



NOTICE TO HOLDERS
OF FORBEARANCE AGREEMENT AND CONSULTANT REPORT

\$338,915,000 STUDENT HOUSING REVENUE BONDS (NCCD-COLLEGE STATION
PROPERTIES, LLC – TEXAS A&M UNIVERSITY PROJECT), SERIES 2015A
AND
\$22,060,000 IN AGGREGATE PRINCIPAL AMOUNT OF THOSE CERTAIN STUDENT HOUSING
REVENUE BONDS (NCCD-COLLEGE STATION PROPERTIES, LLC – TEXAS A&M
UNIVERSITY PROJECT), SERIES 2015B

(Series 2015A and Series 2015B, together, the “Bonds”)

CUSIP* NUMBERS:¹

| Series 2015A | Series 15B |
|--------------|------------|
| 64542RDC2 | 64542RDK4 |
| 64542RDD0 | 64542RDL2 |
| 64542RDE8 | 64542RDM0 |
| 64542RDF5 | 64542RDN8 |
| 64542RDG3 | 64542RDP3 |
| 64542RDH1 | |
| 64542RDJ7 | |
| | |

Please forward this Notice to beneficial holders.

UMB Bank, National Association serves as successor Trustee under that certain Trust Indenture dated as of July 24, 2015 (the “**Indenture**”) between the Issuer and the Prior Trustee, \$338,915,000 in aggregate principal amount of those certain Student Housing Revenue Bonds (NCCD-College Station Properties, LLC – Texas A&M University Project), Series 2015A and \$22,060,000 in aggregate principal amount of those certain Student Housing Revenue Bonds (NCCD-College Station Properties, LLC – Texas A&M University Project), Series 2015B (the “**Series 2015A Bonds**” and the “**Series 2015B Bonds**,” jointly referred to herein as the “**Bonds**”). Capitalized terms used herein not otherwise defined shall have the meanings given them in the Indenture.

The proceeds of the 2015A Bonds were loaned by the Issuer to NCCD-College Station Properties, LLC (the “**Borrower**”) under the terms of a Loan Agreement dated July 1, 2015 (the “**Loan Agreement**”). The proceeds of the 2015A Bonds were primarily used to provide for the development, construction finishing and equipping of a 3,402 bed student housing facility (the “**2015 Project**”); pay

¹ The Trustee is not responsible for the selection or use of these CUSIPs. They are included solely for holder convenience

certain operating costs, fund a pro rata portion of the debt service reserve fund, pay costs of issuance of the 2015A Bonds and interest during the development of the 2015 Project.

The proceeds of the 2015B Bonds were also loaned by the Issuer to the Borrower under the Loan Agreement. The proceeds of the 2015B Bonds were used to finance a portion of the 2015 Project, to fund interest on the 2015B Bonds during construction, to fund a pro rata portion of the debt service reserve fund and to pay costs of issuance of the 2015B Bonds.

Forbearance Agreement

The Borrower has informed the Trustee that it anticipates that as of May 20, 2018, the Project will not generate Pledged Revenues sufficient to make all of the Borrower's payments due under the Loan Agreement and to pay all of the Expenses, and after such time, following applicable notice and cure periods, if any, Events of Default under the Bond Documents will exist. The Borrower has requested that the Trustee agree to amend the Indenture to, among other things, change the flow of funds under the Indenture to allow for the payment of Expenses prior to the payments of principal and interest on the Series 2015 Bonds and prior to certain transfers relating to the Series 2015 Bonds (the "Indenture Amendment").

The Borrower has also requested that the Trustee agree to change the flow of funds under the Indenture as discussed above before the Indenture Amendment becomes effective and forbear from exercising its remedies under the Bond Documents. In consideration for this, the Trustee will be receiving an enhanced collateral package, consent rights over budget and other decision making, and ongoing additional reporting about the financial condition of the project. As a precondition to the extension of the forbearance period past June 30, 2018, the Trustee requires certain marketing support from the University, as detailed further in Section 4A(f) of the a Forbearance and Standstill Agreement. The Trustee understands that the University has agreed to provide such marketing support.

The Trustee has been directed to enter into the Forbearance and Standstill Agreement by a requisite number of holders of the bonds. A copy of the Forbearance and Standstill Agreement is attached hereto as Attachment A.

Consultant Report

The Consultant engaged by the Borrower pursuant to the Bond Documents has issued a report on the Project. Among other things, the Consultant's report projects that (i) the Project will achieve a debt coverage ratio of 1.00 in the annual period 2021-2022; (ii) the Project will achieve a debt coverage ratio of 1.20 in the annual period 2025-2026; and (iii) assuming no further deposits are made into the repair and replacement fund, the debt service reserve fund will be drawn upon in annual periods 2017-2018 through 2020-2021, and that the maximum aggregate draw on the debt service reserve fund may be approximately \$15 million. The Consultant's report also states that management's budget indicates that both the debt service reserve fund and the repair and replacement fund will be fully replenished by fiscal year 2027-2028. The Consultant's report is attached hereto as Attachment B.

Any Holder who has questions about the Bonds or this communication, may contact the Trustee via the information below:

Michael G. Slade

UMB Bank, National Association
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
[E-mail: Michael.Slade@umb.com](mailto:Michael.Slade@umb.com)
Telephone: 612-337-7004

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

Dated: May 21, 2018

UMB BANK, NATIONAL
ASSOCIATION, as Trustee

STANDSTILL AND FORBEARANCE AGREEMENT

This Standstill and Forbearance Agreement (this “Agreement”) is entered into on May 17, 2018, by and among:

- NCCD-College Station Properties LLC (the “Borrower”); and
- UMB Bank N.A., not in its individual capacity, but solely in its capacity as successor trustee (the “Trustee”) under the Trust Indenture, dated as of July 1, 2015 (the “Indenture”) by and between New Hope Cultural Education Facilities Finance Corporation (the “Issuer”) and the Trustee.

Recitals

A. The Issuer issued the Series 2015 Bonds¹ for the purpose of financing the Series 2015 Project, to be owned by the Borrower.

B. The Issuer loaned the proceeds of the Series 2015 Bonds to the Borrower pursuant to the terms of the Loan Agreement and certain other Bond Documents.

C. The Indenture requires that payments of principal and interest on the Series 2015 Bonds and certain transfers relating to the Series 2015 Bonds be made before any funds are to be paid to the Borrower for deposit into the Operating Account for payment of Expenses.

D. The Borrower has informed the Trustee that it anticipates that as of May 20, 2018 (the “Effective Date”), the Project will not generate Pledged Revenues sufficient to make all of the Borrower’s payments due under the Loan Agreement and to pay all of the Expenses, and after such time, following applicable notice and cure periods, if any, Events of Default under the Bond Documents will exist. The Borrower has requested that the Trustee agree to amend the Indenture to, among other things, change the flow of funds under the Indenture to allow for the payment of Expenses prior to the payments of principal and interest on the Series 2015 Bonds and prior to certain transfers relating to the Series 2015 Bonds (the “Indenture Amendment”).

E. The Borrower has also requested that the Trustee agree to change the flow of funds under the Indenture in the manner discussed in Recital D before the Indenture Amendment becomes effective and certain other actions are being taken to ensure the continuation of tax-exempt status of the Series 2015 Bonds. The Borrower acknowledges and agrees that if the Trustee changes the flow of funds under the Indenture prior to its amendment as requested, the Borrower will fail to make full payment required to be made on or before May 20, 2018 under Section 5.02 of the Loan Agreement, and, that following applicable notice and cure periods, if any, this failure shall result in Events of Default.

¹ See Section 1(a).

F. Under Section 404(a) of the Indenture, the Trustee may enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Bond Documents for and on behalf of the Bondholders, whether or not an Event of Default shall have occurred under the Indenture.

G. The Trustee intends to pursue all of its and the Issuer's remedies under the Bond Documents, and to follow the flow of funds set forth in the Indenture pending its amendment, unless the Borrower offers the Trustee an inducement to agree to a standstill and forbearance. The Borrower has agreed to take certain actions set forth herein, including causing the amendment of certain Bond Documents in connection with the Indenture Amendment, in order to induce the Trustee to agree to amend the Indenture, change the flow of funds under the Indenture pending its amendment, and to agree to such a standstill and forbearance. In exchange, the Trustee is willing to agree to change at the Effective Date the flow of funds under the Indenture as set forth below and to a standstill and forbearance on the terms and conditions set forth in this Agreement, pending the implementation of the Indenture Amendment and of the amendments to other Bond Documents.

Agreements

Now, therefore, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

Section 1 Defined Terms

(a) All capitalized terms not defined herein shall have the meanings assigned to them in the Indenture.

(b) "Account Control Agreements" is defined in Section 4A(f)(5).

(c) "Adjusted Fixed Charges Coverage Ratio" is defined in Section 4A(c)(4).

(d) "Annual Plans" shall mean the Annual Marketing Plan described in Section 4.2 of the Management Agreement and the Annual Operating Plan described in Section 4.3 of the Management Agreement.

(e) "Approved Annual Budget" shall mean:

(1) Until June 30, 2018, the Annual Budget attached hereto as Attachment A;
and

(2) On and after July 1, 2018 and until the Indenture and other Bond Documents are amended as contemplated by this Agreement, an Annual Budget to which the Trustee has consented in writing pursuant to Sections 6(b), 6(c), or 6(d) below.

(f) "Budget Variance" shall mean the difference between any category of expense or revenue stated for any given month in the Approved Annual Budget then in effect and the actual corresponding expense or revenue for that month. Budget Variance shall be calculated as a

percentage corresponding to the fraction the numerator of which is the difference between actual and budgeted expense or revenue and the denominator of which is the budgeted expense or revenue.

(g) “Comprehensive Cash Reconciliation” is defined in Section 4(b) below.

(h) “Contracts” shall include “Contracts and Agreements” as that term is defined in Section 1 of the Assignment of Contracts and Agreements and all contracts and agreements that constitute “Contracts” as that term is defined in Section 1 of the Security Agreement.

(i) “Deferred Corporation Fee” is defined in Section 8(c) below.

(j) “Deposit Accounts” shall mean any and all accounts into which the Pledged Revenues are deposited by or on behalf of the Borrower, including without limitations, pursuant to Section 5.5(i) of the Management Agreement.

(k) “Extant Events of Default” is defined in Section 10(b) below.

(l) “Forbearance Period” is defined in Section 9(a) below.

(m) “Forbearance Default” is defined in Section 10(a) below.

(n) “Forbearance Extension Option Date” shall mean June 30, 2018.

(o) “Indenture Amendment” is defined in recital D.

(p) “Marketing Agreement” is defined in Section 4A(f).

(q) “Membership Interest Pledge Agreement” is defined in Section 4A(a).

(r) “Monthly Critical Expense Amount” shall mean the amount, determined by the Trustee in its sole reasonable estimation, necessary to be paid to the Borrower in any given month as set forth in Section 501(e) of the Indenture to enable the Borrower to pay, in the following month, those Expenses that must be paid to ensure ongoing operation of the Project, avoid legal action against the Borrower or the Project, and avoid the termination of any agreement to which the Borrower is a party based on the Borrower’s failure to make payments required under such agreement.

(s) “Operating Data” shall have the meaning assigned to it in the Continuing Disclosure Agreement.

(t) “Second Forbearance Agreement” is defined in Section 4A(e).

(u) “Second Forbearance Term” is defined in Section 4A(e)(1).

(v) “Sweep Instruction” is defined in Section 5(a)(1)(i).

Section 2 Confirmation of Existing Events of Default

(a) The Borrower hereby acknowledges that the following Events of Default will exist under the Loan Agreement:

(1) As of the Effective Date, the Borrower will have failed to make the Loan Payments required to be made when and as due under Section 5.02 of the Loan Agreement, and such failure shall constitute an Event of Default on the Effective Date under Sections 10.01(a) and/or 10.01(d) of the Loan Agreement (the Borrower hereby expressly waiving notice of such failure and the opportunity to cure such failure as otherwise provided by Sections 10.01(a) and/or 10.01(d)).

(2) The Fixed Charges Coverage Ratio for the Annual Period ending June 30, 2018 shall be less than 1.00, which shall constitute an Event of Default under Section 10.01(g) of the Loan Agreement.

(3) The Borrower shall have failed to operate the Project as a revenue producing facility sufficient to pay all expenses for the operation, maintenance and repair of the Project pursuant to Section 8.06 of the Loan Agreement, and such failure shall constitute an Event of Default on the Effective Date under Section 10.01(d) of the Loan Agreement (the Borrower hereby expressly waiving notice of such failure and the opportunity to cure such failure as otherwise provided by Section 10.01(d)).

(b) The Borrower hereby acknowledges that the Events of Default under the Loan Agreement set forth in subsection (a) above shall, once they occur, constitute an Event of Default under the Leasehold Deed of Trust, the Assignment of Contracts and Agreements, the Security Agreement, and the Indenture.

Section 3 Representations and Warranties

The Borrower hereby represents and warrants that now and at the Effective Date:

(a) No Events of Default currently (nor at the Effective Date will) exist under the Bond Documents except the Events of Default identified in Sections 2(a)(1) and (3) above.

(b) There are no other events or circumstances which, with notice or the passage of time, or both, will constitute an Event of Default under the Bond Documents, except the Event of Default identified in Section 2(a)(2) above.

(c) All of the Pledged Revenues have been, and, absent Trustee's prior express direction, will continue to be, deposited only into the Deposit Accounts. All of the Deposit Accounts are at Chase Bank as identified below:

Revenue Account: 810885785

(d) A true and correct copy of the complete and most recent report of the Financial Consultant has been delivered to the Trustee. As of the date of this Agreement, the Financial Consultant has not made any recommendations that the Borrower has failed to implement.

(e) A true and correct copy of the complete and most recent Annual Budget for the Annual Period ending June 30, 2018 has been delivered to the Trustee and is attached hereto as Attachment A.

(f) In the Borrower's good faith estimation, based on all information reasonably available to the Borrower as of the date of this Agreement, if the Trustee changes the flow of funds under the Indenture as set forth in Section 9(c) below, the total deficiency in the Borrower's payments due under Section 5.02 of the Loan Agreement will be \$5,555,730.88 as of September 1, 2018. A true and correct copy of the data and calculations on which this representation is based is attached hereto as Attachment B.

(g) All of the Recitals preceding Section 1 above are true and correct.

(h) The execution and delivery by the Borrower of this Agreement and the fulfillment of or the compliance with all of the provisions hereof (i) are within the power, legal right, and authority of the Borrower, (ii) are legal and will not conflict with or constitute on the part of the Borrower a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance upon any property of the Borrower under the provisions of, any charter instrument; bylaw; indenture; mortgage; deed of trust; pledge, note, lease, loan, or installment sale agreement; contract; or other agreement or instrument to which the Borrower is a party or by which the Borrower or its properties are otherwise subject or bound, or any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities or properties, and (iii) have been duly authorized by all necessary and appropriate corporate action on the part of the Borrower. The officer or officers of the Borrower executing the Borrower Documents are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of the Borrower.

(i) This Agreement shall constitute when executed the valid and legally binding obligations of the Borrower in accordance with their respective terms.

(j) All representations and warranties made by the Borrower in the Loan Agreement are true and correct as of the date of this Agreement, with the same force and effect as if all representations and warranties were fully set forth herein, provided that any qualification or limitation set forth in such representations and warranties that they are "to the best of the Borrower's knowledge," "to the best of its knowledge," and similar qualification or limitations based on knowledge shall not be deemed to be included in such representations and warranties made as of the date of this Agreement.

(k) The Borrower is not in violation of any laws, ordinances, or governmental rules or regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (that are currently obtainable) necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain might materially and adversely affect the properties, business, prospects, profits, or condition (financial or otherwise) of the Borrower or of the Project.

(l) Neither the Borrower nor any of its business or properties, nor any relationship between the Borrower and any other person, nor any circumstance in connection with the execution, delivery, and performance by the Borrower of its obligations under this Agreement, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Borrower in connection with the execution, delivery, and performance of this Agreement.

(m) The Borrower (i) has read each and every provision of this Agreement, (ii) had this Agreement reviewed by competent legal counsel of its choosing and has been fully advised by such counsel as to the precise nature and effect of each of its applicable terms and provisions, (iii) understands, agrees to and accepts the provisions hereof, (iv) is entering into this Agreement freely, voluntarily, with full knowledge, and without duress, (v) is relying on no representations either written or oral, express or implied, made to the Borrower by the Trustee, and (vi) acknowledges that the Trustee's agreements set forth in this Agreement are adequate and sufficient consideration for the agreements of the Borrower set forth in this Agreement.

Section 4 Conditions Precedent

The following conditions precedent shall be satisfied before the Trustee's obligations under this Agreement become effective. Until the satisfaction of all of these conditions precedent, the Trustee shall continue to have the right to follow the flow of funds under the Indenture and pursue any and all of its and the Issuer's remedies under the Bond Documents and otherwise.

Prior to the execution and delivery of this Agreement, the Borrower shall:

(a) Execute and deliver to the Trustee any and all additional documents, and take such additional actions, so as to enable the Trustee to implement the intent of this Agreement.

(b) Deliver to the Trustee a comprehensive reconciliation of the Borrower's cash receipts and disbursements in connection with the Project in the form reasonably requested by the Trustee (the "Comprehensive Cash Reconciliation") for the period starting on the date when the first bed in the Project was occupied and ending on the last day of the month prior to the date of this Agreement. The Comprehensive Cash Reconciliation shall, among other things, identify and provide balances for each of the Deposit Accounts, the Operating Account, the Start-Up Expense Fund, and Operations Contingency Fund, as well as all accounts in which security deposits received from the residents of the Project are held.

Section 4A Conditions Precedent to Further Forbearance

Prior to June 30, 2018, the Borrower shall:

(a) Cause the Corporation to execute and deliver to the Trustee a Membership Interest Pledge Agreement in the form and substance satisfactory to the Trustee and any other documents reasonably requested by the Trustee so as enable the Trustee to perfect a security interest on the entirety of the Corporation's membership interests in the Borrower (collectively, the "Membership Interest Pledge Agreement").

(b) Cause the Corporation to execute and deliver to the Trustee a Recourse Carveout Guarantee, in the form and substance satisfactory to the Trustee, to be triggered in the event of any changes to the Sweep Instruction made by or at the request of the Borrower without the Trustee's prior written consent or the commencement (without the consent of the Trustee) of a voluntary or involuntary bankruptcy proceeding affecting the Borrower; provided, however, that the Recourse Carveout Guarantee shall be triggered in the event of the commencement of an involuntary bankruptcy proceeding affecting the Borrower only if (i) such commencement occurs with the consent, encouragement, or active participation of the Borrower, the Corporation, or any of their principals, officers, directors, or agents (it being understood that the Manager is not an agent of any of them for purposes of this clause), or (ii) the Borrower fails to object to such commencement in a timely manner.

(c) Cause the Indenture to be amended in the form and substance satisfactory to the Trustee so as to:

(1) Change the flow of funds consistent with Subsection 9(c) of this Agreement.

(2) Permit, but not require, the Trustee to use the money in the Debt Service Reserve Fund for the purposes set forth in Section 508(b)(i) of the Indenture.

(3) Provided that the Board or the University obtained the Manager's consent, provide for the reimbursement of the utility charges incurred by University in connection with the Project to be paid on a parity with the Subordinated Management Fees.

(4) Amend the definition of Fixed Charges Coverage Ratio to mean, for any period, the ratio of Revenue Available for Fixed Charges to the regularly scheduled Debt Service Payments on the Series 2015 Bonds becoming due during such period (the "Adjusted Fixed Charges Coverage Ratio").

(5) Require the Trustee's written consent prior to any disbursements from the Operations Contingency Fund.

(d) Cause the Bond Documents to be amended in the form and substance satisfactory to the Trustee so as to:

(1) Provide the Trustee with the right to approve all Annual Plans, all Annual Budgets, and all amendments to Annual Plans and Annual Budgets.

(2) Extend the Ground Lease for an additional period of five (5) years and amend the Ground Lease to provide that so long as the projected Fixed Charges Coverage Ratio for the then current Annual Period provided pursuant to Section 7(d)(2) is higher than 1.00, the Deferred Corporation Fee shall be paid to the Corporation as an Expense after making the payments required under Sections 501(a) through 501(h) as follows:

(a) following the end of each Annual Period for which the Fixed Charges Coverage Ratio shall be between 1.00 and 1.10, the Corporation shall be paid \$50,000 if the inclusion of \$50,000 in the Expenses during the prior Annual

Period would have resulted in a Fixed Charges Coverage Ratio for the prior Annual Period of at least 1.00; and

(b) following the end of each Annual Period for which the Fixed Charges Coverage Ratio shall be higher than 1.10, the Corporation shall be paid the amount payable pursuant to subsection (a) above, plus, each month an amount equal to 1/12th of an amount that, had it been included in the Expenses during the prior Annual Period, would have resulted in a Fixed Charges Coverage Ratio for the prior Annual Period of at least 1.10; provided however, that if the projected Fixed Charges Coverage Ratio for the then current Annual Period provided pursuant to Section 7(d)(2) becomes equal to or less than 1.10, the Corporation shall no longer be paid such 1/12th in payments during such Annual Period.

(3) Incorporate the Borrower's and the Manager's obligations to furnish to the Trustee, and the Trustee's obligations to make public, additional information consistent with Section 7 of this Agreement. The amendment shall provide that the Trustee shall agree to consult with the Board and the University prior to making public any information that is not required to be made public under Section 7 of this Agreement, provided that the amended Bond Documents shall not limit the Trustee's ability to make public the existence and the terms of this Agreement or the Second Forbearance Agreement, or to make public any information that is required to be made public under Section 7 of this Agreement.

(4) Provide that the Borrower shall not, without Trustee's prior written consent:

(a) permit any additional indebtedness, other than Short-Term Indebtedness, to be incurred in connection with or for the benefit of the Project in any manner, including by the Borrower or the Corporation; or

(b) permit any indebtedness incurred or to be incurred in connection with or for the benefit of the Project, except for the Series 2015 Bonds, to be refinanced in any manner.

(5) Provide that the Borrower shall, at the Trustee's request, put in place and deliver to the Trustee fully executed, valid, and binding account control agreements (the "Account Control Agreements") in the form and substance acceptable to the Trustee and the depository bank, sufficient to enable the Trustee to perfect a valid security interest in the funds held in the Deposit Accounts and requiring for daily transfers of all funds held in the Deposit Accounts to the Trustee, except to the extent the Trustee directs otherwise in writing.

(6) Require the Borrower to maintain in place the Sweep Instruction and provide that any modification of the Sweep Instruction by or at the request of the Borrower without prior written consent of the Trustee shall constitute an Event of Default under the Loan Agreement.

(e) Enter into a forbearance agreement with the Trustee, in the form and substance satisfactory to the Trustee, pursuant to which the Trustee shall agree to forbear from exercising its rights based on the occurrence and continuation of the Extant Events of Default (the “Second Forbearance Agreement”). Notwithstanding anything to the contrary in this Agreement, the Second Forbearance Agreement shall not become or be deemed binding or effective until it is documented in writing and duly executed by the Trustee and the Borrower.

(1) The Second Forbearance Agreement shall be in effect through at least June 30, 2022 (the “Second Forbearance Term”) unless otherwise terminated pursuant to its terms based on the Borrower’s breach of its obligations thereunder.

(2) In addition to the Forbearance Defaults listed herein, the Second Forbearance Agreement shall be terminable by the Trustee, at the Trustee’s option, upon the occurrence of certain financial triggers, including upon the occurrence of any of the following:

(i) For any two consecutive calendar quarters, the Adjusted Fixed Charges Coverage Ratio calculated pursuant to Section 7(d)(1) of this Agreement is lower than during the same two quarters of the previous Annual Period.

(ii) The Fixed Charges Coverage Ratio calculated pursuant to the amended Loan Agreement (for the avoidance of doubt, using the methodology for calculating the Adjusted Fixed Charges Coverage Ratio set forth herein) for the Annual Period ending June 30, 2020 is less than 0.84.

(iii) The Fixed Charges Coverage Ratio calculated pursuant to the amended Loan Agreement (for the avoidance of doubt, using the methodology for calculating the Adjusted Fixed Charges Coverage Ratio set forth herein) for the Annual Period ending June 30, 2021 is less than 0.90.

(iv) The Adjusted Fixed Charges Coverage Ratio calculated pursuant to Section 7(d)(1) of this Agreement for the calendar quarter ending December 31, 2021 is less than 1.02.

(v) The aggregate draw on the Debt Service Reserve Fund exceeds \$14.815 million.

(f) Enter into an agreement with the Trustee and the University (the “Marketing Agreement”), in the form and substance satisfactory to the Trustee, to include the following provisions. Notwithstanding anything to the contrary in this Agreement, the Marketing Agreement shall not become or be deemed binding or effective until it is documented in writing and duly executed by the Trustee, the Borrower, and the University.

(1) Pursuant to the Marketing Agreement, the University shall:

(i) Until the Fixed Charges Coverage Ratio calculated pursuant to the amended Loan Agreement (for the avoidance of doubt, using the methodology for calculating the Adjusted Fixed Charges Coverage Ratio set forth herein) is 1.20 or

greater, list the Project (along with other ground leased projects only, and no other housing projects) on a to-be-named drop-down tab along with the three existing drop-down options located at <https://reslife.tamu.edu/options>, on a year-round basis. The University shall receive a nominal fee to be agreed upon for the placement of the Project on the website, payable as an Expense of the Project.

(ii) Subject to additional terms to be negotiated, include marketing materials provided by the Manager in any and all emails that address housing options for new students and in any and all welcome packets provided to new students at events or otherwise.

(2) The Marketing Agreement shall provide that reasonable attorneys' fees incurred by the University in connection with the negotiation of this Agreement and the Marketing Agreement, as well as the amendments to Bond Documents contemplated in this Agreement, shall be paid as an Expense of the Project at the time of their execution. These attorneys' fees shall be capped at \$100,000.

(g) Cause a TEFRA hearing to be held, in full compliance with the Tax Equity and Fiscal Responsibility Act of 1982, and cause all other necessary actions to be taken, which hearing and actions shall result in the continuation of tax-exempt status of the Bonds; and

(h) Cause a bond counsel opinion to be delivered to the Trustee, in the form and substance satisfactory to the Trustee, that the Borrower's compliance with its obligations under this Section and the amendments of the Indenture and other Bond Documents have resulted in no adverse impact on the tax-exempt status of the bonds.

Section 5 Perfection and Preservation of Collateral

(a) Prior to the execution and delivery of this Agreement, the Borrower shall:

(1) Make arrangements with all banks that are the depositary banks for the Deposit Accounts and cause such banks to:

(i) Transfer to the Revenue Account held by the Trustee all funds deposited into the Deposit Accounts on every Business Day (the "Sweep Instruction"); and

(ii) Notify the Trustee in the event the Sweep Instruction is modified.

(2) Execute and deliver to the Trustee any and all additional documents, and take such additional actions, so as to enable the Trustee to perfect a valid security interest in the funds held in the Deposit Accounts and to be deposited into the Deposit Accounts from time to time;

(3) Deliver to the Trustee a title search report, in the form and substance satisfactory to the Trustee, evidencing any liens or encumbrances on the Property (as that term is defined in the Ground Lease), the Project, or on any of the Borrower's interests

under the Ground Lease, other than liens and encumbrances permitted under the Bond Documents.

(4) Deliver to the Trustee a UCC search report, in the form and substance satisfactory to the Trustee, evidencing the absence of any liens or encumbrances on any property (other than real property or interests in real property) subject to the Leasehold Deed of Trust, other than liens and encumbrances permitted under the Bond Documents.

(b) The Borrower shall continue to cause all of the Pledged Revenues to be (i) deposited promptly upon receipt directly and exclusively into the Deposit Accounts and (ii) transferred from the Deposit Accounts to the Trustee as required by the Sweep Instruction, except to the extent Trustee directs otherwise in writing.

(c) The Borrower shall cause all funds held in the Operating Account and Operating Contingency Fund to be used solely to pay Expenses, except to the extent the Trustee directs or consents otherwise in writing.

(d) The Borrower shall, upon reasonable request of the Trustee, execute and deliver to the Trustee any and all additional documents, and take such additional actions, so as to enable the Trustee to perfect a valid security interest in the Pledged Revenues or any other collateral pledged under any of the Bond Documents.

(e) The Borrower agrees that, pursuant to each of the Security Agreement and the Assignment of Contracts and Agreements, except regardless of whether any Event of Default has occurred, the Trustee shall have the right, power, and privilege (but not the duty) immediately upon the execution of this Agreement and at all times during the Forbearance Period, to exercise all the rights and privileges of the Borrower under the Contracts and to apply any money payable and paid thereunder to the payment of the Borrower's obligations under the Loan Agreement. Regardless of whether an Event of Default has occurred, pursuant to each of the Security Agreement and the Assignment of Contracts and Agreements, the Borrower hereby irrevocably constitutes and appoints the Trustee the true and lawful attorney, coupled with an interest, of the Borrower and in the name, place, and stead of the Borrower to undertake the enforcement rights under the Contracts, to collect and/or pay all amounts payable under the Contracts. The Borrower shall not revoke such appointment during the Forbearance Period. The Borrower shall cooperate with the Trustee in connection with enforcing rights as necessary under the Contracts, and, at the request of the Trustee, shall enforce promptly all of the Borrower's rights and powers under the Contracts.

(f) The Borrower agrees that the Trustee's approval or disapproval of any Annual Budget or Annual Plan, determination of the Monthly Critical Expense Amount, enforcement of any of the Borrower's rights under any of the Contracts, or requests that the Borrower enforce any of its rights shall not be deemed to constitute control of the Project for any purpose other than perfection of the Trustee's interests under the Leasehold Deed of Trust and protection of the Trustee's collateral. The Borrower shall not take a position (in a legal proceeding or otherwise) contrary to this subsection.

(g) Prior to June 30, 2018, the Borrower shall cause all mechanic's liens claimed against the Project, including by Amazing Plumbing, LLC, to be removed or discharged of record or bonded, in the form and substance satisfactory to the Trustee.

Section 6 Approved Annual Budget and Annual Plans

(a) The Borrower shall not seek or permit any revisions to be made to the Annual Budget for the Annual Period ending June 30, 2018 without prior written consent of the Trustee.

(b) The Borrower shall consult with the Trustee regarding preparation of the Annual Budgets starting with the Annual Budget to be prepared for the Annual Period commencing on July 1, 2018 and continuing so long as this Agreement is in effect. The Borrower shall use its best efforts to incorporate the Trustee's comments into all such Annual Budgets. If the Trustee consents in writing to the Annual Budget adopted pursuant to the requirements set forth in the Bond Documents, such Annual Budget shall be deemed an Approved Annual Budget.

(c) During the Forbearance Period, the Borrower shall consult with the Trustee prior to seeking any amendments to any Approved Annual Budget. The Borrower shall use its best efforts to incorporate the Trustee's comments into any such amendment. If the Trustee consents in writing to the amended Annual Budget adopted pursuant to the requirements set forth in the Bond Documents, such amended Annual Budget shall be deemed an Approved Annual Budget. If any amendments are made to an Approved Annual Budget without the Trustee's written consent, no Annual Budget shall be deemed an Approved Annual Budget until the Trustee consents to an Annual Budget in writing.

(d) During the Forbearance Period, if the Borrower experiences in any month a Budget Variance the magnitude of which exceeds 10%, the Borrower shall consult with the Trustee as soon as practicable regarding a possible amendment to the Approved Annual Budget. The Borrower shall use its best efforts to incorporate the Trustee's comments into any such amendment. If the Trustee consents in writing to the amended Annual Budget adopted pursuant to the requirements set forth in the Bond Documents, such amended Annual Budget shall be deemed an Approved Annual Budget. If the Borrower fails to obtain the Trustee's written consent to an amended Annual Budget within 30 days of the last day of the month during which the Borrower experienced a Budget Variance the magnitude of which exceeds 10%, no Annual Budget shall be deemed an Approved Annual Budget until the Trustee consents to an Annual Budget in writing.

(e) During the Forbearance Period, the Borrower shall furnish to the Trustee any Annual Plan prepared by the Manager, any amendment, proposed or actual, to such Annual Plan, and any comments from the University relating to such Annual Plan, promptly upon receipt. The

Borrower shall consult with the Trustee in approving or commenting on any Annual Plan. The Borrower shall not approve any Annual Plan without express written consent of the Trustee.

(f) During the Forbearance Period, the Borrower shall not request and shall not agree to any disbursements from the Operations Contingency Fund without the Trustee's prior written consent.

Section 7 Furnishing Additional Information

(a) The Borrower shall cause the Manager to furnish to the Trustee on each Wednesday (or if any Wednesday is not a Business Day, the immediately preceding Business Day):

(1) Breakdown of leases for the following Annual Period entered into with residents during the prior week, indicating the number of beds and applicable rents. To the extent the Project was toured or visited by potential residents during the prior week, the Borrower shall use its best efforts to furnish to the Trustee information sufficient to determine the number of conversions or the conversion rate for such tour or visit.

(2) Aggregate percentage of beds in the Project as to which leases have been entered into with residents for the following Annual Period as of the end of the prior week.

(3) For each category of beds in the Project:

(i) The number of beds in that category as to which no leases have been entered into with residents for the following Annual Period as of the end of the prior week; and

(ii) Rent at which the Manager proposes to market the unleased beds in the category.

(4) Percentage of beds in the submarket pool as to which leases have been entered into with residents for the following Annual Period within the Project as of the end of the prior week as compared with the same week of the prior year.

(b) The Borrower shall cause the Manager to furnish to the Trustee on or before the fifteenth (15th) day of every month:

(1) The magnitude of all Budget Variances for the prior month.

(2) Breakdown of revenues (operational or otherwise) derived from the Project or from funds held in connection with the Project during the prior month, broken down by category, including without limitations from rents, deposits applied to rents, parking, concessions, other charges and fees, and investment earnings.

(3) Breakdown of all Expenses paid from the Operating Account and Operating Contingency Fund during the prior month.

(4) The amount of accrued Subordinated Management Fee as of the last day of the prior month.

(5) Updated Comprehensive Cash Reconciliation as of the end of the prior month.

(6) The following data:

(i) The total beds existing in the Project;

(ii) The number and percentage of beds as to which leases have been entered into with residents for the following Annual Period as of the end of the prior month, with a comparison to the same month in the prior Annual Period, such comparison to be in the best estimation of the Manager based on the information available to the Manager;

(iii) The breakdown of leases entered into between 12-month or academic year leases; and

(iv) Total number of remaining beds in the Project as to which leases had not been entered into with residents for the following Annual Period as of the end of the prior month, with a comparison to the same month in the prior Annual Period, such comparison to be in the best estimation of the Manager based on the information available to the Manager.

(7) Blended rental rate for all beds as to which leases for the following Annual Period have been signed during the prior month and the blended rental rate at which the Borrower proposes to market the unleased beds;

(8) Breakdown of residents to whom beds for the following Annual Period were leased during the prior month by graduate and undergraduate status, and in the case of undergraduate residents, by their class year, in the best estimation of the Manager based on the residents' birth dates.

(9) Breakdown of leases for the following Annual Period entered into with residents during the prior month by whether the leases are 12-month leases or academic year leases.

(10) Any recommendations of the Financial Consultant transmitted to the Manager by the Borrower during the prior month and a certification by the Manager that all such recommendations are being implemented or being followed, or an explanation of why any recommendation is not being followed.

(c) The Borrower shall furnish to the Trustee on or before the tenth (10th) day of every month any recommendations of the Financial Consultant transmitted to the Borrower during the prior month and a certification by the Borrower that all such recommendations were transmitted to the Manager, or an explanation of why any recommendation was not transmitted to the Manager.

(d) The Borrower shall cause the Manager to furnish to the Trustee on or before the last Business Day of every July, October, January, and April:

(1) Adjusted Fixed Charges Coverage Ratio calculated for the prior calendar quarter.

(2) Projected Fixed Charges Coverage Ratio for the remainder of the then current Annual Period updated based on best information available as of the end of the prior month and certified by the Financial Consultant;

(3) Total revenues (operational or otherwise) derived from the Project or from funds held in connection with the Project during the prior calendar quarter, broken down into (i) rent, (ii) all collections other than rent and investment earnings, and (iii) investment earnings;

(4) Total Expenses paid from the Operating Account and Operating Contingency Fund during the prior calendar quarter; and

(5) The magnitude of all Budget Variances experienced during the previous calendar quarter.

(e) The Borrower shall cause the Manager to furnish to the Trustee within thirty (30) days of the beginning of each Fall, Spring, and Summer semester:

(1) Number and percentage of beds in the Project that were occupied as of the beginning of the semester as compared with the same semester of the prior Annual Period;

(2) Number and percentage of parking spaces within the Project occupied as of the beginning of the semester as compared with the prior semester, in the best estimation of the Manager based on the information available to the Manager; and

(3) Number and percentage of parking spaces within the Project that, as of the beginning of the semester, had been leased for the following semester as compared with the prior semester, in the best estimation of the Manager based on the information available to the Manager.

(f) The Borrower shall furnish to the Trustee within two (2) Business Days of receipt by the Borrower:

(1) All reporting received from the Manager pursuant to Section 4.12 of the Management Agreement. The Borrower shall promptly enforce the Manager's reporting obligations under Section 4.12 of the Management Agreement.

(2) Any notice or claim that the Borrower is in default under, or is not complying with any of its obligations under, any of the Bond Documents.

(3) Any notice of default, demand to cure, or correspondence asserting that the Borrower is or will fail to comply with its obligations, under any material agreement to which the Borrower is a party, relating to the Project. An agreement is deemed material for the purposes of the foregoing sentence if it involves potential payment obligations in excess of \$50,000.

(4) All other information that is reasonably likely to make a material impact on the revenues and expenses relating to the Project.

(g) The Borrower shall furnish promptly to the Trustee such additional financial and business information as the Trustee may request from time to time during the Forbearance Period. In the event the Borrower is entitled to receive information under any of the Bond Documents, upon the Trustee's request, the Borrower shall request such information and provide it to the Trustee within five (5) Business Days upon receipt. However, the Borrower shall have no obligation to provide to the Trustee any information which is privileged (in the sense that, in litigation with the Borrower, the Trustee could not compel the Borrower to deliver the information). The Borrower confirms that financial information prepared for the Borrower or the Trustee by the Financial Consultant or any other financial advisor or consultant of the Borrower shall not be privileged for this purpose.

(h) The Trustee may request at any time that any information to be provided pursuant to this Section be accompanied by a certificate of an officer of the Borrower or the Manager (as applicable) certifying the accuracy and completeness of such information.

(i) The Trustee shall cause the following information to be made public within five (5) business days of receipt pursuant to the means of making information public set forth in Section 2(d) of the Continuing Disclosure Agreement:

- (1) Information described in Subsections 7(b)(6) and 7(b)(7); and
- (2) Information described in Subsection (d) above.

(j) In addition, the Trustee may cause to be made public pursuant to the means of making information public set forth in Section 2(d) of the Continuing Disclosure Agreement that portion of the following information that the Trustee determines, in its sole discretion and following a consultation with the Borrower, not be detrimental to the marketing and operation of the Project:

- (1) Information described in Subsections (g) and (h) above; and
- (2) Information described in Subsections (f)(3) and (f)(4) above.

Section 8 Continuing Obligations of Borrower During Forbearance Period

During the Forbearance Period, the Borrower shall comply strictly and punctually with all of the following obligations:

(a) The Borrower shall, and shall cause the Manager to, operate the Project only in the ordinary course of business, and shall not, without the Trustee's prior written consent, engage in any transaction, or enter into any agreement, other than in the ordinary course of business.

(b) The Borrower shall not enter into any agreement or contract of any kind in connection with the Project for a term longer than six (6) months without the prior written consent of the Trustee.

(c) Until the termination of the Forbearance Period, the Borrower shall cause the Corporation to agree to defer \$50,000 per year of the payments that would otherwise become payable during the Forbearance Period to the Corporation under the Ground Lease during any Annual Period for which the Fixed Charges Coverage Ratio shall be less than 1.00 (collectively, the "Deferred Corporation Fee"). For the avoidance of doubt, amounts of the Deferred Corporation Fee shall remain owed to the Corporation and shall be payable at the termination of the Forbearance Period as provided pursuant to the amendments to the Bond Documents contemplated by Section 4A of this Agreement. In the event any portion of the Deferred Corporation Fee is made to the Corporation contrary to this Section 8(c) or the amendments to the Bond Documents contemplated by Section 4A of this Agreement, as the case may be, the Borrower agrees that such monies will be held in trust for the benefit of the Trustee, and the Borrower shall promptly cause the Corporation to transmit such payment to the Trustee, to be credited towards the Borrower's obligations under the Loan Agreement.

(d) The Borrower shall cooperate with the Trustee in working to obtain additional possible sources of support, financial and otherwise, for the Project.

(e) The Borrower hereby reaffirms all of its obligations under the Bond Documents. The Borrower represents that it is unaware of any defenses against any of its obligations under the Bond Documents, or any claims, defenses, counterclaims, offsets or recoupments against the Trustee, the Issuer, or any of the Bondholders for any reason whatsoever arising out of the Project or under any of the Bond Documents.

(f) The Borrower shall not, without Trustee's prior written consent:

(1) permit any additional indebtedness to be incurred in connection with or for the benefit of the Project in any manner, including by the Borrower or the Corporation; or

(2) permit any indebtedness incurred or to be incurred in connection with or for the benefit of the Project, except for the Series 2015 Bonds, to be refinanced in any manner.

Section 9 Trustee's Forbearance Obligations

After the satisfaction of the conditions precedent set forth in Section 4 of this Agreement, and in consideration of the undertakings of the Borrower in this Agreement, the Trustee shall forbear from pursuing the Trustee's remedies against the Borrower or the Project under the Bond Documents based on the occurrence and continuation of the Extant Events of Default in the manner and to the extent set forth in this Section. However, notwithstanding anything to the contrary in this Agreement, the Trustee may pursue and enforce any and all of its rights against

parties other than the Borrower, subject to and in accordance with the terms of the Bond Documents, even if such rights are triggered by the Extant Events of Default, including without limitation, the Trustee's rights under the Assignment of Contracts and Agreements and the Security Agreement.

(a) The period during which the Trustee is obligated to forbear from exercising its remedies (the "Forbearance Period") shall commence on the date of this Agreement. The Trustee may terminate the Forbearance Period on or after the Forbearance Extension Option Date or upon a Forbearance Default immediately, without cause, and in the Trustee's sole discretion. In addition, the Trustee and the Borrower may terminate the Forbearance Period by mutual agreement on mutually agreeable terms.

(b) Except as provided herein, during the Forbearance Period, the Trustee shall not pursue any of the Trustee's remedies under the Bond Documents against the Borrower or the Project as a result of the Extant Events of Default.

(c) During the Forbearance Period, on or before the 20th day of each month, the Trustee shall pay to the Borrower:

(i) If the Annual Budget for the then current Annual Period is an Approved Annual Budget, the amount provided for in Section 501(e) of the Indenture; or

(ii) If the Annual Budget for the then current Annual Period is not an Approved Annual Budget, the Monthly Critical Expense Amount for the following month. The Borrower shall consult with the Trustee as reasonably necessary prior to the 15th day of each month to enable the Trustee to determine the Monthly Critical Expense Amount for the following month.

The Trustee shall make the payments to the Borrower required by this subsection (c) before making transfers required under Sections 501(a) and 501(b) of the Indenture, but after making payments required under Sections 501(c) and 501(d) of the Indenture.

Section 10 Forbearance Defaults and Remedies

(a) Each of the following events shall constitute a default (a "Forbearance Default") under this Agreement:

(1) The Borrower's failure to comply with its obligations under Sections 6.03, 6.04, 8.03(c), 9.01, or 9.02 of the Loan Agreement (which shall also immediately become an Event of Default and, for the avoidance of doubt, not an Extant Event of Default), without any requirement that the Trustee provide notice of such default or Event of Default or an opportunity to cure such default or Event of Default other than as set forth in this Forbearance Agreement, including, specifically, any notice or cure period that would otherwise be applicable to such default or Event of Default under the Bond Documents, such notice and cure periods being expressly waived by the Borrower.

(2) Except as provided in Section 10(a)(1), the occurrence of any other or subsequent default or an Event of Default under the Bond Documents that is not an Extant Event

of Default after the expiration of any applicable cure periods therefor under the Bond Documents.

(3) Any statement, representation or warranty made by the Borrower in this Agreement, or in any information delivered to the Trustee in the manner described in Section 4(b) or Section 7 of this Agreement, contains an untrue statement of a material fact or omits to state any material fact necessary to make the statements made therein not misleading, at the time made or supplied.

(4) The failure of the Borrower to make deposits or transfers required under Section 5(b) of this Agreement, and the continuation of such failure for three (3) days after the Trustee gives notice to the Borrower in the manner provided for in Section 12.01 of the Loan Agreement.

(5) The failure of the Borrower to perform its obligations under Section 5(c) of this Agreement, and the continuation of such failure for three (3) days after the Trustee gives notice to the Borrower in the manner provided for in Section 12.01 of the Loan Agreement.

(6) The filing of a voluntary petition for relief in a case under the Bankruptcy Code as to the Borrower.

(7) The filing of an involuntary petition for relief in a case under the Bankruptcy Code or any state insolvency or similar law against the Borrower.

(8) The making of a general assignment for the benefit of creditors by the Borrower.

(9) The Borrower's failure to enforce any of its rights under any of the Borrower Documents as directed by the Trustee, and the continuation of such failure for ten (10) days after notice of such failure is given to the Borrower in the manner provided for in Section 12.01 of the Loan Agreement.

(10) The failure of the Borrower to perform any of its obligations under this Agreement when due, and the continuation of such failure for ten (10) days after notice of such failure is given to the Borrower in the manner provided for in Section 12.01 of the Loan Agreement.

(11) The failure of any of the Account Control Agreements to be valid and fully binding, and the continuation of such failure for three (3) days after notice of such failure is given to the Borrower in the manner provided for in Section 12.01 of the Loan Agreement.

(12) An Annual Plan to which the Trustee has not consented in writing becomes effective for the purposes of the Bond Documents, and a substitute Annual Plan consented to by the Trustee in writing does not become effective within 30 days after notice is given to the Borrower in the manner provided for in Section 12.01 of the Loan Agreement.

(13) An Event of Default occurs under the Membership Interest Pledge Agreement.

(14) If, after the date of this Agreement, any material adverse change occurs in the operations, financial condition, or business of the Borrower in connection with the Project, which material adverse change is not cured fifteen (15) days after the Trustee gives notice to the Borrower in the manner provided for in Section 12.01 of the Loan Agreement.

(15) The failure of the Borrower to perform any of its obligations under Section 5(a)(1) or any modification of the Sweep Instruction without Trustee's prior written consent.

(b) "Extant Events of Default" shall mean (i) the Events of Default identified in Section 2(a) above and (ii) the Borrower's failure, if any, during the Forbearance Term, to make payments required under Section 5.02 of the Loan Agreement. Notwithstanding the provisions of subsection (a) above, the occurrence or continuation of an Extant Event of Default during the Forbearance Period shall not be a Forbearance Default. The Borrower agrees that any failure to make payments required under Section 5.02 of the Loan Agreement during the Forbearance Period as contemplated by this subsection (b) shall immediately be deemed an Event of Default (but also an Extant Event of Default), without the need for notice, which notice the Borrower hereby waives.

(c) Upon the occurrence of a Forbearance Default, the Trustee shall have all of the following rights:

(1) The Trustee may immediately terminate this Agreement without notice to the Borrower.

(2) The Trustee may immediately proceed to enforce any or all of the remedies of the Trustee or the Issuer in law, in equity, and under the Bond Documents.

(3) The Trustee may immediately enforce any or all of the obligations of the Borrower under this Agreement.

Section 11 Reservations of Rights

(a) Nothing contained in this Agreement shall limit or restrict the Trustee from taking any action that the Trustee may take under the Bond Documents or at law or in equity necessary or appropriate in the Trustee's discretion to preserve, protect or defend any of the collateral pledged to the Trustee under the Bond Documents as against third parties including, without limitation (i) defending, intervening in or filing of any legal proceedings relating to any such collateral, or (ii) sending any notices to any persons or entities concerning the existence of security interests or liens in favor of the Trustee relating to such collateral and requiring that payments be made directly to the Trustee.

(b) Nothing in this Agreement and no action taken by the Trustee pursuant to this Agreement, including agreeing to standstill and forbearance, acceptance of any partial payment, and changing the flow of funds under the Indenture, shall (i) constitute any agreement or commitment by the Trustee to amend or modify any of the Bond Documents, (ii) constitute any agreement by the Trustee to continue to accept such partial payments after the Forbearance Period, (iii) constitute any course of conduct by the Trustee, (iv) extend the Forbearance Period, (v) cure or waive any default, Event of Default, or Extant Event of Default, past, present, or

future, or (vi) otherwise waive or alter in any way any of the Trustee's rights or remedies pursuant to the Bond Documents, applicable law or otherwise. This Agreement only obligates the Trustee to change the flow of funds under the Indenture and forbear from taking action due to the Extant Events of Default during the Forbearance Period in the manner, and subject to the conditions, stated in this Agreement.

(c) The Borrower acknowledges that the Trustee is under no obligation to extend the Forbearance Period, and the Trustee may refuse to do so in the Trustee's sole and absolute discretion. The Borrower acknowledges and agrees that this Agreement is not intended to be, and shall not be deemed or construed to be, a reinstatement, novation, release, modification, amendment or waiver of any of the Bond Documents or any provision thereof, and shall not be deemed to cure any existing defaults or Events of Default under any of the Bond Documents and except as otherwise expressly provided in this Forbearance Agreement, the Trustee reserves all of its rights and remedies.

Section 12 Release

THE BORROWER HEREBY VOLUNTARILY AND KNOWINGLY RELEASES AND FOREVER DISCHARGES THE TRUSTEE, ITS PREDECESSORS, AGENTS, EMPLOYEES, OFFICERS, ATTORNEYS, SUCCESSORS AND ASSIGNS, FROM ALL POSSIBLE CLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION, DAMAGES, COSTS, EXPENSES, AND LIABILITIES WHATSOEVER, KNOWN OR UNKNOWN, ANTICIPATED OR UNANTICIPATED, SUSPECTED OR UNSUSPECTED, FIXED, CONTINGENT, OR CONDITIONAL, AT LAW OR IN EQUITY, ORIGINATING IN WHOLE OR IN PART ON OR BEFORE THE DATE THIS AGREEMENT IS EXECUTED, WHICH THE BORROWER MAY NOW HAVE, IF ANY, AND IRRESPECTIVE OF WHETHER ANY SUCH CLAIMS ARISE OUT OF CONTRACT, TORT, VIOLATION OF LAW OR REGULATIONS, OR OTHERWISE, AND ARISING FROM THE EXERCISE OF ANY RIGHTS AND REMEDIES UNDER THE BOND DOCUMENTS, AND NEGOTIATION FOR AND EXECUTION OF THIS AGREEMENT.

Section 13 Miscellaneous

(a) *Governing Law.* This Agreement shall be governed by the laws of the State of Texas.

(b) *Entire Agreement.* This Agreement embodies the entire agreement and understanding of the parties with respect to its subject matter. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to herein. This Agreement supersedes any and all prior agreements and understandings between the parties with respect to such subject matter.

(c) *Amendment.* This Agreement may be amended only in a writing signed by all of the parties.

(d) *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(e) *Successors and Assigns.* This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The Trustee shall be permitted to assign or transfer its respective rights under this Agreement to any third-party without the prior written consent of the Borrower.

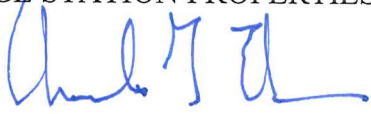
(f) *Notices.* Any notice or other communication required or permitted to be given hereunder shall be given in the manner set forth in Section 12.01 of the Loan Agreement.

(g) *Headings.* The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

(h) *Invalidity.* If any provision or part of any provision contained in this Agreement shall be found for any reason to be illegal, invalid or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair the validity or enforceability of any other provisions or the remaining part of any effective provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions or part thereof had never been contained herein, but only to the extent of its invalidity, illegality, or unenforceability. In addition, the Trustee and the Borrower agree to negotiate in good faith to replace such invalid, illegal, or unenforceable provisions or part thereof with valid provisions or parts thereof embodying the business intent of the invalid provision.

In witness whereof, the parties have executed this Agreement on the date first written above.

NCCD-COLLEGE STATION PROPERTIES LLC

By: 
Charles G. Eden, President

UMB Bank N.A., not in its individual capacity, but
solely in its capacity as successor trustee

By: _____
Michael G. Slade, Senior Vice President

In witness whereof, the parties have executed this Agreement on the date first written above.

NCCD-COLLEGE STATION PROPERTIES LLC

By: _____
Charles G. Eden, President

UMB Bank N.A., not in its individual capacity, but
solely in its capacity as successor trustee

By: Michael G. Slade
Michael G. Slade, Senior Vice President

Attachment A

Budget

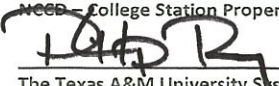
Budget Summary

| | 2017-2018 Fiscal Year |
|--|--------------------------|
| Rental Revenue | 13,142,285 |
| Other Revenue | 364,667 |
| Total Revenue | 13,506,952 |
| Operating Expenses | |
| Payroll | 874,980 |
| Maintenance | 881,819 |
| Turnover | 57,000 |
| Cable and Internet | 564,854 |
| Marketing | 453,715 |
| Admin | 430,113 |
| Taxes and Insurance | 317,462 |
| Management Fee | 0 |
| Security | 205,987 |
| Operating Expenses Total | 3,785,930 |
| Net Operating Income | 9,721,022 |
| Other Non-Operating Expenses | 88,095 |
| Capital Expenditures | 77,000 |
| Interest Expense (Other Non-Bonds) | 0 |
| Replacement Reserve (Balance Sheet) | 687,730 |
| Funds Held with Trustee | |
| Operating Contingency Fund | (96,899) |
| Capitalized Interest | (2,759,079) |
| Start Up Expense Fund | (7,103,335) |
| Total Funds Held With Trustee | (9,959,313) |
| Available to Pay Debt Service | 18,827,510 |
| Interest Expense (Bonds) | 17,766,529 |
| DSRF Interest | (178,236) |
| Replacement Reserve Use | |
| Principal Repayment | 2,930,000 |
| Total Debt Service | 20,518,293 |
| Income After Debt Service | (1,690,783) |
| Debt Coverage Ratio | 0.9176 |
| Subordinated Expenses | 1,115,813 |
| Cash Flow after Subordinated Cash Expense | (2,806,596) |
| Subordinated Deferred Expense | 637,289 |
| Net Cash Flow Plus Subord/Deferred Expenses | (3,443,885) |

The 17-18 Budget is approved:

 Date 10/13/17
Servitas Management Group

 Date 10/13/17

NEED - College Station Properties LLC
 Date 10/16/17
The Texas A&M University System/Texas A&M University

[illegible]

EXHIBIT "H"

FORM OF REQUISITION FROM THE OPERATIONS CONTINGENCY FUND

3

OPERATIONS CONTINGENCY FUND
CERTIFICATE AND REQUISITION FOR PAYMENT

Date: ~~[month]~~ 10, ~~[year]~~ 2017

Draw Request # _____

NCCD-College Station Properties LLC (the "**Borrower**") hereby requests, pursuant to **Section 510(b)** of the Trust Indenture (the "**Indenture**") dated as of July 1, 2015, between the New Hope Cultural Education Facilities Finance Corporation (the "**Issuer**") and Regions Bank, as Trustee (the "**Trustee**") that the following amounts be disbursed to the following parties for the account of the Borrower from the Operations Contingency Fund created under the Indenture:

| Name of Payee | Nature of Disbursement | Amount |
|---------------|--------------------------|------------------|
| <u>AFCO</u> | <u>Insurance Premium</u> | <u>25,085.83</u> |
| | | |
| | | |
| | | |
| | | |

The Borrower does hereby certify to the Trustee that, as of the date hereof, (1) the representations and warranties of the Borrower in the Loan Agreement (the "**Loan Agreement**") dated as of July 1, 2015, by and between the Borrower and the Issuer are hereby ratified and confirmed, (2) the above-listed items are authorized by the provisions of **Section 510(b)** of the Indenture, and (3) no Event of Default has occurred and is continuing under the Indenture or the Loan Agreement.

NCCD-COLLEGE STATION PROPERTIES LLC

By 
 Authorized Borrower Representative

The undersigned hereby approves the within requisition for payment.

[THE TEXAS A&M UNIVERSITY SYSTEM/TEXAS A&M UNIVERSITY]

By 
 Its _____



RETAIN THIS PORTION FOR YOUR RECORDS

**ADVICE OF PAYMENT DUE**DATE MAILED
09/28/2017*

PLEASE MAKE CHECKS PAYABLE TO:

AFCO
P.O. BOX 4795
CAROL STREAM IL 60197-4795

| ACCOUNT NUMBER | CURRENT BALANCE | DUE DATE |
|----------------|-----------------|------------|
| 04-90512375-01 | \$330,171.25 | 10/15/2017 |

| | |
|----------------------------|-------------|
| PAYMENT | \$33,898.38 |
| 09/15/2017 PAST DUE AMOUNT | \$25,085.83 |
| PREVIOUS LATE CHARGES | \$0.00 |

YOUR LATE CHARGE WILL BE \$1,694.91
IF PAYMENT IS RECEIVED LATE. TO AVOID THIS CHARGE,
PLEASE PAY YOUR PAYMENT DIRECTLY TO AFCO ON
OR BEFORE THE DUE DATE.PLEASE PAY
THIS AMOUNT

\$58,984.21

INSURED: National Campus and Community

PAYMENT INSTRUCTIONS -

1. DO NOT SEND CASH THROUGH THE MAIL.
2. MAKE ALL CHECKS PAYABLE TO AFCO (NOT YOUR AGENT).
3. PLEASE WRITE YOUR ACCOUNT NUMBER ON YOUR CHECK.
4. DETACH AND ENCLOSE THE BOTTOM PORTION OF THIS NOTICE WITH YOUR PAYMENT IN THE ENVELOPE PROVIDED.
5. MAIL OR DELIVER YOUR PAYMENT TO BE RECEIVED BY AFCO ON OR BEFORE YOUR DUE DATE. IF YOU BELIEVE YOUR PAYMENT WILL BE LATE YOU MAY MAKE YOUR PAYMENT ON-LINE OR SEND IT VIA THE OVERNIGHT COURIER OF YOUR CHOICE TO:

AFCO
5600 N. RIVER ROAD SUITE 400
ROSEMONT, IL 60018-5187

6. NOTIFY US IMMEDIATELY OF ANY ADDRESS CHANGE BY COMPLETING THE APPROPRIATE AREA ON THE BACK OF THE PAYMENT STUB.
7. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT AFCO CUSTOMER SERVICE AT 1-877-701-1212.

PFP709C2
REV. 04/00For immediate account information and to make your payment on-line: Access our Website at WWW.AFCCOM**ADVICE OF PAYMENT DUE**DATE MAILED
09/28/2017*PLEASE MAKE CHECKS PAYABLE TO:
AFCO

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☐ CHECK BOX AND FILL IN BACK
FOR NAME AND/OR ADDRESS CHANGEPLEASE PAY
THIS AMOUNT

\$58,984.21

INSURED: National Campus and Community

0490512375 092817 0003389838 101517 000000 0005898421 0033017125 8



015375 0.71 0928 1402 5529 2/2 BKH:1

1402-0.71-70409d11.ps 048564528 1-1 1 HL709C0

00763-00763-00763



Commercial Premium Finance Agreement - Promissory Note

5600 NORTH RIVER ROAD, SUITE 400, ROSEMONT, IL 60018-5187

TEL. NO. 877-701-1212

Page 1 of 2

| | |
|--|---|
| Agent (Name and Address) JOHN L WORTHAM & SON, LP 2727 ALLEN PARKWAY SUITE 2100 HOUSTON, TX 77019 (713) 526-3366 | Insured (Name and Address as shown on the policy) NATIONAL CAMPUS AND COMMUNITY DEVELOPMENT CORPORATION 98 SAN JACINTO BLVD SUITE 2020 AUSTIN, TX 78701 (512) 322-9650 |
|--|---|

| | | | | |
|---|---|--|---|---|
| A) Total Premiums \$ 463,233.79 | B) Down Payment \$ 130,685.07 | C) Amount Financed \$ 332,548.72 | D) Finance Charge \$ 6,435.08 | E) Total Payments \$ 338,983.80 |
| F) Annual Percentage Rate 4.20% | No. of Payments 10 (Monthly) | Amount of Payments \$ 33,898.38 | First Installment Due 9/15/2017 | Installment Due Dates 15th |

SCHEDULE OF POLICIES

| Policy Prefix and Numbers | Effective Date of Policy/Inst. | Name of Insurance Company and Name and Address of General or Policy Issuing Agent or Intermediary | Type of Coverage | Months Covered | Premium \$ |
|--|--------------------------------|---|-----------------------|----------------|---------------------------------|
| GS204 | 8/15/2017 | AFFILIATED FM INSURANCE CO | PROP Taxes Fees | 12 | 371,025.00 0.00 16,500.00 |
| A.R.-N AddCxlDays=0 Audit=N Min End=100.00 | 8/15/2017 | LLOYDS OF LONDON R-T SPECIALTY LLC 477 SOUTH ROSEMARY AVE WEST PALM BEACH, FL 3340 | WIND Taxes Fees | 12 | 72,000.00 3,673.79 35.00 |
| TME=\$72000.00 | | | | | |
| The above-named Agent asserts that it has or will receive compensation from AFCO for its administrative services in facilitating this premium finance transaction. | | | | | |

(1) DEFINITIONS: The above named Insured is the borrower. AFCO Credit Corporation ("AFCO") is the lender. "Insurance company" or "company", "insurance policy" or "policy" and "premium" refer to those items listed under the "Schedule of Policies". Singular words mean plural and vice-versa as may be required in order to give the agreement meaning.

NOTICE TO INSURED: 1. Do not sign this agreement before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this agreement at the time you sign. 3. Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the service charge. 4. Keep your copy of this agreement to protect your legal rights.

INSURED AGREES TO ALL TERMS SET FORTH ON ALL PAGES OF THIS AGREEMENT AND ANY ADDENDA THERETO.

SIGNATURE OF INSURED(S) OR AUTHORIZED REPRESENTATIVE

CHARLES G EDEN

Resident

8/23/17

PRINT NAME

TITLE

DATE

AGENT OR BROKER REPRESENTATIONS

The undersigned warrants and agrees: (A) The policies are in full force and effect and the information in the Schedule of Policies has been verified and is correct. (B) The Insured authorized this transaction, recognizes the security interest assigned herein and has received a copy of this agreement. (C) To hold in trust for AFCO any payments made or credited to the Insured through or to the undersigned, directly or indirectly, actually or constructively by any party and to pay the monies as well as any unearned commissions to AFCO promptly to satisfy the outstanding indebtedness of the Insured. (D) There are not and will not be any other liens given against the listed policies and the premiums are not and will not be financed by any other lender. (E) The policies comply with AFCO's eligibility requirements. (F) No audit or reporting form policies, policies subject to retrospective rating or minimum earned premium are included. The deposit or provisional premiums are not less than anticipated premiums to be earned for the full term of the policies. (G) The Insured can cancel the policies and the unearned premiums will be computed on the standard short-rate or pro-rata table. (H) No proceeding(s) in bankruptcy, receivership, or insolvency have been instituted by or against the Insured. (I) All premiums shall be paid to the insurer(s). (J) No additional authority, acts, approvals or licenses are or will be necessary as a prerequisite to the enforceability of this Agreement. (K) AFCO will rely upon these representations in determining whether to accept this Agreement.

IF THERE ARE ANY EXCEPTIONS TO THE ABOVE STATEMENTS, PLEASE LIST BELOW:

See above under 'Policy Prefix and Numbers'

THE UNDERSIGNED FURTHER WARRANTS THAT IT HAS RECEIVED THE DOWN PAYMENT AND ANY OTHER SUMS DUE AS REQUIRED BY THE AGREEMENT AND IS HOLDING SAME OR THEY ARE ATTACHED TO THIS AGREEMENT

AGENT OR BROKER

SIGNATURE OF AGENT OR BROKER

TITLE

DATE

CPFATX(10/05) c.2005 AFCO Credit Corporation [02-82]

QIV# 1403920A-1

QIV# 1403920A-1 PRN:8/17/2017 5:05 PM BY:chmielewski CFG:CustomConfig RT:WorthamRevenue PF:1,526.08 T:3.21 B:3.20 B2:3.20

Attachment B

Deficiency Calculation

Funds Available for Debt Service

| | |
|-----------------------|---------------------|
| | 4/30/2018 |
| Surplus Fund | 817,108.01 |
| Sup Exp | 869,938.64 |
| Operating Contii | 511,694.90 |
| Revenue Fund | - |
| Cap Int Fund | 17,708.82 |
| Construction Fund | 165,909.86 |
| Total Funds Available | <u>2,382,360.23</u> |

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 5/31/2018 | 6/30/2018 | 7/31/2018 | 8/31/2018 |
| Beginning Balance of Funds Available for Debt Service | 2,382,360.23 | 3,049,337.67 | 3,120,453.61 | 3,404,806.76 |
| Revenues Received | 1,076,966.00 | 841,162.15 | 727,181.00 | 1,936,379.00 |
| Operating Expenses | 409,989 | 358,767 | 383,941.00 | 695,663.00 |
| Repair and Replacement Additions | | 411,279.66 | 58,886.85 | 58,886.85 |
| Funds at end of Period | <u>3,049,337.67</u> | <u>3,120,453.61</u> | <u>3,404,806.76</u> | <u>4,586,635.92</u> |

Required Payments into the Bond Fund

| Deposit Date | Monthly Principal Deposit | Required Principal Balance | Monthly Interest Deposit | Required Interest Balance | Required Bond Fund Balance | Actual Bond Fund Balance | Deficit | Funds Available | Debt Service Deficiency |
|--------------|---------------------------------|-------------------------------|--------------------------------|------------------------------|-------------------------------|-----------------------------|---------------|-----------------|----------------------------|
| 4/30/2018 | 293000 | 2,344,000.00 | 1,776,652.93 | 5,329,958.78 | 7,673,958.78 | 5,333,224.54 | 2,340,734.24 | 2,382,360.23 | 41,625.99 |
| 5/31/2018 | 293000 | 2,637,000.00 | 1,776,652.93 | 7,106,611.70 | 9,743,611.70 | 5,333,224.54 | 4,410,387.16 | 3,049,337.67 | (1,361,049.49) |
| 6/30/2018 | 293000 | 2,930,000.00 | 1,776,652.93 | 8,883,264.63 | 11,813,264.63 | 5,333,224.54 | 6,480,040.09 | 3,120,453.61 | (3,359,586.48) |
| 7/31/2018 | 358750 | 3,288,750.00 | 1,472,413.36 | 10,355,677.99 | 13,644,427.99 | 5,333,224.54 | 8,311,203.45 | 3,404,806.76 | (4,906,396.68) |
| 8/31/2018 | 358750 | 3,647,500.00 | 1,472,413.36 | 11,828,091.34 | 15,475,591.34 | 5,333,224.54 | 10,142,366.80 | 4,586,635.92 | (5,555,730.88) |

May 17, 2018

**Market Assessment of a Student Housing Property Adjacent to Texas A&M University
within the Bryan-College Station, TX MSA**

Background

Park West was unable to reach stabilized occupancy in the first year of operations (Fall 2017). An examination of the market survey materials, publicly available data, and interviews with on-site personnel indicates that the project assumed that it would be students' first choice in housing after on-campus housing reached capacity. Under current circumstances, Park West competes in the Class A off-campus student housing pool¹ which has inventory of almost 25,000 beds and is subject to shifts in the market related to imbalances in supply and demand fundamentals.

Market Observations

Meyers' calculations estimate that the competition for top-of-the-market renters² within the off-campus rental market is strong. In the period between 2014 and 2017, off-campus supply increased by an average of 9% per year impacting the market's ability to achieve inflationary rent growth. In addition to the 25,000 beds of existing Class A off-campus inventory, there are 2,457 new beds slated for delivery in Fall 2018 (currently in pre-leasing along with the existing inventory). It is not unrealistic to assume that the pace of deliveries may slow in the near term due to the noted market difficulties associated with leasing and pricing; however, the university's historic growth and future growth potential will also continue to attract interest from local, regional, and national developers.

Meyers' depth of demand analysis indicates that there is adequate demand from both university enrollment and forecasted growth to support the overall housing market. However, the top end of the market remains extremely competitive. Assuming growth in students of 3% undergraduate and 2% graduate, Meyers calculates net demand of approximately 6,500 top-of-the-market renters in Fall 2021. For Park West to achieve full occupancy, the capture rate of that pool is equal to 52.3% which indicates that Park West's tier of competition will remain tight over the next five years³.

The influence the pipeline has imposed upon the market is most evident when examining historical rent growth. According to Axiometrics, moderate rent growth was reported in 2016 (0.2%) after strong rent growth occurred in 2015 (4.3%) and 2014 (4.4%). The third-party data provider estimates that the privately-owned market experienced a rent decline of 3.2% in 2017 (despite achieving an occupancy rate of 95.2%).

Meyers examination of Park West's rental rates and pre-leasing levels achieving for the Fall 2018 lease-up indicates that the pricing has fallen below \$599 per month on many of the unit offerings. This drop in rates has opened up the target market pool to almost 80% of the students (rather than 55%). Not surprisingly, pre-leasing activity has responded with strong momentum. According to the latest information provided, Park West is 87% pre-leased as compared to stabilized market comparables at a weighted average of 65%. Data from Axiometrics indicates the stabilized market is on track with last year's preleasing performance of 60% as of the end of April.

¹ Class A off-campus inventory is defined as all multifamily properties built since 1996 with more than 100 beds, individual leases, and student-centric amenities.

² According to the market survey performed in January 2015, 55.7% of the maximum potential demand pool constitutes the top-of-the-market renters (students with a budget of \$600 or more per month for Park West and its competitors).

³ A capture rate of less than 30% is typical and considered an industry standard.

May 17, 2018

Page 2

Based on our projections and assumptions, we expect that the project will achieve a debt coverage ratio of 1.0 in annual period 2021-2022, and 1.20 in annual period 2025-26. We project that, assuming no further deposits are made into the repair and replacement fund, the debt service reserve fund will be drawn upon in annual periods 2017-2018 through 2020-2021, and that the maximum aggregate draw on the debt service reserve fund may be approximately \$15 million based on management's sensitivity analysis. Further, management's budget indicates that both the debt service reserve fund and the repair and replacement fund will be fully replenished in fiscal year 2027-2028.

Next Steps

By actively managing rental rates with leasing momentum, the property should target to achieve between \$30 and \$31 million in gross potential revenue to achieve the minimum performance measurements.

Respectfully,



Kimberly Byrum, Principal – Advisory



Christine Sills, Manager – Advisory