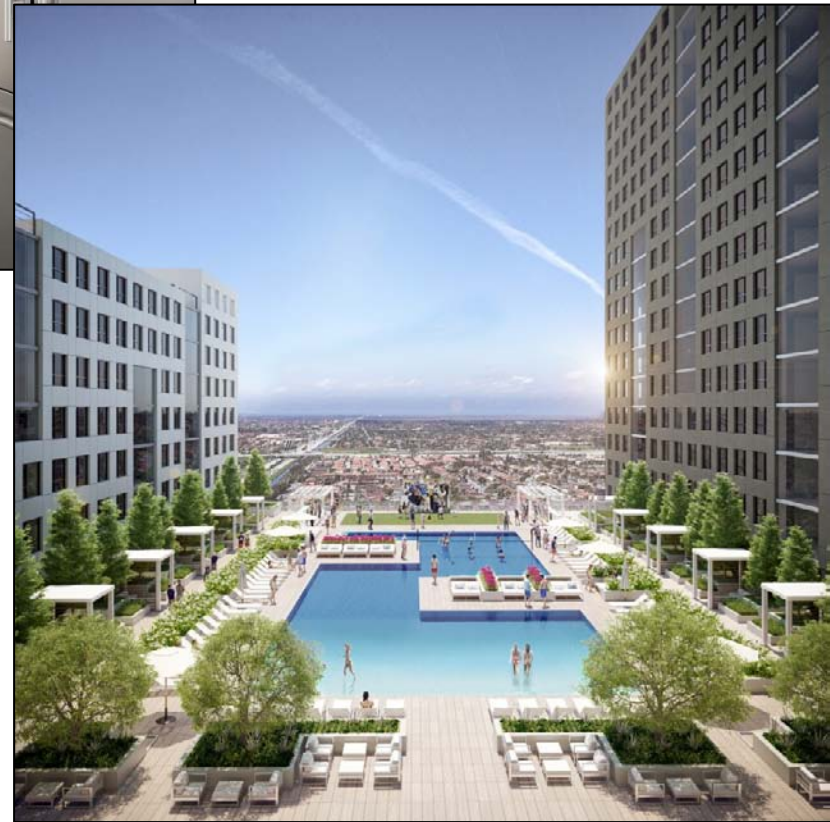




Subject Location







Key Findings

University Bridge

Enrollment Growth Trends are Positive:

- ✓ Within the strategic plan, Beyond Possible 2020, one of the specific is to grow student enrollment strategically to 65,000. Based on 2014 enrollment of approximately 54,000 students, this goal equates to growth of 20% or 3.4% per year.
- ✓ FIU has various transfer programs (such as Connect4Success@FIU 2+2) and strategic partnerships aimed at expanding the pipeline of well-prepared transfer students coming from state colleges.
- ✓ Since 2008, the Modesto A. Maidique campus of Florida International University has averaged enrollment growth of 1.6% per year among undergraduate students, adding 3,290 students during this ten-year period, the vast majority of which are full-time.

Florida International University is a Leader in Research and International Programs:

- ✓ The Carnegie Classification of Institutions of Higher Learning has classified Florida International University as an R1 Doctoral Research University – a doctoral institution with the highest research activity. In 2017, the university had research expenditures of approximately \$177 million and was above the \$100 million mark for the eighth consecutive year.
- ✓ *U.S. News & World Report* ranked FIU #7 for its International Business undergraduate program and #15 for its International Business graduate program in the annual report Best Colleges of 2017.
- ✓ Foreign Policy magazine recently named FIU's Master of Arts in Global Affairs as #39 on its list of top 40 programs in the world for policy careers in international relations. Foreign Policy's 2018 questionnaire, *Ivory Tower*, surveys of more than 1,500 international relations scholars in the U.S. This is the first year that FIU has appeared on the list which includes programs at Harvard, Johns Hopkins and Yale University.

Student Housing Outlook:

- ✓ FIU's campus master plan discusses the overall goal of providing future housing to match the projected enrollment growth. The university has a plan to build a second phase of Parkview residence hall consisting of 656 beds with an uncertain delivery timeline sometime after Fall 2020. The project is to be financed through bonds. No architect has been selected as of the date of this report.
- ✓ According to the university, on-campus housing occupancy in Fall 2017 was 99%.
- ✓ When the subject delivers in 2020, there will be unmet demand for an additional 12,130 beds in 2020. Assuming that 31% of the target market can afford a top-of-the-market product, there will be unmet demand for 3,760 beds in a Class A purpose-built project.
- ✓ The potential demand for student housing is not dependent on future enrollment growth. Even under a conservative growth scenario, there is sufficient depth of demand for purpose-built Class A product based on past trends in enrollment growth.

Recommended Rent Positioning

Meyers Research recommends an average rental rate of \$1,731 per unit. This equates to \$1,233 per bed per month or \$3.59 per square foot in today's dollars (March 2018). The figures are based upon the proposed unit mix and floor plan sizes. Due to the variance in average unit size between the subject and the comparables, average effective monthly rent per bed is the best method of comparison in the table below. Average rates are \$988 per bed for purpose-built student housing comparables and \$1,189 per bed for conventional comparables. A comparison of the recommended rental rates to the selected student and conventional market comparables is as follows:

Comparable	# Units	Beds	Year Complete	Beds/Unit	Avg. Unit Size	Avg. Market Monthly Rent	Concessions	Avg. Eff. Monthly Rent	Avg. Eff. Monthly Rent Per Bed	Avg. Eff. Rent PSF	% Occupied	Amenity Package
University Bridge	886	1,244	2020	1.4	482	\$1,731	N/A	\$1,731	\$1,233	\$3.59	N/A	\$807
Student Housing Comparables												
4th Street Commons	208	550	2015	2.6	970	\$2,678	0%	\$2,678	\$1,013	\$2.76	97%	\$716
109 Tower	143	530	2014	3.7	1,227	\$3,564	0%	\$3,564	\$962	\$2.90	99%	\$839
Total/Average	351	1,080	2015	3.2	1,075	\$3,039	0%	\$3,039	\$988	\$2.83	98%	\$647
Conventional Comparables												
Paraiso at Fountain Square	175	253	2017	1.4	1,050	\$2,331	0%	\$2,331	\$1,612	\$2.22	90%	\$732
Town Fontainebleau Lakes	360	624	2016	1.7	948	\$2,018	0%	\$2,018	\$1,164	\$2.13	92%	\$555
Vista Verde at Westchester	302	508	1993	1.7	738	\$1,697	0%	\$1,697	\$1,009	\$2.30	90%	\$358
Total/Average	837	1,385	2009	2.0	894	\$1,968	0%	\$1,968	\$1,189	\$2.20	91%	\$647

The recommended rent positioning for University Bridge is influenced by the following factors:

- (1) the premium location of the subject on the northern border of campus in the Sweetwater neighborhood which was rated attractive by 88% of respondents in Meyers' online survey;
- (2) the small average unit sizes of the subject which are significantly smaller than any offerings at the comparables;
- (3) the top-of-the-market amenity package positioning the subject above the comparables; and
- (4) the age of the subject versus the comparable properties.

The student housing comparables have stronger average occupancy of 98% as compared to the conventional properties which are 91% occupied. None of the properties are offering concessions.

Targeted Average Rents by Bedroom Count Detail

The proposed unit mix for University Bridge consists of 31% studios, 39% one bedrooms, 22% two bedrooms, 5% three bedrooms, and 3% four bedrooms. All of the units have private bathrooms. It is noted that Meyers priced the three bedroom unit using the four bedroom trend line. Therefore, the three bedroom units received an adjustment of -\$250 to smooth the pricing curve and appropriately account for the lack of a fourth bedroom and fourth bathroom.

The Per Unit amenity values increase beginning with the two bedroom units to account for the utilities and furnishings by the bedroom. Parking is not included in the rent which is typical for student housing properties in this market. All rental rates are stated in March 2018 dollars.

University Bridge								Per Unit/Bed				
Unit Type	Units	Beds	% of Mix	Size (SF)	Size (SF) Per Bed	Per Unit "Stripped" Rent	Per Unit Total Amenities	Base Rent	Bedroom/Floorplan Adjustments	All In Rent	Rent Per Bed	Rent PSF
Studio	278	278	31.4%	330	330	\$833	\$772	\$1,606	-\$300	\$1,306	\$1,306	\$3.96
1BR/1BA	342	342	38.6%	400	400	\$903	\$772	\$1,676	-\$200	\$1,476	\$1,476	\$3.69
2BR/2BA	198	396	22.3%	655	328	\$1,366	\$852	\$2,218	\$0	\$2,218	\$1,109	\$3.39
3BR/3BA	44	132	5.0%	930	310	\$2,380	\$970	\$3,350	-\$250	\$3,100	\$1,033	\$3.33
4BR/4BA	24	96	2.7%	1,150	288	\$2,763	\$1,012	\$3,775	\$0	\$3,775	\$944	\$3.28
Total/Average	886	1244	100.0%	482	343	\$1,108	\$807	\$1,915	-\$184	\$1,731	\$1,233	\$3.59

Studio units were adjusted by -\$300 per month based on the performance of these unit offerings at 4th Street Commons and Vista Verde at Westchester. Additionally, an adjustment of -\$200 per month was included for the one bedrooms based on the spreads achieved at the comparables (reference page 65).

Demand Pool 1 (Undergraduates)					
	%	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Total Undergraduate Enrollment		25,364	25,770	26,182	26,601
Less: Full-time (Over 25 Years)	4%	-1,099	-1,117	-1,134	-1,153
Less: Part-time (Over 25 Years)	8%	-1,981	-2,013	-2,045	-2,974
<u>Less: Part-time (Under 25 Years)</u>	<u>25%</u>	<u>-6,438</u>	<u>-6,541</u>	<u>-6,646</u>	<u>-5,856</u>
Total Non-Traditionals	38%	-9,518	-9,670	-9,825	-9,982
Total Traditional Undergraduates	62%	15,846	16,100	16,357	16,619
Total Traditional Students From Miami-Dade County	72%	11,425	11,608	11,793	11,982
Total Traditional Undergraduates From Outside of Miami-Dade County	28%	4,421	4,492	4,564	4,637
Less: Traditional Students Living Within Commuting Distance with Parents	-9%	-2,182	-2,217	-2,252	-2,288
Total Undergraduates Requiring On or Off-Campus Housing	54%	13,664	13,883	14,105	14,331
On-Campus Student Housing		3,159	3,159	3,159	3,159
Greek Housing		50	50	50	50
Total On-Campus Housing To Meet Undergraduate Demand	13%	3,209	3,209	3,209	3,209
Total Potential Demand for By-the-Bed Housing (Undergraduates)	41%	10,455	10,674	10,896	11,122
Demand Pool 2 (Graduates)					
	%	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Total Graduate Enrollment		5,208	5,229	5,250	5,271
Less: Doctoral Enrollment	-39%	-2,006	-2,014	-2,022	-2,030
Less: Part-time Graduate Enrollment	-22%	-1,139	-1,144	-1,148	-1,153
Total Graduate Students Requiring On or Off-Campus Housing	40%	2,063	2,071	2,080	2,088
Total On-Campus Housing to Meet Graduate Demand	0%	0	0	0	0
Remaining Graduates Requiring Housing	40%	2,063	2,071	2,080	2,088
Total Potential Demand for By-the-Bed Housing (Graduates)	40%	2,063	2,071	2,080	2,088
Depth of Demand Pool 1 & 2					
	%	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Total Potential Demand for By-the-Bed Housing (Undergraduates & Graduates)	41%	12,518	12,745	12,976	13,210
Total Off-Campus By-the-Bed Class A Student Housing Inventory		1,080	1,080	1,080	1,080
New Total Off-Campus By-the-Bed Class A Student Housing		0	0	0	0
Remaining Potential Demand for Off-Campus Housing		11,438	11,665	11,896	12,130
Subject Capture Rate on Total Demand (1,244 beds):					10.3%

Market Overview

University Bridge

Other Nearby Colleges and Universities

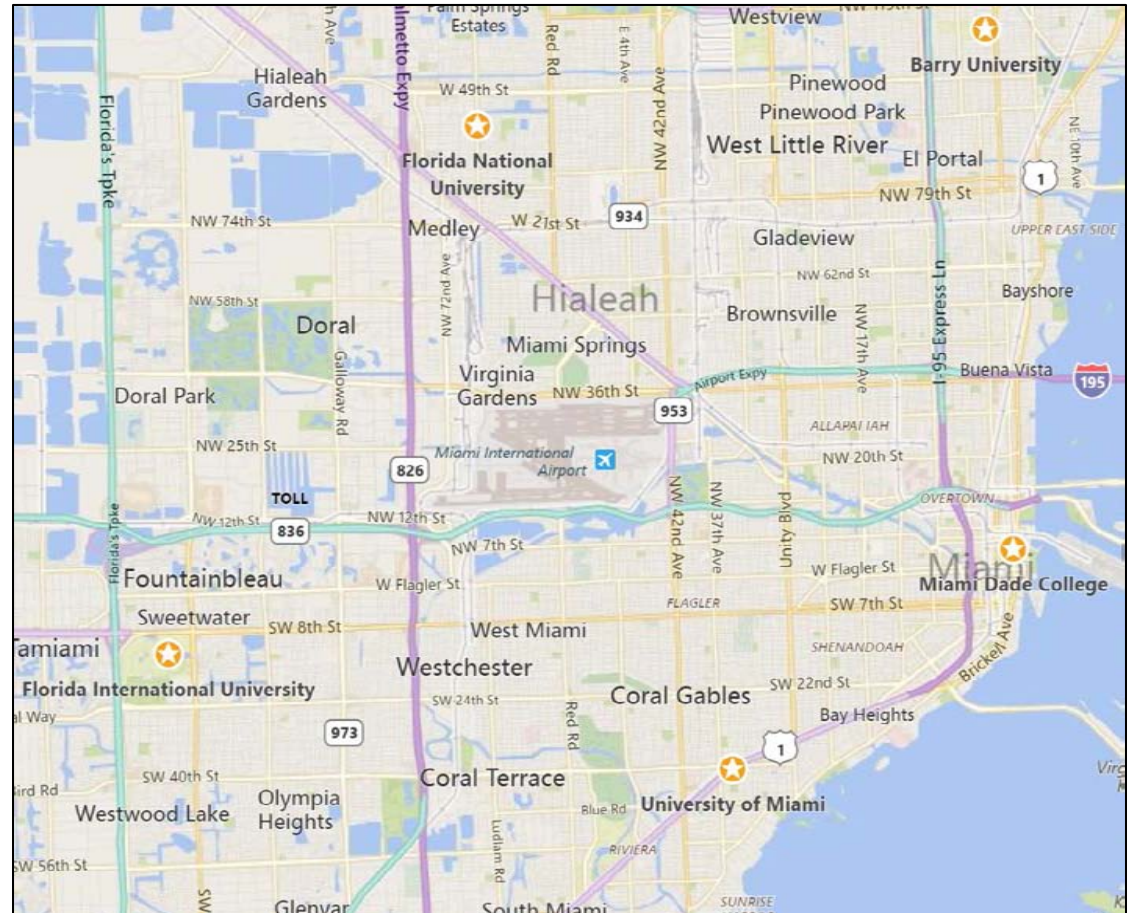
The following universities are located in close proximity to FIU:

University of Miami (16,801 enrollment) – A private, nonsectarian research university in Coral Gables. In the 2017 *U.S. News and World Report*, UM ranked #44 among best national universities in the United States.

Miami Dade College (165,000 enrollment) – A state college located in Miami with eight campuses and twenty-one outreach centers located throughout Miami-Dade County. Founded in 1959, MDC is the largest institution of higher education in Florida, and the second-largest in the United States. The main campus is in Downtown Miami.

Barry University (8,905 enrollment) – A private, Catholic university located in Miami Shores. Founded in 1940 by the Adrian Dominican Sisters, it is one of the largest Catholic universities in the Southeast.

Florida National (5,541 enrollment) – A for-profit university in Hialeah that was established in 1988



University Bridge is located in the Westchester/Kendall submarket within the Miami-Miami Beach-Kendall, FL Metropolitan Division as defined by MPF Research. The project is located adjacent to the Modesto A. Maidique campus of Florida International University.

Principal Highways

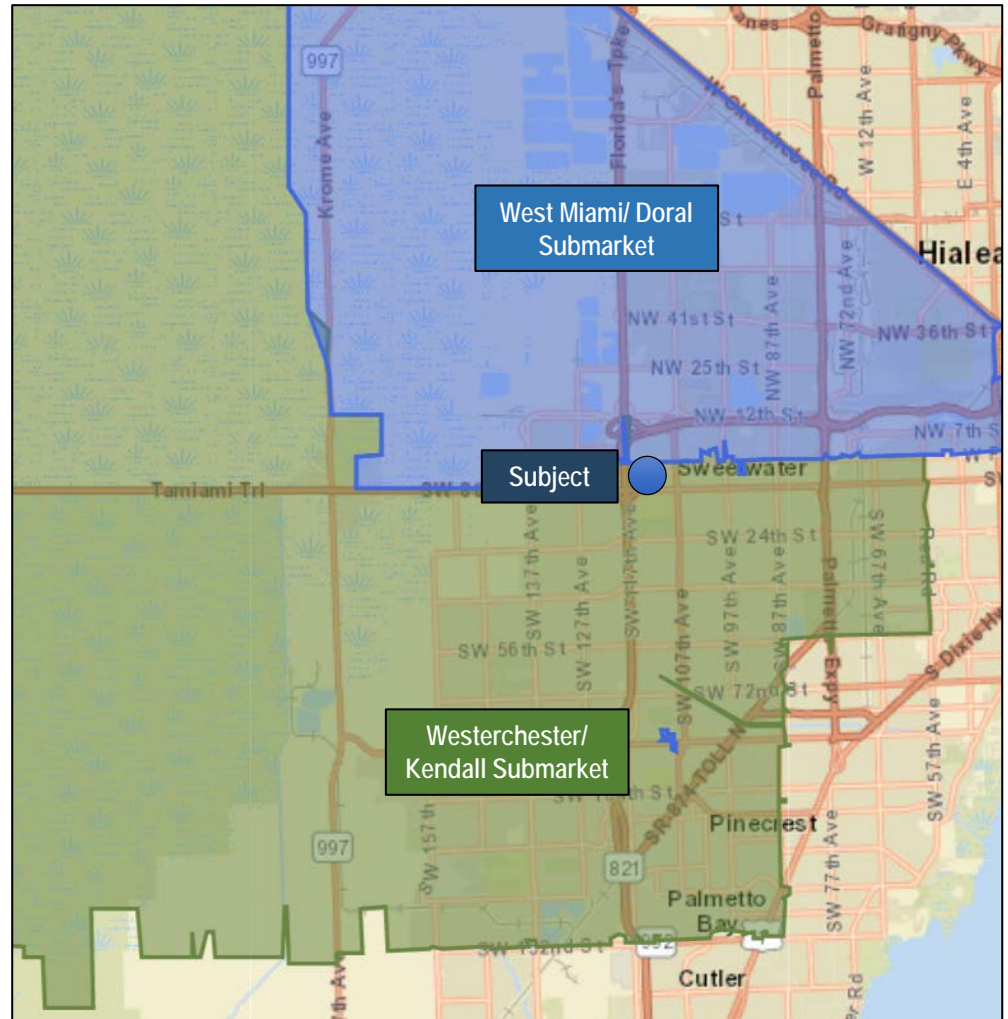
- Ronald Reagan Turnpike
- Dolphin Expressway
- Tamiami Trail
- Palmetto Expressway
- SW 40th Street

4Q17 Apartment Market

- 8.8% of Metro Stock
- Approximately 25,631 Units
- 96.0% Occupancy
- 2000+ Construction Avg. Effective Rent of \$1,811/Month

Submarket Business Summary

- Total Businesses – 19,546
- Total Employees – 178,996
- Top sectors include Services (43.2%), Retail Trade (21.7%), and Finance, Insurance, & Real Estate (10.9%)



University Bridge is located in the Westchester/Kendall submarket as defined by MPF Research. The submarket, which has a population of 569,417, has an average household income of \$78,870, and average household size of 3.10.

The subject is situated in the northeast corner of the submarket in the city of Sweetwater. In 2013, Sweetwater approved an ordinance revising the city's existing zoning within the university district, an area between 107th and 109th avenues north of campus, from SW 4th Street to Campus Drive. The ordinance increased the maximum building height and maximum residential density. It also specifies aesthetic rules and outdoor dining requirements, among others. The zoning change allowed for the construction of 109 Tower

In 2014, Sweetwater and FIU created a partnership project known as UniversityCity. The initiative has two major components: creation of a transportation hub at the Modesto A. Maidique Campus featuring enhanced bus service to connect east and west Miami-Dade County, and the development of a small, economically stable downtown in the city of Sweetwater. The physical connection of the two areas via new infrastructure aims to help alleviate worsening traffic by stimulating development of student-oriented housing in Sweetwater, encouraging use of public transit, and decreasing travel times between school/work and housing.

Critical Components of the UniversityCity Vision include the \$37 million FIU Smart Garage that opened in early 2015 and contains more than 2,000 parking spaces 35,000 square feet of shell space. It is connected via bridge to the Engineering and Computer Science building. Enhancements to the bus service included more planned service with fewer stops between west Miami-Dade County and Miami International Airport. The Bus Rapid Transit uses vehicles outfitted with electronics to switch red stoplights to green.



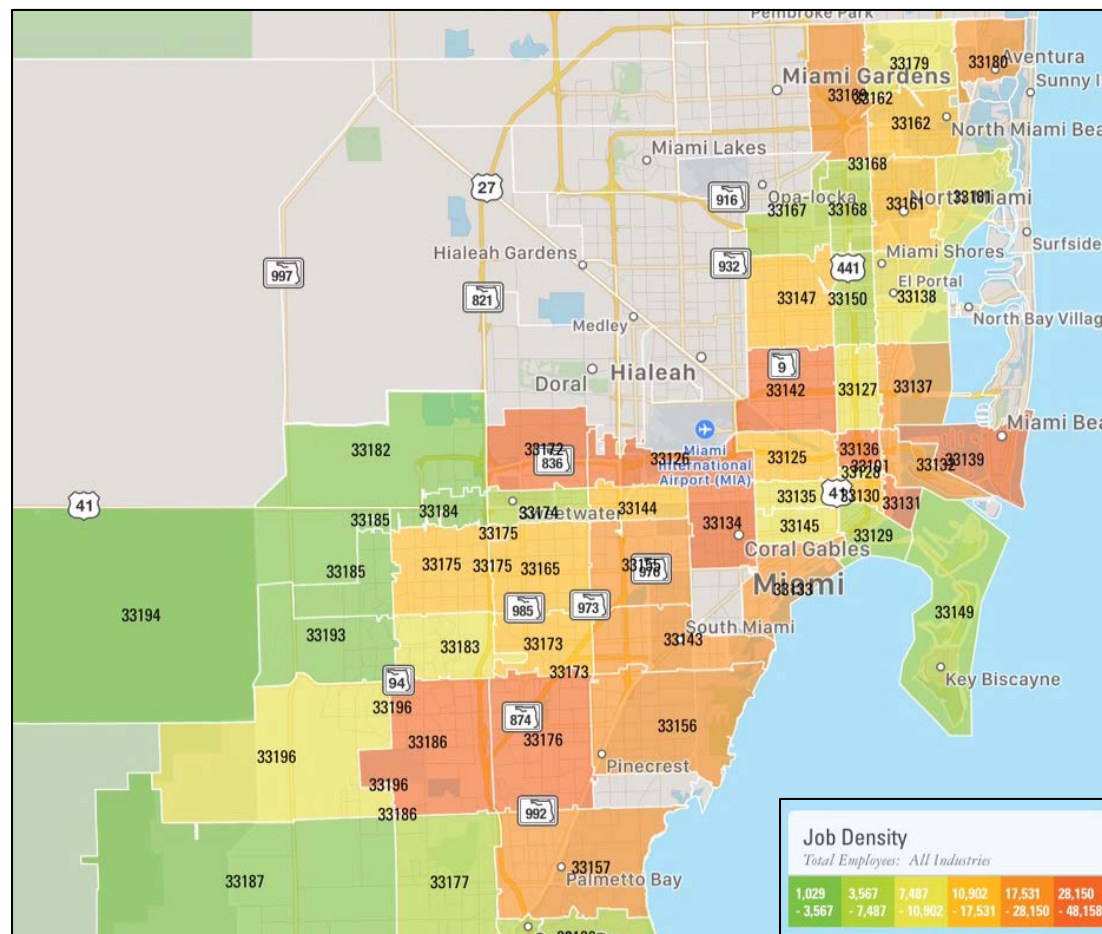
Foreign Policy magazine recently named FIU's Master of Arts in Global Affairs as #39 on its list of top 40 programs in the world for policy careers in international relations. Foreign Policy's 2018 questionnaire, Ivory Tower, surveys of more than 1,500 international relations scholars in the U.S. This is the first year that FIU has appeared on the list which includes programs at Harvard, Johns Hopkins and Yale University. FIU's program has an employment rate of 85% for its graduates with students finding employment with organizations such as the U.S. Department of State, Defense Intelligence Agency, U.S. Southern Command and U.S. Department of Justice, as well as private companies like Raymond James Financial and Hayman Woodward. The program is a two-year professional graduate program with two tracks – "globalization and security" and "global risk and corporate responsibility." An online track in "international crime and justice" will launch in Fall 2018 and a track in "international development" is scheduled to begin in Fall 2019 (FIU News, 3/9/18).

Miami is included among Amazon's top 20 finalists for its second headquarters location. The result is an effort of inter-county cooperation from Miami-Dade, Broward and Palm Beach Counties. Amazon intends to build a \$5 billion second-headquarters complex with 50,000 jobs. A decision is expected to come at the end of 2018. The Beacon Council of Miami-Dade, the Greater Fort Lauderdale Alliance, and the Business Development Board of Palm Beach County are now providing more information to Amazon about their collective bid. The group has presented eight proposed sites in South Florida – five in Miami-Dade, two in Broward, and one in Palm Beach County (the Real Deal, 3/1/18).

A study by the Miami Urban Future Initiative indicated that businesses in Miami are growing at one of the fastest rates in the country. Miami ranked #8 on the list of all large U.S. metros with 2% annual business establishment growth between 2010 and 2015, more than double the national average. According to other findings in the study, Miami ranked eighth for population size, 19th for population growth, 12th for GDP (\$288 million in 2016), 13th for GDP growth (3%), and 18th for wage growth between 2010 and 2015 (3.3% per year compared to the national average of 2.6% per year) (South Florida Business Journal, 2/23/18).

While the economic development agencies in Miami-Dade, Broward and Palm Beach counties have joined forces to compete for the Amazon headquarters, the city of Doral is working independently to win the bid. The city of Doral and developer Codina Partners is offering Amazon 47 acres of prime space in downtown Doral for the first phase of its HQ2 expansion. Part of the 250-acre White golf course, which was earmarked to use for single-family home development, would accommodate future growth (Miami Herald, 9/29/17).

Jobs in Miami are concentrated in various centers throughout the area. **The three largest office submarkets are: Airport/Doral (12.0 million square feet), Downtown (7.7 million square feet), and Brickell (CBD) (7.3 million square feet).** According to CBRE's Miami 4Q17 Office Report, market wide vacancy is 10.9%. Annual average asking lease rates are reported at \$37 per square foot. Vacancy in Airport/Doral is 7.8% with an average asking lease rate of \$31.05 per square foot.



Top Employers in Miami-Dade County

1. Miami-Dade County Public School (33,477)
2. Miami-Dade County (25,502)
3. Federal Government (19,200)
4. Florida State Government (17,100)
5. University of Miami (12,818)
6. Publix Super Markets, Inc (12,451)
7. Baptist Health South Florida (11,353)
8. American Airlines (11,031)
9. Jackson Health System (9,797)
10. City of Miami (3,997)

Source: Zonda

Using the geographic information tools available with ESRI's Business Analyst Online ("ESRI"), Meyers analyzed demographics of the Westchester/Kendall submarket and the combined cities of Doral, Sweetwater, Fontainebleau, University Park and Westchester using the "Demographic and Income Profile" report. This data is driven by the U. S. Census Bureau's "2010 Census of Population and Housing" with ESRI statistical forecasts for 2017.

The Westchester/Kendall submarket population has an older median age of 41.3 years. In comparison, the median age and age distributions of the submarket are similar to the subject's neighborhood and surrounding areas. In regards to housing, there is a higher percentage of renter occupied inventory in the subject's area (47%) versus the submarket (33%). The average household income level is slightly higher within the submarket at large (\$78,870).

The typical college-aged population (15 to 24 years) makes up approximately 12% of the households in both geographies. The typical renter population age groups (25 to 44 years) comprise approximately 27% of the households in the submarket and 28% in the subject's area. The 31:100 ratio of employee to resident population within the submarket indicates a bedroom community with a modest percentage of employees living inside the submarket.

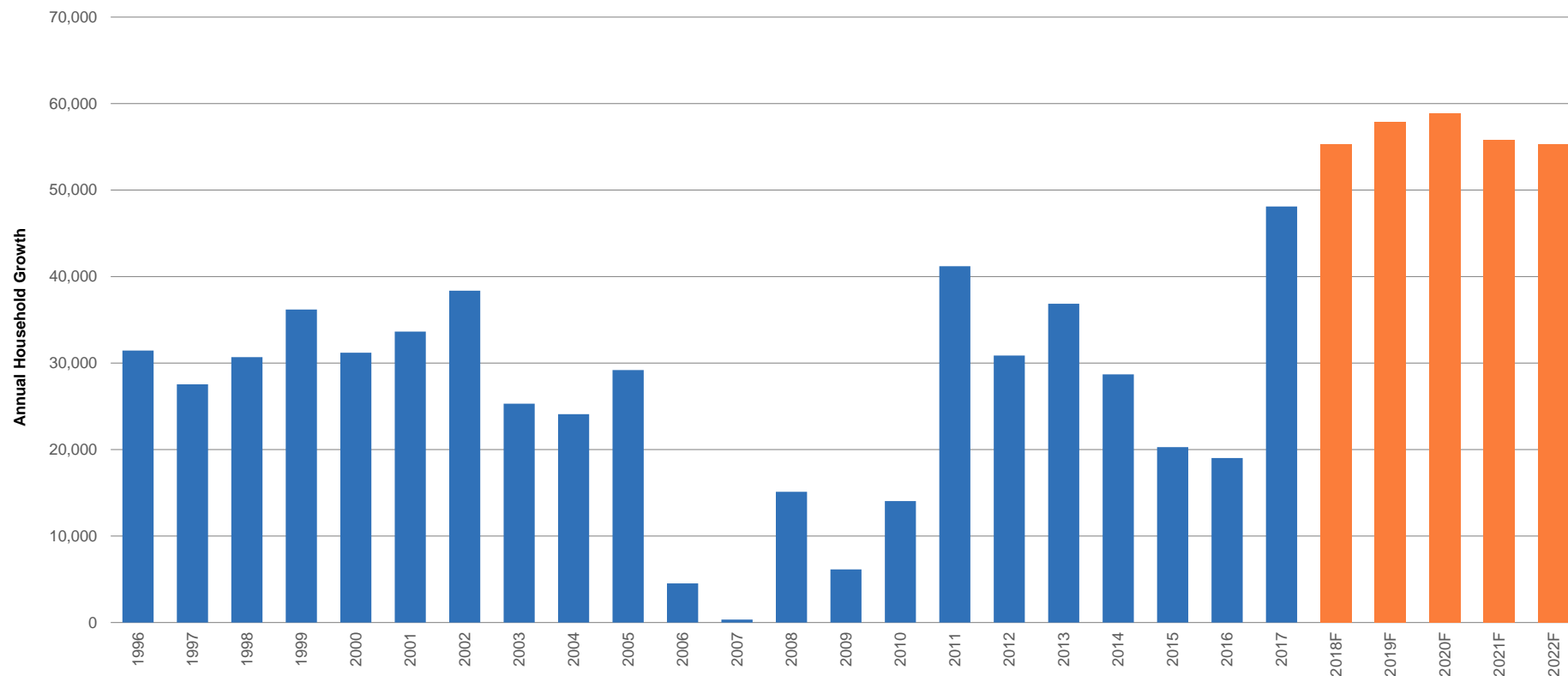
The 38% gap between median and average household incomes in the submarket is an indication that there is a disparity in incomes among the population. The gap is slightly larger in the subject's area at 40%.

2017 Summary	Westchester/Kendall	City of Sweetwater/ Surrounding Neighborhoods
Total Population	569,471	193,386
% Under 15 years	16%	16%
Total Households	181,450	63,921
Average Household Size (All Households)	3.10	2.98
Estimated Population Growth Rate	0.8%	1.2%
Median Age (All Households)	41.3	40.2
% 15 to 19 years	6%	6%
% 20 to 24 years	6%	6%
% 25 to 34 years (Millennials)	14%	14%
% 35 to 44 years (Renter by Choice)	13%	14%
% 45 to 54 years (Families)	15%	15%
Median Household Income	\$57,187	\$51,170
Average Household Income	\$78,870	\$71,611
HH Income Gap	38%	40%
% HHs Over \$100,000	25%	2040%
# HHs Over \$100,000	45,724	12,997
Owner Occupied Housing	67%	53%
Renter Occupied Housing	33%	47%
Total Housing Stock	181,450	63,921
Total Businesses	19,546	12,156
Total Employees	178,996	133,366
Average Employee Per Business	9	11
Employee to Resident Population (per 100 residents)	31	69

The following pages highlight key econometric performance measurements in the Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area (MSA):

- ✓ Household growth is expected to exceed historical levels;
- ✓ Median incomes are anticipated to continue to trend with the national level;
- ✓ Metro job growth is forecast at a pace of 1.3% per year through 2022;
- ✓ Unemployment rate will continue a downward trend, averaging 4.4% during the forecast period;
- ✓ The economy is experiencing strong growth in Education and Health Services, Government, and Trade/Transportation/Utilities sectors;
- ✓ Existing single family home sales are stable and home prices will continue to rise; and
- ✓ Multifamily permit activity is forecast to decrease in 2018 before ramping back up in 2019 through 2022.

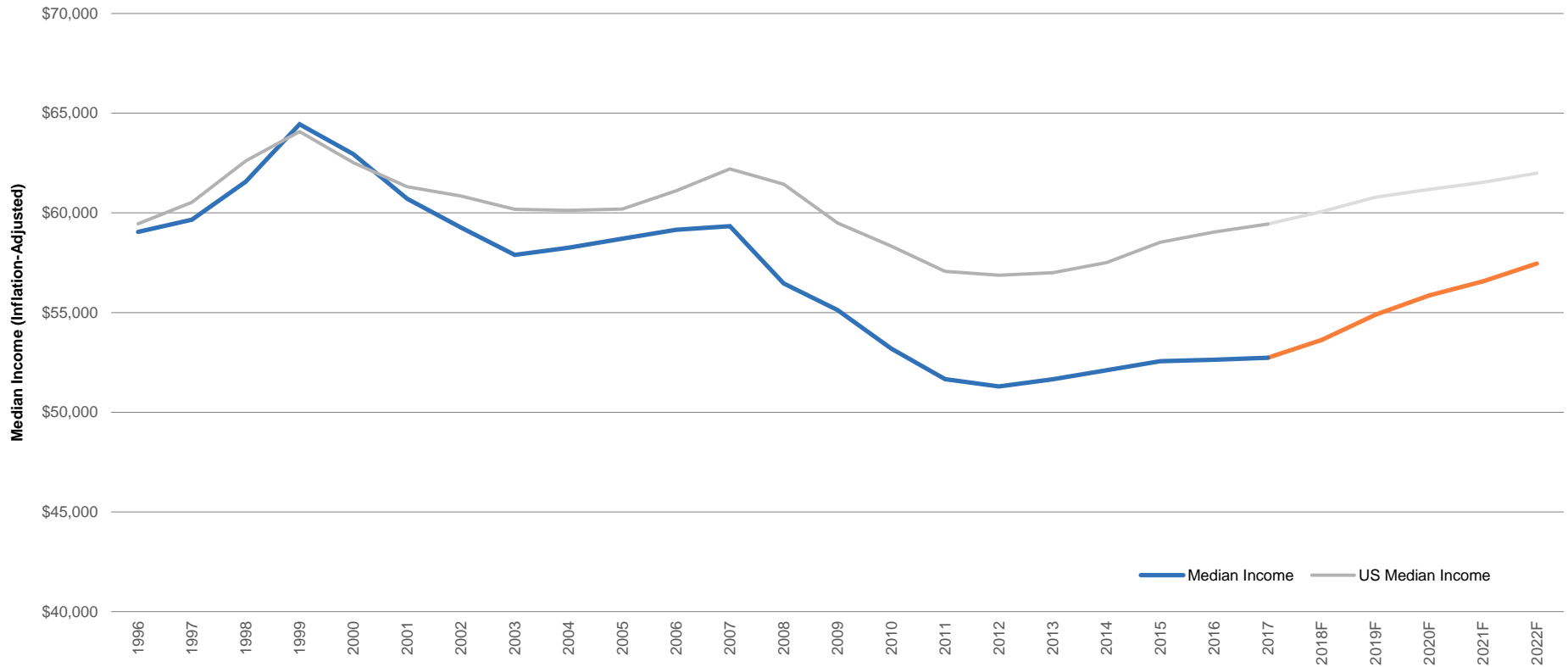
Household growth expected to exceed historical levels



Source: Economy.com

Household History & Forecasts	Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area - Ten Year History										Economy.com Five-Year Forecast				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
Total Households	2,087,068	2,093,220	2,107,270	2,148,468	2,179,339	2,216,201	2,244,892	2,265,175	2,284,202	2,332,302	2,387,620	2,445,458	2,504,281	2,560,086	2,615,345
Prior Year Change	15,124	6,152	14,050	41,199	30,871	36,862	28,691	20,284	19,027	48,100	55,317	57,838	58,823	55,805	55,259
Annual % Change	0.7%	0.3%	0.7%	2.0%	1.4%	1.7%	1.3%	0.9%	0.8%	2.1%	2.4%	2.4%	2.4%	2.2%	2.2%

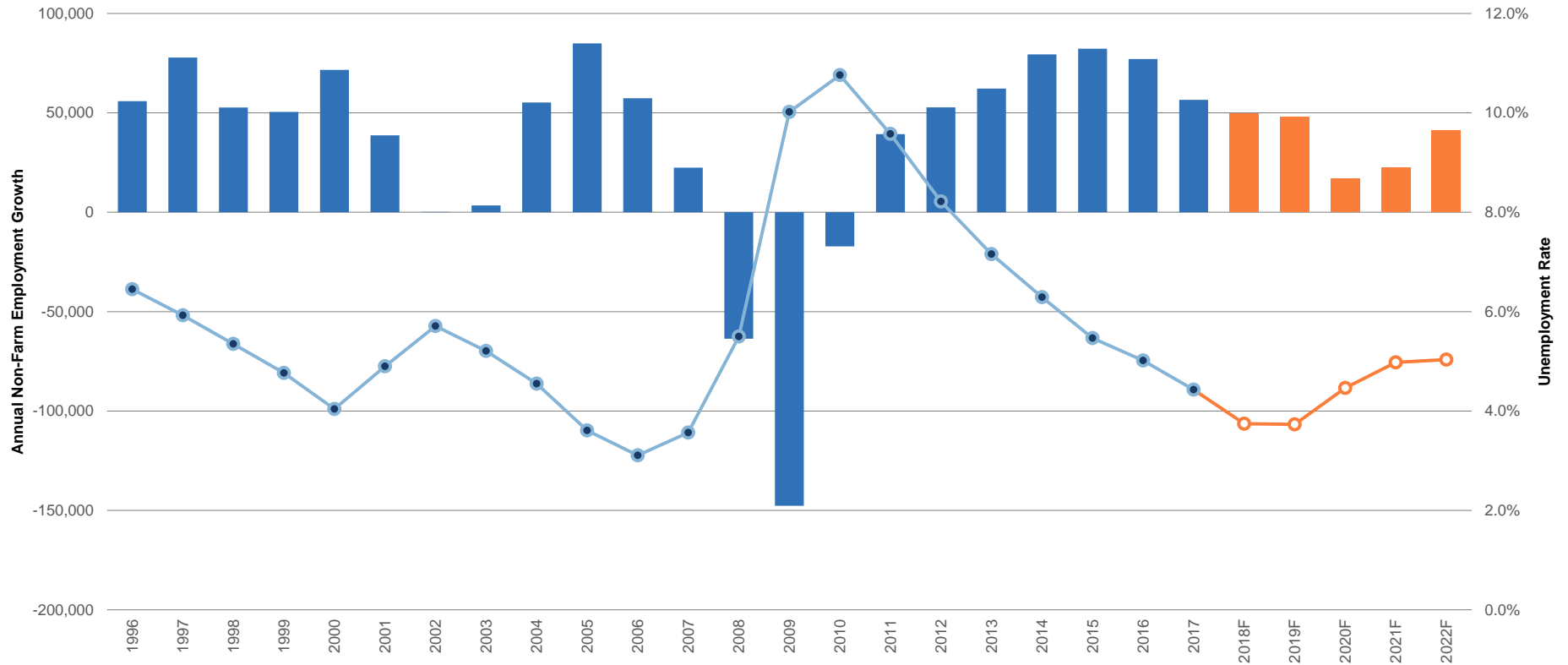
Median income will continue to trend with the national level



Source: Economy.com

Median Income & Forecasts	Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area - Ten Year History										Economy.com Five-Year Forecast				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
Median Income	\$56,462	\$55,127	\$53,194	\$51,663	\$51,295	\$51,655	\$52,105	\$52,559	\$52,631	\$52,737	\$53,628	\$54,896	\$55,858	\$56,566	\$57,458
Annual % Change	-4.8%	-2.4%	-3.5%	-2.9%	-0.7%	0.7%	0.9%	0.9%	0.1%	0.2%	1.7%	2.4%	1.8%	1.3%	1.6%
Median Income - United States	\$61,440	\$59,495	\$58,331	\$57,070	\$56,871	\$57,001	\$57,508	\$58,528	\$59,040	\$59,439	\$60,063	\$60,788	\$61,182	\$61,534	\$61,995
Annual % Change	-1.2%	-3.2%	-2.0%	-2.2%	-0.3%	0.2%	0.9%	1.8%	0.9%	0.7%	1.1%	1.2%	0.6%	0.6%	0.7%

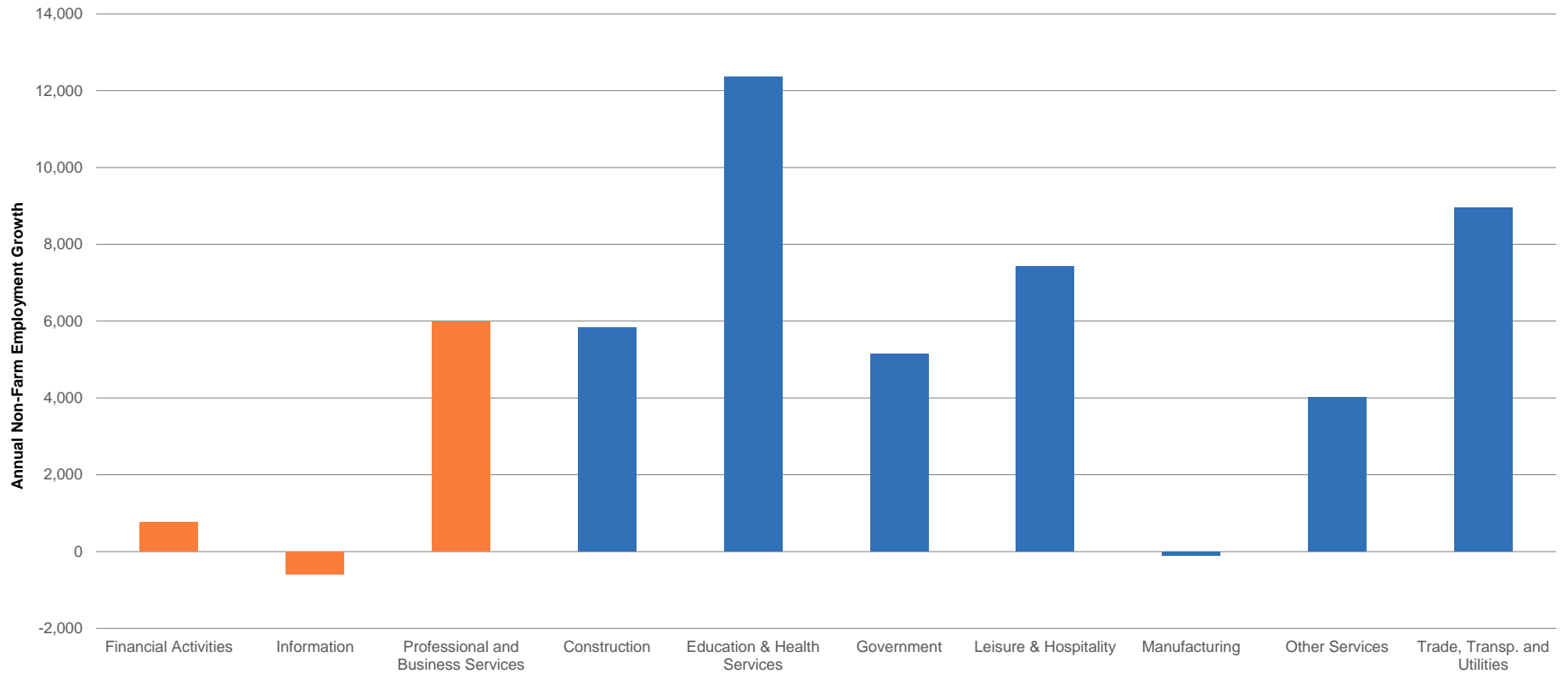
Metro job growth forecast at 1.3% per year through 2022.



Source: Economy.com

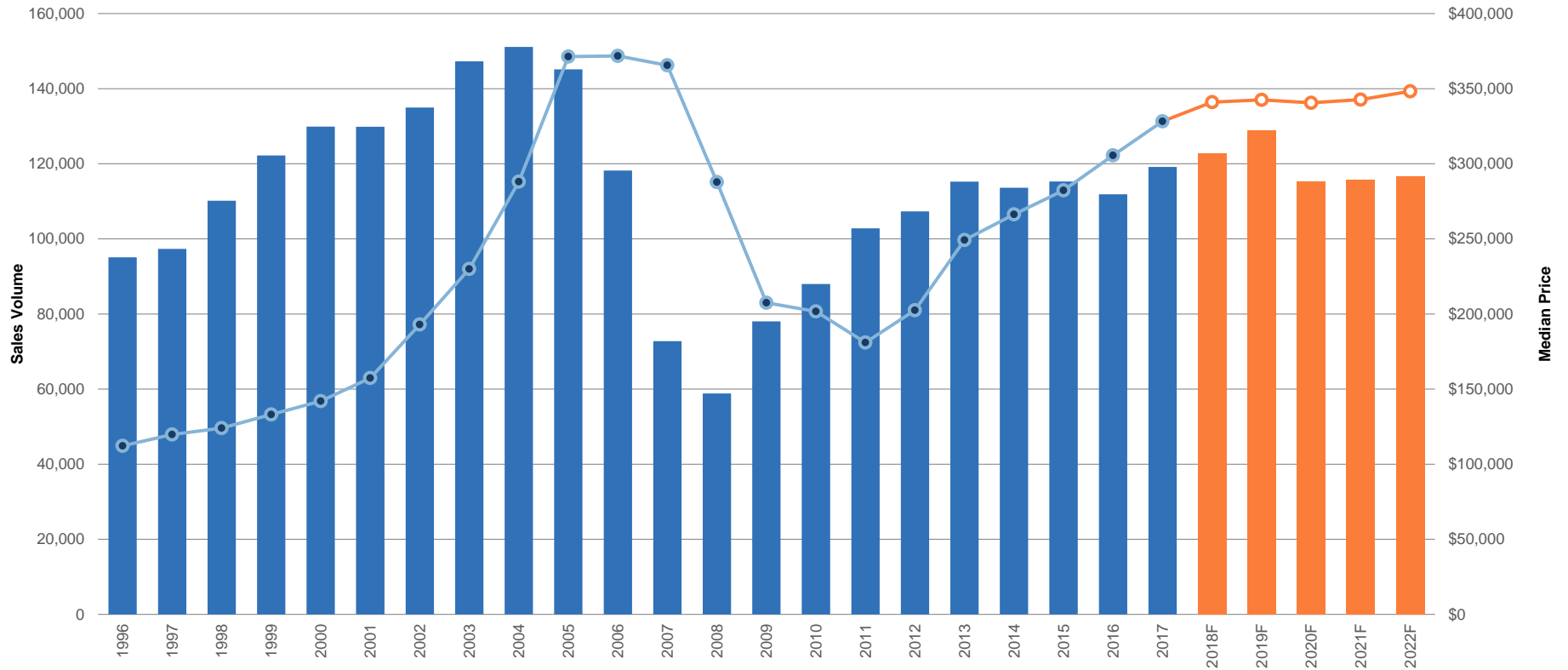
Employment History & Forecasts	Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area - Ten Year History										Five-Year Forecast*				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
Non-Farm Employment	2,359,642	2,211,958	2,194,817	2,234,075	2,286,825	2,349,042	2,428,417	2,510,658	2,587,742	2,644,258	2,693,867	2,741,677	2,758,405	2,780,749	2,821,938
Prior Year Change	(63,650)	(147,683)	(17,142)	39,258	52,750	62,217	79,375	82,242	77,083	56,516	49,609	47,811	16,727	22,344	41,189
Annual % Change	-2.6%	-6.3%	-0.8%	1.8%	2.4%	2.7%	3.4%	3.4%	3.1%	2.2%	1.9%	1.8%	0.6%	0.8%	1.5%
Unemployment Rate	5.5%	10.0%	10.8%	9.6%	8.2%	7.2%	6.3%	5.5%	5.0%	4.4%	3.7%	3.7%	4.5%	5.0%	5.0%

Strong growth in Education and Health Services, Trade/Transportation/ and Utilities, Leisure and Hospitality, and Professional and Business Services sectors.



Source: *Economy.com*

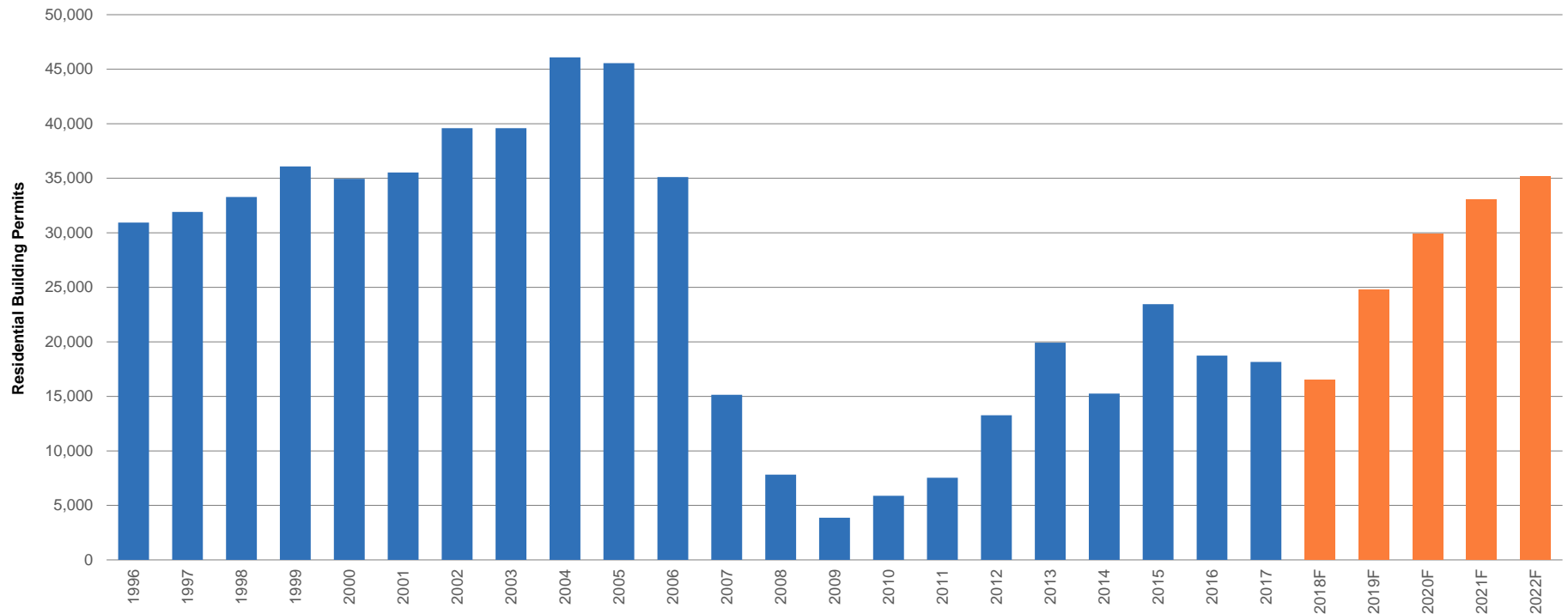
Single family home prices are continuing to rise and nearing peak levels.



Source: Economy.com

Existing SFD History & Forecasts	Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area - Ten Year History										Economy.com Five-Year Forecast				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
Annual Existing SFD Sales	58,816	78,020	87,989	102,818	107,321	115,239	113,604	115,273	111,854	119,143	122,827	128,816	115,331	115,633	116,627
Prior Year Change	-19.2%	32.7%	12.8%	16.9%	4.4%	7.4%	-1.4%	1.5%	-3.0%	6.5%	3.1%	4.9%	-10.5%	0.3%	0.9%
Median Existing SFD Sales Price	\$287,779	\$207,440	\$201,706	\$181,004	\$202,491	\$249,239	\$266,258	\$282,306	\$305,574	\$328,199	\$341,030	\$342,546	\$340,633	\$342,685	\$348,243
Prior Year Change	-21.3%	-27.9%	-2.8%	-10.3%	11.9%	23.1%	6.8%	6.0%	8.2%	7.4%	3.9%	0.4%	-0.6%	0.6%	1.6%

Multifamily permit activity is forecast to decrease in 2018 before ramping back up in 2019 through 2022.



Source: Economy.com

Residential Building Permit History & Forecasts	Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area - Ten Year History										Economy.com Five-Year Forecast				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
Total Building Permits	7,821	3,875	5,877	7,532	13,261	19,921	15,259	23,450	18,742	18,159	16,490	24,792	29,920	33,032	35,173
Annual % Change	-48.4%	-50.5%	51.7%	28.2%	76.1%	50.2%	-23.4%	53.7%	-20.1%	-3.1%	-9.2%	50.3%	20.7%	10.4%	6.5%
MF Building Permits	4,549	1,586	2,706	3,229	8,172	13,552	9,468	16,308	12,037	11,449	5,699	7,636	10,513	12,329	13,947
Annual % Change	-43.4%	-65.1%	70.6%	19.3%	153.1%	65.8%	-30.1%	72.2%	-26.2%	-4.9%	-50.2%	34.0%	37.7%	17.3%	13.1%

University Analysis

Florida International University

Florida International University is a four-year public research university located in Miami, Florida. The university was founded in 1965 and is part of the State University System of Florida. FIU is the second largest university in the state and the largest in South Florida. The Modesto A. Maidique campus serves as the main campus with Biscayne Bay as a regional campus. Additionally, there are other local branch campuses including Brickell Avenue as well as international campuses in Asia and Europe. The FIU system as a whole has total enrollment of 56,886 comprised of 41,852 undergraduates, 8,700 graduates, and 6,334 non-degree students according to preliminary Fall 2017 figures.

U.S. News & World Report ranked FIU #7 for its International Business undergraduate program and #15 for its International Business graduate program in the annual report Best Colleges of 2017.

FIU offers more than 191 undergraduate, master's and doctoral degrees across 23 different colleges and schools. In 2016, FIU moved up to the top category within the Carnegie Classification of Institutions of Higher Learning. FIU is now classified as an R1 Doctoral Research University – a doctoral institution with the highest research activity. (The Carnegie Classification of Institutions of Higher Education defines Doctorate-Granting Universities as institutions that awarded at least 20 doctorates. The institutions are then classified by their level of research activity, as measured by research expenditures, number of research doctorates awarded, number of research-focused faculty, and other factors. R1 is the highest level in the Carnegie Classification of Institutions of Higher Education.) Since the last Carnegie Classification in 2010-2014, FIU experienced a 31% increase in research expenditures, a 56% increase in research doctorate production, a 19% increase in faculty per-capita research and development production, a 44% increase in the proportion of faculty with external research funding, and a 176% increase in research personnel supported by external research grants. In 2017, the university had research expenditures of approximately \$177 million and was above the \$100 million mark for the eighth consecutive year.

The focus of Meyers' depth of demand analysis is the main Modesto A. Maidique campus. Preliminary Fall 2017 enrollment numbers at this location indicate undergraduate enrollment of 25,364 and graduate enrollment of 5,208 for a total of 30,572 students. Undergraduate enrollment has remained consistent for the past four years following a surge in enrollment in the years prior.

Note that the enrollment figure of 30,572 constitutes the number of FIU students who take a majority of their classes at the Modesto A. Maidique campus (as FIU does not lock students to campuses for their coursework). If a student takes one class at the Modesto A. Maidique campus but a majority of their classes at another campus (or online), they are not included in this enrollment figure as they are not part of the target market for University Bridge.



Mark B. Rosenberg became the university's 5th president in 2009 after serving as the chancellor for the Board of Governors of the State University System of Florida. In his role as chancellor, Rosenberg led the strategic development and financial planning and policy initiatives for the system.

As a member of the FIU faculty since 1976, Rosenberg has served in many leadership positions over the course of his career at FIU including the Founding Dean of the College of Urban and Public Affairs and Vice Provost for International Studies. During his tenure as Provost and Executive Vice President for Academic Affairs, Dr. Rosenberg spearheaded the establishment of the law school in 2002 and a medical school in 2006. He also founded the FIU Latin American and Caribbean Center, which has become a leading federally-supported research and teaching center focusing on the region.

Rosenberg earned a B.A. in political science from Miami University of Ohio in 1971 and a Ph.D. in Political Science with a graduate certificate in Latin American and Caribbean Studies from the University of Pittsburgh in 1976.

In his role as president, Rosenberg increased enrollment, implemented major campus construction projects, improved graduation rates by nearly 13% and hired over 500 new faculty. Under his leadership, FIU has been named as a Carnegie R1 Doctoral Research University – “Highest Research” as well as an “Engaged” institution, and has created partnerships with the Miami Dade County Public Schools, JP Morgan Chase, Florida Power & Light and Royal Caribbean Cruises Ltd.

The current strategic plan, [Beyond Possible 2020](#), has the following themes:

- 1: Student Success – “We will offer our students an intense, rigorous learning experience in a supportive academic community, celebrating the intellectual energy that flows from our diverse student population.”
- 2: Preeminent Programs – “We will design and chart our best future as a university by identifying and leveraging those FIU programs that will help us become a leading urban public research university in the 21st century.”
- 3: Carnegie Very High Research Designation – “FIU will continue to build its research reputation and develop an infrastructure to support its growing research enterprise. Striving for Very High Research designation acknowledges FIU’s mission and vision as a public research university.”
- 4: Financial Base/Efficiency – “The legislative funding gap will vary depending upon factors not in our control, and FIU must be prepared to manage those fluctuations and adapt as necessary. We must change our own internal funding model to direct new resources and to ensure existing resources are strategically invested in the units making the greatest impact on improving student success and research.”

Over the next five years, growth in the college aged population in Florida will remain flat. The change specific to population ages 15 to 19 is at a rate of 1.0% per year, while growth in population ages 20 to 24 will decline by -0.9% per year.

Population Cohort	2010	2017	2022	Annual
State of Florida				
Age: 15-19	1,228,382	1,173,114	1,231,267	11,631
Total % Change in Population		-4.5%	5.0%	1.0%
Age: 20-24	1,228,758	1,322,838	1,264,261	(11,715)
Total % Change in Population		7.7%	-4.4%	-0.9%
Age: 15-24	2,457,140	2,495,952	2,495,528	(85)
Total % Change in Population		1.6%	0.0%	0.0%
Miami-Dade County				
Age: 15-19	168,514	157,329	164,256	1,385
Total % Change in Population		-6.6%	4.4%	0.9%
Age: 20-24	176,823	178,163	168,323	(1,968)
Total % Change in Population		0.8%	-5.5%	-1.1%
Age: 15-24	345,337	335,492	332,579	(583)
Total % Change in Population		-2.9%	-0.9%	-0.2%
Broward County				
Age: 15-19	114,200	106,975	109,663	538
Total % Change in Population		-6.3%	2.5%	0.5%
Age: 20-24	104,783	115,051	108,554	(1,299)
Total % Change in Population		9.8%	-5.6%	-1.1%
Age: 15-24	218,983	222,026	218,217	(762)
Total % Change in Population		1.4%	-1.7%	-0.3%
Palm Beach County				
Age: 15-19	79,570	77,068	78,620	310
Total % Change in Population		-3.1%	2.0%	0.4%
Age: 20-24	74,105	80,786	76,725	(812)
Total % Change in Population		9.0%	-5.0%	-1.0%
Age: 15-24	153,675	157,854	155,345	(502)
Total % Change in Population		2.7%	-1.6%	-0.3%

Source: ESRI

Of the total undergraduate enrollment figures at Florida International University, the highest proportion of students are from Miami-Dade County (72.1%) with the next largest subset of students coming from Broward (16.0%) and Palm Beach counties (2.0%). The balance come from students living outside of Miami-Dade and adjacent counties.

The college-aged population ages 15 to 19 in Miami-Dade County is expected to increase by 0.9% per year thru 2022. The population age 20 to 24 is forecast to decrease at a rate of -1.1% during the same period. The overall forecast equates to a change of -0.2%.

The college-aged population ages 15 to 19 in Broward County is expected to increase by 0.5% per year thru 2022. The population age 20 to 24 is forecast to decrease at a rate of -1.1% during the same period. The overall forecast equates to a change of -0.3%.

The college-aged population age 15 to 19 in Palm Beach County is expected to increase at an annual rate of 0.4% over the next five years. The 20 to 24 age group is forecast to decrease at rate of -1.0% per year over the same period. This equates to an overall forecast of -0.3% per year.

Florida International University Historical Enrollment Growth

Extrapolating from data provided by FIU, Florida International University's total undergraduate enrollment growth at the Modesto A. Maidique campus averaged 1.1% per year (382 more students per year) during the five-year period spanning 2013 to 2017. Full-time undergraduate enrollment has averaged a 2.3% increase over the ten year period.

Fall Semester (Undergraduate)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	5 Yr. Avg.	10 Yr. Avg.
Full-time vs. Part-time Enrollment Status												
Full-time	13,927	13,703	15,499	15,715	16,508	17,536	17,453	17,380	17,601	16,945	17,383	16,227
Part-time	8,147	8,203	8,148	7,504	7,543	7,130	7,706	8,178	8,166	8,419	7,920	7,914
Total	22,074	21,906	23,647	23,219	24,051	24,666	25,159	25,558	25,767	25,364	25,303	24,141
Annual Growth												
Full-time	N/A	-1.6%	13.1%	1.4%	5.0%	6.2%	-0.5%	-0.4%	1.3%	-3.7%	0.6%	2.3%
Part-time	N/A	0.7%	-0.7%	-7.9%	0.5%	-5.5%	8.1%	6.1%	-0.1%	3.1%	2.3%	0.5%
Total		-0.8%	7.9%	-1.8%	3.6%	2.6%	2.0%	1.6%	0.8%	-1.6%	1.1%	1.6%
Fall Semester (Graduate)												
Full-time vs. Part-time Enrollment Status												
Full-time	3,082	3,409	3,566	3,805	3,978	4,131	4,237	4,179	4,340	4,069	4,191	3,880
Part-time	1,976	2,074	1,910	1,423	1,270	1,199	1,046	1,091	1,085	1,139	1,112	1,421
Total	5,058	5,483	5,476	5,228	5,248	5,330	5,283	5,270	5,425	5,208	5,303	5,301
Annual Growth												
Full-time	N/A	10.6%	4.6%	6.7%	4.5%	3.8%	2.6%	-1.4%	3.9%	-6.2%	0.5%	3.2%
Part-time	N/A	5.0%	-7.9%	-25.5%	-10.8%	-5.6%	-12.8%	4.3%	-0.5%	5.0%	-1.9%	-5.4%
Total		8.4%	-0.1%	-4.5%	0.4%	1.6%	-0.9%	-0.2%	2.9%	-4.0%	-0.1%	0.4%

Preliminary Fall 2017 enrollment numbers at this location indicate undergraduate enrollment of 25,364 and graduate enrollment of 5,208. Full-time undergraduate enrollment is slightly down while part-time undergraduate enrollment has increased. However, undergraduate enrollment on the whole has remained consistent for the past four years following a surge in enrollment in the years prior.

Recall that the enrollment numbers presented above represent students taking a majority of their FIU classes at the Modesto A. Maidique campus. While the Fall 2017 enrollment is down slightly for this group, enrollment as a whole for FIU increased from 55,112 in Fall 2016 to 56,886 in Fall 2017.

Florida International University Enrollment by Class

Overall, full-time undergraduate enrollment rose an average of 2.3% per year from 2008 to 2017. In the last five years, part-time undergraduate enrollment has gained momentum with an average of growth of 2.3% per year.

The full-time graduate programs are the fastest growing sector, up 3.2% from over the entire ten-year period. Overall, total enrollment is up an average of 1.6% per year over the past ten years and 1.4% per year over the past five years.

Fall Semester	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	10 Year Avg. Annual Growth Rate	5 Year Avg. Annual Growth Rate
Enrollment by Undergraduate Classification												
Full-time Freshman	2,588	2,408	3,026	3,252	3,141	3,100	2,701	2,663	2,804	2,297	-0.6%	-5.7%
Full-time Sophomore	2,454	2,115	2,199	2,712	3,046	3,290	3,202	3,006	3,219	3,444	4.3%	2.7%
Full-time Juniors	3,528	3,694	4,017	3,996	4,305	4,973	5,037	4,967	4,947	4,734	3.5%	2.1%
Full-time Seniors	5,115	5,197	5,989	5,498	5,784	5,933	6,298	6,517	6,353	6,158	2.3%	1.3%
Other	242	289	268	257	232	240	215	227	278	312	3.5%	6.7%
Total Full-time Undergraduates	13,927	13,703	15,499	15,715	16,508	17,536	17,453	17,380	17,601	16,945	2.3%	0.6%
Part-time Freshman	505	387	331	418	365	395	497	531	508	846	8.8%	20.6%
Part-time Sophomores	929	758	590	622	660	584	670	782	832	867	0.2%	6.1%
Part-time Juniors	2,733	2,830	2,907	2,565	2,536	2,387	2,634	2,872	2,788	2,701	0.1%	1.5%
Part-time Seniors	3,323	3,490	3,600	3,167	3,485	3,292	3,464	3,534	3,548	3,460	0.6%	-0.1%
Other	657	738	720	732	497	472	441	459	490	545	-1.1%	2.1%
Total Part-time Undergraduates	8,147	8,203	8,148	7,504	7,543	7,130	7,706	8,178	8,166	8,419	0.5%	2.3%
Total Undergraduates	22,074	21,906	23,647	23,219	24,051	24,666	25,159	25,558	25,767	25,364	1.6%	1.1%
Graduate Students												
Full-time Masters	2,000	2,138	2,049	1,995	2,036	2,026	2,095	2,080	2,164	2,063	0.4%	0.3%
Full-time Doctorate	1,082	1,271	1,517	1,810	1,942	2,105	2,142	2,099	2,176	2,006	7.5%	0.8%
Total Full-Time Graduates	3,082	3,409	3,566	3,805	3,978	4,131	4,237	4,179	4,340	4,069	3.2%	0.5%
Part-time Masters	1,577	1,657	1,515	1,280	1,101	1,025	878	921	909	762	-7.4%	-6.8%
Part-time Doctorate	399	417	395	143	169	174	168	170	176	377	8.0%	23.7%
Total Part-time Graduates	1,976	2,074	1,910	1,423	1,270	1,199	1,046	1,091	1,085	1,139	-5.4%	-1.9%
Total Graduates	5,058	5,483	5,476	5,228	5,248	5,330	5,283	5,270	5,425	5,208	0.4%	-0.1%
Total Enrollment												
Total Enrollment	27,132	27,389	29,123	28,447	29,299	29,996	30,442	30,828	31,192	30,572	1.4%	0.9%

Within the strategic plan, [Beyond Possible 2020](#), one of the specific goals behind the Student Success theme is to grow student enrollment strategically to 65,000. Based on 2014 enrollment of approximately 54,000 students, this goal equates to growth of 20% or 3.4% per year. The steps towards accomplishing the goal are outlined as follows:

- Strategic enrollment growth to 65,000 students by 2020 focusing on areas including fully online, hybrid, non-resident students, professional master's, dual enrollment, continuing education, executive education and non-credit certificate programs
- Targeted FTIC (first time in college) enrollment strategy to exceed BOG (board of governors) performance standards in retention and graduation and continue gradual GPA increase
- Launch Connect4Success@FIU 2+2 program to dramatically expand pipeline of well-prepared transfer students coming from state colleges (50,000 students by 2020)
- Ensure that all high potential students wishing to graduate from FIU have a pathway that ensures their success – make data-driven decisions
- Continue to develop and expand seamless and accelerated success pathways from HS/AA/BS/MS/Ph.D. (Access, Education Effect, Fostering Panther Pride, Connect4Success, McNair, etc.)
- Strategic growth at BBC, FIU@I-75, Downtown on Brickell, China and other offsite locations

Florida International University On-Campus Housing

Since 2000, more than 2,100 beds have been added to FIU's on-campus housing at the Modesto A. Maidique campus. As of Fall 2017, on-campus housing consists of a total of 3,159 beds which is comprised of a mix of residence halls and apartments. Residents of Panther Hall and Lakeview Hall are required to purchase a meal plan which adds more than \$1,000 per month to the cost. Note that the costs summarized in the table below do not include required meal plans and are for housing only.

According to the Common Data Set for 2016-2017, a total of 22% of first-time freshman and 7% of total undergraduates live on campus in college-owned, operated, or affiliated housing. These percentages are based on the entire FIU enrollment. **Note that the university does not require first-year students to live on-campus.** As of Fall 2017, occupancy is 99%.

Name	Year Built	Total Capacity Fall 2017	Cost/Academic Yr.	Cost/Mo.	Freshmen	Sophomores	Juniors & Seniors	Type
On-Campus Housing								
University Apartments	1985	537	\$8,100	\$900			X	Studio
			\$5,700	\$633			X	Shared 1 Bedroom Suite
			\$4,900	\$544			X	Shared 2 Bedroom Suite
			\$4,500	\$500			X	Shared 2 Bedroom Suite
			\$6,500	\$722			X	Private 3 Bedroom Suite
			\$7,600	\$844			X	Private 4 Bedroom Suite
Panther Hall	1995	369	\$5,300	\$589	X		Shared 2 Bedroom Suite	
University Towers	2000	481	\$8,700	\$967			X	Studio
			\$8,600	\$956			X	Private 2 Bedroom Suite
			\$8,100	\$900			X	Private 4 Bedroom Suite
Everglades Hall	2002	372	\$7,700	\$856		X	Private 3 Bedroom Suite	
Lakeview Hall	2006	800	\$5,300	\$589	X	X	X	Shared 2 Bedroom Suite
			\$6,700	\$744	X	X	X	Private 4 Bedroom Suite
Parkview Hall	2013	340	\$8,600	\$956			X	Private 4 Bedroom Suite
Honors College at Parkview Hall	2013	260	\$8,600	\$956	X	X	X	Private 4 Bedroom Suite
Total		3,159						

Florida International University's tuition varies according to status (undergraduate/graduate), full-time/part-time status, and residency (Florida state resident/non-resident). For the 2017-2018 school year, the average cost of tuition and fees for full-time undergraduate Florida residents is \$6,566 per academic year. Tuition and fees for non-residents is \$18,965 per year. Graduate tuition and fees average \$10,935 per year for Florida residents and \$24,041 per year for non-residents. According to the Common Data Set 2016-2017, the total average cost of room and board is an additional \$10,882 per year.

For 2017, FIU developed a new initiative known as the Golden Promise in which FIU guarantees its 2017 freshmen that their tuition will be covered if they are Florida residents and have an Expected Family Contribution (EFC) of zero on the Free Application for Federal Student Aid (FAFSA). The Golden Promise program intends to cover gaps in financial aid so that students can take 30 credit hours a year and earn a bachelor's degree in four years. According to the Office of Financial Aid, approximately 1,200 freshmen in Fall 2017 will be the beneficiaries of the Golden Promise. These students typically come from families that earn less than \$33,000 a year.

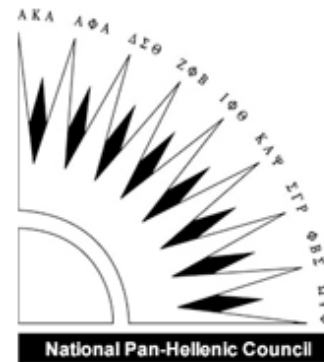
According to the Common Data Set 2016-17, there are a total of 19,600 full-time undergraduate students attending Florida International University (all campuses) on need-based scholarships (equal to 35% of total undergraduates). The average amount of need-based scholarships awarded is \$5,442.

Fraternities and Sororities

Florida International University has a Greek population with approximately 9% of undergraduate men and women belonging to fraternities and sororities (about 2,300 students). The Greek community consists of 37 recognized fraternities and sororities. The organizations are advised by faculty and chapter advisers. There are four separate governing councils:

- Interfraternity Council (IFC) consists of 15 North-American Interfraternity Conference fraternities.
- Panhellenic Council (PC) consists of seven sororities.
- Multicultural Greek Council (MGC) consists of eight culturally-based fraternities and sororities.
- National Pan-Hellenic Council (NPHC) consists of seven traditionally African-American Greek-Letter-Organizations.

Two fraternities, Phi Gamma Delta and Pi Kappa Phi, have sanctioned housing that is located on the border of campus. Phi Gamma Delta was the first Greek house to open on campus in 2001 on houses approximately 15 members. The Pi Kappa Phi fraternity house has 18 bedrooms for a maximum capacity of 35.



Depth of Demand

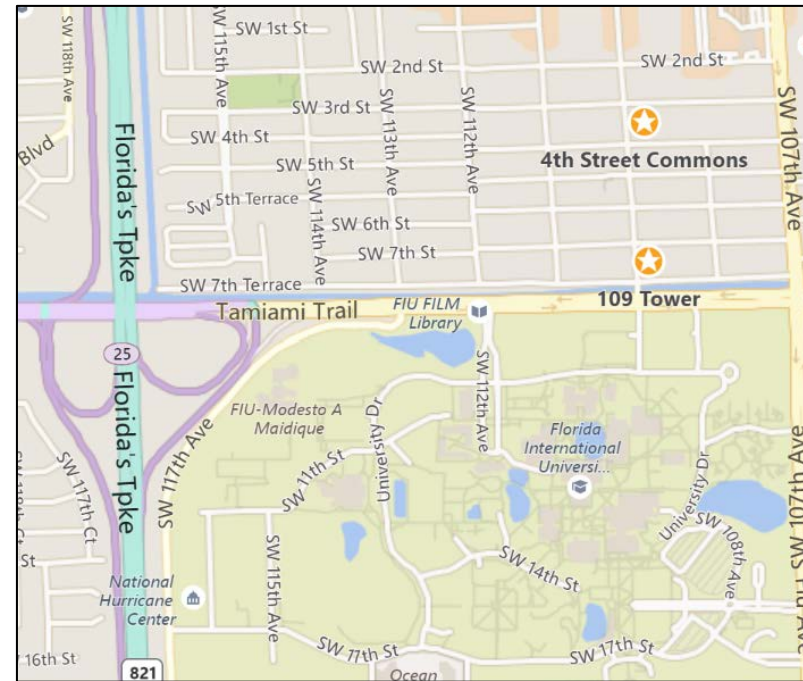
Florida International University

Purpose-Built Student Housing Inventory

Meyers estimates that in Fall 2017, approximately 3.5% of students at the Modesto A. Maidique campus of Florida International University resided in off-campus, purpose-built student housing communities.

As of Fall 2018, there are 1,080 beds of off-campus Class A by-the-bed housing in two properties: 109 Tower, managed by EdR Trust, is directly across the street from the subject site and has 530 beds in two and four bedroom floor plans. 4th Street Common is located several blocks north, is managed by Asset Campus Housing, and has 550 beds in studio, one, two, and four bedroom floor plans.

Older properties such as houses, duplexes/fourplexes, or small apartments are not considered in the depth of demand calculation as they would not compete with new construction in terms of location, amenities, or target market (a top-of-the-market renter). Likewise, Class A traditional multifamily rental properties are not considered in the depth of demand calculation as they do not cater specially to students.



Off-Campus Housing - Class A, By-the-Bed Apartments	Year Built	Manager	Total Units	Total Beds	Avg. Eff. Monthly Rent Per Bed	Type	Occupancy
109 Tower	2014	EdR Trust	143	530	\$962	Private 2BD,4BD	99%
4th Street Commons	2015	Asset Campus Housing	208	550	\$1,013	Private Studio, 1BD, 2BD, 4BD	97%
Total Off-Campus Student Housing			351	1,080	\$988		98%

Meyers' depth of demand analysis attempts to quantify the number of Florida International University students requiring off-campus housing (or total demand). These students (total demand) are then measured against the total number of existing Class A off-campus student housing inventory to arrive at the remaining demand. Based on the Office of Planning and Institutional Research, Fall 2017 total enrollment is 30,572 including undergraduate enrollment of 25,364 and graduate enrollment of 5,208. Recall that the enrollment figure of 30,572 constitutes the number of FIU students who take a majority of their classes at the Modesto A. Maidique campus (as FIU does not lock students to campuses for their coursework). If a student takes one class at the Modesto A. Maidique campus but a majority of their classes at another campus (or online), they are not included in this enrollment figure as they are not part of the target market for University Bridge

The remaining demand is measured against the proposed number of beds at the subject property to arrive at a capture rate. The capture rate represents the percentage of remaining off-campus demand that the subject property must "capture" or "close" in order to reach a stabilized occupancy.

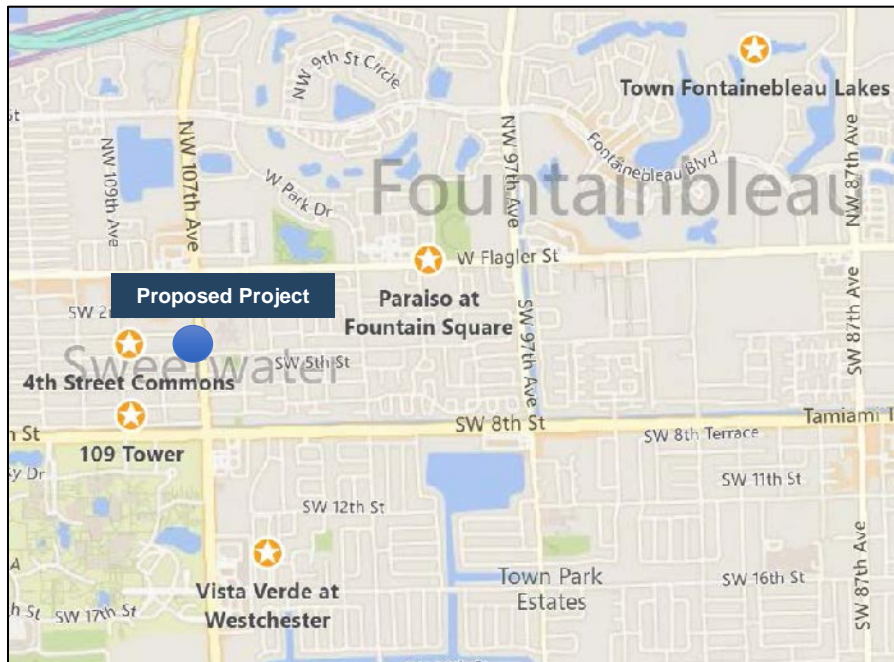
The following page illustrates the calculated depth of demand for the subject, which is estimated to deliver 1,244 beds in 2020. The analysis illustrates the remaining demand from undergraduate and graduate students after on and off-campus existing and planned inventory are deducted from the totals.

The current pipeline of student housing includes the possible eventual delivery of Parkview Phase 2 with 656 beds no sooner than Fall 2021. Meyers identified one off-campus student housing project six blocks away from the nearest pedestrian entrance to campus. that is currently in the planning stages. However, based on the current status, this project would most likely deliver later than Fall 2020 if it moves forward.

When the subject delivers 1,244 new beds in 2020, the calculated capture rate equates to 10.3% (1,244 beds against un-met potential demand for 12,130 beds). In comparison, measured against only the estimated demand from the top-of-the-market renter pool (based on the percentage of survey respondents that currently pay more than \$900 per month), the calculated capture rate would equate to 33.1% (1,244/12,130).

Demand Pool 1 (Undergraduates)					
	%	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Total Undergraduate Enrollment		25,364	25,770	26,182	26,601
Less: Full-time (Over 25 Years)	4%	-1,099	-1,117	-1,134	-1,153
Less: Part-time (Over 25 Years)	8%	-1,981	-2,013	-2,045	-2,974
<u>Less: Part-time (Under 25 Years)</u>	<u>25%</u>	<u>-6,438</u>	<u>-6,541</u>	<u>-6,646</u>	<u>-5,856</u>
Total Non-Traditionals	38%	-9,518	-9,670	-9,825	-9,982
Total Traditional Undergraduates	62%	15,846	16,100	16,357	16,619
Total Traditional Students From Miami-Dade County	72%	11,425	11,608	11,793	11,982
Total Traditional Undergraduates From Outside of Miami-Dade County	28%	4,421	4,492	4,564	4,637
Less: Traditional Students Living Within Commuting Distance with Parents	-9%	-2,182	-2,217	-2,252	-2,288
Total Undergraduates Requiring On or Off-Campus Housing	54%	13,664	13,883	14,105	14,331
On-Campus Student Housing		3,159	3,159	3,159	3,159
Greek Housing		50	50	50	50
Total On-Campus Housing To Meet Undergraduate Demand	13%	3,209	3,209	3,209	3,209
Total Potential Demand for By-the-Bed Housing (Undergraduates)	41%	10,455	10,674	10,896	11,122
Demand Pool 2 (Graduates)					
	%	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Total Graduate Enrollment		5,208	5,229	5,250	5,271
Less: Doctoral Enrollment	-39%	-2,006	-2,014	-2,022	-2,030
Less: Part-time Graduate Enrollment	-22%	-1,139	-1,144	-1,148	-1,153
Total Graduate Students Requiring On or Off-Campus Housing	40%	2,063	2,071	2,080	2,088
Total On-Campus Housing to Meet Graduate Demand	0%	0	0	0	0
Remaining Graduates Requiring Housing	40%	2,063	2,071	2,080	2,088
Total Potential Demand for By-the-Bed Housing (Graduates)	40%	2,063	2,071	2,080	2,088
Depth of Demand Pool 1 & 2					
	%	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Total Potential Demand for By-the-Bed Housing (Undergraduates & Graduates)	41%	12,518	12,745	12,976	13,210
Total Off-Campus By-the-Bed Class A Student Housing Inventory		1,080	1,080	1,080	1,080
New Total Off-Campus By-the-Bed Class A Student Housing		0	0	0	0
Remaining Potential Demand for Off-Campus Housing		11,438	11,665	11,896	12,130
Subject Capture Rate on Total Demand (1,244 beds):					10.3%

- 1) Florida International University is targeting a headcount of 65,000 students by 2020. This goal was set in 2014 when total enrollment was approximately 54,000. To reach 65,000 by 2020, the total growth achieved each year would need to be 3.4%. Total enrollment as of Fall 2017 is roughly 57,000. Based on this trajectory, total enrollment at FIU will reach 65,000 beyond 2020. Therefore, Meyers estimated a growth rate for undergraduates and graduates based on the historic enrollment trends as seen over the past five and ten years. The annual growth rates used in the depth of demand analysis on page 42 are 1.6% for undergraduates and 0.4% for graduates, which are in line with historical growth rates.
- 2) According to Office of Planning and Institutional Research, 83% of the population at the Modesto A. Maidique campus is undergraduate. The highest concentration of undergraduates is in the Junior and Senior classes due in part to FIU's transfer programs with nearby community colleges and two-year universities.
- 3) The number of students residing in Miami-Dade County is provided by the university Office of Planning and Institutional Research.
- 4) Traditional Students Residing with Parents is based on a national Pew Research report (August 2013) which indicates that 56.2% of individuals aged 18 to 24 live with their parents. Of this group, 38.9% are attending a two- or four-year university. This data includes individuals residing in dormitories; as such, the percentage of undergraduates housed on-campus at Florida International University was utilized as an adjustment to this national figure.
- 5) On-campus housing rentable capacity is based on publicly available information regarding Florida International University's housing stock.
- 6) Total Off-Campus By the Bed Class A Inventory is a compilation of the total number of beds derived from third party sources and interviews with market participants. The inventory is increased based on the delivery of new projects that are detailed on page 44. Older properties such as houses, duplexes/fourplexes, or small apartments are not considered in the depth of demand calculation as they would not compete with new construction in terms of location, amenities, or target market (a top-of-the-market renter). Likewise, Class A traditional multifamily rental properties are not considered in the depth of demand calculation as they do not cater specially to students.
- 7) In the graduates headcount, part-time graduate students and doctoral enrollment students have been removed from the demand pool. Meyers is assuming that only full-time graduates (40%) would require off-campus housing and they will only prefer single-occupancy (studio and one bedroom units).
- 8) Meyers identified one student housing project that is currently planned (see page 44 for details).
- 9) After subtracting existing competition from the total potential demand, the remaining potential demand equals 12,130 students in Fall 2020.
- 10) Based on Meyers' survey, 31% of respondents currently pay above \$900 per bed in rent. Assuming that 31% of students can afford a top-of-the-market property, the resulting demand in Fall 2020 is 3,760 beds, resulting in a capture rate of 33.1%.



FIU's campus master plan discusses the overall goal of providing future housing to match the projected enrollment growth. Currently, the university plans to build a second phase of Parkview residence hall with 656 beds scheduled to open in Fall 2020. The project will be financed through bonds.

In 2015, the State of Florida Board of Governors issued \$27.1 million of dormitory revenue refunding bonds on behalf of FIU. These bonds will refund outstanding series 2004A bonds for economic savings. Additionally, there is approximately \$72 million of outstanding dormitory revenue and refunding bonds series 2011A and 2012A.

In addition to the subject, there is one proposed student housing project located at the intersection of SW 4th Street and SW 107th Avenue. Plans include approximately 600 beds with a unit mix weighted towards four bedroom floor plans. There is currently no development activity; therefore, the estimated completion date is likely outside of Fall 2020.

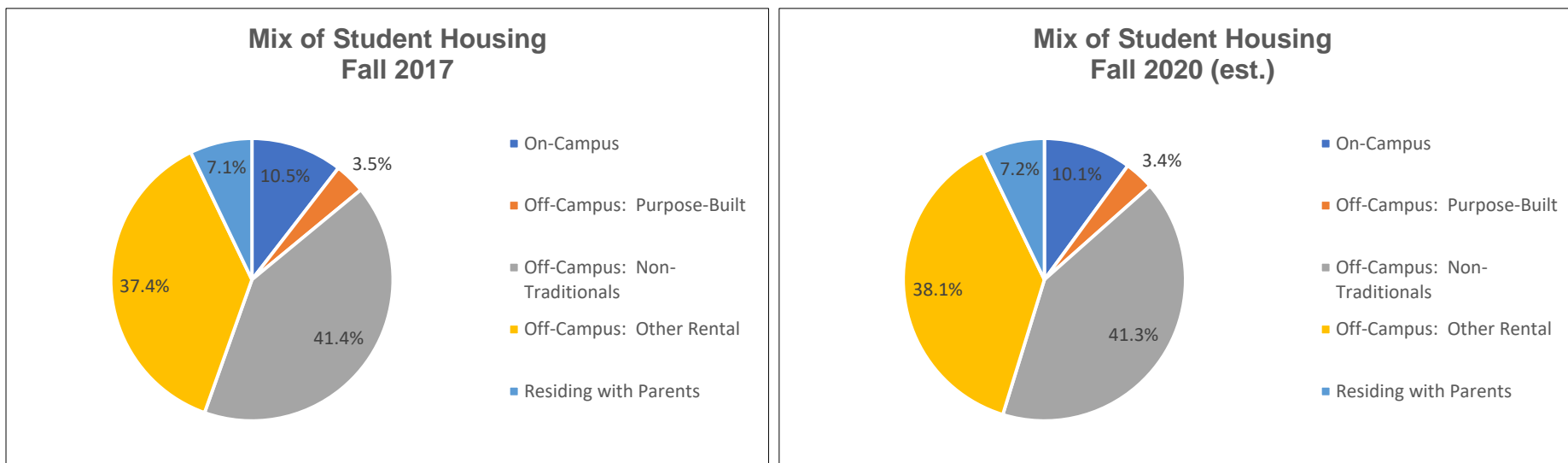
Total Net Demand for Off-Campus Beds

As shown on page 42, Fall 2017 undergraduate enrollment is 25,364 students. Assuming that part-time and full-time students over the age of 25 do not reside in on- or off-campus affiliated housing, the total traditional undergraduates figure is estimated at 15,846. After subtracting Traditional Students Living Within Commuting Distance with Parents (see Assumptions on previous page) and the existing on-campus housing, the remaining net undergraduate demand figure is calculated to be 10,455

Applying the same methodology to graduate enrollment numbers, the total potential demand for off-campus housing equals 2,063, for a combined potential demand figure of 12,518. After subtracting the Total Off-Campus By-the-Bed Class A Student Housing Inventory, the total unmet demand for housing is 11,438. These students are currently living in other off-campus housing options. By 2020, potential demand for off-campus, Class A student housing is expected to reach 12,130.

The pie charts illustrate the types of housing students reside in (Fall 2017 and Fall 2020 estimate). Off-campus “Non-Traditionals” are comprised of the part-time students and students over 25 and represent the largest percentage of housing for students at 41.4%. The off-campus “Other Rentals” is the second largest percentage of housing for students and represents the unmet demand of 11,438 divided by total enrollment.

On-campus student housing could increase by 656 beds between Fall 2017 and Fall 2020. Regarding the proposed student housing deal that is currently in discussion, it would most likely deliver later than Fall 2020 if it moves forward.



Competitive Market – Rents

University Bridge

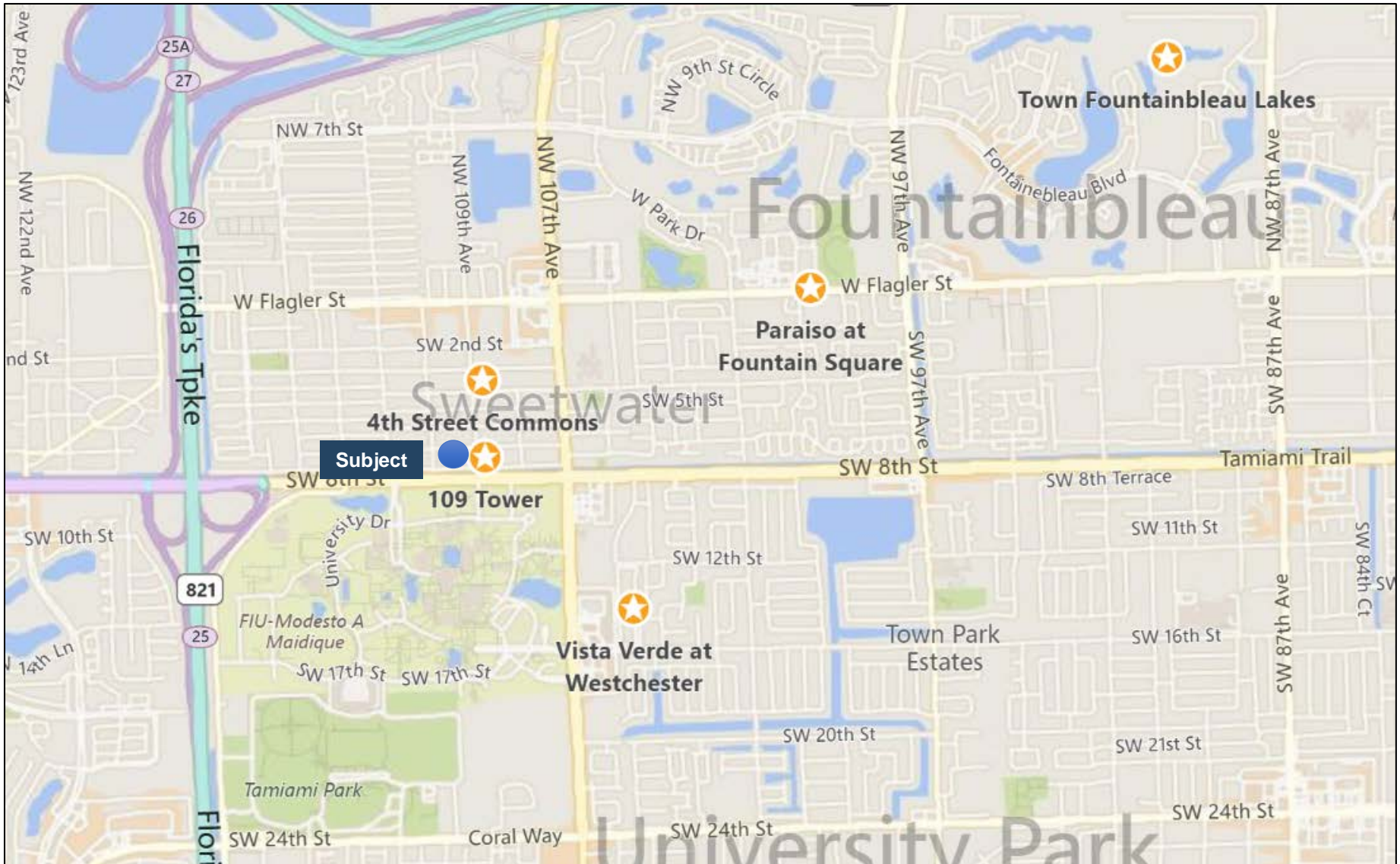
Summary of Comparable Properties

Meyers Research procured data on five comparable properties in order to devise a pricing strategy for University Bridge. These properties represent Class A purpose-built student housing as well as recently constructed, top-of-the-market traditional multifamily properties in the neighborhood with good proximity to FIU. The properties within walking distance to campus include 109 Tower, 4th Street Commons, and Vista Verde at Westchester. 109 Tower is a 16-story high-rise, and 4th Street Commons is an 8-story mid-rise design. Vista Verde at Westchester and Town Fontainebleau Lakes are garden-style, and Paraiso at Fountain Square is a wrap-design. The traditional properties are included in the comparables section due to their proximity to campus and the lack of other student oriented properties in the neighborhood.

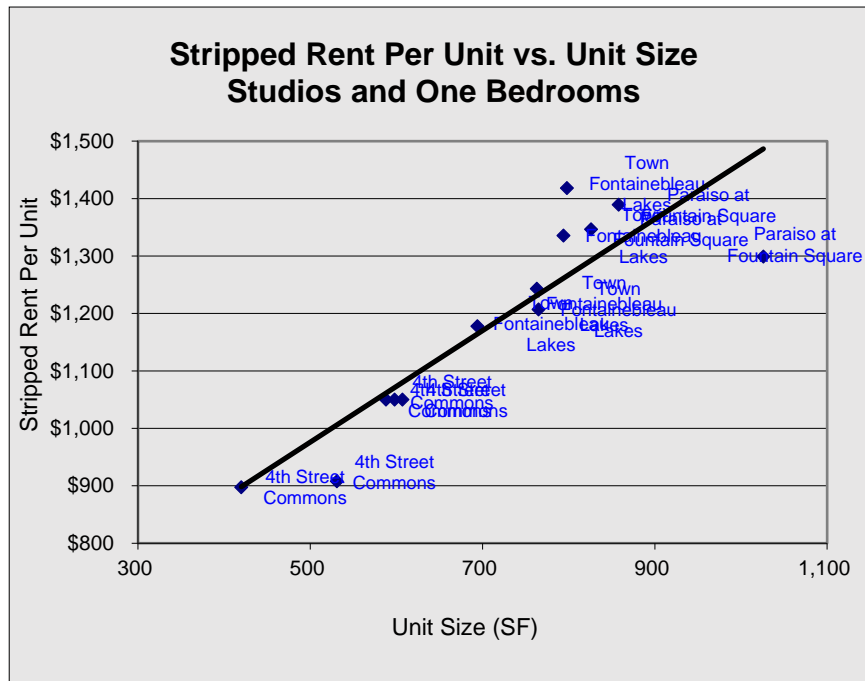
The comparable properties are located an average driving distance of 1.4 miles from the subject property. 109 Tower is located directly across the street and is the geographically closest comparable, while the furthest community, Town Fontainebleau Lakes, is located approximately 3.8 miles away.

All of the comparables are professionally managed (no REIT ownership) and one utilizes revenue management software. These software programs provide pricing recommendations based on historical demand, unit type availability, net rental pricing, lease term, days vacant, and comparable rental rates.

Property Name	Property Manager	Revenue Management	# of Units	# Beds	Yr. Completed	% Occ.	Driving Distance from Subject (Miles)
Student Housing Comparables							
109 Tower	EdR Trust	None	143	530	2014	99%	0.1
4th Street Commons	Asset Campus Housing	None	208	550	2015	97%	0.3
Traditional Comparables							
Vista Verde at Westchester	Rilea Group	None	302	508	1993	90%	1.1
Paraiso at Fountain Square	Lincoln Property Company	Yieldstar	175	166	2017	90%	1.7
Town Fontainebleau Lakes	TRG Management	None	360	456	2016	92%	3.8
Total/Averages			1,188	2,210	2011	94%	1.4



In order to arrive at a base rent for University Bridge, Meyers utilized a stripped rent trend line methodology. Comparable properties' floor plans were adjusted for age, amenities, and size. Each adjustment will be illustrated in detail on the following pages. Stripped rent trend lines for one, two, and three bedrooms are illustrated.

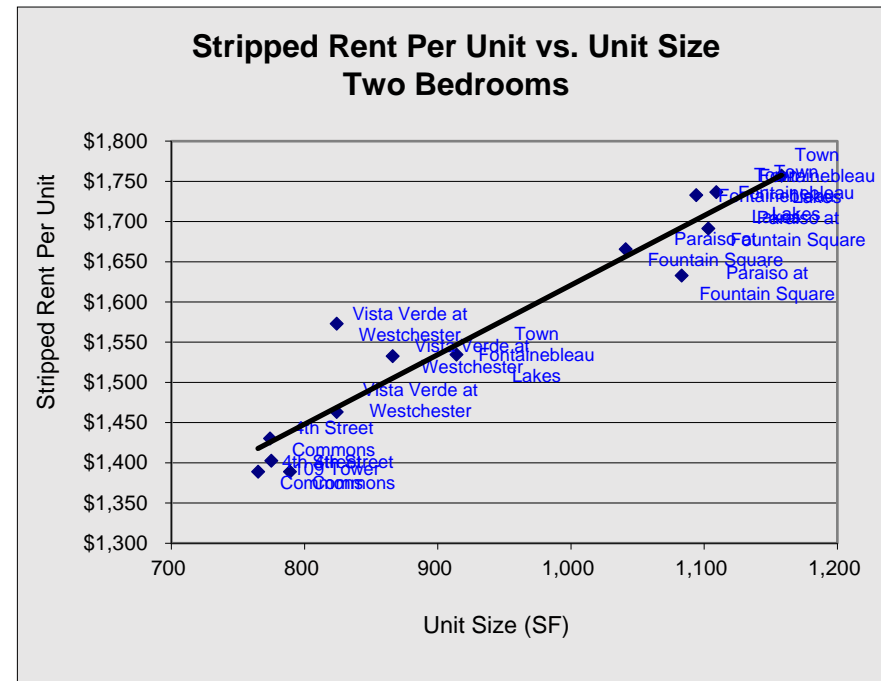


Studio and One Bedroom Trend Line:

Slope = 0.9710

Intercept 490.45

Example: $((0.9710 \times 400 \text{ SF}) + 490.45) \times (1 + 0.028 \text{ loc adj}) = \903



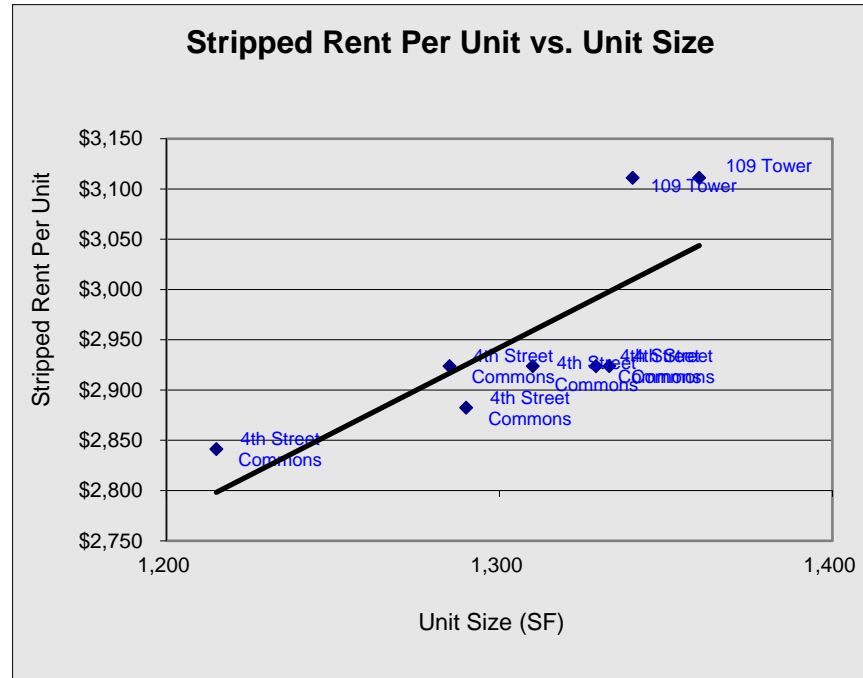
Two Bedroom Trend Line:

Slope = 0.8493

Intercept = 772.68

Example: $(0.8493 \times 655 \text{ SF}) + 772.68 \times (1 + 0.28 \text{ loc adj}) = \$1,366$

Studio units were adjusted by -\$300 per month based on the performance of these unit offerings at 4th Street Commons and Vista Verde at Westchester. Additionally, an adjustment of -\$200 per month was included for the one bedrooms based on the spreads achieved at the comparables (reference page 65).



Three and Four Bedroom Trend Line:

Slope = 1.6934

Intercept = 740.65

Example: $((1.6934 \times 1,150 \text{ SF}) + 740.65) \times (1 + 0.028 \text{ loc adj}) = \$2,763$

Given the lack of three bedroom floor plans in the market, a reliable trend line could not be created, and the three bedroom units were priced on the four bedroom trend line. Therefore, an adjustment of -\$250 was applied to the three bedrooms to account for the lack of a fourth bedroom.

Age Adjustments

Each comparable receives an adjustment so that it will reflect a rent level typical of a newly constructed property. The methodology employed in this analysis is based on a study performed by Marshall & Swift. The premise of this methodology is that depreciation is not linear and that the aging process is minimal at first and then accelerates as a property ages.

	Year Built	Effective Age	Effective Age Difference	Adjustment
University Bridge	2020	2020	N/A	N/A
Paraiso at Fountain Square	2017	2017	3	1%
Town Fountainbleau Lakes	2016	2016	4	2%
4th Street Commons	2015	2015	5	3%
109 Tower	2015	2015	5	3%
Vista Verde at Westchester	1993	2009	11	7%

It is important to note that while the subject is not yet constructed, it is appropriate to use its proposed completion date of 2020 in this analysis. While our rent estimates are presented in March 2018 dollars, after completion, the subject will have an age difference of two years between today and its actual development date. The age adjustments applied in this analysis are based on an economic life of 50 years. **When the community is completed, it will be an average of six years newer than the comparables which is equal to an average age adjustment of 3%.**

Amenity packages are compared to the planned offering at University Bridge in the table below. A detailed list of amenities for the subject property is provided on page 61.

	Unit Amenity Value Per Unit	Community Amenity Value Per Unit	Average Amenity Values Per Unit
University Bridge	\$308	\$464	\$772
109 Tower	\$537	\$302	\$839
Paraiso at Fountain Square	\$318	\$414	\$732
4th Street Commons	\$416	\$300	\$716
Town Fontainebleau Lakes	\$324	\$231	\$555
Vista Verde at Westchester	\$262	\$96	\$358
Weighted Average	\$332	\$242	\$574

The comparables indicate amenity package values ranging from \$358 to \$839 per unit, with an overall average of \$574 per unit (including parking options). The high of the range is set by 109 Tower primarily because the property is weighted towards four bedroom units. Therefore, the Unit Amenity Value includes furnishings and utilities for four individuals.

University Bridge is programmed to include a top-of-the-market amenity package in order to offer a superior level of finish out and community offerings to other student housing projects. The community amenity value is bolstered by the extensive security features that the property will offer including 24-hour security, controlled access buildings and garage, monitored security cameras in the buildings and garage, and panic buttons inside the buildings and garage. **According to Meyers' survey, more than 90% of respondents were willing to pay extra for each of the security features offered which is considered an extremely high preference in Meyers' experience.** University Bridge will also include a unique amenities such as a rooftop terrace with dining areas, a yoga lawn, and a performance stage, and 7,000 square feet of ground floor retail.

Amenity Features Comparison



Community	Appliances	Kitchen Counters	Kitchen Backsplash	Bathroom Counters	Cabinets	Living/ Dining Flooring	Kitchen Flooring	Bathroom Flooring	Bedroom Flooring	Washer & Dryer
University Bridge	Stainless Steel	Granite	Subway Tile	Granite	Natural	Hardwood-Like	Hardwood-Like	Hardwood-Like	Carpet	Included
109 Tower	Black-on-black	Granite	Painted	Granite	Espresso	Hardwood-Like	Hardwood-Like	Ceramic Tile	Carpet	Included
Paraiso at Fountain Square	Stainless Steel	Granite	Subway Tile	Granite	White Striated	Ceramic Tile	Ceramic Tile	Ceramic Tile	Ceramic Tile	Included
4th Street Commons	Stainless Steel	Granite	Painted	Granite	Natural	Hardwood-Like	Hardwood-Like	Ceramic Tile	Carpet	Included
Town Fountainbleau Lakes	Stainless Steel	Granite	Painted	Granite	Espresso	Ceramic Tile	Ceramic Tile	Ceramic Tile	Carpet	Included
Vista Verde at Westchester	Stainless Steel / White-on-white	Laminate	Painted	Laminate	White	Ceramic Tile/Carpet	Ceramic Tile	Ceramic Tile	Ceramic Tile/Carpet	Included

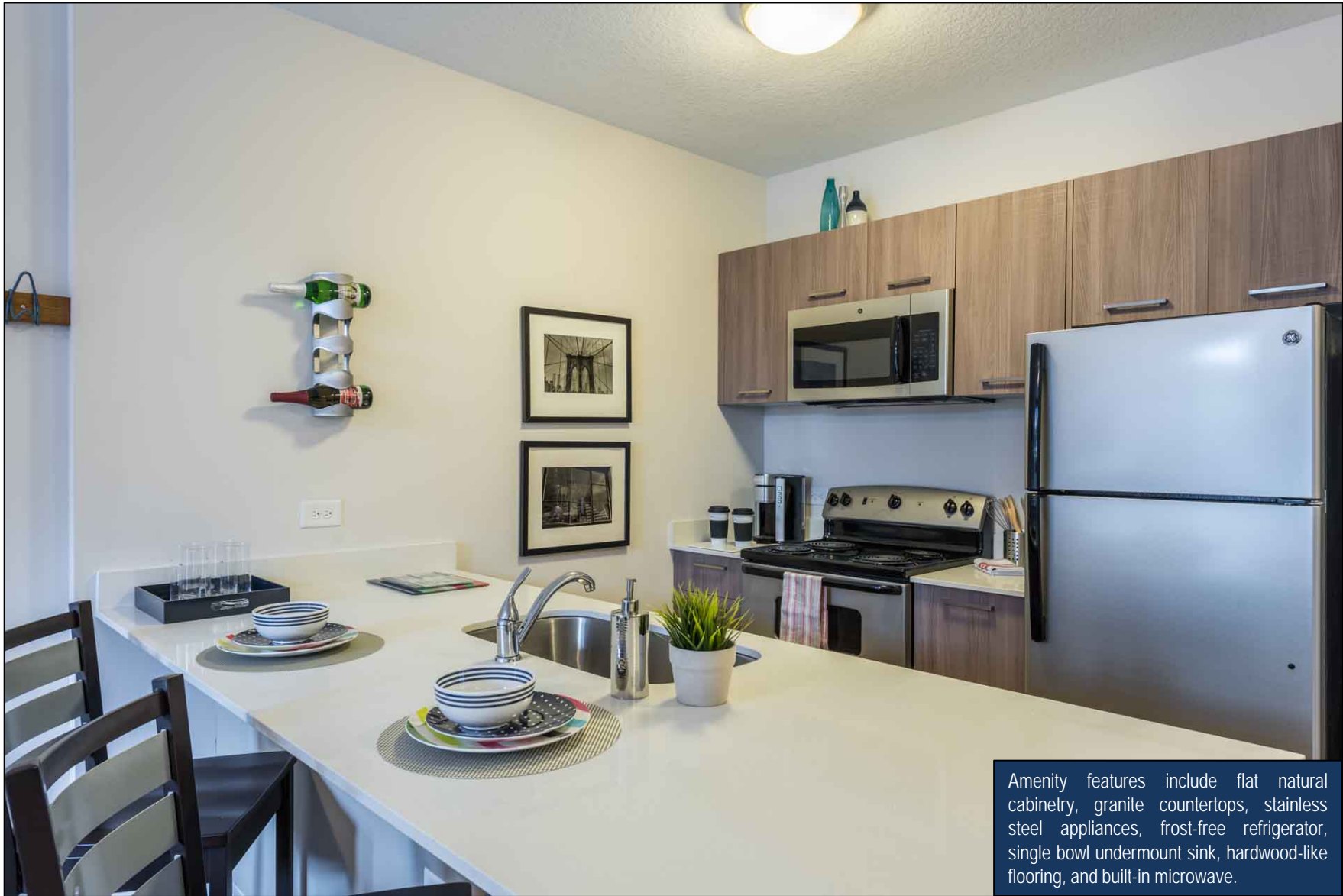
Community	Internet Café/ Business Center	Coffee Bar	Movie Theatre	Billiards/ Shuffle Board/ Game Room	Resident Lounge/ Clubroom	Fitness Center	Pool	Furnished Units	On-site Retail/ Mixed-Use	Walking Distance to Campus
University Bridge	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
109 Tower	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Paraiso at Fountain Square	Yes	Yes	No	No	Yes	Yes	Yes	No	Yes	No
4th Street Commons	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Town Fountainbleau Lakes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
Vista Verde at Westchester	No	No	No	No	No	Yes	Yes	No	No	Yes



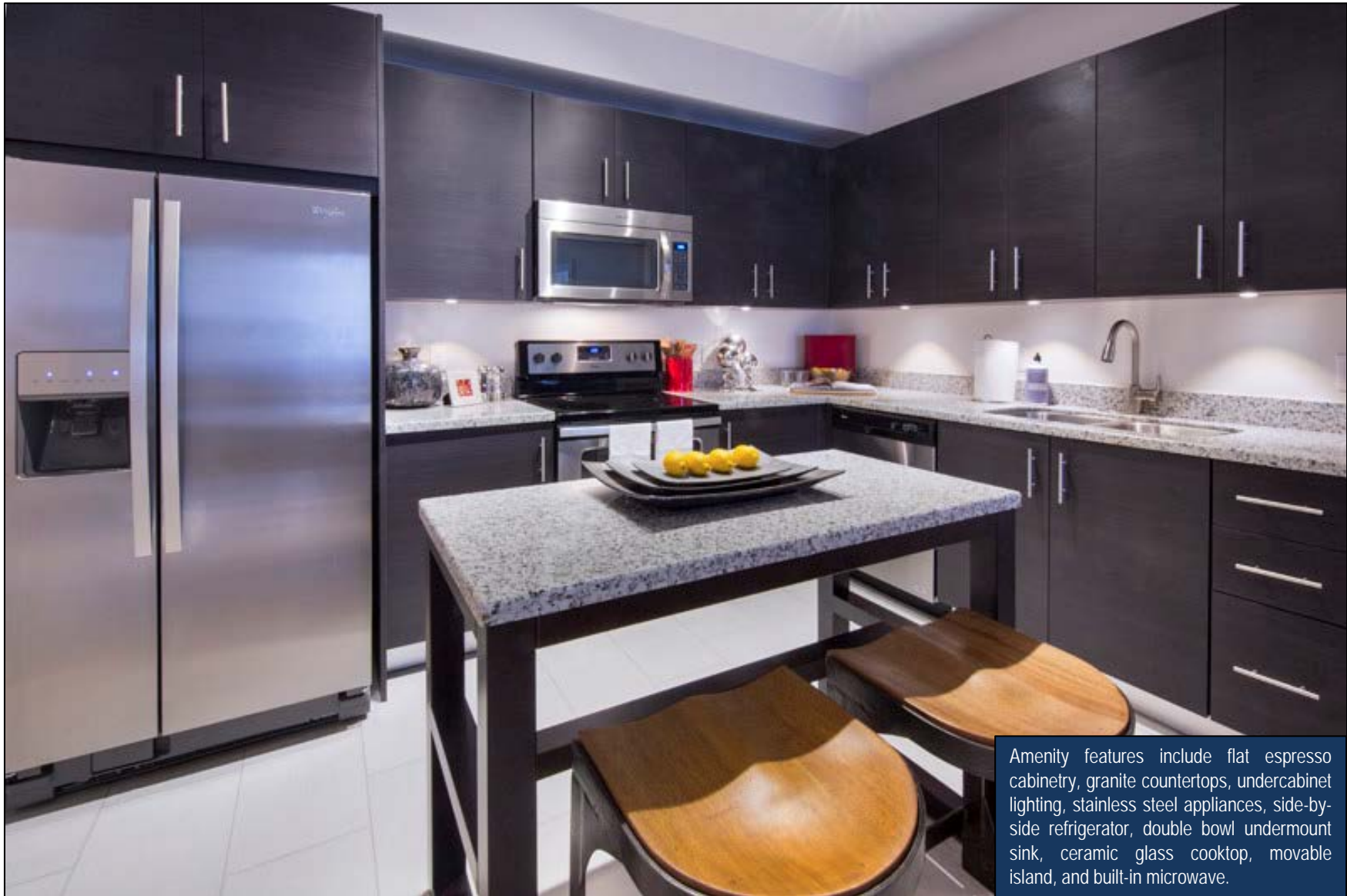
Amenity features include flat espresso cabinetry, granite countertops, painted backsplash, black-on-black appliances, frost-free refrigerator, single bowl sink, hardwood-like flooring, and built-in microwave.



Amenity features include striated-style natural color cabinetry, granite countertops, tile backsplash, stainless steel appliances, frost-free refrigerator, single bowl undermount sink, ceramic glass cooktop, pendant lighting and built-in microwave.



Amenity features include flat natural cabinetry, granite countertops, stainless steel appliances, frost-free refrigerator, single bowl undermount sink, hardwood-like flooring, and built-in microwave.



Amenity features include flat espresso cabinetry, granite countertops, undercabinet lighting, stainless steel appliances, side-by-side refrigerator, double bowl undermount sink, ceramic glass cooktop, movable island, and built-in microwave.



Amenity features include flat white cabinetry, laminate countertops, painted backsplash, stainless steel appliances, side-by-side refrigerator, ceramic glass cooktop, ceramic tile flooring, and built-in microwave.

Location premiums and discounts were established using the comparable properties' weighted average position to the trend line by floor plan type. This methodology implies that when stripped rents are compared, the differences in position relative to the trend line reflect location and other non-quantifiable factors such as property management and unit mix.

Comparable	Driving Distance from Subject (miles)	Weighted Avg. Distance to Trend	Calculated Location Adjustment
University Bridge	N/A	N/A	2.8%
109 Tower	0.1	2.8%	
4th Street Commons	0.3	-3.2%	
Vista Verde at Westchester	1.1	2.8%	
Paraiso at Fountain Square	1.7	-0.1%	
Town Fontainebleau Lakes	3.8	0.2%	

The analysis indicates the strongest locations are those adjacent to the campus: 109 Tower and Vista Verde at Westchester. According to Meyers' survey, respondents prefer the location of 109 Tower and the subject more than all others presented with 88% of respondents rating it Attractive or Extremely Attractive. Vista Verde at Westchester's location received 63% positive ratings; however, 26% of respondents stated that they were unfamiliar with the area. Only 17% of respondents to Meyers' survey indicated that they prefer 4th Street Commons' location over the subject's.

University Bridge is located across from 109 Tower, at the intersection of SW 109th Avenue and SW 7th Terrace. Therefore, in terms of overall location attributes, the site is considered comparable to 109 Tower. Meyers applied a location premium of 2.8% to the rent analysis, equal to the weighted average distance to trend line of 109 Tower. The location premium is equal to \$21 per month per bed or \$0.06 per square foot.

Subject Property Indicated Effective Rent

Meyers adjusted for age, amenities, size, and location. Using the data presented in the trend line, the estimated "stripped" rent for each subject unit was derived through the use of the following formula:

$$\text{Predicted Stripped Rent per Unit} = \text{Slope} \times \text{Unit Size} + \text{Intercept} \times (1 + \text{Location Adjustment})$$

After estimating the "stripped" rent for each of the subject's floor plans, the values associated with the proposed amenities (illustrated on the following pages) were added to the "stripped" rent estimate to arrive at an indicated market rent. All rental rates are stated in March 2018 dollars.

University Bridge								Per Unit/Bed				
Unit Type	Units	Beds	% of Mix	Size (SF)	Size (SF) Per Bed	Per Unit "Stripped" Rent	Per Unit Total Amenities	Base Rent	Bedroom/Floorplan Adjustments	All In Rent	Rent Per Bed	Rent PSF
Studio	278	278	31.4%	330	330	\$833	\$772	\$1,606	-\$300	\$1,306	\$1,306	\$3.96
1BR/1BA	342	342	38.6%	400	400	\$903	\$772	\$1,676	-\$200	\$1,476	\$1,476	\$3.69
2BR/2BA	198	396	22.3%	655	328	\$1,366	\$852	\$2,218	\$0	\$2,218	\$1,109	\$3.39
3BR/3BA	44	132	5.0%	930	310	\$2,380	\$970	\$3,350	-\$250	\$3,100	\$1,033	\$3.33
4BR/4BA	24	96	2.7%	1,150	288	\$2,763	\$1,012	\$3,775	\$0	\$3,775	\$944	\$3.28
Total/Average	886	1244	100.0%	482	343	\$1,108	\$807	\$1,915	-\$184	\$1,731	\$1,233	\$3.59

Studio units were adjusted by -\$300 per month based on the performance of these unit offerings at 4th Street Commons and Vista Verde at Westchester. Additionally, an adjustment of -\$200 per month was included for the one bedrooms based on the spreads achieved at the comparables (reference page 65). Lastly, given the lack of three bedroom floor plans in the market, a reliable trend line could not be created, and the three bedroom units were priced on the four bedroom trend line. Therefore, an adjustment of -\$250 was applied to the three bedrooms to account for the lack of a fourth bedroom. Meyers' rental recommendations do not include parking which is typical among the student housing comparables.

Subject Property Recommended Amenities



	% of Units	Total \$ Value		% of Units	Total \$ Value
UNIT AMENITIES			COMMUNITY AMENITIES		
Apartment Unit:--9-Foot Ceiling	100%	\$5	Complex Design:--High-rise	100%	\$25
Apartment Unit:--Solar Shades	100%	\$10	Complex Design:--Concrete Construction	100%	\$59
Apartment Unit:--Washer/Dryer Connection	100%	\$15	Complex Design:--Elevators	100%	\$14
Apartment Unit:--Full Size Washer/Dryer (Stackable)	100%	\$15	High-Rise Features:--Rooftop Terrace	100%	\$14
Apartment Unit:--Enclosed & Air Conditioned Breezeways	100%	\$10	Clubhouse Amenities:--Business Center / Internet café	100%	\$11
Utilities: Trash	100%	\$5	Clubhouse Amenities:--Conference Room	100%	\$8
Utilities: Basic Cable	100%	\$25	Clubhouse Amenities:--Pool Table	100%	\$7
Utilities - Internet	100%	\$8	Clubhouse Amenities:--Gaming Area with xBox and Playstation	100%	\$9
Technology:--Programmable Thermostat	100%	\$11	Clubhouse Amenities:--Resident Lounge with Televisions	100%	\$7
Technology:--Programmable Key Fob	100%	\$8	Community Amenities:--WiFi in Common Areas & Pool	100%	\$16
Technology:--Pre-wired for Security Alarm (audible)	100%	\$7	Community Amenities - Study Rooms	100%	\$11
Technology - Connectivity to FIU IT Network	100%	\$13	Fitness Center:--Cardio equipment	100%	\$13
Flooring:--Hardwood Like (Entry)	100%	\$2	Fitness Center:--Weight machines	100%	\$14
Flooring:--Hardwood Like (Living)	100%	\$7	Fitness Center:--Free Weights	100%	\$14
Flooring:--Hardwood Like (Dining)	100%	\$4	Fitness Center:--Indoor exercise studio	100%	\$13
Flooring:--Hardwood Like (Kitchen)	100%	\$3	Fitness Center:--Spin Bikes	100%	\$9
Flooring:--Hardwood Like (Bathroom)	100%	\$3	Fitness Center - Outside Turf Fitness Area	100%	\$10
Flooring:--Upgraded Plush Carpet (Bedroom)	100%	\$6	Security Features:--Controlled Access Buildings	100%	\$15
Countertop Material:--Granite (Kitchen)	100%	\$16	Security Features:--Controlled Access Parking Garage	100%	\$15
Countertop Material:--Granite (Bathroom)	100%	\$8	Security Features:--Building Security Cameras	100%	\$17
Cabinetry:--Natural (Kitchen)	100%	\$7	Security Features:--Security Cameras in Parking Garage (monitored)	100%	\$16
Cabinetry:--Natural (Bath)	100%	\$3	Security Features:--24-Hour Guard	100%	\$17
Living:--50-55" Flat Screen Television Mounted to Wall	100%	\$16	Security Features - Panic Buttons in Garage and Hallways	100%	\$16
Kitchen:--Backsplash Subway Tile	100%	\$11	Resort Amenities:--Pool Cabanas	100%	\$12
Kitchen:--Stainless Steel Appliances	100%	\$14	Resort Amenities:--Beach Entry Pool	100%	\$13
Kitchen:--French Door/Bottom Freezer	100%	\$10	Resort Amenities:--Gas BBQ and Island Counter	100%	\$11
Kitchen:--Undermount Sink	100%	\$10	Services:--On-site retail	100%	\$18
Kitchen:--Microwave	100%	\$11	Services - Walking Distance to Campus	100%	\$16
Kitchen:--Ceramic Glass Cooktop	100%	\$11	Services - Fully Furnished	100%	\$30
Bathroom:--Ceramic Tile Bath Surround	100%	\$11	Trash:--Trash Chutes	100%	\$16
Bathroom:--Oval Tub	100%	\$8			
Bedroom:--Ceiling Fan	100%	\$13			
			Total Amenity Package		\$772

- This amenity package is preliminary and in turn is subject to change.
- Amenity values are based on Meyers' research with apartment dwellers across the United States as well as Meyers' online survey conducted in March 2018..
- Depending on the size and layout of a given unit, the level and type of amenity will vary.
- Amenities are given to all units, and values represented are for studios and ones; units with more bedrooms receive a greater value for items such as Utilities and Fully Furnished.

Subject Property Indicated Effective Rent

A summary of the parking options at each comparable property is presented in the table. The two student housing comparables, 109 Tower and 4th Street Commons, are the only comparables to not include some type of parking in their rent. Paraiso at Fountain Square, Town Fontainebleau Lakes, and Vista Verde at Westchester have surface parking available. Paraiso at Fountain Square also offers one parking space in the parking garage per leaseholder. For an additional monthly fee, residents of Town Fontainebleau can lease a detached garage, 4th Street Commons offers limited spaces in its parking garage, and Vista Verde at Westchester offers additional assigned surface spaces.

Comparable	Parking Included in Rent		Reserved Parking Available		
	Surface Lot	Parking Garage	Detached Garage	Parking Garage	Surface Lot
Paraiso at Fountain Square	First Come, First Served	1 per leaseholder	-	-	-
Town Fontainebleau Lakes	First Come, First Served	-	\$150/mo	-	-
4th Street Commons	-	-	-	\$60-\$80/mo	-
109 Tower	-	-	-	-	-
Vista Verde at Westchester	2 per unit	-	-	-	\$20/mo

Parking at University Bridge will be available in a 648-space multi-level parking garage for an additional monthly fee. Meyers recommends offering parking for \$80 per month.

Competitive Market – Unit Mix

University Bridge

Unit Mix Analysis

The unit mix analysis consists of analyzing the current offerings at the comparables. Meyers surveyed 5 communities (1,188 total units) in March 2018. **Overall, the comparables offer 5.5% studios, 26.6% one bedrooms, 41.8% two bedrooms, 7.7% three bedrooms, and 18.4% four bedrooms with an weighted average unit size of 947 square feet.**

A total of 29.5% of the units are from purpose-built student housing properties which have smaller average unit sizes and have a large proportion of four bedroom units.

	# Units	% of Mix	Comparables		
			Wtd. Avg. Unit Size (SF)	Minimum Unit Size (SF)	Maximum Unit Size (SF)
Studio	65	5.5%	435	420	450
1BR/1BA	316	26.6%	728	704	752
2BR/1BA	48	4.0%	927	924	930
2BR/2BA	448	37.7%	932	899	965
3BR/2BA	92	7.7%	1,292	1,277	1,307
4BR/4BA	219	18.4%	1,305	1,288	1,321
Totals/Wtd. Averages	1,188	100%	947	923	971

Example Units

390 SF Studio – Vista Verde



588 SF 1BD – 4th St Commons



775 SF 2BD – 109 Tower



1,215 SF 4BD – 4th Street Commons



Targeted Bedroom Unit Distribution Comparison

The comparable properties are weighted towards two bedrooms (42%), followed by one bedrooms (27%). Two of the comparables offer studio units (5% of the overall unit mix), two properties offer three bedrooms (8% of the overall mix), and two properties offer four bedrooms (18% of the overall mix). The two purpose-built student housing properties contain a majority of four bedroom floor plans and smaller average unit sizes. Vista Verde at Westchester also has smaller average unit sizes but the largest floor plans are two bedrooms. **Both 109 Tower and 4th Street Commons indicated that their two bedroom units are the most popular for Fall 2018 pre-leasing. Vista Verde stated that the studios and one bedroom units were their most popular plans.**

The proposed unit mix for University Bridge is most similar to 4th Street Commons in that it offers a variety of floor plans from studios to four bedroom units. The subject's unit mix is most heavily weighted to single-occupancy units similar to the traditional multifamily comparables. In terms of size, the subject average unit sizes are considerably smaller than most of the market offerings. The studios at the subject are similar in size to the average size found at Vista Verde at Westchester which are out performing the one bedrooms as indicated by the large -\$1.18 spread.

In regards to the one and two bedroom units, the subject's spread of -\$0.30 between the ones and twos is reasonable when compared to the spreads being achieved at other properties.

Property Name	Year Built	Total Units	Total % of Mix					Average Size					Average Rent PSF					Spreads			
			0 Beds	1 Beds	2 Beds	3 Beds	4 Beds	0 Beds	1 Beds	2 Beds	3 Beds	4 Beds	0 Beds	1 Beds	2 Beds	3 Beds	4 Beds	0 to 1 Bed	1 to 2 Bed	2 to 3 Bed	3 to 4 Bed
University Bridge Residences	2020	886	31%	39%	22%	5%	3%	330	400	655	930	1,150	\$3.96	\$3.69	\$3.39	\$3.33	\$3.28	(\$0.27)	(\$0.30)	(\$0.05)	(\$0.05)
Paraiso at Fountain Square	2017	175	0%	33%	56%	11%	0%	-	850	1,099	1,378	-	-	\$2.27	\$2.19	\$2.02	-	-	(\$0.08)	(\$0.18)	-
Town Fontainebleau Lakes	2016	360	0%	47%	33%	20%	0%	-	743	1,043	1,268	-	-	\$2.35	\$2.09	\$1.88	-	-	(\$0.27)	(\$0.20)	-
4th Street Commons	2015	208	12%	17%	25%	0%	47%	518	600	808	-	1,305	\$2.89	\$2.72	\$2.54	-	\$2.83	(\$0.17)	(\$0.19)	-	-
109 Tower	2014	143	0%	0%	15%	0%	85%	-	-	775	-	1,305	-	-	\$2.65	-	\$2.93	-	-	-	-
Vista Verde at Westchester	1993	302	13%	19%	68%	0%	0%	384	640	834	-	-	\$3.68	\$2.49	\$2.13	-	-	(\$1.18)	(\$0.36)	-	-
Comparable Total	2011	1,188	5%	27%	42%	8%	18%	435	728	932	1,292	1,305	\$3.36	\$2.45	\$2.26	\$2.02	\$2.87	(\$0.90)	(\$0.19)	(\$0.24)	\$0.85

Note that the subject units sizes are considerably smaller than other offerings in the market. However, Meyers asked survey respondents to select their preferred floor plan from the subject's unit mix at various price points. **While "none of the above" was an option, more than 90% of respondents selected a floor plan which is an indication that the target market is accepting of these smaller unit sizes.**

Inventory by Unit Type and Size

Unit Size (SF)	# Units	% of Bedrooms	Wtd. Avg. Size (SF)	% of all units	Effective Rent	Effective Rent PSF
Studio Floorplans						
300-399	40	61.5%	384	3.4%	\$1,410	\$3.68
400-499	3	4.6%	420	0.3%	\$1,489	\$3.55
500-599	22	33.8%	531	1.9%	\$1,499	\$2.82
One Bedroom Floorplans						
500-599	16	5.1%	592	1.3%	\$1,635	\$2.76
600-699	139	44.0%	660	11.7%	\$1,642	\$2.49
700-799	104	32.9%	773	8.8%	\$1,784	\$2.31
800-899	56	17.7%	847	4.7%	\$2,035	\$2.40
1,000-1,099	1	0.3%	1,026	0.1%	\$1,960	\$1.91
Two Bedroom Floorplans						
700-799	58	11.7%	780	4.9%	\$2,045	\$2.62
800-899	220	44.4%	836	18.5%	\$1,799	\$2.15
900-999	48	9.7%	927	4.0%	\$2,040	\$2.20
1,000-1,099	67	13.5%	1,062	5.6%	\$2,357	\$2.22
1,100-1,199	103	20.8%	1,138	8.7%	\$2,347	\$2.06
Three Bedroom Floorplans						
1,200-1,299	72	78.3%	1,268	6.1%	\$2,390	\$1.88
1,300-1,399	20	21.7%	1,378	1.7%	\$2,779	\$2.02
Four Bedroom Floorplans						
1,200-1,299	72	32.9%	1,252	6.1%	\$3,713	\$2.97
1,300-1,399	137	62.6%	1,324	11.5%	\$3,792	\$2.86
1,400-1,499	10	4.6%	1,419	0.8%	\$3,756	\$2.65

Paraiso at Fountain Square and Town Fontainebleau Lakes have larger average unit sizes while the two student housing properties and Vista Verde at Westchester have smaller average unit sizes. The planned unit mix for University Bridge tends towards the smaller unit sizes which is appropriate given its target market and location adjacent to campus. The comparable properties offer the highest unit concentrations among the following offerings:

- Two Bedroom = 18.5% (800 to 899 sf)
- One Bedroom = 11.7% (600 to 699 sf)
- Four Bedroom = 11.5% (1,300 to 1,399 sf)
- One Bedroom = 8.8% (700 to 799 sf)

The highest rents per square foot are being achieved on the following floor plans by bedroom (note that floor plans with low inventory were excluded from this illustration):

Floor Plan	Size	Avg. Rent PSF
Efficiency	300 to 399 SF	\$3.68 PSF
	400 to 499 SF	\$3.55 PSF
	500 to 599 SF	\$2.82 PSF
One Bedroom	500 to 599 SF	\$2.76 PSF
	600 to 699 SF	\$2.49 PSF
	800 to 899 SF	\$2.40 PSF
Two Bedroom	700 to 799 SF	\$2.62 PSF
	1,000 to 1,099 SF	\$2.22 PSF
	900 to 999 SF	\$2.20 PSF
Three Bedroom	1,300 to 1,399 SF	\$2.02 PSF
	1,200 to 1,299 SF	\$1.88 PSF
Four Bedroom	1,200 to 1,299 SF	\$2.97 PSF
	1,300 to 1,399 SF	\$2.86 PSF
	1,400 to 1,499 SF	\$2.65 PSF

Meyers considered the following trends when analyzing the planned unit mix for University Bridge:

Comparable Inventory

The unit mix at the comparables is weighted towards 5.5% studios, 26.6% one bedrooms, 48.1% two bedrooms, 7.7% three bedrooms, and 18.4% four bedrooms with an weighted average unit size of 947 square feet.

Best Performing Unit Sizes

- The heaviest concentration of studio units at the comparable properties fall within the 300 to 399 square foot size range (61.5%), all of which are found at two properties (4th Street Commons and Vista Verde at Westchester). The highest performing studio floor plans fall within this range at \$3.68 per square foot.
- The heaviest concentration of one bedroom units at the comparable properties fall within the 600 to 699 square foot size range (44.0%), followed by 700 to 799 square feet (32.9%) and 800 to 899 square feet (17.7%). Of these, the highest performing floor plans fall within the 600 to 699 square feet range at \$2.49 per square foot – excluding floor plans with minimal inventory.
- The largest proportion of two bedroom floor plans fall within the size range of 800 to 899 square feet (44.4%) followed by 1,100 to 1,199 square feet (20.8%). The highest performing floor plans fall within the 700 to 799 square foot range at \$2.62 square feet. All of these small two bedroom units are located at the two student housing properties: 109 Tower and 4th Street Commons.

Best Performing Unit Sizes (con't)

- There are 92 three bedroom units at two of the comparable properties. The highest percentage of three bedroom units falls within the size range of 1,200 to 1,299 square feet (78.3%) followed by 1,300 to 1,399 square feet (21.7%). The top performing units are within the 1,300 to 1,399 square feet range at \$2.02 per square foot.
- Of the four bedrooms, the highest percentage falls within the size range of 1,300 to 1,399 square feet (62.6%) followed by 1,200 to 1,299 square feet (32.9%). The top performing units are within the 1,200 to 1,299 square feet range at \$2.97 per square foot.

Unit Mix

- The proposed unit mix for University Bridge consists of 31% studios, 39% one bedrooms, 22% two bedrooms, 5% three bedrooms, and 3% four bedrooms. Total unit count will be 886 units and 1,244 beds with an average unit size of 482 square feet. Meyers considers the weight of the mix towards single-occupancy units to be better suited towards upperclassmen and graduate students which is the subject's intended target market.
- The subject's smaller unit sizes are untested in the market; however, the results from Meyers' survey indicate the target market of students is interested in this product.

Planned Unit Mix - University Bridge Residences				
Unit Type	# Units	% of Mix	Unit Size (SF)	Wtd. Avg. Unit Size (SF)
Studio	278	31%	330	330
1BR/1BA	342	39%	400	400
2BR/2BA	198	22%	655	655
3BR/3BA	44	5%	930	930
4BR/4BA	24	3%	1,150	1,150
Total/Wtd. Avg.	886	100%	482	482

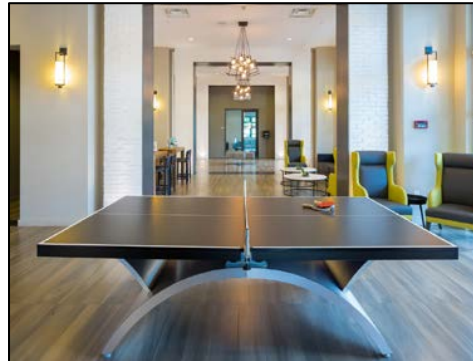
Appendix

University Bridge

109 Tower



Name: 109 Tower
Address: 737 SW 109th Ave
Distance to Subject: 0.1 miles
Year Built: 2014
Occupancy: 99%



Summary of Unit Offerings					
	Number	Size (SF)	Effective Rent Per Unit	Effective Rent PSF	Spread
2 Bedrooms	21	775	\$2,050	\$2.65	n.a.
4 Bedrooms	122	1,305	\$3,825	\$2.93	n.a.
Total/Wtd. Avg.	143	1,227	\$3,564	\$2.91	n.a.

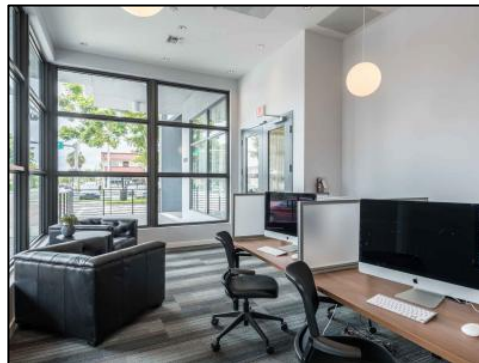
4th Street Commons



Name: 4th Street Commons
 Address: 10899 SW 4th Street
 Distance to Subject: 0.3 miles
 Year Built: 2015
 Occupancy: 97%



Summary of Unit Offerings					
	Number	Size (SF)	Effective Rent Per Unit	Effective Rent PSF	Spread
Studios	25	518	\$1,498	\$2.89	n.a.
1 Bedrooms	35	600	\$1,635	\$2.72	-\$0.17
2 Bedrooms	51	808	\$2,051	\$2.54	-\$0.19
4 Bedrooms	97	1,305	\$3,688	\$2.83	n.a.
Total/Wtd. Avg.	208	970	\$2,678	\$2.76	n.a.



Vista Verde at Westchester



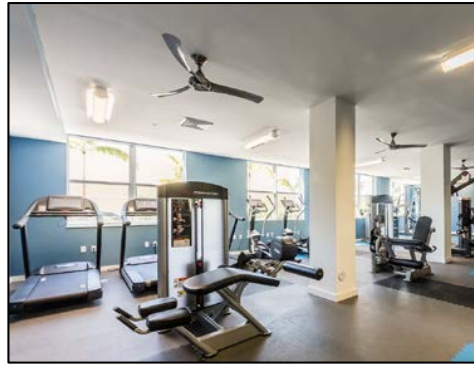
Name: Vista Verde at Westchester
Address: 1440 SW 104th Path
Distance to Subject: miles
Year Built: 1993/2009
Occupancy: 90%



Summary of Unit Offerings					
	Number	Size (SF)	Effective Rent Per Unit	Effective Rent PSF	Spread
Studios	40	384	\$1,410	\$3.68	n.a.
1 Bedrooms	56	640	\$1,595	\$2.49	-\$1.18
2 Bedrooms	206	834	\$1,780	\$2.13	-\$0.36
Total/Wtd. Avg.	302	738	\$1,697	\$2.30	n.a.



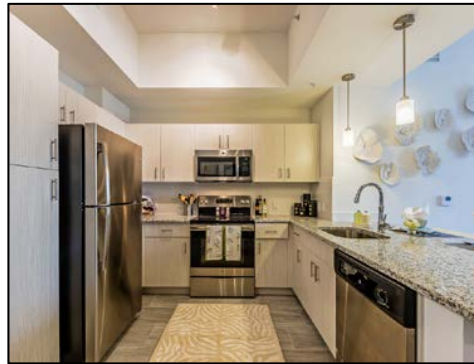
Paraiso at Fountain Square



Name: Paraiso at Fountain Square
Address: 9931 Flagler Street
Distance to Subject: 1.7 miles
Year Built: 2017
Occupancy: 90%



Summary of Unit Offerings					
	Number	Size (SF)	Effective Rent Per Unit	Effective Rent PSF	Spread
1 Bedrooms	57	850	\$2,034	\$2.39	N.A.
2 Bedrooms	98	1,099	\$2,413	\$2.19	-\$0.20
3 Bedrooms	20	1,378	\$2,779	\$2.02	-\$0.38
Total/Wtd. Avg.	175	1,050	\$2,331	\$2.22	N.A.



Town Fontainebleau Lakes



Name: Town at Fontainebleau Lakes
 Address: 8960 NW 8th Street
 Distance to Subject: 3.8 miles
 Year Built: 2016
 Occupancy: 92%

Summary of Unit Offerings					
	Number	Size (SF)	Effective Rent Per Unit	Effective Rent PSF	Spread
1 Bedrooms	168	743	\$1,746	\$2.35	n.a.
2 Bedrooms	120	1,043	\$2,176	\$2.09	-\$0.27
3 Bedrooms	72	1,268	\$2,390	\$1.88	-\$0.20
Total/Wtd. Avg.	360	948	\$2,018	\$2.13	n.a.

APPENDIX

Company Experience

Meyers Research, a Kennedy Wilson Company, is a nation-wide research firm guiding real estate investors throughout the country. Our highly educated and experienced consulting staff believes in providing the highest quality service possible to our clients, which means completing the exact analysis they need. Based in Beverly Hills, we are home to over 140 experts in 10 offices across the country.

Our company offers a unique research tool known as Zonda that offers an edge to our research with easy access real-time data at a local level across the United States. Our local Zonda database provides our team with a history of new and resale housing information, maps, comprehensive data, and many other metrics we use in our analyses to begin the reporting process with greater accuracy -- quickly, accurately and cost-effectively -- with on the ground and in person research. Zonda provides access to over 275 metrics influencing the housing industry including monthly and annual historical trends, future projections and real-time narrative reported by seasoned analysts across the country.

Our senior executive team are thought leaders that individually have more than 30 years of experience in housing and real estate research. With our advisory services, we have navigated builders through different housing cycles and have a deep understanding of local markets. Our consulting team has a broad range of housing expertise and experience spanning the country including consumer research, feasibility studies, portfolio valuation, business planning, and custom research designed to make better decisions related to any real estate investment.



Zonda and Our Research

- Competitive Analysis throughout the Country
- Exclusive Access to our Research & Consulting Executives
- Metro Analysis & Housing Trends
- Apartment Analysis & Forecast
- Exclusive Client Events
- Presentations & Webinars
- Proprietary Surveys

Advisory

- For-Sale, Apartment, Commercial & Mixed Use
- Resort & International Development
- Strategic Direction & Planning
- Home Builder Operations Assessment
- Demand Analysis
- Consumer Research & Focus Groups
- Custom Economic Analysis & Forecasting
- Litigation Support & Expert Witness
- Financial Modeling
- Project & Product Positioning

Consumer and Product Strategy

- Consumer and Product Insights
- Tactical and Marketing Strategies
- Product Design Advisory
- Custom Consumer Research
- Customer Shop Research

Thank you!

This analysis was prepared by Meyers Research, LLC, a Kennedy Wilson company.

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APPENDIX G
FORM OF INVESTOR LETTER

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APPENDIX G

FORM OF INVESTOR LETTER

September __, 2018

Capital Trust Agency
Gulf Breeze, Florida

Stifel, Nicolaus & Company, Incorporated
Atlanta, Georgia

RE: Capital Trust Agency Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project) Series 2018A and Taxable Series 2018B

Ladies and Gentlemen:

Reference is made to the Trust Indenture dated as of September 1, 2018 (the “Indenture”), relating to the above-referenced bonds (the “Bonds”), between the Capital Trust Agency (the “Issuer”) and Regions Bank, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the same meanings given to them in the Indenture.

The undersigned purchaser (the “Purchaser”) has agreed to purchase the principal amount shown below of the Bonds. The undersigned, an authorized signatory of the Purchaser, hereby represents and warrants to you that:

1. The Purchaser has authority and is duly authorized to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds;
2. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations and taxable obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds;
3. The Purchaser is a qualified institutional buyer (“Qualified Institutional Buyer”) within the meaning of Rule 144A of the Securities Act of 1933, as amended (the “1933 Act”) or an accredited investor (“Accredited Investor”) within the meaning of Rule 501 of the 1933 Act and the Purchaser is aware that any sale of the Bonds may only be made to a Qualified Institutional Buyer or an Accredited Investor and in each case only in authorized denominations of \$100,000 and integral multiples of \$5,000 in excess thereof;
4. The construction of the Project being financed by the Bonds and that the conduct of the affairs of University Bridge, LLC, the borrower of the proceeds of the Bonds and the underlying obligor with respect thereto (the “Borrower”), involves certain economic variables and risks that could adversely affect the security of the investment in the Bonds;
5. The Purchaser is able to bear the economic risks of such investment;
6. The Purchaser acknowledges that a Preliminary Official Statement dated August 16, 2018, as supplemented on September 11, 2018 (collectively, the “Preliminary Official Statement”) has been prepared in connection with the Bonds, and the Purchaser, in its sole discretion, has made its own inquiry and analysis with respect to the Issuer, the Borrower, the Bonds, and the security therefor, and other material factors affecting the security for and payment of the Bonds;

7. The Purchaser acknowledges and accepts that the Official Statement is not guaranteed as to its accuracy or completeness by the Issuer;

8. The Purchaser acknowledges that it has either been supplied with or had access to information, including financial statements and other financial information, regarding the Issuer and the Borrower, to which it attaches significance in making investment decisions, and has had the opportunity to ask questions and receive answers from individuals believed by it to be knowledgeable concerning the Bonds and the security therefor, so that it has been able to make its decision to purchase the Bonds;

9. The Purchaser understands that the Bonds (i) are not registered under the 1933 Act and are not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) are not listed on any stock or other securities exchange and (iii) that the Loan Agreement and the Indenture have not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such act;

10. The Purchaser is acquiring the Bonds for its own account and not with a present view to any resale or distribution thereof, provided however, that the Purchaser reserves the right to dispose of the Bonds in its sole discretion (subject to any requirements of law that the disposition of the property of the Purchaser be at all times within its control and subject to its ability to resell or otherwise transfer such Bonds in accordance with law);

11. The Purchaser agrees that it will only sell, transfer, assign or otherwise dispose of the Bonds only to a Qualified Institutional Buyer or an Accredited Investor;

12. The Purchaser acknowledges and accepts the following:

PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY OUT OF THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE BONDS OR THE INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE UNDER OR UPON ANY OBLIGATION, COVENANT OR AGREEMENT CONTAINED IN THE BOND DOCUMENTS, OR UNDER ANY JUDGMENT OBTAINED AGAINST THE ISSUER, OR THE ENFORCEMENT OF ANY ASSESSMENT, OR ANY LEGAL OR EQUITABLE PROCEEDINGS BY VIRTUE OF ANY CONSTITUTION OR STATUTE OR OTHERWISE, OR UNDER ANY CIRCUMSTANCES UNDER OR INDEPENDENT OF THE INDENTURE, OR ANY CLAIM BASED THEREON OR OTHERWISE IN RESPECT THEREOF SHALL BE HAD AGAINST THE SPONSORING POLITICAL SUBDIVISIONS, THE LOCAL AGENCY OR THE ISSUER OR ANY INCORPORATOR, MEMBER, DIRECTOR, OFFICER,

EMPLOYEE, AGENT OR COUNSEL AS SUCH, PAST, PRESENT OR FUTURE OF THE ISSUER, THE LOCAL AGENCY OR THE SPONSORING POLITICAL SUBDIVISIONS, EITHER DIRECTLY OR THROUGH THE ISSUER, THE TRUSTEE OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE ISSUER OR ANY RECEIVER THEREOF, OR FOR OR TO THE HOLDER OF ANY BOND ISSUED HEREUNDER, OR OTHERWISE, OF ANY SUM THAT MAY BE DUE AND UNPAID BY THE ISSUER UPON ANY SUCH BOND. ANY AND ALL PERSONAL LIABILITY OF EVERY NATURE WHETHER AT COMMON LAW OR IN EQUITY OR BY STATUTE OR BY CONSTITUTION OR OTHERWISE OF ANY SUCH INCORPORATOR, MEMBER, DIRECTOR, OFFICER, EMPLOYEE, AGENT OR COUNSEL, AS SUCH, TO RESPOND BY REASON OF ANY ACT OR OMISSION ON HIS PART OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE HOLDER OF ANY BOND ISSUED HEREUNDER OR OTHERWISE OF ANY SUM THAT MAY REMAIN DUE AND UNPAID UPON THE BOND HEREBY SECURED OR ANY OF THEM IS, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND IN CONSIDERATION FOR THE EXECUTION OF THE INDENTURE AND THE ISSUANCE OF THE BONDS; and

13. The Purchaser acknowledges that neither the Issuer, nor any person acting on behalf of the Issuer has made any representations concerning the Issuer, the Borrower, or Stifel, Nicolaus & Company, Incorporated, as underwriter, or the offer and sale of the Bonds, other than those as set forth in the written documents executed and delivered in connection with the issuance of the Bonds.

The representations made in this letter are for your sole benefit and may not be relied upon by any other party. Nothing contained herein is intended to modify the duties of any party to the transaction under federal or state securities laws.

[Signature Follows]

Name of Purchaser

By: _____
(Signature)

Name: _____
(Print)

Principal Amount of Bonds Being Purchased:

\$ _____ Series 2018A

\$ _____ Taxable Series 2018B

[Signature Page of Investment Letter]

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