

In the opinion of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Series 2019 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2019 Bonds is exempt from State of California personal income tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2019 Bonds. See "TAX MATTERS" herein.

\$89,800,000

**California Statewide Communities Development Authority
College Housing Revenue Bonds
(NCCD—Hooper Street LLC—California College of the Arts Project) Series 2019**

Dated: Date of Delivery

Due: July 1, as described on inside cover page

The California Statewide Communities Development Authority College Housing Revenue Bonds (NCCD—Hooper Street LLC—California College of the Arts Project) Series 2019 (the "Series 2019 Bonds") are being issued by the California Statewide Communities Development Authority (the "Authority") pursuant to a Trust Indenture (the "Indenture") dated as of January 1, 2019, between the Authority and Wilmington Trust, National Association, as Trustee (the "Trustee"). The Authority will lend the proceeds of the Series 2019 Bonds to NCCD—Hooper Street LLC (the "Borrower"), a California single member limited liability company whose sole member is National Campus and Community Development Corporation (the "Corporation"), a Texas non-profit corporation, pursuant to a Loan Agreement (the "Loan Agreement") dated as of January 1, 2019, between the Authority and the Borrower. The Series 2019 Bonds are being issued for the purpose of providing funds (i) to finance the acquisition, construction, furnishing and equipping of an approximately 280 unit student housing facility to be located at 188 Hooper Street, San Francisco, California, on the campus of California College of the Arts (the "College") intended to benefit the College and its students (the "Student Housing Facility"), together with a food services facility and convenience store located therein (collectively, the "Food Services Facility" and together with the Student Housing Facility, the "Series 2019 Project"); (ii) to fund a deposit into a debt service reserve fund for the Series 2019 Bonds; (iii) to fund capitalized interest on the Series 2019 Bonds during construction of the Series 2019 Project; (iv) to fund initial working capital for the Series 2019 Project; and (v) to fund the costs of issuing the Series 2019 Bonds.

The Series 2019 Project will be owned by the Borrower and will be located on a site leased to the Borrower by the College pursuant to a Ground Lease (the "Ground Lease") dated as of January 1, 2019, between the College, as ground lessor, and the Borrower, as ground lessee. Upon substantial completion, the Borrower will sublease the Food Services Facility to the College pursuant to the terms of a Sublease Agreement. The Student Housing Facility will be operated by the Borrower and the Food Services Facility will be operated by the College. The Series 2019 Bonds will be limited obligations of the Authority payable from and secured by Pledged Revenues and the Security (both as defined herein), including the Borrower's interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and derived from the Student Housing Facility (other than any amounts connected to naming rights for the Series 2019 Project) and any improvements thereto or expansions thereof pursuant to a Pledge and Security Agreement (the "Security Agreement") and a Construction Leasehold Deed of Trust, Assignment of Rents and Subleases, and Fixture Filing (as now or hereafter amended, supplemented, modified, and/or restated, the "Leasehold Deed of Trust"). Revenues from the Food Services Facility and naming rights (if any) from the Series 2019 Project are not included in Pledged Revenues and will be the sole property of the College. Additional bonds, payable on a parity basis with the Series 2019 Bonds and secured by the lien and security interests granted by the Leasehold Deed of Trust and the Security Agreement ("Additional Bonds") may be issued in accordance with the Indenture as described herein. See "ADDITIONAL BONDS" herein. Such Additional Bonds, together with the Series 2019 Bonds, are collectively referred to herein as the "Bonds."

The Series 2019 Bonds must be sold to purchasers that are "Qualified Institutional Buyers," as generally defined in Rule 144A of the Securities Act of 1933, as amended, and "Institutional Accredited Investors," each as defined herein. Each initial purchaser must execute a sophisticated investor letter in the form attached hereto as APPENDIX I—"FORM OF INVESTOR LETTER" prior to delivery of the Series 2019 Bonds to DTC. See "TRANSFER RESTRICTIONS" herein.

THE SERIES 2019 BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY, OR THE COLLEGE BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. THE AUTHORITY SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY, OR THE COLLEGE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THE SERIES 2019 BONDS. THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. MOREOVER, NEITHER THE AUTHORITY NOR THE PROGRAM PARTICIPANT SHALL BE LIABLE FOR ANY OTHER COSTS, EXPENSES, LOSSES, DAMAGES, CLAIMS OR ACTIONS, IN CONNECTION WITH THE LOAN AGREEMENT, THE SERIES 2019 BONDS OR THE INDENTURE, EXCEPT ONLY TO THE EXTENT AMOUNTS ARE RECEIVED FOR THE PAYMENT THEREOF FROM THE BORROWER UNDER THE LOAN AGREEMENT.

The Series 2019 Bonds will be issuable as fully registered bonds without coupons in the denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Interest on the Series 2019 Bonds will be payable on January 1 and July 1 of each year, commencing July 1, 2019 (each, an "Interest Payment Date") to the registered owners of the Series 2019 Bonds (the "Owner" or "Owners"). The Series 2019 Bonds will be subject to prior redemption as described herein. See "THE SERIES 2019 BONDS—Redemption" herein.

The Series 2019 Bonds will be initially registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2019 Bonds and purchasers of the Series 2019 Bonds will not receive certificates evidencing their ownership interests therein. So long as Cede & Co. is the registered owner of the Series 2019 Bonds as nominee of DTC, references herein to the Owners of the Series 2019 Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2019 Bonds. So long as Cede & Co. is the registered owner of the Series 2019 Bonds, the payments of principal of and interest on the Series 2019 Bonds will be made to Cede & Co., as nominee for DTC, which will in turn remit such payments to the Direct Participants and Indirect Participants for subsequent disbursement to the beneficial owners. See "THE SERIES 2019 BONDS—Book-Entry System" and APPENDIX E—"BOOK-ENTRY SYSTEM."

SEE "CERTAIN BONDHOLDERS' RISKS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2019 BONDS. EACH PROSPECTIVE PURCHASER SHOULD CONSIDER THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF AN INVESTMENT IN THE SERIES 2019 BONDS.

This cover page contains information for quick reference only. It is not a complete summary of the Series 2019 Bonds. Investors should read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Series 2019 Bonds are offered when, as, and if issued by the Authority and received by the Underwriter and are subject to prior sale and the approval of the validity of the Series 2019 Bonds and certain other legal matters by Orrick, Herrington & Sutcliffe, LLP, San Francisco, California, Bond Counsel. Certain legal matters will be passed upon for the Authority by Orrick, Herrington & Sutcliffe, LLP; for the Borrower and the Corporation by Waller Lansden Dortch & Davis, LLP, Nashville, Tennessee; for the College by Farella Braun + Martel LLP, San Francisco, California, Orrick Herrington & Sutcliffe, LLP, San Francisco, California, and Alder & Colvin, San Francisco, California; and for the Underwriter by Kutak Rock LLP, Denver, Colorado. It is expected that the Series 2019 Bonds will be available for delivery in book-entry form through the facilities of DTC on or about January 30, 2019.

George K. Baum & Company

Dated: January 15, 2019

MATURITY SCHEDULE

**California Statewide Communities Development Authority
College Housing Revenue Bonds
(NCCD—Hooper Street LLC—California College of the Arts Project)
Series 2019**

\$3,200,000 5.000% Series 2019 Term Bonds due July 1, 2024, Price 107.855, Yield 3.400%, CUSIP No. [†] 13081C AA6
\$7,900,000 5.000% Series 2019 Term Bonds due July 1, 2029, Price 109.566, Yield 3.875%, CUSIP No. [†] 13081C AB4
\$23,300,000 5.250% Series 2019 Term Bonds due July 1, 2039, Price 105.753 ^c, Yield 4.550%, CUSIP No. [†] 13081C AC2
\$39,200,000 5.250% Series 2019 Term Bonds due July 1, 2049, Price 104.486 ^c, Yield 4.700%, CUSIP No. [†] 13081C AD0
\$16,200,000 5.250% Series 2019 Term Bonds due July 1, 2052, Price 104.067 ^c, Yield 4.750%, CUSIP No. [†] 13081C AE8

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2018 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Authority, the Borrower, the Corporation, the College and the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

^c Price to first par call date of July 1, 2029.

ISSUER

California Statewide Communities Development Authority

BORROWER

NCCD—Hooper Street LLC

whose sole member is

National Campus and Community Development Corporation

PARTY TO GROUND LEASE

California College of the Arts, owner of the site of the Series 2019 Project

PROFESSIONAL SERVICES

Bond Counsel

Orrick, Herrington & Sutcliffe, LLP
San Francisco, California

Authority Counsel

Orrick, Herrington & Sutcliffe, LLP
San Francisco, California

Municipal Advisor to the California College of the Arts

Backstrom McCarley Berry & Co., LLC

Underwriter

George K. Baum & Company

Trustee

Wilmington Trust, National Association
Birmingham, Alabama

This Limited Offering Memorandum does not constitute an offer to sell the Series 2019 Bonds in any jurisdiction in which or to any person to whom it is unlawful to make such an offer. No dealer, salesperson or other person has been authorized to give any information or to make any representations, other than those contained herein, in connection with the offering of the Series 2019 Bonds and, if given or made, such information or representations must not be relied upon.

The information relating to the Authority set forth herein under the captions “THE AUTHORITY” and “LITIGATION—The Authority” has been furnished by the Authority.

Certain statements included or incorporated by reference in this Limited Offering Memorandum, constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which 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. Neither the Authority nor the Borrower plans 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.

Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the Borrower since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum: “The Underwriter has reviewed the information in this limited offering memorandum pursuant to 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 SERIES 2019 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

NOTICE TO INVESTORS

The Series 2019 Bonds are to be offered and sold (including in secondary market transactions) only to Qualified Institutional Buyers and Institutional Accredited Investors (each as defined under “TRANSFER RESTRICTIONS”). The Indenture under which the Series 2019 Bonds will be issued will contain provisions limiting transfers of the Series 2019 Bonds to Qualified Institutional Buyers and Institutional Accredited Investors. In addition, the face of each Series 2019 Bond will contain a legend to the effect that such Bond can only be owned by Qualified Institutional Buyers and Institutional Accredited Investors. Each initial purchaser will be required to deliver an Investor Letter substantially in the form of Appendix I hereto.

In the event that the Series 2019 Bonds (without credit enhancement, unless such credit enhancement extends the maturity of the Bonds) are rated at least “Baa3” by Moody’s or “BBB-” by S&P or Fitch or equivalent, or any other nationally recognized rating agency approved by the Authority, then the restrictions on transfer of the Series 2019 Bonds described above will no longer apply to the Series 2019 Bonds, and the Series 2019 Bonds may be issued in Authorized Denominations of \$5,000 or any integral multiple thereof.

The Series 2019 Bonds will be issued in minimum denominations of \$100,000 and integral multiples of \$5,000 in excess thereof. The Series 2019 Bonds will be issued in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York.

SUMMARY STATEMENT

*The following Summary Statement is qualified in its entirety by the more detailed information and financial statements contained elsewhere in this Limited Offering Memorandum and the Appendices hereto (collectively, the “**Limited Offering Memorandum**”). The offering of the Series 2019 Bonds to prospective purchasers is made only by means of this entire Limited Offering Memorandum, and no person is authorized to detach this Summary Statement from the Limited Offering Memorandum or to use it otherwise without the entire Limited Offering Memorandum.*

All capitalized terms used in this Limited Offering Memorandum and not otherwise defined herein shall have the meanings ascribed thereto in Appendix C hereto.

The Authority

The California Statewide Communities Development Authority (the “**Authority**”) is a joint exercise of powers authority organized pursuant to an Amended and Restated Joint Exercise of Powers Agreement dated June 1, 1988 among a number of California counties, cities and special districts, entered into pursuant to Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code (the “**Act**”) and is authorized to issue the Series 2019 Bonds (hereinafter defined) pursuant to the Act for the purposes described herein. See “THE AUTHORITY” herein.

The Borrower

NCCD—Hooper Street LLC (the “**Borrower**”) is a single member limited liability company organized and existing under the laws of the State of California (the “**State**”). National Campus and Community Development Corporation (the “**Corporation**”) is the sole member of the Borrower. The proceeds of the Series 2019 Bonds will be lent by the Authority to the Borrower pursuant to a Loan Agreement (the “**Loan Agreement**”) dated as of January 1, 2019, between the Authority and the Borrower to finance the costs described below under “The Series 2019 Bonds.” The Borrower was formed for the purpose of financing, acquiring, constructing, furnishing and equipping the Series 2019 Project (as defined herein), and operating the Student Housing Facility (as defined herein) and is not expected to have any assets other than the Series 2019 Project. See “THE BORROWER” herein. The Borrower’s obligations with respect to the Series 2019 Bonds are non-recourse. See “NON-RECOURSE OBLIGATION OF THE BORROWER” herein.

The Corporation

The Corporation is a non-profit corporation organized and existing under the laws of the State of Texas and is an exempt organization under §501(c)(3) of the Internal Revenue Code of 1986, as amended. See “THE BORROWER” herein. **The Corporation will have no obligation with respect to the hereinafter described Series 2019 Bonds or under the hereinafter described Ground Lease, Loan Agreement, Leasehold Deed of Trust, Security Agreement, Assignment of Contracts and Agreements, or Indenture.** See “THE BORROWER—The Corporation” and “—Board of Directors of the Corporation” herein.

The College

188 Hooper Street, on the campus of the California College of the Arts (the “**College**”) in the City of San Francisco, California (the “**City**”), will be the site of the Series 2019 Project. The College will be a party to the Ground Lease, the Housing Services Agreement and the Sublease (each as

defined herein). **The College will not have any obligation, express or implied, with respect to the payment of the principal of, or the premium, if any, or interest on, the Series 2019 Bonds.** The information in this Limited Offering Memorandum concerning the operations of the College is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Limited Offering Memorandum that the principal of and interest on the Series 2019 Bonds is payable from any funds of the College. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS” herein. See “CALIFORNIA COLLEGE OF THE ARTS.”

The College has limited express obligations in the Ground Lease, the Sublease and the Housing Services Agreement. Pursuant to the Ground Lease, the College will agree to deposit with the Trustee into the Construction Fund \$1,600,000 as the College’s contribution toward the cost of the Food Services Facility, which deposit will be made on or after July 1, 2019. Pursuant to the Housing Services Agreement dated as of January 1, 2019 (the “**Housing Services Agreement**”) by and between the College and the Borrower, the College will establish a live-on requirement (the “**Live-On Requirement**”) for its (a) freshman and sophomore students and its undergraduate transfer students, requiring such students to live in the Student Housing Facility during the academic year (unless they otherwise qualify for an exemption); and (b) summer program students attending its undergraduate and graduate International Program, requiring such students to live in the Student Housing Facility while attending such International Program (unless they otherwise qualify for an exemption). See “THE HOUSING SERVICES AGREEMENT” herein. Subject to the further provisions of the Housing Services Agreement, the College is also agreeing to fill the Student Housing Facility with such students subject to the Live-On Requirement prior to allowing such students to live in any additional housing stock/options offered by the College.

The Series 2019 Project

The Series 2019 Project consists of those improvements described below to be made on certain property (the “**Property**” as further described herein) being leased by the College to the Borrower under the Ground Lease dated as of January 1, 2019 (the “**Ground Lease**”) by and between the College and the Borrower which is located on the campus (the “**Campus**”) of the College. The term “**Series 2019 Project**” means, collectively, the Student Housing Facility and the Food Services Facility. The “**Student Housing Facility**” means the approximately 280 unit on-campus student housing facility containing between 520 to 576 beds (depending upon the determination by the College of the final mix of units) to be located at 188 Hooper Street, San Francisco, California, primarily for freshman and sophomore students and undergraduate transfer students of the College, including the buildings, furniture, fixtures, and equipment therefor and associated site development and various related amenities and improvements that will be acquired, constructed, furnished, and equipped on the Property with the proceeds of the Series 2019 Bonds, but specifically excluding the Food Services Facility to be located within the Series 2019 Building (as hereinafter defined). The “**Food Services Facility**” means the food services facility and a convenience store to be

located on the ground floor of the Series 2019 Building which, upon substantial completion thereof, will be subleased to the College, as sublessee, by the Borrower, as sublessor, pursuant to a Sublease Agreement (the “**Sublease**”). The “**Series 2019 Building**” means that certain building and all other facilities and improvements constituting part of the Series 2019 Project and not constituting part of the Series 2019 Equipment that are or will be located on the Property. The “**Series 2019 Equipment**” means the equipment, machinery, furnishings, and other personal property to be located on the Property acquired with the proceeds of the Series 2019 Bonds and described in the Loan Agreement, and all replacements, substitutions, and additions thereto. Subject to the terms of the Ground Lease and the Sublease, the Series 2019 Project will be owned by the Borrower, the Student Housing Facility will be operated by the Borrower and managed by either the College or a property manager experienced in managing student housing facilities (currently expected to be Capstone Student Housing) (the “**Manager**”), and the Food Services Facility will be operated by the College and managed by a third party (currently expected to be Bon Appétit Management Company) (the “**Food Services Manager**”), primarily for the benefit of the students residing in the Student Housing Facility. The revenues from the operation of the Food Services Facility as well as the naming rights (if any) from the Series 2019 Project shall be the property of the College and are not available to pay the principal of, or the premium, if any, or interest on, the Series 2019 Bonds. See “THE SERIES 2019 PROJECT” and “THE MANAGER AND THE MANAGEMENT AGREEMENT.”

The Series 2019 Bonds

The Authority will issue \$89,800,000 principal amount of college housing revenue bonds to be designated “California Statewide Communities Development Authority College Housing Revenue Bonds (NCCD—Hooper Street LLC—California College of the Arts Project) Series 2019” (the “**Series 2019 Bonds**”) for the purpose of providing funds (i) to finance the acquisition, construction, furnishing and equipping of the Series 2019 Project, (ii) to fund a deposit into a debt service reserve fund (the “**Debt Service Reserve Fund**”) for the Series 2019 Bonds; (iii) to fund capitalized interest on the Series 2019 Bonds during construction of the Series 2019 Project; (iv) to fund initial working capital for the Series 2019 Project; and (v) to fund the costs of issuing the Series 2019 Bonds.

The Trustee

Wilmington Trust, National Association (the “**Trustee**”), will act as trustee, bond registrar, and paying agent for the Series 2019 Bonds.

Redemption of Bonds

The Series 2019 Bonds will be subject to prior redemption as described herein. See “THE SERIES 2019 BONDS—Redemption” herein.

Market Study

Attached hereto as Appendix B is the “Student Housing Demand and Rental Rate Analysis” dated September 7, 2018 (the “**Housing Demand Study**”) and the “Student Housing Operating Expense Analysis” dated June 1, 2018 (the “**Operating Cost Study**”) and collectively, with the Housing Demand Study, the “**Market Study**”), prepared by The Scion Group LLC (“**Scion**”) on behalf of the College. Scion employed a number of analytical tools and methodologies to determine the feasibility of the

Student Housing Facility, including surveying a statistically significant population of current College students in order to test proposed unit designs and rental rates. The conclusions and findings contained in the Market Study are based upon information available at the time and assumptions about the outcome of future events. There can be no assurance that such projections will approximate actual results, and there is no assurance, representation, or warranty that such projections will be achieved. See “MARKET STUDY” and “CERTAIN BONDHOLDERS’ RISKS—Actual Results May Differ from Cash Flow” and “—Forward Looking Statements” herein. Scion will not be liable for any other costs, expenses, losses, damages, claims, or actions in connection with the Loan Agreement, the Indenture or the Bonds. For discussion of the assumptions and methodology used in arriving at the conclusions and findings, see the Market Study which should be read in its entirety. Scion has consented to the use of the Market Study in this Limited Offering Memorandum. See APPENDIX B—“MARKET STUDY.”

Current Housing

As detailed in the Market Study, the College currently provides a total of 687 beds at or near its campuses in San Francisco and Oakland. See APPENDIX B—“MARKET STUDY.” The College is planning to completely unify all of its programs to its Campus in San Francisco, and has entered into an option agreement to sell its Oakland first-year housing and its Oakland campus. The College has completed design on a 90,000 square foot addition to its Campus in San Francisco. When its property in Oakland is sold, the College intends to build the additional academic space and complete the unification, which could occur as early as 2021. The College will continue to offer classes on both campuses until the unification can be achieved. Housing designed for and serving the College’s students at the San Francisco Campus will include the Student Housing Facility (approximately 280 units) and two privately owned off-campus apartment buildings which the College currently leases: Panoramic, for upper class and graduate students, located approximately one mile from Campus which is shared with San Francisco Conservatory of Music (approximately 195 beds), and Blattner Hall, for upper class students of the College, located approximately one-half mile from the Campus, which opened in the fall of 2018 (approximately 200 beds). The College will provide a “first fill” of the Student Housing Facility for those students subject to the Live-On Requirement, which requires the Student Housing Facility to be fully occupied prior to permitting such students to live in any additional housing stock/options offered by the College. Notwithstanding the foregoing, (i) the College may permit freshman or sophomore students to live in other College-controlled or leased housing facilities if the College arranges for another Eligible Resident (as hereinafter defined) to rent a bed on a one-for-one basis with any freshman or sophomore students otherwise required to live in the Student Housing Facility, (ii) the College agrees to direct other students not subject to the Live-On Requirement to the Student Housing Facility first among all other current and/or future housing options that might be located on the College’s campus to ensure sufficient capacity, but such students shall not be required to live in the Student Housing Facility; and (iii) the College shall not be required to fill any beds that are vacated during an academic

year by relocating students assigned other housing for such academic year to the Student Housing Facility. However, any students seeking housing during the academic year shall be referred by the College to the Student Housing Facility if any beds are then available to lease. See “THE HOUSING SERVICES AGREEMENT.”

Eligible Residents

The Student Housing Facility is to be used as on-campus housing for the primary benefit of freshman and sophomore students and undergraduate transfer students of the College. Accordingly, as provided in the Housing Services Agreement, and requested by the College, the Borrower will make the beds available initially to students in good standing enrolled at the College (the “***Students***”); provided however, that if there are any unoccupied beds after such beds have been first offered to students of the College, then the Borrower shall make beds available to students enrolled at least half-time or more in other accredited post-secondary educational institutions which meet certain requirements (an “***Eligible Institution***”); provided further that during summer break, the Borrower may make any unoccupied beds available to attendees of any summer programs offered by the College, or any others who are students of Eligible Institutions or others which meet certain requirements (collectively, the “***Eligible Residents***”). In no event shall any of the beds be offered to any individuals who are not eligible under the City and County of San Francisco’s Student Housing Ordinance (the “***Student Housing Ordinance***”) or in violation of the Indenture and Loan Agreement.

The Developer

UGD 188 Hooper Street, LLC, (the “***Developer***”) is serving as the developer for the Series 2019 Project. The Developer is wholly-owned by UrbanGreen Devco, LLC (“***Urban Green***”). The Developer will approve all construction draw requests to the Trustee on behalf of the Borrower (other than certain draws for non-construction costs, including for payment of its fees, which shall be approved by the College). UrbanGreen is a San Francisco based land and urban development company focused on implementing the City’s land use vision in its developing urban areas. The Developer is led by Daniel Murphy, a 30-year Bay Area urban development executive. See “THE DEVELOPER AND THE DEVELOPMENT AGREEMENT” herein.

The Design-BUILDER

Nibbi Bros. Associates, Inc. (the “***Design-BUILDER***”), is a San Francisco based general contractor. The Design-BUILDER has over 60 years’ experience in constructing technically complex, iconic structures in the San Francisco Bay Area. The Design-BUILDER has constructed affordable housing projects, market rate/luxury multifamily housing projects and projects for K-12 schools and higher education institutions, in the Bay Area. See “THE DESIGN-BUILDER AND THE DESIGN-BUILD AGREEMENT” herein.

The Architect

Natoma Architects Inc. (the “***Architect***”) was engaged by the College to act as Consulting Architect. Led by Stanley Saitowitz, the practice is committed to the design of projects which engage their context and community. See “THE ARCHITECT AND THE ARCHITECT’S AGREEMENT” herein.

The Manager

The Student Housing Facility will be managed by the Manager, which shall be either the College or a third party property manager experienced with managing student housing facilities (currently expected to be Capstone Student Housing). It is not currently expected that the Borrower will select the Manager prior to the issuance of the Series 2019 Bonds. See “CERTAIN BONDHOLDERS’ RISKS—Management” herein. Pursuant to the Housing Services Agreement, the College will approve the Manager and the terms of the Management Agreement. See “THE MANAGER AND THE MANAGEMENT AGREEMENT” herein.

The Ground Lease

Pursuant to the Ground Lease, the College will lease the Property to the Borrower for the purpose of developing and constructing the Series 2019 Project, and operating the Student Housing Facility. The term of the Ground Lease shall be for a term not less than the final maturity of the Series 2019 Bonds (and in no event beyond thirty-four and a half years) as described herein. The annual rental payable to the College under the Ground Lease will be equal to the Net Available Cash Flow. Net Available Cash Flow will equal the amount available to be transferred from the Surplus Fund created under the Trust Indenture (the “*Indenture*”) dated as of January 1, 2019, between the Authority and the Trustee, subject to the provisions related to transfers from the Surplus Fund to the Cash Trap Fund created under the Indenture. The Borrower will agree in the Ground Lease, among other things, to acquire, construct, furnish, and equip the Series 2019 Project in accordance with the plans and specifications therefor on file with the Trustee, to cause the Developer and/or Design-Builder to maintain insurance against certain risks during construction, to deliver performance and labor and material payment bonds with respect to construction contracts, and to operate and maintain the Student Housing Facility in good repair and operating condition. See “THE GROUND LEASE” herein.

Security for the Bondholders

To secure the Borrower’s obligations to the Authority under Loan Agreement, the Borrower will execute and deliver to the Trustee (i) a Construction Leasehold Deed of Trust, Assignment of Rents and Subleases, and Fixture Filing (the “*Leasehold Deed of Trust*”) dated as of January 1, 2019, pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the deed of trust trustee named therein (the “*Deed of Trust Trustee*”) for the benefit of the Trustee of the Borrower’s interest in the Ground Lease and, upon Substantial Completion of the Series 2019 Project as described herein, the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and derived from the Student Housing Facility (other than any revenues connected to the naming rights (if any) of the Series 2019 Project) and any improvements thereto or expansions thereof; (ii) a Pledge and Security Agreement (the “*Security Agreement*”) dated as of January 1, 2019, pursuant to which the Borrower will, subject to Permitted Encumbrances, pledge and assign to the Trustee, and grant to the Trustee a first priority security interest in, the Pledged Revenues (as defined in Appendix C hereto), the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower’s ownership of the Student Housing Facility; and (iii) an Assignment of Contracts and

Agreements (the “**Assignment of Contracts and Agreements**”), dated as of January 1, 2019, pursuant to which the Borrower will grant to the Trustee a first priority security interest in the Amended and Restated Agreement Between Owner and Developer (the “**Development Agreement**”), dated as of January 1, 2019, between the College and the Developer (which the College will assign to the Borrower), pursuant to which the Developer has agreed to develop and oversee the construction of the Series 2019 Project, and the construction contracts, the architect’s agreement, and all other contracts and agreements relating to the development, design, and construction of the Series 2019 Project and any improvements thereto or expansions thereof, and the management of the Student Housing Project. Revenues from the Food Services Facility and naming rights (if any) for the Series 2019 Project are not included in Pledged Revenues and will be the sole property of the College. As security for its obligations under the Series 2019 Bonds, the Authority will enter into the Indenture with the Trustee. Pursuant to the Indenture, the Authority will grant to the Trustee a first priority security interest in the Loan Agreement, all property described therein, all amounts to be received thereunder, and all property to be held thereunder (except for Unassigned Rights hereinafter defined). See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS” and “CERTAIN BONDHOLDERS’ RISKS” herein.

Additional Bonds

Additional bonds, payable on a parity basis with the Series 2019 Bonds and secured by the lien and security interests granted by the Leasehold Deed of Trust and the Security Agreement (“**Additional Bonds**”) may be issued in accordance with the Indenture including for the purpose of paying costs to complete, improve or expand the Series 2019 Project, to acquire, construct, furnish and equip one or more additional student, faculty and staff housing facility on the campus of the College or to refund the Series 2019 Bonds or any other bonds issued under the Indenture. Such Additional Bonds, together with the Series 2019 Bonds, are collectively referred to herein as the “**Bonds**.” See “ADDITIONAL BONDS” herein.

Cash Flow Projection

Included herein under the caption “CASH FLOW” is a cash flow statement (the “**Cash Flow**”) relating to the Student Housing Facility’s ability to generate revenues from the operations sufficient to pay principal of and interest on the Series 2019 Bonds for each of the years ending June 30, 2021 through 2025. The Cash Flow has been prepared on the basis of information provided by the Underwriter and obtained from the Market Study and third parties. None of the Authority, the College, the Borrower or the Underwriter makes any representations with respect to the Cash Flow. See “CASH FLOW” and “CERTAIN BONDHOLDERS’ RISKS—Actual Results May Differ from Cash Flow” and “—Forward Looking Statements” herein.

Certain Bondholders’ Risks

There are certain considerations relating to an investment in the Series 2019 Bonds that are set forth in the sections of this Limited Offering Memorandum, including the heading “CERTAIN BONDHOLDERS’

RISKS,” that should be carefully reviewed and considered by prospective purchasers of the Series 2019 Bonds.

Limited Offering

The Series 2019 Bonds are to be offered and sold (including in secondary market transactions) only to Qualified Institutional Buyers and Institutional Accredited Investors (each as defined under “TRANSFER RESTRICTIONS”). The Indenture will contain provisions limiting transfers of the Series 2019 Bonds to Qualified Institutional Buyers and Institutional Accredited Investors. In addition, the face of each Bond will contain a legend to the effect that such Bond can only be owned by Qualified Institutional Buyers and Institutional Accredited Investors. Each initial purchaser will be required to deliver an Investor Letter substantially in the form of Appendix I hereto.

Tax Status of Interest

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. In the further opinion of Bond Counsel, interest on the Series 2019 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2019 Bonds is exempt from State of California personal income tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2019 Bonds. For a more complete description of such opinions of Bond Counsel, see “TAX MATTERS” herein.

Continuing Disclosure

The Borrower will agree to provide such information as may be required by the provisions of Rule 15c2-12 (“**Rule 15c2-12**”) promulgated by the Securities and Exchange Commission, and neither the Corporation nor the Authority will undertake any responsibility with respect to continuing disclosure under Rule 15c2-12. See “CONTINUING DISCLOSURE” and APPENDIX G—“FORM OF CONTINUING DISCLOSURE AGREEMENT.”

Book-Entry-Only

The Series 2019 Bonds will be delivered in book-entry form through The Depository Trust Company. Bondholders will not receive a certificate representing their Series 2019 Bonds except in very limited circumstances. See “THE SERIES 2019 BONDS—Book-Entry System” and APPENDIX E—“BOOK-ENTRY SYSTEM” hereto.

General/Additional Information

This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change. Copies of the Limited Offering Memorandum in final form will be provided to the Municipal Securities Rulemaking Board for availability to the public on its Electronic Municipal Market Access web site known as EMMA. Copies of the Limited Offering Memorandum and other relevant documents and information regarding the documents are available upon request from the

Underwriter prior to the issuance and delivery of the Series 2019 Bonds and from the Trustee after the issuance and delivery of the Series 2019 Bonds. The Limited Offering Memorandum, including the cover page, the inside cover page and the attached Appendices, contains specific information relating to the Series 2019 Bonds, the Authority, and the Borrower and other information pertinent to the Series 2019 Bonds described herein.

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LIMITED OFFERING MEMORANDUM

\$89,800,000

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COLLEGE HOUSING REVENUE BONDS
(NCCD—HOOPER STREET LLC—CALIFORNIA COLLEGE OF THE ARTS PROJECT)
SERIES 2019**

INTRODUCTORY STATEMENT

This Limited Offering Memorandum, including the cover page, the inside cover page, the Summary Statement and the Appendices hereto, furnishes certain information in connection with the sale by the California Statewide Communities Development Authority (the “**Authority**”) of \$89,800,000 aggregate principal amount of its College Housing Revenue Bonds (NCCD—Hooper Street LLC—California College of the Arts Project) Series 2019 (the “**Series 2019 Bonds**”) to be issued by the Authority pursuant to a Trust Indenture (the “**Indenture**”) dated as of January 1, 2019, between the Authority and Wilmington Trust, National Association, as Trustee (the “**Trustee**”). The Authority will lend the proceeds of the Series 2019 Bonds to NCCD—Hooper Street LLC (the “**Borrower**”), a California single member limited liability company whose sole member is National Campus and Community Development Corporation (the “**Corporation**”), a Texas non-profit corporation, pursuant to a Loan Agreement (the “**Loan Agreement**”) dated as of January 1, 2019, between the Authority and the Borrower.

In accordance with the Loan Agreement, the Borrower will apply net proceeds of the Series 2019 Bonds (i) to finance the acquisition, construction, furnishing and equipping of an approximately 280 unit student housing facility which will contain between 520 and 576 beds, to be located at 188 Hooper Street, San Francisco, California on the campus of the California College of the Arts (the “**College**”) intended to benefit the College and its students (as more particularly described herein, the “**Student Housing Facility**”), together with a food services facility and convenience store (the “**Food Services Facility**,” and together with the Student Housing Facility, the “**Series 2019 Project**”); (ii) to fund a deposit into a debt service reserve fund for the Series 2019 Bonds; (iii) to fund capitalized interest on the Series 2019 Bonds during construction of the Series 2019 Project; (iv) to fund initial working capital for the Series 2019 Project; and (v) to fund the costs of issuing the Series 2019 Bonds. The Student Housing Facility is designed to serve the College as a housing facility primarily for freshman and sophomore students and undergraduate transfer students of the College. In order to facilitate the financing of the Series 2019 Project, the College will be a party to the Ground Lease, the Sublease and the Housing Services Agreement (each as defined herein) with the Borrower. All capitalized terms used in this Limited Offering Memorandum and not otherwise defined herein shall have the meanings ascribed thereto in Appendix C hereto.

The Series 2019 Project will be owned by the Borrower and will be located on a site (the “**Property**”) leased to the Borrower by the College pursuant to a Ground Lease (the “**Ground Lease**”) dated as of January 1, 2019, between the College, as ground lessor, and the Borrower, as ground lessee. The Series 2019 Bonds will be payable from and secured by the Borrower’s interest in the Ground Lease and upon Substantial Completion of the Series 2019 Project, the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and derived from the Student Housing Facility (other than any amounts connected to naming rights (if any) for the Series 2019 Project) and any improvements thereto or expansions thereof pursuant to a Construction Leasehold Deed of Trust, Assignment of Rents and Subleases, and Fixture Filing (as now or hereafter amended, supplemented, modified, and/or restated, the “**Leasehold Deed of Trust**”).

Additional bonds, payable on a parity basis with the Series 2019 Bonds and secured by the lien and security interests granted by the Leasehold Deed of Trust and the Security Agreement (“**Additional Bonds**”)

may be issued in accordance with the Indenture including for the purpose of paying costs to complete, improve or expand the Series 2019 Project, to acquire, construct, furnish and equip one or more additional student, faculty and staff housing facility on the campus of the College or to refund the Series 2019 Bonds or any other bonds issued under the Indenture. Such Additional Bonds, together with the Series 2019 Bonds, are collectively referred to herein as the “**Bonds**.” See “ADDITIONAL BONDS.”

The Borrower will be obligated pursuant to the Loan Agreement to pay to the Authority such loan payments as will be sufficient to pay the principal and redemption price of, and premium, if any, and interest on the Series 2019 Bonds (collectively, the “**Debt Service Payments**”) as the same mature and become due, and under the Loan Agreement, it will be the obligation of the Borrower to pay all expenses of operating and maintaining the Student Housing Facility in good repair, to keep it properly insured, and to pay all taxes, assessments, and other charges levied or assessed against or with respect to the Student Housing Facility.

The Student Housing Facility will be managed by either the College or a property manager experienced with managing student housing facilities (currently expected to be Capstone Student Housing) (the “**Manager**”). It is not currently expected that the Borrower will select the Manager prior to the issuance of the Series 2019 Bonds. See “CERTAIN BONDHOLDERS’ RISKS—Management” herein. Pursuant to the Housing Services Agreement, the College will approve the Manager and the terms of the Management Agreement. See “THE MANAGER AND THE MANAGEMENT AGREEMENT” herein.

The obligations of the Borrower to the Authority under the Loan Agreement will be secured by (i) the Leasehold Deed of Trust, (ii) a Pledge and Security Agreement (the “**Security Agreement**”) dated as of January 1, 2019, pursuant to which the Borrower will, subject to Permitted Encumbrances, pledge and assign to the Trustee, and grant to the Trustee a first priority security interest in, the Pledged Revenues, the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower’s ownership or operation of the Student Housing Facility, the Inventory, and the Equipment (each as defined in Appendix C hereto), and (iii) an Assignment of Contracts and Agreements (the “**Assignment of Contracts and Agreements**”) dated as of January 1, 2019, pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in the Housing Services Agreement, the Management Agreement, the Amended and Restated Agreement Between Owner and Developer (the “**Development Agreement**”) between the College and UGD 188 Hooper Street, LLC, wholly-owned by UrbanGreen Devco, LLC (the “**Developer**”) (which Development Agreement is being assigned by the College to the Borrower) pursuant to which the Developer will agree to develop and oversee the construction of the Series 2019 Project, and all other contracts and agreements relating to the design and construction of the Series 2019 Project and the management of the Student Housing Facility (collectively, the “**Contracts and Agreements**”).

The Authority, pursuant to the Indenture, will grant a first priority security interest in and pledge and assign its right, title, and interest in and to the Loan Agreement (except for Unassigned Rights as hereinafter defined) to the Trustee which, on behalf of the owners of the Series 2019 Bonds (the “**Owner**” or “**Owners**”), will exercise all of the Authority’s rights thereunder (except for Unassigned Rights). See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS” herein.

The College will enter into a Housing Services Agreement (the “**Housing Services Agreement**”), dated as of January 1, 2019, with the Borrower pursuant to which the College will agree to take certain actions otherwise in support of the Student Housing Facility. In particular, the College will establish a live-on requirement (the “**Live-On Requirement**”) for its (a) freshman and sophomore students and undergraduate transfer students, requiring such students to live in the Student Housing Facility during the academic year (unless they otherwise qualify for an exemption); and (b) summer program students attending its undergraduate and graduate International Program, requiring such students to live in the Series

2019 Project while attending such International Program (unless they otherwise qualify for an exemption). See “THE HOUSING SERVICES AGREEMENT” and “THE GROUND LEASE” herein. Subject to the further provisions of the Housing Services Agreement, the College is also agreeing to provide a “first fill” of the Student Housing Facility for those students subject to the Live-On Requirement, which requires the Student Housing Facility to be fully occupied prior to permitting such students to live in any additional housing stock/options offered by the College. See “THE HOUSING SERVICES AGREEMENT.”

The obligations of the Borrower under the Ground Lease, the Leasehold Deed of Trust, the Security Agreement, and the Assignment of Contracts and Agreements will be non-recourse to the Borrower, and any judgment in any action or proceeding under such documents will be enforceable against the Borrower only to the extent of the Borrower’s interest in the Series 2019 Project and the other Security. See “NON-RECOURSE OBLIGATION OF THE BORROWER” herein.

This Limited Offering Memorandum and the Appendices hereto contain brief descriptions of, among other matters, the Authority, the Borrower, the Corporation, the College, the Series 2019 Project, the Developer, the Loan Agreement, the Housing Services Agreement, the Ground Lease, the Sublease, the Leasehold Deed of Trust, the Security Agreement, the Assignment of Contracts and Agreements, the Series 2019 Bonds and the Indenture. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ground Lease, the Loan Agreement, the Housing Services Agreement, the Sublease, the Leasehold Deed of Trust, the Security Agreement, the Assignment of Contracts and Agreements, the Series 2019 Bonds and the Indenture are qualified in their entirety by reference to such documents, and references herein to the Series 2019 Bonds are qualified in their entirety to the forms thereof included in the Indenture.

THE SERIES 2019 BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY, OR THE COLLEGE BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. THE AUTHORITY SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2019 BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY, OR THE COLLEGE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THE SERIES 2019 BONDS. THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. MOREOVER, NEITHER THE AUTHORITY NOR THE PROGRAM PARTICIPANT SHALL BE LIABLE FOR ANY OTHER COSTS, EXPENSES, LOSSES, DAMAGES, CLAIMS OR ACTIONS, IN CONNECTION WITH THE LOAN AGREEMENT, THE SERIES 2019 BONDS OR THE INDENTURE, EXCEPT ONLY TO THE EXTENT AMOUNTS ARE RECEIVED FOR THE PAYMENT THEREOF FROM THE CORPORATION UNDER THE LOAN AGREEMENT.

THE SERIES 2019 BONDS MAY NOT BE APPROPRIATE FOR SOME INVESTORS AND ARE SUBJECT TO CERTAIN RISKS. SEE “THE SERIES 2019 BONDS” AND “CERTAIN BONDHOLDERS’ RISK” HEREIN.

THE SERIES 2019 BONDS AND BENEFICIAL INTERESTS THEREIN MAY NOT BE SOLD OR TRANSFERRED BY THE REGISTERED OWNER THEREOF TO ANY PERSON OTHER THAN TO A “QUALIFIED INSTITUTIONAL BUYER” OR AN “INSTITUTIONAL ACCREDITED

INVESTOR” (BOTH AS DEFINED HEREIN). INITIAL PURCHASERS OF THE SERIES 2019 BONDS WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTOR LETTER IN THE FORM ATTACHED TO THE INDENTURE AND SET FORTH IN APPENDIX I OF THIS LIMITED OFFERING MEMORANDUM. SEE “TRANSFER RESTRICTIONS” AND “APPENDIX I—FORM OF INVESTOR LETTER.”

THE AUTHORITY

The Authority is a joint powers agency organized pursuant to a Joint Exercise of Powers Agreement among a number of California counties, cities and special districts entered into pursuant to the provisions relating to the joint exercise of powers contained in Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code. The Authority is authorized to participate in financings for the benefit of organizations described under Section 501(c)(3) of the Code (as defined below)

The Authority has sold and delivered obligations, and will in the future sell and deliver obligations, other than the Series 2019 Bonds, which other obligations are and will be secured by instruments separate and apart from the Indenture and the Loan Agreement. The owners of such obligations of the Authority have no claim on the security for the Series 2019 Bonds, and the owners of the Series 2019 Bonds will have no claim on the security for such other obligations issued by the Authority.

THE BORROWER

General

The Borrower is a single member limited liability company duly organized and existing under the laws of the State. The Borrower was formed for the purpose of financing the Series 2019 Project, acquiring, constructing, furnishing and equipping the Series 2019 Project and operating the Student Housing Facility. After completion of the Series 2019 Project, the Borrower is not expected to have any assets other than the Series 2019 Project. National Campus and Community Development Corporation (the “**Corporation**”) is the sole member of the Borrower.

The Corporation

The Corporation is a non-profit corporation formed in 2006 under the laws of the State of Texas. The Corporation is also an organization that is exempt from federal income tax pursuant to §501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”). It was organized and is operated to engage in a broad range of charitable and educational activities that include promoting healthy communities, promoting education, and lessening the burdens of government. The membership of the Corporation is comprised of those colleges and universities so assisted by the Corporation.

To this date, the Corporation has assisted ten (10) different colleges and universities with the creation of 6,098 beds and three (3) mixed use facilities at a cost of over \$940,000,000. During the period beginning 2012 and continuing through 2018, the Corporation has assisted colleges and universities with the following transactions:

- \$9.8 million for the design and acquisition of an administrative complex and classrooms for the North Central Texas Community College District in Flower Mound, Texas;
- \$56 million for the design, development, construction, and management of a 410-bed student housing facility on the Biscayne Bay campus of Florida International University;
- \$360 million for the design, construction, and management of a 3,412-bed student housing facility on the College Station campus of Texas A&M University;

- \$43 million for the design and construction of a 1,400 space parking facility on the College Station campus of Texas A&M University;
- Acquisition of a leasehold interest and refinancing of the campus of Bethel University in McKenzie, Tennessee using a \$48 million USDA loan in a lease-leaseback structure;
- Acquisition and refinancing of a 457-bed student housing facility and related retail facility adjacent to Drake University for a price of \$36 million;
- \$10 million for the design and construction of a new 125-bed student housing facility on the campus of Converse College in Spartanburg, South Carolina;
- \$53 million for the design and construction of a 419-bed student housing facility located on the campus of The Keck Graduate Institute of Applied Life Sciences;
- \$34 million for the design and construction of a 464-bed student housing facility on the campus of Blinn College Junior College District of Washington County in Brenham, Texas;
- \$152 million for the design and construction of a 250-room hotel and 30,000 square foot conference center on the College Station campus of Texas A&M University;
- \$20 million for the acquisition and redevelopment of an educational facility for the North Central Texas Community College District in Denton, Texas; and
- \$123 million for the design and construction of a 814-bed student housing facility located on the campus of Orange Coast College.

In assisting those colleges and universities, the Corporation has established and may in the future establish other single member limited liability companies for the limited purpose of acquiring, financing, and operating student housing projects for such colleges and universities, none of which have or will have any assets other than the particular project for which they were established nor any obligation beyond the acquisition, financing, and operation of such particular project. **The Corporation will have no obligation with respect to the Series 2019 Bonds or under the Ground Lease, the Loan Agreement, the Leasehold Deed of Trust, the Security Agreement, the Assignment of Contracts and Agreements, or the Indenture.**

Board of Directors of the Corporation

The Corporation is governed by a Board of Directors. The following individuals constitute the Board of Directors of the Corporation:

Name	Business Affiliation	Term Expires
Charles G. Eden	President, National Campus and Community Development Corporation	Perpetual
Eric Markland, CPA	Chief Operating Officer, INTERA Incorporated	June 30, 2019
James E. (Jeb) Brown	Attorney, Houston, Texas	June 30, 2021
Richard Gilbane	Gilbane Building Company (retired)	June 30, 2021
Frank P. Krasovec	Chief Executive Officer, Norwood Investments	June 30, 2020

NON-RECOURSE OBLIGATION OF THE BORROWER

Neither the Authority nor the Trustee will be permitted to enforce the liability and obligations of the Borrower under the Loan Agreement or any of the other Bond Documents in any action or proceeding

wherein any money or deficiency judgment shall be sought against the Borrower, except that the Authority or the Trustee may bring a foreclosure action, action for specific performance, or other appropriate action or proceeding to enable the Authority or the Trustee to enforce the Borrower's obligations under the Bond Documents or, in the case of the Trustee, to enforce and realize upon the Leasehold Deed of Trust, the Security Agreement, and the Assignment of Contracts and Agreements and the Borrower's interest in the property pledged under the Leasehold Deed of Trust and the Security Agreement; provided, however, that any judgment in any such action or proceeding shall be enforceable against the Borrower only to the extent of the Borrower's interest in the Series 2019 Project and the other Security. The Authority and the Trustee will agree that they will not sue for, seek, or demand any money from, or deficiency judgment against, the Borrower in such action or proceeding, under or by reason of or in connection with the Loan Agreement or any of the other Bond Documents; provided that the Borrower will be liable for certain misrepresentations and omissions, misapplication of insurance, condemnation, or rental proceeds, and indemnity owed to the Trustee. This agreement effectively means that neither the Authority nor the Trustee will be able to bring any claim against the Borrower that will require it to utilize any of its funds or property other than those specifically pledged to the payment of the Series 2019 Bonds. Because of the limited nature of the Borrower's obligation, no information is being provided regarding the financial assets or business and affairs of the Borrower.

CALIFORNIA COLLEGE OF THE ARTS

No Liability with Respect to Series 2019 Bonds

The College will assume limited obligations with respect to the Series 2019 Project under the Ground Lease, the Sublease and the Housing Services Agreement. **The College will not have any obligation, express or implied, with respect to the payment of the principal of, or the premium, if any, or interest on the Series 2019 Bonds, and the College will not be responsible or liable, expressly or implicitly, for any obligations of any other party to any of the Bond Documents.**

The information in this Limited Offering Memorandum concerning the operations of the College is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Limited Offering Memorandum that the principal of and interest on the Series 2019 Bonds is payable from any funds of the College. The Series 2019 Bonds are payable solely from the proceeds of the Trust Estate (as defined herein) and are payable from and secured by the Borrower's interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and derived from the Student Housing Facility and any improvements thereto or expansions thereof pursuant to the Leasehold Deed of Trust as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS" herein.

General

The College was established in 1907 by Frederick Meyer, a German cabinetmaker inspired by the Arts and Crafts movement. The College is a private, nonprofit and coeducational institution offering degree-seeking students 22 undergraduate and 13 graduate majors in fine arts, architecture, design and writing.

The College is located in the San Francisco Bay Area which is a global hub for technological and cultural innovation. The College currently offers a campus in San Francisco and a campus in Oakland. The College's San Francisco campus is located in the Potrero Hill neighborhood in Mission Bay, next to the City's design district and within blocks of the University of California at San Francisco's Mission Bay research campus, in an area commonly referred to as "innovation corridor." The historic Oakland campus is comprised of four landscaped acres in the Rockridge district, which is located two miles south of the

University of California at Berkeley. The College is in the process of consolidating both campuses into one expanded location in San Francisco's Mission Bay.

The College's revenue debt, issued by the California Educational Facilities Authority, currently is rated "BBB" by S&P and "Baa2" by Moody's, with stable outlooks.

Mission Statement

The College educates students to shape culture and society through the practice and critical study of art, architecture, design, and writing. Benefitting from its San Francisco Bay Area location, the College prepares students for lifelong creative work by cultivating innovation, community engagement, and social and environmental responsibility.

Values Statement

- As an educational and cultural institution, the College believes in fostering the artistic and academic excellence of our students and faculty.
- The College cultivates intellectual curiosity and risk-taking, collaboration and innovation, compassion and integrity.
- As a global citizen and good neighbor, the College believes in its role as a proponent of social justice and community engagement.
- The College promotes diversity on our campus by improving access and opportunities for underrepresented groups, and we see this endeavor as vitally enriching for everyone.
- The College values sustainability and believe that as a school of the arts we have a unique ability and an ethical responsibility to shape a culture that is more environmentally responsible.
- The College understands the importance of creative economies and the role of artists, designers, architects, and writers in solving social, cultural, environmental, and economic problems.

Board of Trustees

The College is governed by a self-sustaining Board of Trustees, comprised of 31 leaders in business and the community. The terms of approximately one-third of the Trustees expire annually with currently no limit on the number of terms a Trustee can serve. The Board of Trustees is responsible for the overall management of the College, including its physical assets, development programs, academic policy, long-range planning, and financial and budgetary affairs. The Board of Trustees has eight standing committees: Academic, Advancement, Finance/Audit, Executive, Committee on Trustees, Investment, Facilities, and Marketing/Communications.

Accreditation and Affiliations

The College is accredited by the Western Association of Schools and Colleges (WASC), the National Association of Schools of Art and Design (NASAD), the National Architectural Accrediting Board (NAAB), and the Council for Interior Design Accreditation (CIDA), formerly FIDER.

Academic Divisions & Departments

The College grants the following degrees: bachelor of fine arts (BFA), bachelor of arts (BA), bachelor of architecture (BArch), master of fine arts (MFA), master of arts (MA), master of architecture (March) and master of business administration design strategy (MBA), as well as several additional specialty degrees. The foundation of the curriculum is the Core Program, which introduces all undergraduates to the major disciplines of art: two dimensional (2D), three dimensional (3D) and time-based media. Students from the Architectural and Design programs join with those from Fine Arts in the Core Program, enriching the classroom with a diverse mix of interests and approaches. Students also complete the College's Humanities and Sciences Program that emphasizes the cultural and historical content of art. Study in these disciplines teaches students language and critical thinking skills, broadening their intellectual horizons. Undergraduate programs include the following:

- Animation (BFA)
- Architecture (BArch)
- Ceramics (BFA)
- Community Arts (BFA)
- Fashion Design (BFA)
- Film (BFA)
- Furniture (BFA)
- Glass (BFA)
- Graphic Design (BFA)
- Illustration (BFA)
- Individualized Major (BFA)
- Industrial Design (BFA)
- Interaction Design (BFA)
- Interior Design (BFA)
- Jewelry / Metal Arts (BFA)
- Painting / Drawing (BFA)
- Photography (BFA)
- Printmaking (BFA)
- Sculpture (BFA)
- Textiles (BFA)
- Visual Studies (BA)
- Writing and Literature (BA)
- Computational Practices (Minor)
- Community Arts (Minor)
- Visual Studies (Minor)
- Writing and Literature (Minor)

Graduate programs include the following:

- MA in Curatorial Practice
- MA in Visual and Critical Studies
- Master of Advanced Architectural Design (MAAD)
- MFA in Design
- MFA in Film
- MFA in Fine Arts
- MFA in Writing
- Master of Architecture (March)
- MBA in Design Strategy
- MDes in Interaction Design
- MFA in Comics

Strategic Plan & New Campus Plan

For more than 100 years, the College has been dedicated to educating students to shape culture through the practice and understanding of the arts. Guiding this mission has been the fundamental belief that connecting the arts to social and political life deepens the power of creative work while making a positive contribution to the communities in which that work takes place. This principle was key to the Arts and Crafts movement of the early 20th century, and it remains a significant part of the College's commitment to education through the arts.

The College is currently in the midst of an extension of its Dream Big: Strategic Plan, which began in 2010-2015 and is extended through 2020. Details are accessible at: <https://portal.cca.edu/essentials/office-president/dream-big-strategic-plan-extension-2016-20/>. The information presented on such website is not incorporated herein by reference thereto.

New Campus Plans. The College is planning to completely unify all of its programs to its Campus in San Francisco and has entered into an option agreement to sell its Oakland first-year housing and its Oakland campus. The College has completed design on its roughly 90,000 square foot addition of academic space to its San Francisco Campus. When its property in Oakland is sold, the College intends to build the additional academic space and complete the unification, which could occur as early as 2021. The College will continue to offer classes on the two campuses with free shuttle service between the two campuses until unification can be achieved. This is a once-in-a-lifetime opportunity for the College to redefine arts education for the twenty-first century.

The San Francisco expansion intends to bring all of the College's programs to a single campus, and the Oakland campus will be sold. The Clifton housing for the College's freshman students located in Oakland is under an option agreement with a developer with an expected closing date of July 31, 2020. The Oakland campus is under an option agreement with the same developer with an expiration date in November 2021. The developer has filed its plans with the City of Oakland for the redevelopment of the Oakland campus. Housing for the College's upper division undergraduate students in San Francisco has already been opened through the master leasing of two off-campus, privately owned apartment buildings, Panoramic and Blattner Hall. The College's housing available to its freshman students is still located on its Oakland campus and will be replaced by the Series 2019 Project.

<u>Milestones for Completion of Move to San Francisco (SF) Campus:</u>	<u>Timeline:</u>
○ Purchase of SF Mission Bay Campus Land	2011
○ Panoramic Occupancy (195 beds)—Downtown SF	2015
○ Hubbell Occupancy (SF planning / exhibition space)	2016
○ Blattner Hall Occupancy (200 beds)—Near SF Campus	Fall 2018
○ Hooper Street Housing & Dining Open SF Campus (relocation of freshman and sophomore students)	Fall 2020
○ Movement of remaining academic programs to SF Campus	2021-2023
○ Sale of Oakland campus closes	2021
○ Main SF Expansion opens (Unification completed)	2021-2023

Student Housing

For the 2018-19 academic year, occupancy at Blattner Hall (formerly named 75 Arkansas Street) is 97%, occupancy at Panoramic Hall is 72%, and average occupancy at all the Oakland housing options is 98%. These occupancy rates include RA and RLC occupied units. Blattner Hall was configured with more singles in 2018-19 for its opening year, so total available beds were 141 for students and 6 for RA's. The College chose to keep two units offline for temporary faculty housing, if needed. The occupancy rate for Blattner Hall would be 100% if such two units were disregarded in calculating the occupancy rate. Blattner Hall is being furnished for 186 student beds + RLC/RA units for the academic year 2019-20. The College had an agreement for an 80-bed 2-year sub-lease at Panoramic by UC Berkeley which was reduced by UC Berkeley in August 2018 to 40 beds. The College was able to lease 10 of the available beds for the current academic year and has leased various other open beds for shorter stays.

Panoramic and Blattner are both subject to leases, which currently terminate in 2025 and 2028, respectively.

Both Panoramic and Blattner are predominately 9-month leases. The College has less than 10 annual leases as of now. Generally, residents lease for summer separately. In the future the College plans

to promote both annual and 9 month leases followed by summer leases, to accommodate preferences of the students (based on the Market Study, 65% of students said they would prefer an annual lease). The focus on annual leasing will be new operating procedure for the College.

The current housing rental rate for freshman housing in Oakland for a double is \$10,305 for the academic year. This equates to \$1,145/month (for a 9-month academic year).

Currently, between 80% and 82% of first-year students live on-campus during their first year at the College without any residency requirements. While 28.7% of the entering Fall 2018 lived within 40 miles of campus and therefore meet the exception requirement for the 40-mile radius, the College estimates that with the on-campus housing requirement and the additional freshman and sophomore housing, only 15% will choose to use the exception status. The students who would use the medical, financial hardship, married, or military veterans, would be minimal and the College estimates it would be only 2-4% (and is part of the overall 15% estimated).

Two significant housing changes are planned for 2019-20, which are expected to increase the occupancy rates at the existing College housing options. First, the lease for Webster Hall in Oakland is not being renewed, so Webster Hall will close after the current academic year. This represents 85 beds offline. Second, the College's first-year student live-on-campus requirement starts, which will prepare the first-year students for the student live-on-campus requirement when the Series 2019 Project opens the following year. The College anticipates 50 to 90 first-year students in the San Francisco housing (either Blattner or Panoramic) for the academic year 2019-20.

California College of the Arts Student Housing Occupancy Rates

As set forth in the following table, the demand for housing for the College's first year students has exceeded the beds that have been allotted to such students, thus requiring the College to place the overflow in other housing options. The number of available beds offered by the College for its first year students and the number occupied for the prior two academic years and the current academic year are set forth below.

<u>First Year Students</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Occupied Beds	213	206	221
Allotted Beds	199	199	199

California College of the Arts Available Beds for Students

The College's student housing options for the current and next three academic years include roughly the following number of beds:

<u>Housing Options</u>	<u>Student Types</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Avenue	First Years	35	35	0	0
Clifton	First Years	127	127	0	0
Irwin	First Years	35	35	35 ⁽¹⁾	0
Webster	Soph/Jr/Sr/Gr	85	0	0	0
Panoramic	Soph/Jr/Sr/Grads	195	195	195	195
Blattner Hall	Soph/Jr/Sr/Grads	200	200	200	200
Country Club Terrace	First Years	10	10	0	0
Series 2019 Project	First Years/Soph/Transfer	0	0	520 ⁽²⁾	520 ⁽²⁾
Total Beds		687	622	950	915

(1) For the 2020-21 academic year, housing at Irwin is being evaluated as to its future use, including possibly for upper class students, or may be closed.

(2) At least 520 beds. Depending on final configuration of units, the number of beds is expected to range from 520 to 576.

Student Profile

The College has demonstrated stable matriculation data in recent years, as well as continued growth in applications.

Admissions Data. Shown below are combined undergraduate and graduate applications, acceptances and matriculations for the fall semester of the past six academic years:

	<u>Applications</u>	<u>Acceptances</u>	<u>Matriculations</u>
2012-13	3,010	2,240	601
2013-14	3,211	2,373	643
2014-15	3,781	2,386	676
2015-16	3,806	2,433	607
2016-17	4,153	2,564	618
2017-18	4,438	2,890	599

Enrollment Data. Shown below is the College headcount and FTE for the past six academic years and estimated for the current academic year:

	<u>Undergraduate Headcount</u>	<u>Undergraduate FTE</u>	<u>Graduate Headcount</u>	<u>Graduate FTE</u>
2013-14	1,502	1,456.50	447	432.92
2014-15	1,542	1,508.00	456	432.25
2015-16	1,533	1,492.33	455	440.75
2016-17	1,528	1,486.75	455	446.85
2017-18	1,488	1,441.75	441	430.55
2018-19	1,468	1,427.75	413	401.31

Enrollment Data by Target Cohort. Shown below is the College headcount and FTE for the past five academic years for the student cohorts from which the Series 2019 Project shall draw occupancy.

	<u>First Year</u> <u>Headcount/FTE</u>	<u>Sophomore</u> <u>Headcount/FTE</u> <u>(excluding entering</u> <u>Transfer)</u>	<u>Entering Transfer</u> <u>Headcount/FTE</u>
2014-15	273/272.75	263/263	172/171.5
2015-16	241/241	290/288	128/127.5
2016-17	255/255	262/260.5	141/140.75
2017-18	257/257	288/286.75	128/128
2018-19	293/292.75	298/297.25	106/106

Note: Sophomore status is based on units completed and depending on the number of completed units transfers start at the College, they maybe be still at the Freshman level (15 to 29 units completed) or at the Sophomore level (30-59 units completed). The above table shows Sophomores included entering transfer students. The above table shows Sophomores excluding transfer students entering in the fall semester, but includes students who transferred into the College in the prior year and still qualify as a Sophomore in the fall.

Degrees Conferred. Shown below are Bachelors and Masters degrees conferred in each of the past six academic years:

	<u>Bachelor Degree</u>	<u>Master's Degree</u>
2012-13	298	206
2013-14	305	182
2014-15	265	196
2015-16	304	166
2016-17	334	218
2017-18	331	184

Tuition, Fees and Room Charges. The following table includes full-time undergraduate tuition and fees, as well as room charges, for the past six academic years:

	<u>Tuition and Fees</u>	<u>Room Charges</u>
2012-13	\$38,798	\$7,700
2013-14	40,334	8,000
2014-15	41,942	8,200
2015-16	43,738	9,050
2016-17	45,466	9,370
2017-18	47,266	9,840
2018-19	49,148	10,136

Retention. The following table shows the retention rate of undergraduate students returning in the fall following their first year of enrollment for the prior six academic years:

	<u>Fall 2013</u>	<u>Fall 2014</u>	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018*</u>
Retention Rate	83%	81%	82%	82%	84%	82%

**Fall 2018 value is projected*

Graduation Rate. The following table shows the percentage of degree-seeking undergraduate students who completed a degree within six years of matriculation over the past twelve academic years:

First-time, Full-Time Freshmen (based on their start year cohort)

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Graduation Rate	45%	61%	54%	59%	58%	61%
	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Graduation Rate	61%	54%	59%	58%	58%	58%

Financial Aid. Approximately 74% of the College's students receive some sort of financial aid. Shown below (in thousands of dollars) is a breakdown of financial aid by source over the past five years:

	<u>State</u>	<u>Federal</u>	<u>Student-Funded</u>	<u>Work Study</u>	<u>Other</u>	<u>Total</u>
2013-14	\$1,876	\$2,896	\$20,359	\$1,245	\$20,735	\$47,111
2014-15	1,902	3,026	20,482	1,506	22,217	49,133
2015-16	1,560	2,905	18,821	1,460	23,022	47,768
2016-17	1,470	2,782	17,417	1,503	23,738	46,910
2017-18	1,430	2,680	15,707	1,668	24,349	45,834

Major Competitors. Set forth below is a list of major competitors of the College.

1. School of the Art Institute of Chicago
2. Rhode Island School of Design
3. Pratt Institute
4. Parsons
5. Art Center College of Design.

Career Placement. Set forth below are the top ten industries that College graduates go to work after graduating.

Top 10 Industries:

1. Design
2. Arts & Entertainment
3. Architecture & Urban Planning
4. Fashion & Textiles
5. Information Technology
6. Education
7. Consumer Products
8. Graphic Design
9. Banking
10. Manufacturing

A list of sample employers for the College's graduates include Airbnb, Intuit, Cisco, Williams-Sonoma, HP, Disney, NASA, The North Face, Capital One, Old Navy, Ford, Fuseproject, LUNAR Design, Facebook, Dolby, Google, Apple, Gensler.

Set forth below is additional information regarding the College's alumni.

Top 10 Areas Currently Employed

<u>Occupation</u>	<u>Undergraduate Alumni</u>
Graphic Designer, Illustrator or Art Director	27%
Fine Artist	24%
Other Design	13%
Craft Artist	12%
Web Design	10%
Photographer	8%
Other Related Occupation	8%
Communications	6%
Interior Design	6%
Architecture	6%

Top 10 Areas Currently Employed

<u>Occupation</u>	<u>Graduate Alumni</u>
Fine Artist	35%
Higher Education Art Educator	20%
Graphic Designer, Illustrator or Art Director	16%
Writer, Author Editor	13%
Museum or Gallery Curator	10%
Web Design	7%
Craft Artist	7%
Architecture	6%
Other Occupation Outside of Arts	4%
Multimedia or Animator	3%

Current Employment Status

	<u>Undergraduate Alumni</u>	<u>Graduate Alumni</u>
Full-time (35 hours or more a week)	59%	65%
Part-time (Fewer than 25 hours a week)	17%	19%
Unemployed or Seeking Employment	3%	6%
In-School Full-time	1%	<1%
Caring for Family Member	1%	1%
Retired	11%	3%
Other	7%	5%

Amount of Time to Obtain a Job

	<u>Undergraduate Alumni</u>	<u>Graduate Alumni</u>
Prior to Graduation	33%	31%
Less Than Four Months After Graduation	33%	31%
4-12 Months After Graduation	16%	15%
More Than a Year After Graduation	7%	12%
Have Not Found Work Yet	2%	4%
Did Not Search for Work After Graduation	3%	5%
Pursued Further Education	5%	1%

Composition of Students. Set forth below is information regarding geographic residence of fall 2018 entering students.

<u>40-mile radius</u>	<u>In-state (excluding 40-mile radius)</u>	<u>Out-of-state</u>	<u>International</u>
28.7%	19.7%	20.7%	30.9%

Note: Between 80% and 82% of first-year students live on-campus during their first year at the College without a residency requirement. While more than 15% would meet the exception requirement for the 40-mile radius, the College estimates that with the on-campus housing requirement and the additional freshman and sophomore housing, only 15% will choose to use the exception status.

Set forth below is information regarding enrollment for international students at the College.

Number of Countries Represented at the College -- Total Enrollment (undergrad and graduate)

<u>Fall 2012</u>	<u>Fall 2013</u>	<u>Fall 2014</u>	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018</u>
45	49	54	54	55	57	52

Top Five Countries – (Total Enrollment (undergrad and graduate)

<u>Fall 2012</u>	<u>Fall 2013</u>	<u>Fall 2014</u>	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018</u>
CHINA (90)	CHINA (141)	CHINA (210)	CHINA (271)	CHINA (360)	CHINA (443)	CHINA (521)
TAIWAN (46)	TAIWAN (42)	S. KOREA (45)	INDIA (49)	INDIA (62)	INDIA (67)	S. KOREA (61)
S. KOREA (43)	S. KOREA (38)	TAIWAN (40)	S.KOREA (45)	S. KOREA (36)	S. KOREA (57)	INDIA (57)
CANADA (18)	INDIA (22)	INDIA (39)	TAIWAN (35)	TAIWAN (33)	TAIWAN (37)	TAIWAN (36)
HONG KONG (13)	CANADA (20)	HONG KONG (24)	HONG KONG (18)	CANADA (22)	CANADA (17)	MEXICO (16)

The College has not seen a decline in applications or enrollment due to the trade war, Instead the College has seen both continued increased applications and enrollment, especially from China over the past two years.

Faculty Data

The following table shows the breakdown of faculty serving the College for the past four years:

	<u>Full-Time Faculty</u>	<u>Part-Time Faculty</u>	<u>Total Faculty</u>
Fall 2015	99	400	499
Fall 2016	100	385	485
Fall 2017	102	398	500
Fall 2018	108	391	499

Additional Information

Pursuant to the Ground Lease, the College will agree to provide certain operating information related to the College (the “**Information**”) to the Borrower in order for the Borrower to complete and file its annual report required by the Continuing Disclosure Agreement (as defined herein). See “CONTINUING DISCLOSURE” and APPENDIX G—“FORM OF CONTINUING DISCLOSURE AGREEMENT”. Such Information is presented for general informational purposes only. The Series 2019 Bonds are not an obligation of the College and the College is not an “obligated person” under the Rule (as defined herein). Therefore, the obligation of the College to provide such Information is not subject to the provisions of the Rule. In addition, the College currently provides annual reports and notices of certain enumerated events on the Municipal Securities Rulemaking Board (the “**MSRB**”) through its Electronic Municipal Market Access (EMMA) System pursuant to a Continuing Disclosure Agreement dated October 25, 2012, with respect to the Revenue Bonds (California College of the Arts), Series 2012, issued by the California Educational Facilities Authority (the “**Series 2012 Bonds**”). Such information related to the College contained on the EMMA System is not incorporated into this Limited Offering Memorandum by reference thereto. So long as the Series 2019 Bonds are outstanding, the College intends to post its audited annual financial statements on the EMMA System linked to the Series 2012 Bonds, even if the Series 2012 Bonds are no longer outstanding. However, the information presented on such website is not incorporated into this Limited Offering Memorandum by reference thereto. A failure to post its audited annual financial statements on the EMMA System, or a failure by the College to comply with its continuing disclosure obligations under its existing continuing disclosure agreement, will not give rise to any rights to the Beneficial Owners of the Series 2019 Bonds or the Underwriter to enforce such actions by the College.

THE SERIES 2019 PROJECT

General

The Series 2019 Project consists of the Student Housing Facility and the Food Services Facility that will be acquired, constructed, furnished, and equipped on the Property located on the Campus of the College in San Francisco with the proceeds of the Series 2019 Bonds and a contribution for the purpose of completing the Food Services Facility of \$1,600,000 to be paid by the College to the Trustee pursuant to the Ground Lease.

The Student Housing Facility consists of an approximately 280 unit on-campus student housing facility to be located at 188 Hooper Street on the College’s San Francisco campus. The Student Housing

Facility will include between 520 to 576 beds, depending upon the determination by the College of the final mix of types of units to be included therein. See APPENDIX A—“THE SERIES 2019 PROJECT.” The Food Services Facility will be an approximately 8,000 square foot dining facility located on the ground floor of the Series 2019 Building (as defined below), together with a small convenience store. The Series 2019 Project will have five stories containing approximately 133,634 square feet with 167 bicycle parking spaces and a roof deck. The Student Housing Facility will consist of 12 different unit types, consisting mainly of two-bed doubles and single rooms intended primarily for freshman and sophomore students of the College (individually a “*Unit*” and collectively the “*Units*”). The “*Series 2019 Building*” means the building and all other facilities and improvements constituting part of the Student Housing Facility and not constituting part of the Series 2019 Equipment that are or will be located on the Property. The “*Series 2019 Equipment*” means the equipment, machinery, furnishings, and other personal property to be located on the Property acquired with the proceeds of the Series 2019 Bonds and described in the Loan Agreement, and all replacements, substitutions, and additions thereto. As currently planned, amenities would include common rooms on floors 2 through 5 which will be programmed by the College, study spaces in the upper level skybridge that connects the two wings of the Series 2019 Building, an outdoor courtyard, a roof deck and common laundry facilities. The site on which the Series 2019 Building will be constructed (the “*Property*”) will be leased to the Borrower pursuant to the Ground Lease. See APPENDIX A—“THE SERIES 2019 PROJECT” for more detailed information related to the Series 2019 Project.

Tenants

As provided in the Housing Services Agreement, and requested by the College, the Borrower will make the beds available to students in good standing enrolled at the College (the “*Students*”); provided however, that if there are any unoccupied beds after such beds have been first offered to Students of the College, then in accordance with the provisions of the Housing Services Agreement, the Borrower will make beds available to students enrolled at least half-time or more in other accredited post-secondary educational institutions which meet certain requirements (an “*Eligible Institution*”); provided further that during summer break, the Borrower may make any unoccupied beds available to attendees of any summer programs offered by the College, or any students of Eligible Institutions or others who may otherwise be eligible under applicable law (collectively, the “*Eligible Residents*”). In no event shall any of the beds be offered to any individuals who are not eligible under the City and County of San Francisco’s Student Housing Ordinance (the “*Student Housing Ordinance*”) or in violation of the Indenture and Loan Agreement.

Market Study

Attached hereto as Appendix B is the “Student Housing Demand and Rental Rate Analysis” dated September 7, 2018 (the “*Housing Demand Study*”) and the “Student Housing Operating Expense Analysis” dated June 1, 2018 (the “*Operating Cost Study*”) and with the Housing Demand Study, collectively, the “*Market Study*”), prepared by The Scion Group LLC (“*Scion*”) on behalf of the College. See APPENDIX B—“MARKET STUDY.” The Student Housing Facility, when completed and opened, will be one of three student housing facilities serving the Campus and the only one designated specifically for freshman and sophomore students.

Construction of the Series 2019 Project

A prior structure located on the Property has been demolished, and the Property has been prepared for construction to commence. Application for a site permit (the “*Site Permit*”) was submitted and received on August 27, 2018. The Design-Build Agreement has been executed by the Design-Builder and the College under which the Design-Builder is obligated to meet the requirement to achieve Substantial Completion (“*Substantial Completion*”) of the Series 2019 Project as described below. In addition, the

Design-Builder commenced the mobilization for the Foundation work on January 7, 2019, prior to the issuance of the Series 2019 Bonds, in order for the Series 2019 Project to achieve Substantial Completion and open for students prior to the commencement of the 2020-21 academic year. No later than the issuance of the Series 2019 Bonds, the College will assign the Design-Build Agreement to the Developer and the Development Agreement to the Borrower. A portion of the proceeds of the Series 2019 Bonds shall reimburse the College for its costs related to the Series 2019 Project (currently estimated to be approximately \$7 million).

The total development costs of the Series 2019 Project is \$80,264,635.00. This includes the Guaranteed Maximum Price (as defined herein) under the Design-Build Agreement of \$66,176,488.00, soft costs of \$9,048,207.00 (which includes an owner's contingency of \$250,000.00) and other hard costs of \$5,039,940.00 (which includes an owner's contingency of \$2,000,000.00).

Pursuant to the Design-Build Agreement, the Design-Builder is required to achieve Substantial Completion of the Series 2019 Project, including the issuance of a certificate of occupancy by the City of San Francisco, within 547 days after the commencement of the construction of the Series 2019 Project, which occurred on January 7, 2019. If the Design-Builder does not achieve Substantial Completion by such date, the Design Builder is required to pay liquidated damages as described under "THE DESIGN-BUILDER AND THE DESIGN BUILD AGREEMENT" until it achieves Substantial Completion. Such amounts will be paid by the Design-Builder to the College and applied by the College, together with amounts received from students who would be residing in the Series 2019 Project, to provide alternate housing for such students until such students are able to reside in the Series 2019 Project.

Construction work at the Property is controlled and scheduled through the Site Permit process by the submission and approval of a series of segmented phased construction plans identified as "Addenda" through San Francisco's Department of Building Inspection. Plans submitted under each Addendum must clearly contain details sufficient to enable plan review, fabrication in the field and inspection confirmation. Only work shown on approved Addenda plans bearing the Department's "stamp of approval" shall be permitted to proceed on the Property. Work in progress beyond that shown on the approved Addenda or the failure to display and make available the approved plans at the Property will result in stoppage of work. The Addenda S-1 (Foundation) and S-2 permits were issued in mid-December. Other Addenda permits will be forthcoming as construction progresses, and no schedule delays are expected related to the timing of the issuance of these Addenda.

The Design-Build Agreement was executed by and between the College and the Design-Builder prior to commencement of construction, which occurred on January 7, 2019. The City has issued the Site Permit and sufficient Addenda to allow the Design-Builder to commence construction. On or prior to the issuance of the Series 2019 Bonds, the Design-Build Agreement will be assigned by the College to the Developer.

Local Housing Market

Housing in San Francisco (the "**City**") is in the midst of an affordability crisis, which is recognized by the City as being an issue for its residents. Rents and home prices in the City have increased rapidly in recent decades. In 2017, the median asking rent in the City was approximately \$4,400 per month and the median home sale price was \$1.29 million. The City's housing stock is mostly occupied by renter households. The City has seen an increase in job growth, especially in high-wage employment, and housing production has not kept pace. This combination has led to increase in prices and a lack of affordable housing. The City has attempted to combat this problem through rent control – a high percentage of the City's rental stock is subject to rent control and provides relative affordability for low and moderate income households with longer tenures. Rent control limits the amount a landlord can raise a tenant's rent each

year. However, households that moved into rent controlled units recently are much more likely to be higher income than in the past as California law does not allow a city to regulate rents once a rent controlled unit is vacated. As a result, landlords are able to raise rents to market rates. New or first time renters are thus subject to market rates. Additionally, rent control only applies to older multi-family buildings. Rent control does not apply to buildings completed after June 13, 1979 and it does not apply to single-family homes. Nor does rent control apply to the Series 2019 Project. This has resulted in housing cost burdens increasing for all but the highest income households. The Series 2019 Project is intended to provide affordable housing for the College's students.

Student Housing Ordinance

The City maintains an Inclusionary Housing Program, also known as the Below Market-Rate Program (collectively, the “**Program**”), that aims to make housing more affordable to low or middle income residents in new buildings. Generally, housing projects with ten or more units must comply with the Program by either paying an affordable housing fee, reserving a percentage of units in the new building to be sold at a below market rate, reserving a percentage of units in another building to be rented or sold at a below market rate, or, in some cases, dedicating land that will become affordable housing. However, there is an exception from the requirements of the Program for student housing that meets certain criteria as set forth in the Student Housing Ordinance. The criteria includes the following: the new building or space conversion does not result in a loss of existing housing, an institutional master plan on file with the San Francisco Planning Department, payment of an annual fee and monitoring by the Mayor's Office of Housing and Community Development (the “**MOHCD**”) and submission of annual documentation to the Planning Department and the MOHCD. The annual documentation must provide evidence that the College owns or otherwise controls the Series 2019 Project, evidence, on an average annualized basis, of the percentage of students in good standing enrolled at least half-time or more in the College who are occupying the living space in the Series 2019 Project and that the owner of the Property has recorded a notice of special restrictions against fee title to the real property on which the Series 2019 Project is located. The requirements of the notice of special restrictions are intended to monitor compliance and detail the consequences for noncompliance with the exception to the Program for student housing.

The Series 2019 Project will meet the requirements of the Student Housing Ordinance. As such, the residents of the Series 2019 Project will be strictly restricted to students enrolled at least half-time at the College and other Eligible Institutions, and certain other individuals permitted to be tenants under the Student Housing Ordinance. The Borrower and the College will cooperate in providing the required annual documentation to ensure compliance.

Environmental Matters

In the early 1900s the Property and surrounding area was filled with soil, rock and building debris. Potential environmental conditions associated with placement of this historical fill material were recognized by the City and County of San Francisco under Article 22A of the San Francisco Health Code and Section 106.3.2.4 of the San Francisco Building Code (the “**Maher Ordinance**”). Due to the location and history of the Property, it is subject to the Maher Ordinance. The Maher Ordinance requires soil sampling and, potentially, site mitigation measures.

Previous investigations of the Property and surrounding area detected volatile organic compounds (“**VOCs**”) and lead in the soil. Based on these previous detections, Hayley & Aldrich, Inc. (the “**Environmental Consultant**”), conducted additional sampling in 2017 to support development of the Property. This sampling was conducted to meet the requirements of the Maher Ordinance and was performed following approval from the San Francisco Department of Public Health. This sampling included soil sampling and soil borings to install temporary soil vapor probes. The soil samples were

analyzed for lead using the toxicity characteristic leaching procedure to determine if the soil would be classified as Resource Conservation Recovery Act (“**RCRA**”) hazardous waste. The maximum lead concentration detected was 4.0 milligrams per liter, which does not exceed the RCRA hazardous waste threshold of 5.0 milligrams per liter. However, previous investigations discovered elevated levels of total petroleum hydrocarbons (diesel and motor oil), poly nuclear aromatics and lead, including a 2005 Phase II Environmental Site Assessment that found elevated lead concentrations in soil samples, with a maximum detected concentration of 11,000 milligrams per kilogram, exceeding the California Code of Regulations Title 22 Total Threshold Limit Concentration of 1,000 milligrams per kilogram. The soil vapor samples detected several VOCs. Given the detected VOCs, a vapor intrusion evaluation was conducted to assess human health risks to the Property’s future residents and workers. The evaluation concluded that the VOCs do not represent an unacceptable risk to either future residents or workers.

In March 2018, a draft site mitigation plan was submitted and a health safety plan has been developed for the Series 2019 Project. General elements of a health and safety plan include a description of the project activities and site background information, a summary of environmental conditions, an assessment of potential hazards, air monitoring procedures, decontamination procedures, protective equipment requirements, spill prevention and emergency response procedures. Additionally, construction activities at the Property that expose and excavate the Property’s subsurface soil are subject to certain requirements, including dust control, air monitoring, proper soil storage and decontamination procedures.

Properties subject to the Maher Ordinance, including the Property, are required to contain a cover consisting of impermeable materials that are at least four inches thick in order to mitigate direct exposure to the subsurface fill. The Series 2019 Project and associated paved areas will provide a permanent cover to any lead-impacted soils that remain at the site. In landscaped and utility areas, the final cover will consist of a water permeable synthetic netting fabric demarcation barrier and at least two feet of clean soil. The Borrower will conduct inspections of the cover twice during the first year following completion of construction, and then annually thereafter for four years for signs of deterioration. The cover inspections and repairs will be documented by the Borrower and reported to the San Francisco Department of Public Health approximately five years after completion of the Series 2019 Project. If such inspections show a need for additional measures, the College is obligated under the Ground Lease to implement and pay for such measures.

Due to the nature of subsurface fill material at the Property, previously unidentified impacted soils may be encountered during construction activities. If grossly contaminated soil is encountered, the College and the Borrower will assess the situation and implement appropriate health and safety measures.

The San Francisco Department of Public Health, Environmental Health Section-Site Assessment and Mitigation has reviewed the final site mitigation plan and found the plan compliant with Article 22A of the San Francisco Public Health Code.

ESTIMATED SOURCES AND USES OF FUNDS

The table below contains the estimated sources and uses of funds resulting from the sale of the Series 2019 Bonds (excluding accrued interest, if any):

	<u>Total</u>
SOURCES OF FUNDS:	
Par Amount of Series 2019 Bonds	\$89,800,000.00
Plus Original Issue Premium	4,764,889.00
Contribution by College ⁽¹⁾	<u>1,600,000.00</u>
Total Sources of Funds	\$96,164,889.00
 USES OF FUNDS:	
Deposit to Construction Fund	\$79,256,324.35
Deposit to Bond Fund ⁽²⁾	8,558,332.24
Deposit to Debt Service Reserve Fund ⁽³⁾	6,022,250.00
Issuance Costs ⁽⁴⁾	1,887,043.25
Deposit to Operating Contingency Fund ⁽⁵⁾	<u>440,939.16</u>
Total Uses of Funds	\$96,164,889.00

(1) To be paid by the College to the Trustee no earlier than July 1, 2019, for its contribution for costs related to the Food Services Facility.

(2) Deposit to the Capitalized Interest Account with respect to the Series 2019 Bonds to fund interest through January 1, 2021.

(3) Deposit to the Debt Service Reserve Fund for the Series 2019 Bonds equal to the Debt Service Reserve Requirement for the Series 2019 Bonds.

(4) Includes underwriter's discount, legal fees, advisory fees and other costs of issuance of the Series 2019 Bonds.

(5) Initial working capital for the Series 2019 Project.

THE SERIES 2019 BONDS

General Description

The Series 2019 Bonds will bear interest at the rates and will be sold at prices to bear the yields shown on the inside cover page of this Limited Offering Memorandum. The Series 2019 Bonds will be dated their date of delivery and be issued in fully registered form without coupons in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof, so long as no Series 2019 Bond shall have more than one maturity date. Interest on the Series 2019 Bonds will be payable on January 1 and July 1 of each year, commencing July 1, 2019 (each, an “**Interest Payment Date**”). The Series 2019 Bonds will mature on July 1 of each year, shall bear interest at the rates per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months) and shall be in the principal amounts as shown on the inside cover page of this Limited Offering Memorandum. In the event that the Series 2019 Bonds (without credit enhancement, unless such credit enhancement extends the maturity of the Series 2019 Bonds) are rated at least “Baa3” by Moody’s or “BBB-” by S&P or Fitch or equivalent, or any other nationally recognized rating agency approved by the Authority, then the restrictions on transfer of the Series 2019 Bonds described herein under “TRANSFER RESTRICTIONS” will no longer apply to the Series 2019 Bonds, and the Series 2019 Bonds may be issued in Authorized Denominations of \$5,000 or any integral multiple thereof.

Each Series 2019 Bond shall bear interest from the Interest Payment Date immediately preceding the date of registration and authentication thereof unless it is registered and authenticated as of an Interest Payment Date, in which event, it shall bear interest from such date, or unless it is registered and authenticated prior to the first Regular Record Date (as defined below), in which event, it shall bear interest

from its dated date, or unless, as shown by the records of the Trustee, interest on the Series 2019 Bonds shall be in default, in which event, it shall bear interest from the date to which interest shall have been paid in full, or unless no interest shall have been paid on the Series 2019 Bonds, in which event, it shall bear interest from its dated date. If interest on the Series 2019 Bonds shall be in default, Series 2019 Bonds issued in exchange for Series 2019 Bonds surrendered for transfer or exchange shall be dated as of the date to which interest has been paid in full on the Series 2019 Bonds surrendered. The term “**Regular Record Date**” means the fifteenth (15th) day of the month (whether or not such day is a Business Day) immediately preceding each Interest Payment Date.

Principal of and premium, if any, on the Series 2019 Bonds shall be payable by check or draft to the Owner of each Series 2019 Bond upon presentation and surrender of such Series 2019 Bond when due at the Office of the Trustee. Payment of interest on any Series 2019 Bond shall be made to the Person in whose name such Series 2019 Bond is registered at the close of business on the Regular Record Date for such payment and shall be paid by check or draft mailed to such Person at his, her, or its address as it appears on the Bond Register, irrespective of any transfer or exchange of such Series 2019 Bond subsequent to a Regular Record Date and prior to such Interest Payment Date, by the Person in whose name such Bond is registered. At the option of the Owner of Series 2019 Bonds, if such Owner is the owner of not less than \$500,000 in aggregate principal amount outstanding of Series 2019 Bonds, interest shall be paid by wire transfer in immediately available funds in accordance with written wire transfer instructions filed with the Trustee at least five days prior to the close of business on the Regular Record Date or the Special Record Date, as applicable. Interest shall continue to be paid in accordance with such instructions, until revoked in writing by the Owner, except for the final payment of interest upon maturity or redemption prior to maturity which shall be paid only upon presentation of the Series 2019 Bond to the Trustee. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS SUBSECTION, WHILE A SECURITIES DEPOSITORY OR ITS NOMINEE IS THE OWNER OF BONDS OF A SERIES, ALL DEBT SERVICE PAYMENTS THEREON SHALL BE PAID TO THE SECURITIES DEPOSITORY OR ITS NOMINEE IN ACCORDANCE WITH THE LETTER OF REPRESENTATIONS.

Defaulted Interest shall cease to be payable to the Owner of Series 2019 Bonds on the relevant Regular Record Date solely by virtue of such Owner’s having been an Owner of Series 2019 Bonds on such date, and such Defaulted Interest may be paid by the Trustee, at its election in each case, as provided in clause (i) or (ii) below:

(i) The Trustee may elect to make payment of any Defaulted Interest on the Series 2019 Bonds to the Persons in whose names such Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. When the Trustee holds an amount of money equal to the proposed payment of Defaulted Interest, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Trustee shall promptly notify the Authority of such Special Record Date and, in the name and at the expense of the Authority, such expense to be paid solely from amounts held under the Indenture, shall cause notice of the date and amount of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, not less than 10 days preceding such Special Record Date, to each Owner at his, her, or its address as it appears in the Bond Register at the close of business on the fifth day preceding the date of mailing. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Series 2019 Bonds are registered on such Special Record Date and shall no longer be payable pursuant to the following clause (ii). The term “**Special Record Date**,” for the payment of any

Defaulted Interest, means the date fixed by the Trustee pursuant to the Indenture as described in this subsection.

(ii) The Authority may make payment of any Defaulted Interest on the Bonds in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if notice is given by the Authority to the Trustee of the proposed payment pursuant to this subsection.

The Series 2019 Bonds will be initially registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“**DTC**”). DTC will act as securities depository for the Series 2019 Bonds and purchasers of the Series 2019 Bonds will not receive certificates evidencing their ownership interests therein. So long as Cede & Co. is the registered owner of the Series 2019 Bonds as nominee of DTC, references herein to the Owners of the Series 2019 Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2019 Bonds. So long as Cede & Co. is the registered owner of the Series 2019 Bonds, the Debt Service Payments on the Series 2019 Bonds will be made to Cede & Co., as nominee for DTC, which will in turn remit such Debt Service Payments to the Direct Participants and Indirect Participants for subsequent disbursement to the beneficial owners. See “THE SERIES 2019 BONDS—Book-Entry System” and APPENDIX E—“BOOK-ENTRY SYSTEM” attached hereto.

Registration Provisions; Exchange; Replacement

The Series 2019 Bonds will be and will have all the qualities and incidents of negotiable instruments under the laws of the State, and the Bondholders, in accepting any of the Series 2019 Bonds, shall be conclusively deemed to have agreed that the Series 2019 Bonds will be and have all of said qualities and incidents of negotiable instruments.

The Authority will cause the Bond Register to be kept by the Trustee. The Trustee, for and on behalf of the Authority, will keep the Bond Register in which will be recorded any and all transfers of ownership of Bonds. No Bonds shall be registered to bearer. Any Bond may be transferred upon the Bond Register upon surrender thereof at the Office of the Trustee by the Owner in person or by his, her, or its attorney-in-fact or legal representative duly authorized in writing together with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee duly executed by the Owner or his, her or its attorney-in-fact or legal representative duly authorized in writing and upon payment by such Owner of a sum sufficient to cover any governmental tax, fee, or charge required to be paid as provided in the Indenture. Upon any such registration of transfer, the Authority will cause to be executed and the Trustee will authenticate and deliver in the name of the transferee a new fully registered Bond or Bonds of like tenor; in Authorized Denominations; of the same Series, maturity or maturities, and interest rate or rates; and in the same aggregate principal amount, and the Trustee will enter the transfer of ownership in the Bond Register. No transfer of any Bond will be effective until entered on the Bond Register. Notwithstanding the foregoing, for so long as Bonds of a Series will be held under the Book-entry system, transfers of beneficial ownership will be effected pursuant to rules and procedures established by the Securities Depository.

Notwithstanding any other provision of the Indenture, the Series 2019 Bonds may not be registered in the name of, or transferred to, any person except a Qualified Institutional Buyer or an Institutional Accredited Investor; provided however, pursuant to the paragraph immediately above, Bonds registered in the name of the Securities Depository or its nominee shall be deemed to comply so long as each beneficial owner is a Qualified Institutional Buyer or an Institutional Accredited Investor. See “TRANSFER RESTRICTIONS.”

Any Bonds, upon surrender thereof at the Office of the Trustee together with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee, duly executed by the Owner or his, her or its attorney-in-fact or legal representative duly authorized in writing, may be exchanged, at the option of the Owner thereof, and upon payment by such Owner of a sum sufficient to cover any shipping charge, insurance premium, governmental tax, fee or charge required to be paid as provided in the Indenture, when not prohibited by law, for an equal aggregate principal amount of Bonds of the same Series, interest rate, designation, and maturity or maturities and in any other Authorized Denominations and registered in the name of the same Owner. When Bonds are presented for exchange, the Authority will cause to be executed and the Trustee will authenticate and deliver Bonds that the Owner making the exchange is entitled to receive, bearing numbers not then outstanding, and the Trustee, as bond registrar, will enter the exchange in the Bond Register.

Except as provided in the Indenture with respect to exchanges for certain temporary Bonds, the cost of printing, lithographing and engraving of all Bonds will be deemed to be an Ordinary Expense of the Trustee, and there will be no charge to any Owner for the registration, exchange, or transfer of Bonds, although in each case, the Trustee may require the payment by the Owner requesting exchange or transfer of any tax, fee, or other governmental charge required to be paid with respect thereto and may require that such amount be paid before any such new Bond will be delivered.

The Authority and the Trustee may deem and treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving any payment on such Bond and for all other purposes of the Indenture and of the Loan Agreement, whether such Bond will be overdue or not, and neither the Authority nor the Trustee will be affected by any notice to the contrary. Payment of, or on account of, the Debt Service Payments on the Bonds will be made to or upon the written order of the applicable Owner or his, her, or its attorney-in-fact or legal representative duly authorized in writing. All such payments will be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The execution and attestation by the manual or facsimile signature of the Chair or the manual signature of any Authorized Signatory of any Bond of any Authorized Denomination will constitute full and due authorization of such denomination, and the Trustee will thereby be authorized to authenticate and deliver such Bond. New Bonds delivered upon any transfer or exchange will be valid limited obligations of the Authority, evidencing the same obligation as the Bonds surrendered, will be secured by the Indenture, and will be entitled to all of the security and benefits of the Indenture to the same extent as the Bonds (or portions thereof) surrendered. The Trustee will not be required to transfer or exchange any Bond (i) after the notice calling such Bond (or portion thereof) for redemption will have been given as provided in the Indenture; or (ii) during the period beginning at the opening of business on the fifteenth day (whether or not a Business Day) immediately preceding either any Interest Payment Date or any date of selection of Bonds to be redeemed and ending at the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given.

Book-Entry System

Notwithstanding any other provision of the Indenture, the Series 2019 Bonds will be required to be initially issued in the form of a separate single certificated fully registered Bond for each of the maturities. The ownership of each Series 2019 Bond will be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. All of the Outstanding Series 2019 Bonds will be required to be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. See APPENDIX E—“BOOK-ENTRY SYSTEM” hereto.

With respect to Series 2019 Bonds registered in the Bond Register in the name of the Securities Depository or its nominee, the Authority, the Borrower, and the Trustee will have no responsibility or obligation to any Participant or to any Person on behalf of which a Participant will hold an interest in the Series 2019 Bonds. Without limiting the provisions of the Indenture described in the immediately preceding sentence, neither the Authority, the Borrower, nor the Trustee will have responsibility or obligation with respect to (i) the accuracy of the records of the Securities Depository, its nominee, or any Participant with respect to any ownership interest in the Series 2019 Bonds, (ii) the delivery to any Participant or any other Person, other than an Owner, or any notice with respect to the Series 2019 Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other Person, other than an Owner, of any amount with respect to principal of, premium, if any, or interest on, the Series 2019 Bonds. The Authority, the Borrower, and the Trustee will be permitted to treat and consider the Person in whose name each Bond will be registered in the Bond Register as the absolute owner of such Bond for the purpose of payment of principal, premium, and interest with respect to such Bond, for the purpose of giving notices of redemption, for the purpose of obtaining consents, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee will be required to pay all principal of, premium, if any, and interest on the Series 2019 Bonds only to or upon the order of the respective Owners or their respective attorneys duly authorized in writing, and all such payments will be valid and effective to fully satisfy and discharge the obligations with respect to the payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner will receive a certificated Bond evidencing the obligation to make payments of principal, premium, if any, and interest pursuant to the Indenture. While DTC is the Securities Depository, upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of the Indenture described herein with respect to Record Dates, the words “Cede & Co.” herein and in the Indenture will refer to such new nominee of DTC.

The Trustee will be required take all action necessary for all representations of the Authority in the Letter of Representations with respect to the paying agents and the bond registrar, respectively, to at all times to be complied with.

The Securities Depository will be permitted to determine to discontinue providing its services with respect to the Series 2019 Bonds at any time by giving notice to the Authority, the Borrower, and the Trustee and discharging its responsibilities with respect thereto under applicable law.

Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2019 Bond will be registered in the name of the Securities Depository or its nominee, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond will be required to be made and given, respectively, in the manner provided in the Letter of Representations. For additional information regarding DTC and its book-entry system, see APPENDIX E—“BOOK-ENTRY SYSTEM” hereto.

Redemption

Optional Redemption. The Series 2019 Bonds maturing on and after July 1, 2039 will be subject to redemption prior to maturity at the option of the Authority upon the written request of the Borrower on and after July 1, 2029, in whole or in part (in amounts not less than \$50,000) on any date at a Redemption Price equal to 100% of the principal amount thereof being redeemed plus interest accrued to the redemption date.

Any optional redemption of Series 2019 Bonds will be conditioned upon the Trustee's receipt of funds sufficient to pay the Redemption Price of the Series 2019 Bonds to be redeemed on or prior to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2019 Bonds maturing on July 1, 2024, July 1, 2029, July 1, 2039, July 1, 2049 and July 1, 2052 will be subject to mandatory sinking fund redemption prior to maturity in part at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued thereon to the redemption date, in the following principal amounts and on the dates set forth below:

Series 2019 Bonds Maturing on July 1, 2024

July 1 of the Year	Principal Amount
2022	\$900,000
2023	900,000
2024*	1,400,000

* Maturity Date.

Series 2019 Bonds Maturing on July 1, 2029

July 1 of the Year	Principal Amount
2025	\$1,400,000
2026	1,500,000
2027	1,600,000
2028	1,700,000
2029*	1,700,000

* Maturity Date.

Series 2019 Bonds Maturing on July 1, 2039

July 1 of the Year	Principal Amount
2030	\$1,800,000
2031	1,900,000
2032	2,000,000
2033	2,100,000
2034	2,300,000
2035	2,400,000
2036	2,500,000
2037	2,600,000
2038	2,800,000
2039*	2,900,000

* Maturity Date.

Series 2019 Bonds Maturing on July 1, 2049

July 1 of the Year	Principal Amount
2040	\$3,100,000
2041	3,200,000
2042	3,400,000
2043	3,600,000
2044	3,800,000
2045	4,000,000
2046	4,200,000
2047	4,400,000
2048	4,600,000
2049*	4,900,000

* Maturity Date.

Series 2019 Bonds Maturing on July 1, 2052

July 1 of the Year	Principal Amount
2050	\$5,100,000
2051	5,400,000
2052*	5,700,000

* Maturity Date.

On or before the forty-fifth day immediately preceding any July 1 on which Series 2019 Bonds are to be retired pursuant to the applicable Mandatory Sinking Fund Redemption Requirement, the Borrower may (i) deliver to the Trustee for cancellation, Series 2019 Bonds of the applicable maturity in any aggregate principal amount desired; or (ii) receive a credit with respect to the applicable Mandatory Sinking Fund Redemption Requirement for any such Series 2019 Bonds, respectively, that before said date have been purchased or redeemed (other than through mandatory sinking fund redemption) and cancelled by the Trustee and not theretofore applied as a credit against such Mandatory Sinking Fund Redemption Requirement. Each such Series 2019 Bond so delivered or previously purchased or redeemed and cancelled by the Trustee will be credited by the Trustee at 100% of the principal amount thereof against the Mandatory Sinking Fund Redemption Requirement for the Series 2019 Bonds of the applicable maturity on such mandatory sinking fund redemption date, and any excess over such amount will be credited against future Mandatory Sinking Fund Redemption Requirements for such Series in such order as may be selected by the Borrower as set forth in a revised sinking fund schedule delivered to the Trustee or, in the absence of such selection, in chronological order, and the applicable Mandatory Sinking Fund Redemption Requirements for such Series 2019 Bonds will be accordingly reduced.

Extraordinary Optional Redemption. The Series 2019 Bonds will also be subject to redemption at the option of the Authority upon the written request of the Borrower, in whole if:

- (i) the Series 2019 Project will have been destroyed or damaged to such an extent that, in the opinion of an Independent Architect/Engineer expressed in a certificate filed with the Trustee and the Authority, (A) the Series 2019 Project cannot reasonably be restored within a period of 12 months to the condition thereof immediately preceding such destruction or damage; or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than 12 consecutive months; or (C) the cost of restoration or replacement thereof would exceed the Net Proceeds of insurance payable in respect of such destruction or damage; or

(ii) title to, or the temporary use of, a substantial portion of the Series 2019 Project will have been taken under the exercise of the power of eminent domain by any governmental authority or Person acting under governmental authority to such an extent that, in the opinion of an Independent Architect/Engineer expressed in a certificate filed with the Trustee and the Authority, (A) the Series 2019 Project cannot be reasonably restored or replaced within a period of 12 months to substantially the condition thereof immediately preceding such taking; or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than 12 consecutive months; or (C) the cost of restoration or replacement thereof would exceed the total amount of compensation for such taking.

The Series 2019 Bonds will also be subject to redemption at the option of the Authority upon the written request of the Borrower, in part in the event of partial condemnation or destruction of, or partial damage to, the Series 2019 Project, from the Net Proceeds received by the Borrower as a result of such taking, destruction, or damage to the extent such Net Proceeds are not used for the restoration of the Series 2019 Project or for the acquisition of substitute property suitable for the Borrower's operations at the Series 2019 Project as such operations were conducted prior to such taking, destruction, or damage if the Borrower furnishes to the Trustee and the Authority (i) a certificate of an Independent Architect/Engineer stating (A) that the property forming a part of the Series 2019 Project that was taken, destroyed, or damaged is not essential to the Borrower's use or occupancy of the Series 2019 Project at substantially the same revenue-producing level as prior to such taking, destruction, or damage; or (B) that the Series 2019 Project has been restored to a condition substantially equivalent to its condition prior to such taking, destruction, or damage; or (C) that the Borrower has acquired suitable land and improvements that are substantially equivalent to the property forming a part of the Series 2019 Project that was taken, destroyed, or damaged; or (ii) a certificate of a Financial Consultant filed with the Trustee and the Authority stating that the Fixed Charges Coverage Ratio for each of the two Annual Periods following the Annual Period following such taking, destruction, or damage will not be less than the lesser of (A) 1.20 and (B) the average Fixed Charges Coverage Ratio for the two most recent Annual Periods prior to such taking, destruction, or damage for which audited financial statements are available.

If the Series 2019 Bonds will be called for extraordinary optional redemption upon the occurrence of any of the events described above, the Series 2019 Bonds may be redeemed on any date for which the requisite notice of redemption can be given within 180 days of the receipt of the insurance or condemnation proceeds received by the Borrower as a result of such event at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued to the redemption date.

Other Redemptions at Par. The Series 2019 Bonds will also be subject to redemption prior to maturity in whole or in part at any time and as expeditiously as reasonably possible upon the deposit of cash in the Redemption Fund required by the Loan Agreement or the Indenture as set forth below in a principal amount equal to such deposit (less any amount by which such deposit exceeds an Authorized Denomination) and at a Redemption Price equal to 100% of such principal amount plus interest accrued thereon to the redemption date:

(a) any Net Proceeds of title insurance on the Series 2019 Project paid to the Trustee pursuant to the terms of the Loan Agreement providing for the procurement of a title insurance policy and application of the proceeds thereto; or

(b) any Net Proceeds of a sale or disposition of any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary Equipment that is part of the Student Housing Facility paid to the Trustee pursuant to the provisions of the Loan Agreement; or

(c) any money consideration received by the Trustee pursuant to the provisions of the Leasehold Deed of Trust in connection with the release of, or the subordination of the lien of the Leasehold Deed of Trust with respect to, any portion of the Series 2019 Project (i) that the College 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 Student Housing Facility; or (ii) with respect to which the Borrower requests the Trustee subordinate the lien of the Leasehold Deed of Trust to rights granted to a public utility or public body in order that utility services or public services may be provided to the Student Housing Facility; or

(d) the release price for any unimproved portion of the Series 2019 Project released from the lien of the Leasehold Deed of Trust determined and paid to the Trustee pursuant to the provisions of the Leasehold Deed of Trust.

Selection of Bonds To Be Redeemed. If any Series 2019 Bonds are to be called for optional redemption, extraordinary optional redemption or as described above under the heading “Other Redemptions at Par” in accordance with the Indenture, the Borrower will select the maturity of Bonds to be redeemed. Subject to the terms described under the caption “Effect of Calling for Redemption” below, if less than all of the Series 2019 Bonds of any maturity are to be called for optional redemption, extraordinary optional redemption or as described above under the heading “Other Redemptions at Par” in accordance with the Indenture, the Trustee will select the Series 2019 Bonds of such maturity to be redeemed by lot. Notwithstanding the foregoing, the Borrower will have the right to designate the Mandatory Sinking Fund Redemption Requirement, if any, to which such redemption will be credited.

DTC Procedures. While DTC is the Owner of the Series 2019 Bonds, or any of them, partial redemptions of the Series 2019 Bonds will be determined in accordance with DTC’s procedures. The Authority intends that redemption allocations made by DTC, the DTC Participants, or such other intermediaries that may exist between the Authority and the Beneficial Owners be made in accordance with the method of selection of Series 2019 Bonds for a partial redemption. However, the selection of Series 2019 Bonds for redemption in DTC’s book-entry only system is subject to DTC’s practices and procedures as in effect at the time of any such partial redemption.

Notice of Redemption. In case of any optional redemption, extraordinary optional redemption or as described above under the heading “Other Redemptions at Par” in accordance with the Indenture, the Borrower will, at least 20 days prior to the date that notice of redemption is required to be given by the Trustee (unless a shorter notice will be satisfactory to the Trustee), notify the Trustee in writing of such redemption date and of the principal amount of Series 2019 Bonds to be redeemed. A copy of such notice will be sent to each Rating Agency.

In the event any Series 2019 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2019 Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) not less than 30 nor more than 60 days prior to the date fixed for redemption to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Bond Register at the close of business on the fifth day preceding the date of mailing; provided, however, that failure to give such notice by mailing to any Owner of Series 2019 Bonds, or any defect therein, will not affect the validity of any proceedings for the redemption of any other Series 2019 Bonds for which notice will have been properly given. Each notice will specify the CUSIP numbers of the Series 2019 Bonds being called; the numbers of the Series 2019 Bonds being called, if less than all of the Series 2019 Bonds are being called; the redemption date; the Redemption Price; and the place or places where amounts due upon such redemption will be payable. Such notice will further state that payment of the applicable Redemption Price will be made upon presentation and surrender of the Series 2019 Bonds to be redeemed and that on the redemption date, the Redemption Price will become due and payable upon

each Series 2019 Bond to be redeemed and that interest thereon will cease to accrue on and after such redemption date, provided collected funds for the redemption of the Series 2019 Bonds to be redeemed are on deposit with the Trustee at the place of, and the time for, payment. Any notice mailed as provided in this section will be conclusively presumed to have been duly given, whether or not the Owner of such Series 2019 Bonds actually receives such notice.

Any notice of redemption may, at the direction of the Authority upon the written request of the Borrower, state (i) that the redemption to be effected is conditioned upon the receipt by the Trustee on or prior to the redemption date of sufficient and legally available funds to pay the Redemption Price of the Series 2019 Bonds to be redeemed; and/or (ii) that the Borrower retains the right to rescind such notice on or prior to the scheduled redemption date and that if such funds shall not be so received or shall not be so legally available or if the notice will be rescinded, such notice will be of no force or effect and such Series 2019 Bonds will not be required to be redeemed. In the event that such notice will contain such condition(s) and sufficient legally available funds to pay the Redemption Price of such Series 2019 Bonds will not be received by the Trustee on or prior to the redemption date or if the notice will be rescinded on or prior to the redemption date, the redemption will not be made and the Trustee will, within a reasonable time thereafter, give notice, in the manner in which the notice of redemption will have been given, that such funds were not so received.

Effect of Calling for Redemption. On or before the date fixed for redemption of Series 2019 Bonds, cash and/or Defeasance Obligations will be deposited with the Trustee sufficient to pay the Redemption Price of the Series 2019 Bonds or portions thereof called for redemption. On the date fixed for redemption, notice having been given in the manner and under the conditions provided above, the Series 2019 Bonds (or portions thereof) called for redemption will be due and payable on the date fixed for redemption at the Redemption Price provided therefor. On such date, if cash and/or Defeasance Obligations sufficient to pay the Redemption Price of the Series 2019 Bonds (or portions thereof) to be redeemed, are held by the Trustee in trust for the Owners of the Series 2019 Bonds (or portions thereof) to be redeemed, interest on the Bonds (or portions thereof) called for redemption will cease to accrue; such Series 2019 Bonds (or portions thereof) will cease to be entitled to any benefits or security under the Indenture or to be deemed Outstanding; and the Owners of such Series 2019 Bonds (or portions thereof) will have no rights in respect thereof except to receive payment of the Redemption Price thereof. Series 2019 Bonds and portions of Series 2019 Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at a redemption date will have been given to the Trustee in form satisfactory to it will not thereafter be deemed to be Outstanding under the Indenture and will cease to be entitled to the security of or any rights under the Indenture, other than rights to receive payment of the Redemption Price thereof, to be given notice of redemption in the manner provided in above under the heading “Notice of Redemption” and, as provided in the Indenture, to receive Series 2019 Bonds for any unredeemed portions of Bonds, if cash and/or Defeasance Obligations sufficient to pay the Redemption Price of such Bonds (or portions thereof) are held by the Trustee in trust for the Owners of such Bonds.

Redemption of a Portion of a Bond. No redemption of less than all of the Series 2019 Bonds may be made unless all Series 2019 Bonds remaining Outstanding after such redemption are of an Authorized Denomination. If a Series 2019 Bond is of an Authorized Denomination larger than the minimum Authorized Denomination, a portion of such Bond may be redeemed, but such Bond will be redeemed in part only in an Authorized Denomination and only if the unredeemed portion thereof is an Authorized Denomination.

If a portion of an Outstanding Series 2019 Bond will be selected for redemption, the Owner thereof or his, her, or its attorney or legal representative will present and surrender such Bond to the Trustee for payment of the Redemption Price of such Bond, and the Authority will cause to be executed and the Trustee will authenticate and deliver to or upon the order of such Owner or his, her, or its legal representative,

without charge therefor, for the unredeemed portion of the principal amount of the Series 2019 Bond so surrendered, a Series 2019 Bond or Bonds of the same form and maturity and of any Authorized Denominations; provided, however, that if the Owner is a Securities Depository Nominee, the Securities Depository, in its discretion, (i) may surrender such Bond to the Trustee and request that the Authority cause to be executed and the Trustee authenticate and deliver a new Series 2019 Bond for the unredeemed portion of the principal amount of the Series 2019 Bond so surrendered; or (ii) will make an appropriate notation on such Bond indicating the dates and amounts of such reduction in principal.

In all instances where the Trustee is directed by the terms of the Indenture to redeem Series 2019 Bonds from cash deposited into the Redemption Fund, the Trustee will redeem the maximum number of Series 2019 Bonds that may be redeemed in accordance with the applicable provisions of the Indenture, and any excess cash will remain in the Redemption Fund.

TRANSFER RESTRICTIONS

The Series 2019 Bonds are to be offered and sold (including in secondary market transactions) only to a “Qualified Institutional Buyer” or an “Institutional Accredited Investor.” The Indenture contains provisions limiting transfers of the Bonds and beneficial ownership interests therein to Qualified Institutional Buyers and Institutional Accredited Investors. In addition, the face of each Bond will contain a legend indicating that such Bond can only be registered in the name of, or transferred to and owned by, Qualified Institutional Buyers and Institutional Accredited Investors. Further, each initial purchaser will be required to deliver an Investor Letter substantially in the form of Appendix I hereto.

“*Institutional Accredited Investor*” means any entity meeting the definition set forth in 17 CFR 230.501 (a)(1), (2), (3), or (7), or any entity meeting the definition set forth in 17 CFR 230.501 (a)(8), as further defined and restricted below, as follows:

(a) Any bank; any savings and loan association, whether acting in its individual or fiduciary capacity; any registered broker or dealer; any insurance company; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that act; any Small Business Investment Company licensed by the US Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of \$5 million; or any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 where investment decisions are made by a plan fiduciary that is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5 million or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors.

(b) Any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

(c) Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5 million.

(d) Any trust, with total assets in excess of \$5 million, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as

described in Rule 506(b)(2)(ii) of Regulation D under the Securities Act of 1933 (17 CFR 230.506(b)(2)(ii)).

(e) Any entity in which all of the equity owners are accredited investors; provided, however, that (a) if any such accredited investor is a natural person, that natural person's individual net worth, or joint net worth with that person's spouse, must exceed \$5,000,000, exclusive of that natural person's primary residence, and irrespective of any lower amount stated in 17 CFR 230.501 (a)(8); and (b) such entity must be represented and advised by an independent and duly registered investment adviser under the Investment Advisers Act of 1940 [15 U.S.C. 80b-1 et seq.], owing a fiduciary duty to the entity and all of its equity owners, including a duty to determine that the Bonds are suitable investments for such entity.

“*Qualified Institutional Buyer*” means an institution which meets at least one of the following criteria:

(a) Any of the following entities, acting for its own account or the accounts of other Qualified Institutional Buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the entity:

(i) Any insurance company as defined in Section 2(13) of the Securities Act of 1933, as amended;

NOTE: A purchase by an insurance company for one or more of its separate accounts, as defined by Section 2(a)(37) of the Investment Company Act of 1940 (the “*Investment Company Act*”), which are neither registered under Section 8 of the Investment Company Act nor required to be so registered, shall be deemed to be a purchase for the account of such insurance company.

(ii) Any investment company registered under the Investment Company Act or any business development company as defined in Section 2(a)(48) of that Act;

(iii) Any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

(iv) Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;

(v) Any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974;

(vi) Any trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in paragraph (1)(D) or (E) of this section, except trust funds that include as participants individual retirement accounts or H.R. 10 plans;

(vii) Any business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

(viii) Any organization described in Section 501(c)(3) of the Code, corporation (other than a bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended,

or a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the Securities Act of 1933, as amended, or a foreign bank or savings and loan association or equivalent institution), partnership, or Massachusetts or similar business trust; and

(ix) Any investment adviser registered under the Investment Advisers Act.

(b) Any dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended, acting for its own account or the accounts of other Qualified Institutional Buyers, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided, that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer.

(c) Any dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended, acting in a riskless principal transaction on behalf of a Qualified Institutional Buyer.

NOTE: A registered dealer may act as agent, on a non-discretionary basis, in a transaction with a Qualified Institutional Buyer without itself having to be a Qualified Institutional Buyer.

(d) Any investment company registered under the Investment Company Act, acting for its own account or for the accounts of other Qualified Institutional Buyers, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies. "Family of investment companies" means any two or more investment companies registered under the Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided, that, for purposes of this section:

(i) Each series of a series company (as defined in Rule 18f-2 under the Investment Company Act [17 CFR 270.18f-2]) shall be deemed to be a separate investment company; and

(ii) Investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor).

(e) Any entity, all of the equity owners of which are Qualified Institutional Buyers, acting for its own account or the accounts of other Qualified Institutional Buyers.

(f) Any bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Securities Act of 1933, as amended, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other Qualified Institutional Buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million as demonstrated in its latest annual financial statements, as of a date not more than 16 months preceding the date of sale under Rule 144A of the Securities Act of 1933 in the case of a U.S. bank or savings and loan association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution.

In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published. In the latter event, the securities may be valued at market for purposes of this section.

In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under the direction of the entity, except that, unless the entity is a reporting company under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

For purposes of this section, “riskless principal transaction” means a transaction in which a dealer buys a security from any person and makes a simultaneous offsetting sale of such security to a Qualified Institutional Buyer, including another dealer acting as riskless principal for a Qualified Institutional Buyer.

In the event that the Series 2019 Bonds (without credit enhancement, unless such credit enhancement extends the maturity of the Series 2019 Bonds) are rated at least “Baa3” by Moody’s or “BBB-” by S&P or Fitch or equivalent, or any other nationally recognized rating agency approved by the Authority, then the restrictions on transfer of the Series 2019 Bonds described above will no longer apply to the Series 2019 Bonds, and the Series 2019 Bonds may be issued in Authorized Denominations of \$5,000 or any integral multiple thereof. See “APPENDIX D—SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS.”

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS

General

As provided in the Indenture, the Bonds, together with interest thereon, will be limited and not general obligations of the Authority giving rise to no pecuniary liability of the Authority, will be payable solely from the Security, including the revenues and receipts derived from or in connection with the Project, including all moneys received under the Loan Agreement, which are required to be set apart and transferred to the Bond Fund and the Redemption Fund, which revenues and receipts (except for the Unassigned Rights) are specifically pledged and assigned to the Trustee as provided in the Indenture for the equal and ratable payment of the Bonds and will be used for no other purpose than to pay the Debt Service Payments on the Bonds, except as may be otherwise expressly authorized in the Indenture.

As security for the payments required to be made to the Authority under the Loan Agreement, the Borrower will execute and deliver the Leasehold Deed of Trust, the Security Agreement, and the Assignment of Contracts and Agreements.

As defined in the Indenture, the term “**Security**” means any of the property subject to the operation of the granting clauses contained in the Security Documents. “**Security Documents**” means, collectively, the Indenture, the Leasehold Deed of Trust, the Security Agreement, the Assignment of Contracts and Agreements, and the Loan Agreement, each being a Security Document.

All of the right, title, interest, and remedies of the Authority in the Loan Agreement (except the Unassigned Rights), together with all revenues and amounts to be received and all property to be held by the Authority thereunder, will be assigned and pledged, and shall be the subject of a grant of a first priority security interest, to the Trustee as security for, among other things, the payment of the Bonds. The Borrower will agree under the Loan Agreement to make payments on the Loan and to be liable therefor at times and in amounts sufficient to pay when due all Debt Service Payments on all Bonds from time to time Outstanding under the Indenture.

The Borrower will agree that all Basic Loan Payments required to be made under the Loan Agreement will be paid directly to the Trustee for the account of the Authority. The Trustee will have all rights and remedies accorded to the Authority under the Loan Agreement (except for Unassigned Rights), and any reference to the Authority in the Loan Agreement shall be deemed to include the Trustee.

The Borrower will consent to such assignment and pledge and grant of a first priority security interest and agree that its obligations to make all payments under the Loan Agreement shall be absolute and shall not be subject to any defense, except payment, or to any right of setoff, counterclaim, or recoupment arising out of any breach by the Authority of any obligation to the Borrower, whether under the Loan Agreement or otherwise, or arising out of any indebtedness or liability at any time owing to the Borrower by the Authority.

Neither the Authority nor the College will be liable for any other costs, expenses, losses, damages, claims, or actions in connection with the Loan Agreement, the Bonds, or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement. Neither the members of the Authority nor any person executing the Bonds will be liable personally on the Bonds by reason of the issuance thereof. The Bonds are payable solely, except to the extent paid out of moneys attributable to the proceeds of the Bonds and from temporary investment thereof, from the Security and from a pledge of moneys derived from the Loan Agreement between the Authority and the Borrower.

As defined in the Indenture, “**Revenues**” means, for any period, Pledged Revenues minus (a) any gains on the sale or other disposition of investments or fixed or capital assets not in the ordinary course of business, (b) any contributions from any Affiliate, and (c) any Net Proceeds of insurance other than business or rental interruption insurance.

As defined in the Indenture, “**Pledged Revenues**,” for any period, commencing on the Substantial Completion Date, means (a) the sum of (i) the gross receipts and operating and non-operating revenues derived by the Borrower from the ownership or operation of the Student Housing Facility (other than contributions), including, without limitation, all payments to the Borrower from the College under the Housing Services Agreement, and provided, that such receipts and/or revenues are not subject to refunds or similar offsets; and (ii) Net Proceeds of insurance; and (iii) Unrestricted Contributions, but excluding in any event; (b) the sum of (i) earnings on amounts that are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness; and (ii) security deposits, if any, received from occupants of the Student Housing Facility and held by the Borrower until such time, if any, as the Borrower shall be permitted to apply such deposits to the payment of rent or to the repair and maintenance of the Student Housing Facility in accordance with the terms of a lease or residency agreement; and (iii) earnings or gains resulting from any reappraisal, revaluation, or write-up of assets; and (iv) any unrealized gain resulting from changes in the value of investment securities; and (v) any revenues derived from naming rights with respect to the Series 2019 Project; and (vi) any revenues derived from the Food Services Facility or any other dining or food services related to the Series 2019 Project.

Agreement to Deposit Pledged Revenues

As security for its obligation to make the Loan Payments, the Borrower agrees under the Loan Agreement to deliver or cause to be delivered to the Trustee, commencing on the first Friday after the Substantial Completion Date, not less frequently than the last day of each calendar month (or if any such day shall not be a Business Day, the immediately preceding Business Day), for deposit to the Revenue Fund, all Pledged Revenues received by it in the form of cash, checks, or negotiable instruments; provided, however, that if an Event of Default shall have occurred and shall be continuing under the Loan Agreement, the Borrower shall deliver or cause to be delivered all such Pledged Revenues daily.

The Borrower may comply with such provisions of the Loan Agreement (i) by creating a restricted withdrawal account either with the Trustee or with another banking institution; (ii) by depositing all Pledged Revenues received by it in the form of cash, checks, or negotiable instruments into such account; and (iii) by giving the Trustee or such banking institution written instructions either (A) to transfer by wire or Automated Clearing House (“ACH”) transfer to the Trustee all immediately available funds in such account to the Trustee each Friday (or if any Friday shall not be a Business Day, the immediately preceding Business Day) or, if an Event of Default shall have occurred and shall be continuing under the Loan Agreement, each day (or if any day shall not be a Business Day, the immediately succeeding Business Day); or (B) if such account is held by the Trustee, to debit such account in the amount of all immediately available funds therein each Friday (or if any Friday shall not be a Business Day, the immediately preceding Business Day) or, if an Event of Default shall have occurred and shall be continuing under the Loan Agreement, each day (or if any day shall not be a Business Day, the immediately succeeding Business Day) and to credit such amount to the Revenue Fund.

The Borrower shall not be deemed to have complied with the provisions above if the restricted account created in accordance with the such provisions is created with a banking institution that is not the Trustee and such banking institution shall not comply with the written instructions provided to it by the Borrower in accordance with the provisions of clause (iii) immediately above.

The Borrower further agrees that all Basic Loan Payments required to be made under the Loan Agreement shall be paid directly to the Trustee for the account of the Authority. The Trustee shall have all rights and remedies under the Loan Agreement accorded to the Authority (except for Unassigned Rights), and any reference therein to the Authority shall 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 contained in the Loan Agreement.

As provided in the Indenture, if on any Bond Payment Date there are insufficient funds in the Bond Fund and the Redemption Fund available therefor to pay Debt Service Payments on the Bonds then due, the Trustee shall transfer to the Bond Fund an amount equal to such insufficiency from the following funds in the following order of priority: first, the Cash Trap Fund; second, the Surplus Fund; third, the Operations Contingency Fund; fourth, the Debt Service Reserve Fund; and fifth, the Repair and Replacement Fund.

Limited Obligations

The Bonds will be limited obligations of the Authority as provided therein payable solely from the revenues and collateral pledged to the payment thereof. The Bonds will not constitute a debt or liability of the State or of any political subdivision thereof, but will constitute a limited liability of the Authority, payable solely from the funds provided therefor as provided and described in the Indenture. The Authority will not be obligated to pay the principal of the Bonds or the redemption premium (if any) or interest thereon except from the funds provided therefor under the Indenture, and neither the faith and credit nor the taxing power of the State or of any political subdivision

thereof, including the Authority, is pledged to the payment of the principal of or the redemption premium (if any) or interest on the Bonds. The issuance of the Bonds will not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation or to make any appropriation for their payment. The Authority has no taxing power. Moreover, neither the Authority nor the College will be liable for any other costs, expenses, losses, damages, claims, or actions in connection with the Loan Agreement, the Bonds, or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement. Neither the members of the Authority nor any person executing the Bonds will be liable personally on the Bonds by reason of the issuance thereof. The Bonds are payable solely, except to the extent paid out of moneys attributable to the proceeds of the Bonds and from temporary investment thereof, from the Security and from a pledge of moneys derived from the Loan Agreement between the Authority and the Borrower.

Leasehold Deed of Trust, Security Agreement, and Assignment of Contracts and Agreements

As security for the obligations of the Borrower to the Authority under Loan Agreement, the Borrower will execute and deliver to the Trustee (i) the Leasehold Deed of Trust pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Deed of Trust Trustee for the benefit of the Trustee a first deed of trust lien on its interest in the real property included in the Series 2019 Project and the Property and will, subject to Permitted Encumbrances and commencing on the Substantial Completion Date, grant to the Deed of Trust Trustee for the benefit of the Trustee a first priority security interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and from the Student Housing Facility, (ii) the Security Agreement pursuant to which the Borrower will, subject to Permitted Encumbrances, pledge and assign to the Trustee, and grant to the Trustee a first priority security interest in, the Pledged Revenues, the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's ownership or operation of the Student Housing Facility, the Inventory, and the Equipment, and (iii) the Assignment of Contracts and Agreements pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in the Housing Services Agreement, the Management Agreement, the Development Agreement, and all other contracts and agreements relating to the design and construction of the Series 2019 Project and the management of the Student Housing Facility. The lien created by the Leasehold Deed of Trust is subject to the rights of the College under the Ground Lease as the fee simple owner of the Property. The Leasehold Deed of Trust does not constitute a lien on the College's fee simple interest in the Property. Because of certain risks associated with pledging and granting a security interest in collateral of this nature, prospective purchasers should not rely upon such collateral as providing any significant security for the Series 2019 Bonds. See "CERTAIN BONDHOLDERS' RISKS—Pledge and Assignment of, and Grant of Security Interest in, Future Revenues" herein.

Pledge of Pledged Revenues

In accordance with the Indenture, the Series 2019 Bonds will be secured by and payable from the Pledged Revenues. In accordance with the Loan Agreement, the Borrower will agree to deliver or cause to be delivered to the Trustee, commencing on the first Friday after the Substantial Completion Date, not less frequently than the last day of each calendar month (or if any such day shall not be a Business Day, the immediately preceding Business Day), for deposit to the Revenue Fund (described immediately below), all Pledged Revenues received by it in the form of cash, checks, or negotiable instruments; provided, however, that if an Event of Default shall have occurred and shall be continuing under the Indenture, the Borrower shall deliver or cause to be delivered all such Pledged Revenues daily. In order to further secure receipt of the Pledged Revenues, in accordance with the Indenture, the Series 2019 Bonds will be secured by the Security, consisting of any of the property subject to the operation of the granting clauses contained in the Indenture, the Leasehold Deed of Trust, the Security Agreement, the Assignment of Contracts and

Agreements, and the Loan Agreement, including the revenues and receipts derived from or in connection with the Student Housing Facility commencing on the Substantial Completion Date, including all moneys received under the Loan Agreement, which are required to be set apart and transferred to the Bond Fund and the Redemption Fund, which revenues and receipts (except for the Unassigned Rights) will be specifically pledged and assigned to the Trustee for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the Debt Service Payments on the Bonds, except as may be otherwise expressly authorized in the Indenture.

The Borrower and the Authority will grant to the Trustee a first priority security interest in (i) the Pledged Revenues, the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's ownership or operation of the Student Housing Facility (and any improvements thereto or expansions thereof), the Inventory and the Equipment and (ii) all of their respective right, title and interest in the Loan Agreement (except for the Unassigned Rights, as defined in the Loan Agreement), and all revenues, payments, receipts, and moneys to be received and held thereunder, all pursuant to the granting clauses of the Indenture.

Under the Indenture, upon the occurrence of an Event of Default, the rights of the owners of the Series 2019 Bonds to the Trust Estate, to the extent provided for, are subject to a prior lien to secure the payment of all fees and expenses of the Trustee, and the Trustee may apply moneys received by it pursuant to any action taken by it in accordance with the Indenture in connection with such Event of Default to the payment of the costs and expenses of the proceedings resulting on the collection of such moneys and to the payment of the expenses, liabilities, and advances incurred or made by the Trustee prior to its applying such moneys to the payment of Debt Service Payments on the Bonds.

Unless an Event of Default shall occur and be continuing, the Borrower will be permitted to possess and use the Security (except cash, securities, and other personal property deposited with the Trustee) and receive and use the revenues, issues, profits, and other income of the Security (except cash, securities, and other personal property required to be deposited with the Trustee).

Because of certain risks associated with granting a security interest in collateral of the nature described above, prospective purchasers should not rely solely upon such collateral as providing security for the Series 2019 Bonds. See "CERTAIN BONDHOLDERS' RISKS—Pledge and Assignment of, and Grant of Security Interest in, Future Revenues" herein.

Revenue Fund

The Revenue Fund will be a trust fund established under the Indenture. In accordance with the terms of the Loan Agreement, the Borrower will deposit or cause to be deposited all Pledged Revenues to the Revenue Fund on a monthly basis. As security for the obligations of the Borrower to the Authority under the Loan Agreement, the Borrower will, subject to Permitted Encumbrances, pledge and assign to the Trustee, and grant to the Trustee a first priority security interest in, the Pledged Revenues and the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's ownership or operation of the Student Housing Facility.

The Manager is authorized to request withdrawals of amounts held in the Revenue Fund to pay operating costs of the Student Housing Facility (other than amounts payable to the Manager as its fee under the Management Agreement) when due if amounts then held in the Operating Account are insufficient for such purpose. In addition, the amounts deposited into the Revenue Fund shall be transferred or paid by the Trustee to the following Funds and/or Persons in the order and amounts and on the dates indicated:

(a) there shall be paid to the Borrower or the Manager, as applicable, on the twentieth day of each month (or the immediately succeeding Business Day if the twentieth day of a month is not a Business Day) for deposit into the Operating Account an amount as calculated by the Borrower equal to the amount budgeted in the Annual Budget for Expenses (other than those Expenses, provision for the payment of which has otherwise been made as set forth in the Indenture) for the immediately succeeding month; provided, however, if, during any Annual Period, it shall be determined that an Operating Account Surplus shall have been created with respect to the immediately preceding Annual Period, such payment to the Borrower shall be reduced by the amount of such Operating Account Surplus, if any, and the amount of the Operating Account Surplus, if any, shall then be adjusted by the amount of such reduction;

(b) there shall be transferred to the Bond Fund:

(i) on or before February 20, 2019, and on or before the twentieth day of each month thereafter to and including June 20, 2019, a sum equal to one-fifth of the amount payable on July 1, 2019, as interest on the Series 2019 Bonds, or such lesser amount that, together with amounts already on deposit in the Bond Fund and available therefor and any amounts to be transferred from the Capitalized Interest Account on such date, will be sufficient to pay interest on the Series 2019 Bonds to become due on July 1, 2019, as provided in the Indenture;

(ii) on or before July 20, 2019, and on or before the twentieth day of each month thereafter, a sum equal to one-sixth of the amount payable on the immediately succeeding Interest Payment Date as interest on the Series 2019 Bonds, or such lesser amount that, together with amounts already on deposit in the Bond Fund and available therefor and any amounts to be transferred from the Capitalized Interest Account on such date, will be sufficient to pay interest on the Series 2019 Bonds to become due on the immediately succeeding Interest Payment Date, as provided in the Indenture;

(iii) on the dates set forth in any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds, the amount(s) set forth therein to be paid by the Borrower in respect of interest on such Additional Bonds;

(iv) on or before July 20, 2021, and on or before the twentieth day of each month thereafter, to and including June 20, 2022, a sum equal to one-twelfth of the principal due on July 1, 2022;

(v) on or before July 20, 2022, and on or before the twentieth day of each month thereafter, a sum equal to the sum of (A) one-twelfth of the principal due on the immediately succeeding July 1 that is a maturity date of the Series 2019 Bonds; and (B) one-twelfth of the Mandatory Sinking Fund Redemption Requirement, if any;

(vi) on the dates set forth in any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds, the amount(s) set forth therein to be paid by the Borrower in respect of the principal of such Additional Bonds (whether at maturity or under any mandatory sinking fund or other similar redemption requirements of any supplemental indenture or indentures executed in connection with the issuance of such Additional Bonds);

(vii) on the Business Day immediately preceding any date on which the Series 2019 Bonds are to be redeemed pursuant to the mandatory redemption provisions of the Indenture (other than mandatory sinking fund redemption pursuant to the Indenture), an amount equal to the Redemption Price of the Series 2019 Bonds to be redeemed (taking into account amounts then on

deposit in the Bond Fund and the Redemption Fund available to be used for the payment of such Series 2019 Bonds to be redeemed); and

(viii) on the Business Day immediately preceding any date on which any Additional Bonds are to be redeemed pursuant to any mandatory redemption provisions of any supplemental indenture or indentures executed in connection with the issuance of Additional Bonds (other than mandatory sinking fund or other similar redemption pursuant to such supplemental indenture or indentures), an amount equal to the Redemption Price of such Additional Bonds to be redeemed (taking into account amounts then on deposit in the Bond Fund and the Redemption Fund available to be used for the payment of such Additional Bonds to be redeemed);

(c) there shall be transferred to the Rebate Fund and the Account(s) therein on the dates that the Borrower provides any calculation of the Rebate Amount to the Trustee in accordance with the Indenture, the amounts determined by the Borrower to be equal to the excess, if any, of the Rebate Amount so calculated over the amount then in the Rebate Fund;

(d) there shall be paid to the Trustee:

(i) promptly upon request, an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered, and the Ordinary Expenses of the Trustee incurred, under the Indenture and under the other Bond Documents as and when the same shall become due;

(ii) promptly upon request, the reasonable fees and charges of the Trustee, as bond registrar and paying agent, and of any other paying agents on the Bonds for acting as paying agents as provided in the Indenture as and when the same shall become due; and

(iii) promptly upon request, the reasonable fees and charges of the Trustee for the Extraordinary Services of the Trustee rendered by it, and the Extraordinary Expenses of the Trustee incurred by it, under the Indenture and under the other Bond Documents as and when the same shall become due; provided, that the Borrower may, without creating an Event of Default under the Indenture, contest in good faith the reasonableness of any such Extraordinary Services of the Trustee and Extraordinary Expenses of the Trustee and the reasonableness of any such fees, charges, or expenses;

(e) there shall be paid or transmitted to the Authority (as certified in writing to the Trustee by the Authority) (i) on the due date therefor, the Authority Annual Fee; and (ii) on the twentieth day of each month (or the immediately succeeding Business Day if the twentieth day of a month is not a Business Day), any other Authority Additional Payments;

(f) if any funds shall be withdrawn from the Debt Service Reserve Fund, if there shall be a diminution in Value of the cash and investments held in the Debt Service Reserve Fund as of any Valuation Date, or if any net losses shall result from the investment of amounts held in the Debt Service Reserve Fund that shall reduce the Value of the cash and investments in such Debt Service Reserve Fund to less than the Debt Service Reserve Requirement as of any Valuation Date, there shall be transferred to such Debt Service Reserve Fund, beginning on the twentieth day of the month following notice from the Trustee of such withdrawal, diminution in Value, or losses and on the twentieth day of each month thereafter, 12 consecutive monthly payments, each equal to one-twelfth of the amount of such withdrawal, diminution in Value, or losses;

(g) if any funds shall be withdrawn from the Repair and Replacement Fund to pay Debt Service Payments on the Bonds in accordance with the Indenture (providing for such payment to the extent there

are insufficient funds in the Cash Trap Fund, the Bond Fund, the Redemption Fund, the Surplus Fund, the Operations Contingency Fund, and the Debt Service Reserve Fund available therefor on the date such Debt Service Payments are due), there shall be transferred to the Repair and Replacement Fund, beginning on the twentieth day of the month following any such withdrawal and continuing on the twentieth day of each month thereafter the greater of (i) the lesser of (A) one-twelfth of the amount of such withdrawal, or (B) such amount that is necessary to reimburse the Repair and Replacement Fund for all such withdrawals; or (ii) such amount as shall be directed by the Borrower;

(h) there shall be transferred to the Repair and Replacement Fund, commencing on the 20th day of the calendar month next succeeding the Substantial Completion Date, and on the twentieth day of each calendar month thereafter to and including June 30, 2021, in equal monthly installments, \$9,825, and on the twentieth day of each month thereafter, in equal monthly installments, one-twelfth of the Annual Reserve Requirement for such Annual Period, such amount to be increased over time following periodic evaluation as set forth in the Loan Agreement, and any and all additional amounts required to be deposited therein by any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds;

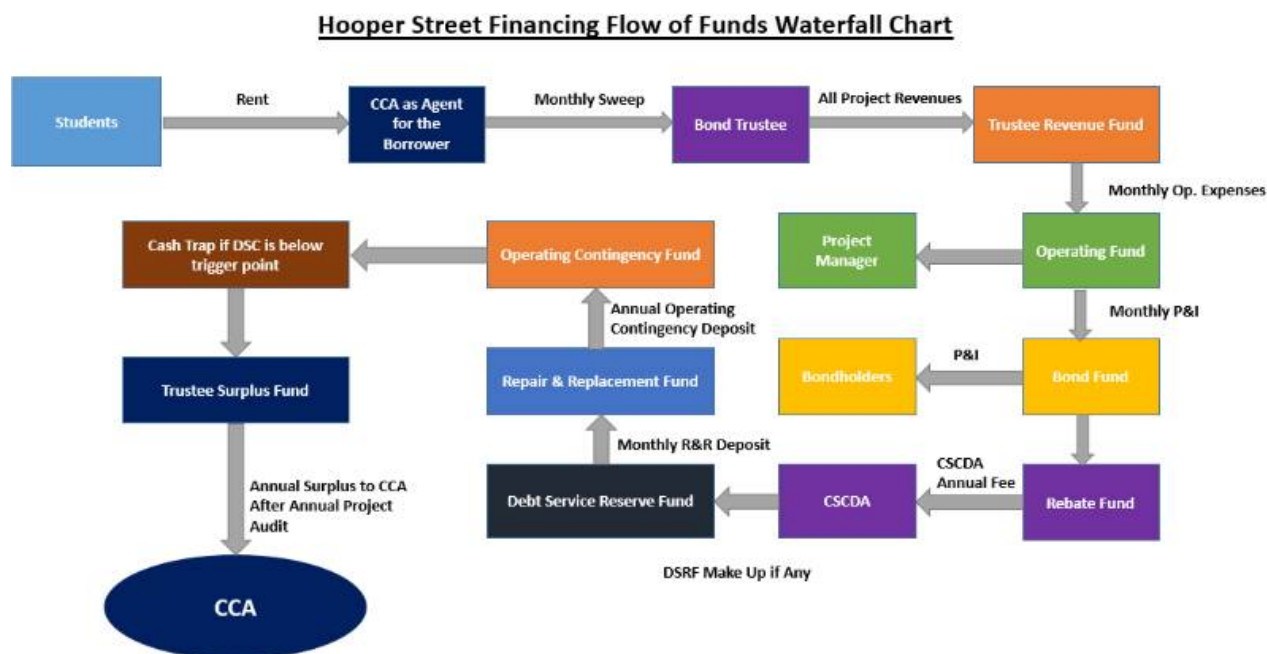
(i) there shall be transferred to the appropriate fund or funds other than the Repair and Replacement Fund, the Cash Trap Fund, the Operations Contingency Fund, and the Surplus Fund, any and all additional amounts required to be deposited into such fund or funds by any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds on the date(s) specified therein; and

(j) provided no Event of Default shall have occurred and then be continuing under the Indenture, any amounts remaining therein on the last Business Day of each month shall be transferred to the Operations Contingency Fund.

Notwithstanding anything in the Indenture to the contrary, Pledged Revenues shall not be released to fund purposes specified in clauses (g), (h), (i) or (j) above until (1) the Operating Account contains an amount sufficient for Annual Budget for Expenses for the applicable year; and (2) deposits in the Bond Fund are sufficient to satisfy debt service requirements of the applicable year.

Because of certain risks associated with granting a security interest in collateral of this nature, prospective purchasers should not rely solely upon such collateral as providing any significant security for the Series 2019 Bonds. See “CERTAIN BONDHOLDERS’ RISKS—Pledge and Assignment of, and Grant of Security Interest in, Future Revenues” herein.

The flow of funds from the Revenue Fund to the other Funds and Accounts under the Indenture is graphically depicted on the following diagram.



Debt Service Reserve Fund

As provided in the Indenture, the Trustee will establish and maintain a debt service reserve fund (the “**Debt Service Reserve Fund**”) as a trust fund securing the Series 2019 Bonds and each Issue of Bonds which may be issued as Additional Bonds. On and as of the date of issuance and delivery of the Series 2019 Bonds (the “**Closing Date**”), there shall be deposited into the Debt Service Reserve Fund from the sale of the Series 2019 Bonds the amount set forth herein under the heading “ESTIMATED SOURCES AND USES OF FUNDS” in the amount of the Debt Service Reserve Requirement. In accordance with the Indenture, the Authority authorizes and directs the Trustee to withdraw funds from the Debt Service Reserve Fund to pay the Debt Service Payments then due on the Series 2019 Bonds and on any Additional Bonds to the extent that there are insufficient funds for said purposes in the Cash Trap Fund, the Bond Fund, the Redemption Fund, the Surplus Fund, and the Operations Contingency Fund available therefor on the date such Debt Service Payments are due.

As defined in the Indenture, the term “**Debt Service Reserve Requirement**,” at the time of determination, means the least of (i) 10% of the stated principal amount thereof (less original issue discount if more than 2% of the principal amount of the respective Issue of Tax-Exempt Bonds); (ii) 125% of the average Annual Debt Service thereon from the date of calculation to the final maturity thereof; (iii) the Maximum Annual Debt Service thereon; or (iv) such lesser sum as shall be required by the Code and the Regulations to ensure the exclusion of the interest thereon from the gross income of the Owners thereof for federal income tax purposes; provided, however, that the amount of principal due in any Bond Year shall be determined, in the case of Bonds subject to mandatory sinking fund redemption pursuant to the Indenture and similar provisions in any supplemental indenture, by the principal amount of Bonds to be redeemed by mandatory sinking fund redemption in such Bond Year. If Additional Bonds are issued, the Debt Service Reserve Fund will be required to be increased by an amount equal to the Debt Service Reserve Requirement for such Additional Bonds.

The Trustee shall deposit in the Debt Service Reserve Fund any funds paid to the Trustee in accordance with the provisions of the Loan Agreement or the Indenture for credit or transfer to such Debt Service Reserve Fund. If the Borrower shall have exercised its option or shall have become obligated to prepay the Loan in whole and not in part pursuant to the terms of the Loan Agreement with respect to termination and prepayment, and shall have paid the sums as provided therein, all of the funds then in the Debt Service Reserve Fund, subject to the terms of the Indenture, shall be deposited into the Bond Fund to be used to pay principal of the Issue of Bonds to which such proceeds relate.

The Trustee shall give written notice to the Authority and the Borrower of (i) any withdrawals from the Debt Service Reserve Fund, (ii) any diminution in Value as of any Valuation Date, or (iii) net losses from the investment of funds in the Debt Service Reserve Fund as of any Valuation Date that reduce the Value of the cash and investments deposited therein or credited thereto to less than the Debt Service Reserve Requirement for the Bonds.

When (i) the remaining amount of Debt Service Payments on the Outstanding Bonds shall be equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, the balance of the Debt Service Reserve Fund, and the balance of the Repair and Replacement Fund; and (ii) all other amounts owed under the Loan Agreement and the Indenture shall have been paid, moneys held in the Debt Service Reserve Fund may, with the consent of the College, be deposited into the Bond Fund and, credited against payments of Loan Payments required under the Loan Agreement or may be used in such other manner for which a Favorable Opinion of Bond Counsel shall have been obtained.

In accordance with the Indenture, on the final maturity date of the Bonds any moneys in the Debt Service Reserve Fund may be used upon receipt of written instruction from the Borrower to pay the Debt Service Payments on the Bonds on such final maturity date. In the event of the redemption of the Bonds in whole, any moneys in the Debt Service Reserve Fund shall be transferred upon receipt of written instruction from the Borrower to the Bond Fund and applied to the payment of the principal of and premium, if any, on the Bonds.

If, as a result of the valuation of the investments held in the Debt Service Reserve Fund as of any Valuation Date pursuant to the Indenture, the balance of such Debt Service Reserve Fund shall be greater than the Debt Service Reserve Requirement for the Bonds, all amounts in such Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement for the Bonds shall be transferred pro rata to the Accounts of the Bond Fund corresponding to the Series 2019 Bonds (to the extent Outstanding) and to any Outstanding Series of Additional Bonds; provided, however, if (i) on any date on which all or any portion of a Series of Bonds shall be defeased in accordance with the Indenture the balance of the Debt Service Reserve Fund shall be no less than the Debt Service Reserve Requirement (after such defeasance); and (ii) the Borrower shall give written instructions to the Trustee, all amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement (after such defeasance) may be used to pay the principal of or premium on the defeased Bonds or, if the Borrower shall provide the Authority and the Trustee with a Favorable Opinion of Bond Counsel, in such other manner as shall be directed by the Borrower.

See APPENDIX D—“SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE INDENTURE—Revenue Fund” and “—Debt Service Reserve Fund” and “—THE LOAN AGREEMENT—Loan Payments and Other Amounts Payable—Reserve Loan Payments.”

Repair and Replacement Fund

The Repair and Replacement Fund will be a trust fund into which the Borrower will be required to make monthly deposits. As provided in the Indenture, the Authority will authorize and direct the Trustee

to withdraw funds from the Repair and Replacement Fund to pay (i) the maintenance and repair costs related to the Student Housing Facility that the Borrower shall be obligated to pay pursuant to the Loan Agreement or, to the extent that the Net Proceeds shall be insufficient for such purposes, to the costs of restoration or replacement of the Student Housing Facility (or any portion thereof) pursuant to the Loan Agreement; and (ii) the Debt Service Payments on the Bonds to the extent there are insufficient funds in the Cash Trap Fund, the Bond Fund, the Redemption Fund, the Surplus Fund, the Operations Contingency Fund, and the Debt Service Reserve Fund available therefor on the date such Debt Service Payments are due. Moneys in the Repair and Replacement Fund to be used for the purpose described in clause (i) above shall be disbursed upon receipt of a requisition for payment executed by the Authorized Borrower Representative; provided that upon the occurrence of an Event of Default under the Indenture or a failure by the Borrower to pay Basic Loan Payments required by the Loan Agreement, the Trustee shall not be obligated to disburse funds from the Repair and Replacement Fund for such purposes. Upon the issuance of the Series 2019 Bonds, there will initially be no minimum balance that is required to be maintained in the Repair and Replacement Fund.

In accordance with the Loan Agreement, at least every three years following the fifth anniversary of the date of substantial completion of the Series 2019 Project, as certified by the Borrower as provided in the Loan Agreement (the “***Substantial Completion Date***”), the Borrower will file with the Trustee a certification accompanied by a written report of an Independent Architect/Engineer relating to the adequacy of the deposits in the Repair and Replacement Fund and the condition of the Student Housing Facility which will state the Independent Architect/Engineer’s recommendation (after its consultation with the College) as to the amount of any adjustment needed to the Repair and Replacement Fund. The amounts required to be deposited into the Repair and Replacement Fund will be subject to adjustment upward or downward if so recommended by the Independent Architect/Engineer, and if so adjusted, the Borrower will provide the Authority and the Trustee with a revised schedule of payments. The Manager will set rental rates in the annual operating budget consistent with any revised Repair and Replacement Fund requirement.

See APPENDIX D—“SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE INDENTURE—Revenue Fund” and “—THE LOAN AGREEMENT—Loan Payments and Other Amounts Payable—Additional Loan Payments.”

Operations Contingency Fund

The Operations Contingency Fund will be a trust fund into which the Trustee will transfer moneys remaining in the Revenue Fund after the disbursements described in “—Revenue Fund” above have been made provided no Event of Default shall have occurred and be continuing. Moneys in the Operations Contingency Fund may be used to pay Expenses of, or to make capital expenditures in respect of, the Housing Facility and disbursed upon receipt of a requisition for payment executed by the Authorized Borrower Representative and approved by the College, and/or to make the transfers and deposits required by the provisions of the Indenture described under the subheading “—Revenue Fund” above to the extent that there are insufficient funds in the Revenue Fund, the Cash Trap Fund, the Bond Fund, the Redemption Fund, and the Surplus Fund ((in such order of priority) available therefor. All amounts remaining in the Operations Contingency Fund at the close of business on the last day of each Annual Period shall be transferred to the Surplus Fund; provided however that the Trustee shall retain an amount in the Operations Contingency Fund as a reserve for payment of operating expenses of the Student Housing Facility in an amount not to exceed three months of budgeted operating expenses for the next Annual Period.

Surplus Fund

The Surplus Fund will be a trust fund established with the Trustee. Provided (i) no Event of Default shall have occurred and then be continuing under the Indenture; (ii) all amounts withdrawn from the Repair

and Replacement Fund to pay Debt Service Payments on the Bonds in accordance with the Indenture shall have been reimbursed in full; and (iii) all amounts withdrawn from the Debt Service Reserve Fund to pay Debt Service Payments on the Bonds in accordance with the Indenture shall have been reimbursed in full, the Trustee shall pay to the Manager from moneys on deposit in the Surplus Fund all unpaid Subordinated Management Fees, as specified in writing by the Manager and the Borrower to the Trustee.

After any payments pursuant to the immediately preceding paragraph shall have been made, upon receipt by the Trustee of the annual financial statements and Audit Report for the most recently ended Annual Period and the Borrower's calculation of the Fixed Charges Coverage Ratio provided to the Trustee in accordance with the provisions of the Loan Agreement indicating a Fixed Charges Coverage Ratio of at least 1.20, the Trustee shall transfer all amounts in the Surplus Fund to the College as payment for lease payments under the Ground Lease and to reimburse the College for any of its fees and expenses related to the Student Housing Facility.

If the Borrower's calculation of the Fixed Charges Coverage Ratio provided to the Trustee in accordance with the Loan Agreement indicate a Fixed Charges Coverage Ratio of less than 1.20 or an Event of Default shall have occurred and then be continuing under the Indenture, the Trustee shall transfer all amounts in the Surplus Fund to the Cash Trap Fund.

Moneys in the Surplus Fund may also be used to make the transfers and deposits required by the Indenture as summarized above under the caption "—Revenue Fund" to the extent that there are insufficient funds in the Revenue Fund, the Bond Fund, and the Redemption Fund available therefor.

See APPENDIX D—"SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS" under the subheading "THE INDENTURE—Surplus Fund."

Cash Trap Fund

The Cash Trap Fund will be a trust fund into which the Trustee will transfer moneys from the Surplus Fund as provided in the Indenture and as described above under "—Surplus Fund." At such times as the Borrower's calculation of the Fixed Charges Coverage Ratio provided to the Trustee indicate a Fixed Charges Coverage Ratio of less than 1.20 or an Event of Default shall have occurred and then be continuing under the Indenture, the Trustee shall transfer all amounts in the Surplus Fund to the Cash Trap Fund. Moneys in the Cash Trap Fund may be used to pay Expenses of, or to make capital expenditures in respect of, the Housing Facility and to make Debt Service Payments on the Bonds and shall be disbursed upon receipt of a requisition for payment by the Authorized Borrower Representative. Moneys in the Cash Trap Fund may also be used to make the transfers and deposits required by the Indenture as summarized above under the caption "—Revenue Fund" to the extent that there are insufficient funds in the Revenue Fund available therefor.

If amounts are required to be transferred to the Cash Trap Fund for three (3) consecutive years from the Surplus Fund, then the Trustee will apply amounts on deposit in the Cash Trap Fund at any time to optionally redeem Bonds upon receipt of a written direction from a Majority of the Bondholders which specifies the amount to be applied for such redemption.

All amounts remaining in the Cash Trap Fund after the Fixed Charges Coverage Ratio for the prior Annual Period is at least 1.20 as shown by the Borrower's calculation of the Fixed Charges Coverage Ratio provided to the Trustee in accordance with the Loan Agreement shall be transferred to the Surplus Fund.

See APPENDIX D—"SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS" under the subheading "THE INDENTURE—Cash Trap Fund."

Insurance and Condemnation Funds

The Loan Agreement provides that under certain circumstances the Net Proceeds of insurance and condemnation awards are to be paid to the Trustee and deposited into the Insurance Fund and the Condemnation Fund, respectively, and are to be disbursed and paid out as therein provided. In furtherance of such terms, the Indenture provides for the creation by the Authority to be and ordered established with the Trustee, of a trust fund to be designated the “**Insurance Fund**,” a trust fund to be designated the “**Condemnation Fund**,” and, within each of such Funds, a separate Account to be designated the “**2019 Account**,” all of which will be opened only if funds are required to be deposited therein as provided in the Loan Agreement with respect of proceeds of destruction, damage, and condemnation. The Trustee will also establish a separate Account within the Insurance Fund and within the Condemnation Fund with respect to each Series of Additional Bonds issued under the Indenture. Funds held in the Insurance Fund or in the Condemnation Fund will be disbursed in accordance with the Loan Agreement upon receipt of a requisition for payment executed by the Authorized Borrower Representative. Any amounts required to be deposited in the Insurance Fund or in the Condemnation Fund in accordance with the Loan Agreement will be deposited in the applicable Account thereof, and, prior to the occurrence of an Event of Default under the Indenture, any amounts in an Account of the Insurance Fund or the Condemnation Fund may be used only to restore that portion of the Project in respect of which such Account was established, to acquire land and/or improvements in substitution for that portion of the Project in respect of which such Account was established, or to make payments on the Series of Bonds in respect of which such Account was established.

The Ground Lease

The site on which the Series 2019 Project will be constructed (referred to as the Property herein) will be leased to the Borrower pursuant to the Ground Lease between the College, as ground lessor, and the Borrower, as ground lessee, for a term of not less than the final maturity of the Series 2019 Bonds, subject to certain termination rights provided therein. The annual rental payable under the Ground Lease will be equal to the Net Available Cash Flow. Net Available Cash Flow will equal the amount available to be distributed from the Surplus Fund after certain required payments therefrom have been made, so long as the Fixed Charges Coverage Ratio is equal to at least 1.20. See “—Surplus Fund” above. If the Net Available Cash Flow for a Lease Year shall be zero or a negative amount, no Rent shall be paid to the College under the Ground Lease, and the College is under no obligation, express or implied, to contribute or pay the Borrower for any such deficit in Net Available Cash Flow. See “THE GROUND LEASE.”

The Housing Services Agreement

The College will agree in the Housing Services Agreement that safe and affordable student housing assists the College in its educational mission; and that the ability to live on campus enhances the experience of students of the College in many positive ways. The terms of the Housing Services Agreement will not prohibit the College from constructing or acquiring, or causing others to construct or acquire on its behalf, additional new student housing facilities serving students at the Campus, but will provide that the College will first fill the Student Housing Facility with students subject to the Live-On Requirement prior to allowing such students to live in such new student housing facilities. See “THE HOUSING SERVICES AGREEMENT.”

Title and Property Insurance

A Leasehold mortgagee’s title insurance policy will be delivered in the amount of not less than the original principal amount of the Series 2019 Bonds to insure that the Trustee will have a valid first deed of trust lien on the Borrower’s Leasehold interest in and to the Property, subject only to Permitted Encumbrances and the standard exclusions from the coverage of such policy. Under such title insurance

policy, the Trustee will not be permitted to recover more than the fair market value of any property that is lost as a result of a title defect. The Borrower will be required under the terms of the Loan Agreement to keep the Student Housing Facility fully insured against fire and other casualties and to maintain certain specified amounts of liability and business interruption insurance.

Further, as provided in the Loan Agreement, the Borrower will agree, at all times during the construction of the Series 2019 Project, to obtain and maintain or cause the Developer and/or cause the Developer to cause the Design-Builder to obtain and maintain in full force and effect All Risk and Builder's Risk—Completed Value Form Property Insurance insuring the Student Housing Facility, including coverage for soft costs (in an amount no less than \$9,500,000) and lost rents or revenue for delayed opening costs including bond debt service and bond carrying costs (in an amount no less than \$8,000,000) due to damage and destruction prior to completion, including perils of theft, vandalism, malicious mischief, transit, materials stored off site, collapse, falsework, temporary buildings, debris removal, testing, and damage resulting from defective design, workmanship or material, fire, lightning, windstorm (including tornados), collapse, boiler and machinery accidents, strikes, riot, civil commotion, sabotage, and all other risks covered by the extended coverage endorsement then in use in the State to the full replacement cost of the Student Housing Facility, with a deductible provision not to exceed \$100,000 per occurrence, except in the event of a named windstorm or flood in which case the deductible shall not exceed 5% of the value at risk, but shall in any case be a minimum of \$100,000.

Commencing on the Substantial Completion Date, insurance upon the repair or replacement basis in an amount of not less than 100% of the then actual cost of replacement (excluding costs of replacing excavations and foundations, but without deduction for depreciation) of the Housing Facility (with deductible provisions not to exceed \$100,000 per occurrence, except in the event of a named windstorm, or flood in which case the deductible shall not exceed 3% of the value at risk, but shall in any case be a minimum of \$100,000) against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, and smoke and such other risks as are now or hereafter included in the uniform standard extended coverage endorsement in common use for similar structures (including vandalism and malicious mischief).

Also, commencing on the Substantial Completion Date, business interruption insurance (also referred to as "business income" or "loss of rents" insurance) covering loss of revenues and other income by the Borrower by reason of total or partial suspension of, or interruption in, the operation of the Student Housing Facility caused by covered damage to or destruction of the Student Housing Facility in an amount not less than the Maximum Annual Debt Service on the Bonds plus 12 months' budgeted operating expenses minus those operating expenses avoided as a result of and during the period of interruption.

All Net Proceeds received under such policy or policies by the Borrower or the Authority will be paid over to the Trustee and deposited into the Insurance Fund to be applied to the restoration and/or completion of the Student Housing Facility, or to the redemption of Series 2019 Bonds in accordance with the Loan Agreement.

See APPENDIX D—"SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE LOAN AGREEMENT—Insurance."

Rate Covenant

The Borrower will covenant and agree under the Loan Agreement to operate the Student Housing Facility as a revenue producing student, housing facility on a non-discriminatory basis, and to the extent permitted by law and by the Ground Lease, to charge such fees and rates for its facilities and services and to exercise such skill and diligence as will provide Revenue Available for Fixed Charges, together with

other available funds, sufficient to pay promptly all expenses of operation, maintenance, and repair of the Student Housing Facility and to provide all payments required to be made by the Borrower under the Loan Agreement.

Such rates, fees, and charges in each Annual Period beginning with the first full Annual Period after the Substantial Completion Date, will be sufficient to produce a Fixed Charges Coverage Ratio of at least 1.20. In the event that it will be determined, based upon the financial statements and calculation of the Borrower required under the Loan Agreement, that for any Annual Period such Fixed Charges Coverage Ratio shall not have been maintained, the Borrower will, within 30 days of receipt of such financial statements, engage a Financial Consultant to submit to the Trustee a report of such firm containing recommendations, if any, as to changes in the operating policies of the Borrower designed to maintain such Fixed Charges Coverage Ratio, will cause such Financial Consultant to prepare and submit such recommendations within 60 days of the date of its engagement, and will promptly implement such recommendations to the extent permitted by law and by the Ground Lease. Provided that the Fixed Charges Coverage Ratio does not fall below 1.00, no Event of Default shall occur under the Loan Agreement if such recommendations will be followed notwithstanding that such Fixed Charges Coverage Ratio shall not subsequently be re-attained, but the Borrower will continue to be obligated to employ such a Financial Consultant for such purpose until such Fixed Charges Coverage Ratio shall be re-attained.

The Borrower will, from time to time as often as necessary and to the extent permitted by law and by the Ground Lease, revise the rates, fees, and charges aforesaid in such manner as may be necessary or proper so that the Revenue Available for Fixed Charges will be sufficient to meet the requirements of the Loan Agreement, and further, that it will, in order to comply with the provisions of the Loan Agreement, take all action within its power to obtain approvals of any regulatory or supervisory authority to implement any rates, fees, and charges required by the Loan Agreement. See APPENDIX D—"SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE LOAN AGREEMENT—Rate Covenant."

Enforceability of Remedies

The realization of value from the real and personal property comprising the Student Housing Facility and from the other security for the Series 2019 Bonds upon any default will depend upon the exercise of various remedies specified by the Bond Documents. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. See "CERTAIN BONDHOLDERS' RISKS—Enforceability of Remedies" and "CERTAIN BONDHOLDERS' RISKS—Pledge and Assignment of, and Grant of Security Interest in, Future Revenues" herein.

ADDITIONAL BONDS

The Indenture permits the issuance of Additional Bonds by the Authority upon a request of the Borrower so long as no Event of Default under the Indenture shall then be existing to provide funds to pay any one or more of the following: (i) the costs of completing a portion of the Project; (ii) the costs of making such Additions or Alterations as the Borrower may deem necessary or desirable and as will not impair the nature of the "Housing Facility" (defined as the Student Housing Facility and any additional student, faculty, and/or staff housing facility acquired, constructed, furnished and equipped with the proceeds of Additional Bonds), as a student housing facility and as will be located on the Property or other property located on the Campus and leased to the Borrower on terms similar to the Ground Lease; (iii) the costs of refunding any Bonds; and (iv) in each such case, the costs of the issuance and sale of the Additional Bonds and capitalized or funded interest for such period and such other costs reasonably related to the financing as shall be agreed upon by the Borrower and the Authority. Such Additional Bonds shall be issued on a parity with the Series 2019 Bonds and any Additional Bonds theretofore or thereafter issued, shall be

secured by the lien and security interests granted by the Leasehold Deed of Trust and the Security Agreement, equally and ratably with the Series 2019 Bonds and any Additional Bonds theretofore or thereafter issued, and shall be payable from the Bond Fund and the Redemption Fund. An amount equal to any increase of the Debt Service Reserve Requirement attributable to such Additional Bonds shall be deposited into the Debt Service Reserve Fund.

Prior to the issuance of any Additional Bonds to finance the cost of completing a portion of the "Project" (defined as the Series 2019 Project and any additional project acquired, constructed, furnished, and equipped with the proceeds of Additional Bonds), or making Additions or Alterations to the Housing Facility, there shall be prepared and filed with the Trustee a certificate of the Borrower approved by an Independent Architect/Engineer setting forth the estimated costs of the proposed completion or the proposed Additions or Alterations to the Housing Facility, including an allowance for contingencies, the estimated date on which the completed Project or such Additions or Alterations will be placed in service or completed, and the amount, if any, provided or to be provided by the Borrower from other sources toward payment of the costs of such completion or such Additions or Alterations to the Project or such additional Housing Facility and the manner in which such funds will be provided.

Prior to the issuance of any Additional Bonds to finance the costs of completing a portion of the Project or making Additions or Alterations to the Housing Facility, the Borrower shall furnish to the Trustee a written certificate of a Financial Consultant stating that (giving effect to the issuance or incurrence of such Additional Bonds) (i) the expected Fixed Charges Coverage Ratio for each of the three Annual Periods immediately following the Annual Period in which the completed Project is expected to be placed in operation is not less than 1.20; and (ii) the expected Revenue Available for Fixed Charges for each Annual Period until the completed Project is expected to be placed in operation plus any capitalized or funded interest is sufficient to pay the Fixed Charges, including the Fixed Charges that relate to the proposed Additional Bonds, for each Annual Period until the completed Project is expected to be placed in operation.

Prior to the issuance of any Additional Bonds to refund any Bonds that results in the refunding of less than all of the then Outstanding Bonds, there shall be prepared and filed with the Trustee a written certificate of an Accountant stating that the debt service requirements on all Bonds (assuming no more Bonds are issued after the proposed refunding) for any Annual Period subsequent to the refunding to and including the Annual Period of the final maturity of Bonds outstanding prior to the refunding will not, as a result of such refunding, exceed the debt service requirements for any such Annual Period had such refunding not occurred.

No Additional Bonds may be issued without written confirmation from each Rating Agency then rating the Outstanding Bonds that subsequent to the issuance of such Additional Bonds, the existing underlying rating or ratings on any series of Outstanding Bonds will not be lowered below the rating given by such Rating Agency(s) at the time the Outstanding Bonds were issued (or the equivalent rating of any other Rating Agency).

Such Additional Bonds shall be issued in such Series and principal amounts, shall be dated, shall bear interest at such rate or rates, shall be subject to redemption at such times and prices, and shall mature in such years as the indenture supplemental to the Indenture authorizing the issuance thereof shall fix and determine and shall be deposited with the Trustee for authentication and delivery.

Notwithstanding the foregoing provisions, any Series of Additional Bonds the proceeds of which will be used to pay, discharge, or defease (in accordance with the Indenture) all Outstanding Bonds may be issued in the Authority's sole discretion and with the consent of the College without complying with the foregoing terms and provisions of this section.

See APPENDIX D—“SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE INDENTURE—Issuance of Additional Bonds” and “—Delivery of Additional Bonds.”

ANY ADDITIONAL BONDS WILL BE SECURED BY THE LIEN AND SECURITY INTERESTS GRANTED BY THE LEASEHOLD DEED OF TRUST AND THE SECURITY AGREEMENT AND WILL BE EQUAL, WITHOUT PREFERENCE OR PRIORITY, TO THE LIEN AND SECURITY INTEREST PROVIDED FOR THE SERIES 2019 BONDS.

NOTWITHSTANDING THE PROVISIONS OF THE INDENTURE DESCRIBED IN THE FOREGOING PARAGRAPHS UNDER THIS HEADING, ANY SERIES OF ADDITIONAL BONDS THE PROCEEDS OF WHICH WILL BE USED TO PAY, DISCHARGE, OR DEFEASE (IN ACCORDANCE WITH THE PROVISIONS OF THE INDENTURE DESCRIBED IN APPENDIX D—“SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS” ATTACHED HERETO UNDER THE HEADING “THE INDENTURE—DISCHARGE OF LIEN”) ALL OUTSTANDING BONDS WILL BE PERMITTED TO BE ISSUED IN THE AUTHORITY’S SOLE DISCRETION AND WITH THE CONSENT OF THE COLLEGE WITHOUT COMPLYING WITH THE PROVISIONS OF THE INDENTURE DESCRIBED IN SUCH FOREGOING PARAGRAPHS UNDER THIS HEADING.

DEBT SERVICE SCHEDULE AND COVERAGE

The following table sets forth, among other things, a summary of annual projected revenues and expenses of the Borrower and the annual debt service on the Series 2019 Bonds (in thousands of dollars), and the projected debt service coverage ratios. The annual projected revenues and expenses were derived in part from the Cash Flow. See “CASH FLOW” herein.

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Projected Revenues and Debt Service Coverage Ratios

Series 2019 Bonds

Bond Year Ending	Total Revenues⁽¹⁾	Direct Operating Expenses⁽²⁾	Cash Flow Available for Debt Service	Series 2019 Bonds			
				Principal	Interest	Debt Service⁽³⁾	Debt Service Coverage Ratio
7/1/2019	-	-	-	-	\$1,965,831.25	-	-
7/1/2020	-	-	-	-	4,686,750.00	-	-
7/1/2021	\$8,643,948.28	\$1,763,756.66	\$6,880,191.62	-	4,686,750.00	\$3,845,402.50	(4)
7/1/2022	8,989,706.21	1,819,345.95	7,170,360.26	\$900,000.00	4,686,750.00	3,904,055.00	1.84x
7/1/2023	9,349,294.46	1,876,715.99	7,472,578.47	900,000.00	4,641,750.00	5,421,305.00	1.38x
7/1/2024	9,723,266.24	1,935,924.72	7,787,341.52	1,400,000.00	4,596,750.00	5,876,305.00	1.33x
7/1/2025	10,112,196.89	1,997,032.00	8,115,164.89	1,400,000.00	4,526,750.00	5,806,305.00	1.40x
7/1/2026	10,516,684.76	2,060,099.68	8,456,585.09	1,500,000.00	4,456,750.00	5,836,305.00	1.45x
7/1/2027	10,937,352.16	2,125,191.66	8,812,160.50	1,600,000.00	4,381,750.00	5,861,305.00	1.50x
7/1/2028	11,374,846.24	2,192,373.96	9,182,472.28	1,700,000.00	4,301,750.00	5,881,305.00	1.56x
7/1/2029	11,829,840.09	2,261,714.79	9,568,125.30	1,700,000.00	4,216,750.00	5,796,305.00	1.65x
7/1/2030	12,303,033.70	2,333,284.64	9,969,749.06	1,800,000.00	4,131,750.00	5,811,305.00	1.72x
7/1/2031	12,795,155.04	2,407,156.32	10,387,998.73	1,900,000.00	4,037,250.00	5,816,805.00	1.79x
7/1/2032	13,306,961.24	2,483,405.07	10,823,556.17	2,000,000.00	3,937,500.00	5,817,055.00	1.86x
7/1/2033	13,839,239.69	2,562,108.65	11,277,131.04	2,100,000.00	3,832,500.00	5,812,055.00	1.94x
7/1/2034	14,392,809.28	2,643,347.40	11,749,461.88	2,300,000.00	3,722,250.00	5,901,805.00	1.99x
7/1/2035	14,968,521.65	2,727,204.33	12,241,317.32	2,400,000.00	3,601,500.00	5,881,055.00	2.08x
7/1/2036	15,567,262.52	2,813,765.23	12,753,497.29	2,500,000.00	3,475,500.00	5,855,055.00	2.18x
7/1/2037	16,189,953.02	2,903,118.75	13,286,834.27	2,600,000.00	3,344,250.00	5,823,805.00	2.28x
7/1/2038	16,837,551.14	2,995,356.49	13,842,194.65	2,800,000.00	3,207,750.00	5,887,305.00	2.35x
7/1/2039	17,511,053.19	3,090,573.14	14,420,480.04	2,900,000.00	3,060,750.00	5,840,305.00	2.47x
7/1/2040	18,211,495.31	3,188,866.53	15,022,628.78	3,100,000.00	2,908,500.00	5,888,055.00	2.55x
7/1/2041	18,939,955.13	3,290,337.77	15,649,617.36	3,200,000.00	2,745,750.00	5,825,305.00	2.69x
7/1/2042	19,697,553.33	3,395,091.35	16,302,461.98	3,400,000.00	2,577,750.00	5,857,305.00	2.78x
7/1/2043	20,485,455.47	3,503,235.29	16,982,220.18	3,600,000.00	2,399,250.00	5,878,805.00	2.89x
7/1/2044	21,304,873.68	3,614,881.19	17,689,992.50	3,800,000.00	2,210,250.00	5,889,805.00	3.00x
7/1/2045	22,157,068.63	3,730,144.42	18,426,924.21	4,000,000.00	2,010,750.00	5,890,305.00	3.13x
7/1/2046	23,043,351.38	3,849,144.22	19,194,207.16	4,200,000.00	1,800,750.00	5,880,305.00	3.26x
7/1/2047	23,965,085.43	3,972,003.83	19,993,081.60	4,400,000.00	1,580,250.00	5,859,805.00	3.41x
7/1/2048	24,923,688.85	4,098,850.65	20,824,838.20	4,600,000.00	1,349,250.00	5,828,805.00	3.57x
7/1/2049	25,920,636.40	4,229,816.34	21,690,820.06	4,900,000.00	1,107,750.00	5,887,305.00	3.68x
7/1/2050	26,957,461.86	4,365,037.01	22,592,424.85	5,100,000.00	850,500.00	5,830,055.00	3.88x
7/1/2051	28,035,760.33	4,504,653.35	23,531,106.99	5,400,000.00	582,750.00	5,862,305.00	4.01x
7/1/2052	29,157,190.75	4,648,810.79	24,508,379.96	5,700,000.00	299,250.00	(143,445.00)	-
Total				\$89,800,000.00	\$105,922,081.25	\$176,909,857.38	

⁽¹⁾ Revenues are as provided by Scion based in part on the assumptions set forth under the caption "CASH FLOW."

⁽²⁾ Includes operating expenses as projected by Scion in the Market Study and certain ongoing fees related to the Borrower, the Manager, the Authority and the Trustee.

⁽³⁾ Net of capitalized interest, Debt Service Reserve Fund earnings, and the release of the Debt Service Reserve Fund in the last year.

⁽⁴⁾ Debt Service Coverage Ratio is not calculated until the first full Annual Period.

Numbers may not sum due to rounding. Sources: Revenues and operating expenses are as provided by the Borrower from the Cash Flow. Debt service information and coverage calculation provided by the Underwriter.

THE DEVELOPER AND THE DEVELOPMENT AGREEMENT

General

The Developer is a limited liability company formed in California that is wholly owned by UrbanGreen Devco LLC (“**UrbanGreen**”). UrbanGreen is a San Francisco based land and urban development company focused on implementing the City’s land use vision in its developing urban areas. UrbanGreen applies advanced real estate and land development expertise, working in partnership with both the City of San Francisco and the private sector to solve complex land use problems. At its core, UrbanGreen excels at enhancing and optimizing real estate value.

UrbanGreen is led by Daniel Murphy, a 30-year Bay Area urban development executive. During this tenure, Dan has worked for a number of notable regional and national developers such as: Prometheus Development Company (1985-1991); AvalonBay Communities (1994-2002); and Urban Housing Group (2002-2004) prior to forming his own entity, UrbanGreen. Over this period, Mr. Murphy has developed, or oversaw the development of numerous urban mixed-use housing and or commercial developments, cumulatively valued in excess of One Billion dollars. Prior to real estate development, Mr. Murphy graduated Magna Cum Laude from Cleveland State University with a BS in Civil Engineering (1982) before relocating to the Bay Area where he earned an MS in Construction Engineering and Management from Stanford University in 1984.

Over the past two decades, Mr. Murphy and UrbanGreen have focused primarily in the City of San Francisco, applying its development expertise while assisting the City in both envisioning and then implementing its land use vision in the City's Eastern Neighborhoods. In 2005, Mr. Murphy worked in partnership with Cherokee Investment Partners on the Daggett Triangle site, a then 4 acre vacant and blighted land parcel on the edge of Mission Bay at the gateway to Showplace Square and Potrero Hill which is now being improved with approximately 470 units of mixed-use housing and a 1 acre public park. Immediately thereafter, Mr. Murphy formed a joint venture with Rockwood Capital to control, purchase, plan and entitle an innovative 430,000 gsf mixed-use commercial campus adjacent to the California College of Arts that recently completed construction. In all his pursuits, Mr. Murphy focuses on developing a vision that excites the City, responds to market and community needs while optimizing underlying land value for Investors.

In addition to UrbanGreen, Mr. Murphy was appointed in 2010 by the Mayor's Office to serve as the land owner representative on the Eastern Neighborhood Citizen Advisory Committee, a 13 member body legislated by the Board of Supervisors to work in conjunction with the City in implementing needed community infrastructure to support growth in the Eastern Neighborhood Areas. Mr. Murphy has also served as a board member and chair of the Regulatory (legislative) Committee for the San Francisco Housing Action Coalition, a non-profit housing advocacy group committed to enhancing the supply of housing, both affordable and market rate, in the City of San Francisco.

Projects Developed and to be Developed by the Developer and Experience of Developer’s Managers

The table below describes the multifamily housing communities developed (and to be developed) by UrbanGreen and its key personnel. Some of these projects are:

HOUSING PROJECTS

Facility Location	Year Opened	Number of Units
Park Central Apartments, Santa Clara, CA	1986	172
Park Place / City Centre Mountain View, CA	1988	370
The Villages Apartments Santa Rosa, CA	1990	224
Avalon at Campbell Campbell, CA	1994	300
Avalon at Rosewalk San Jose, CA	1995	+456
Avalon on The Alameda San Jose, CA	1996	305
Avalon at Silicon Valley Sunnyvale, CA	1998	711
Avalon Cupertino Cupertino, CA	1997	311
Avalon Towers By the Bay San Francisco, CA	1999	226
Avalon on the Peninsula Mountain View, CA	2001	224
Avalon at Cahill Park San Jose, CA	2001	226
Avalon at Mission Bay San Francisco, CA	2002	250
Edgewater Apartments Mission Bay, SF, CA	2006	193
Daggett Place Apartments San Francisco, CA	2010	470

THE INFORMATION IN THE TABLE ABOVE IS PROVIDED FOR INFORMATION ONLY. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS WHICH MAY BE SUGGESTED BY SUCH INFORMATION INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT. NONE OF THE URBANGREEN, THE BORROWER OR THE AUTHORITY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THIS INFORMATION.

The Development Agreement

The College will enter into the Development Agreement with the Developer setting forth the terms and conditions of the design, development, and construction of the Series 2019 Project. No later than the issuance of the Series 2019 Bonds, the College will assign the Development Agreement to the Borrower. The Developer will have no obligation to make payments on the Series 2019 Bonds. The College has entered into the Design-Build Agreement with the Design-Builder and will assign the Design-Build Agreement to the Developer. The Developer will oversee the construction of the Series 2019 Project,

including providing a written notice to the Borrower and the College regarding an explanation of any schedule extensions and/or changes to the Guaranteed Maximum Price under the Design-Build Agreement..

THE DESIGN-BUILDER AND THE DESIGN-BUILD AGREEMENT

The Design-Builder, Nibbi Bros. Associates, Inc., is a San Francisco, California based firm founded in 1950, and currently operating as a C-Corp business. For decades, the Nibbi family has been building its business on a foundation of integrity and strong relationships. Over the last several years Nibbi has constructed over 4,000 units of housing in the San Francisco Bay Area. Nibbi is headquartered in San Francisco and has a satellite office in Oakland, California.

Nibbi has been constructing technically complex, iconic structures in the Bay Area since 1950. They have the knowledge and experience required to deliver the region's most challenging, logistically difficult and sustainable projects. Nibbi and its team of 300 employees have completed well over \$3 billion in construction projects in the Bay Area, with the majority of projects located in San Francisco. Below is a listing of multi-unit housing projects Nibbi has recently completed in San Francisco.

Project	Location	Project Value
Channel Apartments	San Francisco, CA	\$96,860,000
Venue Apartments	San Francisco, CA	46,300,000
Azure @ Mission Bay	San Francisco, CA	119,510,000
Potrero Launch Apartments	San Francisco, CA	43,120,000
Hunters View Apartments—Phases 1 & 2	San Francisco, CA	165,700,000
Alice Griffith Apartments—Blocks 1, 2, 4 & 5	San Francisco, CA	166,000,000
Five88 Apartments	San Francisco, CA	65,650,000
California Corridor—Phases 1 & 2	San Francisco, CA	73,210,000
Westbrook Apartments	San Francisco, CA	79,300,000
Westside Courts Apartments	San Francisco, CA	40,400,000

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The College has entered into a Design-Build Agreement (the “*Design-Build Agreement*”) with the Design-Builder pursuant to which the Design-Builder has agreed to construct the Series 2019 Project. No later than the issuance of the Series 2019 Bonds, the College will assign the Design-Build Agreement to the Developer. The Design-Build Agreement has a lump sum guaranteed maximum price of \$66,176,488.00 (referred to as “*GMP*” or “*Guaranteed Maximum Price*”) and the Series 2019 Project is required to be constructed for the GMP, inclusive of the Construction Contingency, subject to additions and deductions by change order or construction change directive. The Construction Contingency is \$1,528,698.00. This amount will be available to the Design-Builder to perform additional scope of work which may not have been expressly included in the plans and specifications, are not owner changes, changes in the cost of work due to further development and completion of the design documents or to complete work.

The Design-Builder agrees to comply with Federal, State and local tax laws, social security acts, unemployment compensation acts, and workers' or workmen's compensation acts insofar as applicable to the performance of the Design-Build Agreement. The Guaranteed Maximum Price for construction does not include any sum for changes in laws, taxes, tariffs or other similar charges that are not in effect as of the date of the Design-Build Agreement. Any increased costs or delays that may be incurred as a result of changes in such laws, taxes, tariffs or similar charges, the inability to procure materials at the cost anticipated, and/or in the time anticipated, due to price escalation or the need to change suppliers, entitles Design-Builder to an increase in the Guaranteed Maximum Price for construction. In addition, if the impact of changes in laws, taxes, tariffs or other similar charges, as well as the inability to procure materials, results in delays to the critical path of the Series 2019 Project, the Design-Builder will be entitled to a commensurate extension of the time and adjustment to the Guaranteed Maximum Price for construction to accommodate for same.

The Design-Build Agreement requires the Design-Builder 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 "CERTAIN BONDHOLDERS' RISKS—Risks of Construction."

Pursuant to the Design-Build Agreement, the Design-Builder will cause the progress of the work to be performed thereunder (the "**Work**") to meet the milestone dates and the dates for Substantial Completion and Final Completion set forth in the milestone schedule attached as an exhibit to the Design-Build Agreement (the "**Milestone Schedule**"), as those dates may be amended from time to time pursuant to the terms of the Design-Build Agreement.

The College has provided the Design-Builder with a written notice to proceed ("**NTP**"). The NTP sets forth a start date (the "**Start Date**") of January 7, 2019 (not less than three (3) Business Days after delivery of the NTP) which is the date upon which the Work commenced by the Design-Builder, consistent with the Milestone Schedule.

The Design-Builder will cause the Work to be Substantially Completed within five hundred forty seven (547) calendar days after the Start Date set forth in the NTP, and perform the Work in accordance with the Milestone Schedule, which shall be subject to adjustment by change order in accordance with the Design-Build Agreement.

For the purposes of the liquidated damages section in the Design-Build Agreement described below, the following terms have the related definitions:

"**Critical Path Date**" means April 22, 2020, which is approximately four (4) months in advance of the Scheduled Move-In Date shown in the Construction Schedule.

"**Scheduled Substantial Completion Date**" means the date set forth in the Milestone Schedule and the Construction Schedule for Substantial Completion of the entire Work to occur.

"**Scheduled Move-In Date**" means the date set forth in the Milestone Schedule and the Construction Schedule (August 22, 2020) by which the College's students are scheduled to occupy the entire Series 2019 Project. The Developer may advance the Scheduled Move-In Date to accommodate a change in the College's tentative academic schedule for the 2020 academic year, without an increase in the GMP, by up to one week by notice to Design-Builder given by September 1, 2019.

"**Neutral Evaluator**" means the person, and backup person in the event of such person's unavailability, identified as such in the Design-Build Agreement.

At the College's request, the Neutral Evaluator, after consultation with Design-Builder, shall in his or her sole discretion determine, based on the status of construction progress at such time and the Construction Schedule, whether on or about the Critical Path Date Design-Builder is likely to achieve Substantial Completion by the Scheduled Move-In Date. If the Neutral Evaluator determines that Substantial Completion is not likely to be achieved by the Scheduled Substantial Completion Date, then the College may pay deposits to reserve alternate housing for the students. The Design-Builder will reimburse the College on demand for 50% of the actual nonrefundable portion of the deposits ("**Critical Path Damages**") and the College will be responsible for the other 50%, provided that the maximum amount payable as Critical Path Damages shall be \$229,250.

If Substantial Completion has not occurred within seven days following the Scheduled Substantial Completion Date, as such date may have been extended as set forth in the Design-Build Agreement, then Design-Builder shall pay to the College \$5,000 per day as liquidated damages and not as a penalty until the earlier of (a) Substantial Completion or (b) the Scheduled Move-In Date, and, thereafter, an amount equal to the product of (a) \$125, and (b) the number of beds on each floor of the building for which Substantial Completion has not occurred, and (c) the number of days following the Scheduled Move-In Date until Substantial Completion occurs for the entire floor of the building. Substantial Completion may be achieved on a floor-by-floor basis provided that the Food Service Facility and the highest floor must be delivered first and Substantial Completion may only occur for the adjacent floor thereafter. Critical Path Damages paid by the Design-Builder shall be credited against any damages payable by Design-Builder as described above.

If Design-Builder is delayed in achieving Substantial Completion by the Scheduled Substantial Completion Date because of (a) events of Force Majeure, (b) by a wrongful or negligent act or neglect of Owner or any Separate Contractor employed by Owner, (c) by delay in the availability of the FF&E for installation beyond the time set forth in the Construction Schedule, (d) by changes ordered in the Work, (e) by unforeseen conditions (subject to the further provisions of the Design-Build Agreement) or (f) unavoidable casualties beyond the control of Design-Builder, Subcontractors, Sub-subcontractors or any other person or entity for whose acts any of them may be responsible, then the Scheduled Substantial Completion Date shall be extended by Change Order as provided in the Design-Build Agreement, provided that in each instance the conditions and requirements set forth in the Design-Build Agreement are satisfied and provided that any such extension shall only be if and to the extent that such event or conditions delayed the critical path of the Work. No extension of time shall be granted to Design-Builder unless the delay affects the critical path of the Series 2019 Project and then only to the extent that the delay affects the critical path. No extension of time shall be granted for delays on account of, or resulting from, weather conditions unless Design-Builder demonstrates that such conditions delayed the critical path of the Work. The Construction Schedule and the Schedule of Values include 18 days for Design-Builder's General Conditions Items for delays due to weather conditions and it shall not be entitled to an extension of time or an increase in the Guaranteed Maximum Price unless and until all days allocated to documented weather delays have been applied against the days of weather delay set forth in the Construction Schedule. Design-Builder shall not be granted any time extension due to Design-Builder's financial inability or the inability of its Subcontractors to perform nor for any delay in achieving Substantial Completion if a delay for which such extension of the Contract Time would otherwise be applicable is concurrent with a delay for which Design-Builder would not be entitled to an extension of the Contract Time.

Unless otherwise provided in the Design-Build Agreement, the Developer will retain 10% from all payments of the contract sum due thereunder. Within 30 days after Substantial Completion of the Work, the Developer will release all retainage less an amount equal to 150% of the amount determined by the Developer in good faith for the amount of unsettled claims or liens, the cost of the Work of Punch List work, delivery of warranties, operation and maintenance manuals, As-Built Drawings and similar closeout documentation, and other incomplete work.

The Design-Builder will have no obligation to make payments on the Series 2019 Bonds. The obligations of the Design-Builder to pay liquidated damages to the College are calculated to reimburse the College for a portion of its costs incurred associated with providing the temporary alternative housing and will not be applied to pay debt service on the Series 2019 Bonds.

THE ARCHITECT AND THE ARCHITECT'S AGREEMENT

The College has entered into an Agreement for Design Services (the “*Architect’s Agreement*”) with Natoma Architects Inc. (the “*Architect*”) relating to the Series 2019 Project, which is being assigned by the College to the Design-Builder.

Natoma Architects Inc. is at the forefront of architectural design practices that are redefining relationships between architecture and the city. The firm’s projects are noted for clarity of vision, site integration, memorable form, resourceful building systems, and material innovation. Led by Stanley Saitowitz, the practice is committed to the design of projects which engage their context and community. Each building is a response to the geography and culture of the site, and aims to concretize the unique characteristics of the particular place. The San Francisco-based practice has worked in cities across the country, and is interested in crafting intimate, personal experiences, woven into the larger context of the city. The aim is to create spaces of personal quality in iconic and memorable buildings. Their work has explored a range of scales, programs, and contexts, from intimate places of education at the Oxbow Art School to large iconic buildings such as the Tampa Museum of Art.

THE MANAGER AND THE MANAGEMENT AGREEMENT

General

The Manager for the Student Housing Facility will be selected by the Borrower with the approval of the College after the issuance of the Series 2019 Bonds and prior to the opening of the Student Housing Facility. The College may choose itself to be the Manager in which case it will execute a Management Agreement with the Borrower. The College has received a proposed term sheet from Capstone Student Housing for the management of the Student Housing Facility. No assurances can be given to investors who the Manager will be or the terms of the Management Agreement to be entered into with the Manager. The Cash Flow set forth in “CASH FLOW” includes certain assumptions regarding the management fees to be paid to the Manager under the Management Agreement. The College will not charge a management fee if it is a third party Manager of the Student Housing Facility (other than reimbursement for its costs). Such assumptions regarding the management fees reflect the proposed management fees set forth in the term sheet received from such third party student housing manager and thus are considered to be reasonable. See “CERTAIN BONDHOLDERS’ RISKS—Management” herein.

Management Agreement

The Borrower will engage the Manager to manage and maintain the Student Housing Facility pursuant to a Management Agreement (the “*Management Agreement*”). Under the Management Agreement, the Manager will be responsible for the payment of operating expenses. In addition to these duties, the Manager will assure proper scheduled maintenance of the Student Housing Facility, including daily, monthly, and annual maintenance requirements.

The Borrower’s rights under the Management Agreement will be assigned to the Trustee as security for the Series 2019 Bonds. The existence of the Management Agreement shall not preclude the College from directly managing the Student Housing Facility either initially or at some time in the future if it elects to do so.

THE HOUSING SERVICES AGREEMENT

General and College Support

The College will agree in the Housing Services Agreement that safe and affordable student housing assists the College in its educational mission; and that the ability to live on campus enhances the experience of students of the College in many positive ways. The Student Housing Facility is appropriate housing for its students and the College wishes to undertake the efforts listed below on behalf of the Borrower in achieving optimum use of the Student Housing Facility by the College's students. The terms of the Housing Services Agreement will not prohibit the College from constructing or acquiring, or causing others to construct or acquire on its behalf, additional new student housing facilities serving students at its campus, and thereafter operating the same, subject to the provisions described below under the heading "*Project Prioritization*."

The College agrees with the Borrower under the Housing Services Agreement to undertake the efforts listed below in order to achieve optimum use of the Student Housing Facility by the College's Students:

Housing Options. The College will provide prospective students, current students and their families with information on the Series 2019 Project, including through any online housing information platform. The College will designate the Series 2019 Project as its primary freshman, sophomore and transfer student housing facility. Notwithstanding the foregoing, the College may permit freshman, sophomore and transfer students to live in other College-controlled housing facilities if the College arranges for another Eligible Resident to rent a bed in the Series 2019 Project on a one-for-one basis.

Materials to Students. The College will forward to any prospective student or current student inquiring about housing information materials which include the Series 2019 Project and a description of the Live-On Requirement.

Website Link. The College will post information or a link on its website that provides information about the Series 2019 Project and a description of the Live-On Requirement.

Certain Marketing Efforts. Regardless of whether the marketing materials are joint, or whether the College, the Manager or the Borrower provides its own marketing materials, at a minimum, the College shall:

- (a) permit the Manager and the Borrower to display brochures and sales materials wherever else the College displays marketing materials;
- (b) if by July 1 each year, at least 95% of all Beds have not been rented, send e-mails to current and prospective students, forwarding marketing materials for the Series 2019 Project to the same extent that the College sends e-mails to current and prospective students containing other campus marketing materials;
- (c) distribute marketing materials prepared by or on behalf of the Manager and the Borrower, and approved by the College, at events for current or prospective students, and to cooperate with the Manager and the Borrower to allow access to the College's student recruitment events and to facilitate marketing and promotion of the Series 2019 Project; and

(d) if, 45 days before the commencement of a summer session, substantially all Beds have not been rented, market the Series 2019 Project in the summer months to Students attending the College in the summer, and other Eligible Residents.

Student Rental Licenses. The College will arrange for the Borrower to enter into leases or license agreements with the Student Residents and with Eligible Residents (collectively referred to as the “***Student Contracts***”). See Appendix H—“Summary of Housing License Agreement” herein. The College will assume the responsibility for and oversee the Student and other Eligible Residents application, assignment, and contracting processes for the Series 2019 Project in a manner similar to other College housing, including, but not limited to, managing applications, matching Residents with roommates, assigning Residents to specific rooms in the Series 2019 Project, communicating with Residents regarding their housing arrangements, and managing the execution and enforcement of the Student Contracts. The Student Contracts for Students (other than Eligible Residents) shall require an academic year rental commitment of at least nine months; provided however that if a Student Resident enters into a Student Contract after the start of an academic year, then the Student Contract shall require a rental commitment that extends at least to the end of the academic year. In addition, the College may agree to an early termination of the Student Contracts of Students who graduate in the middle of an academic year.

Collection of Rent. The College agrees, or it may require manager to, to bill and collect housing deposits, pre-payments and rent from Student Residents and other Eligible Residents according to current College practices. The College shall require each Student Resident to pay each semester’s rent and other fees on a timely basis. In addition, the College agrees to be responsible and may require the Manager to be responsible for billing and collecting from Student Residents and other Eligible Residents additional charges assessed by the Borrower or the Manager, and approved by the College, for special cleaning services, damage to the Series 2019 Project or Property, utility costs, furnishings, appliances, equipment, locks, pursuant to the terms of the Student Contracts and in accordance with the College’s campus housing policies (“***Additional Charges***”). All such amounts shall be the property of the Borrower and deposited with the Trustee in accordance with the terms of the Loan Agreement.

Notwithstanding anything in the Housing Services Agreement to the contrary, the College may collect and retain all deposits, prepaid rents and license fees and other amounts received from Students and other residents of the Series 2019 Project prior to the Substantial Completion of the Series 2019 Project (such amounts are the “***Pre-Commencement Revenues***”). College may apply Pre-Commencement Revenues toward incremental costs (“***Delay Costs***”) incurred by the College related to Students who have executed agreements to occupy Beds and may not be able to occupy such Beds due to a delay in Substantial Completion of the Series 2019 Project beyond the scheduled date for occupancy in accordance with the College’s academic schedule (collectively, the “***Affected Residents***” and each, an “***Affected Resident***”). Delay Costs may include: (i) the cost of reserving alternative housing; (ii) the cost of providing alternative housing for each Affected Resident; (iii) the cost of reasonable transportation for each Affected Resident between the alternative housing and the College campus; (iv) the cost of any necessary and reasonable storage facilities for possessions of each Affected Resident; (v) any amounts of meal plan payments refunded to students due to any delay in opening the Food Service Facility; and (vi) any necessary and reasonable moving services for each Affected Resident from such housing to the campus; or as an alternative to sub-sections (i) through (vi) above, and at the election of each Affected Resident, the refund to an Affected Resident of a daily amount equal to his or her daily rent under his or her Resident Lease. Within five (5) business days after Substantial Completion, the College shall deposit all Pre-Commencement Revenues, less Delay Costs incurred and less amount received from the Design-Builder as delay damages pursuant to the Design-Build Agreement, in accordance with the terms of the Loan Agreement, provided that if Substantial Completion occurs in phases, then the College shall deposit Pre-Commencement Revenues, less Delay Costs incurred related to each phase, within five (5) business days after Substantial Completion of the Phase. If Delay Costs are incurred by the College but not reimbursed

from Pre-Commencement Revenues due to delays in receipt by the College of invoices or other demands for payment, upon the College's request, accompanied by documentation supporting the mature and amount requested, the Company shall requisition for payment of such Delay Costs under the Indenture and pay the amounts received to the College upon receipt or cause direct payment to the College. The amount to be paid by the College after Substantial Completion is to be calculated pursuant to the following formula: "Pre-Commencement Revenues – (Delay Cost Incurred – Liquidated Damages) = Deposit of Pledged Revenues". For example, if the Pre-Commencement Revenues equal \$100, the Delay Costs equal \$50, and the Liquidated Damages equal \$25, then the amount to be transferred to the Trustee by the College would equal \$75 ($\$100 - (\$50 - \$25) = \75).

Code of Conduct. The College shall establish and enforce a "Student Code of Conduct" within the Series 2019 Project and at the Location, as expected throughout the College's complete Campus, but specifically tailored to on-campus living spaces. Such Student Code of Conduct is intended to protect Tenants' safety and health. The College will be responsible for enforcement of matters relating to student conduct consistent with that enforced on any student of the College. The College will not be responsible for matters elevating to those involving law enforcement or those involving the adjudication of local governmental law.

Residence Life Program. At the sole expense of the College, the College will initiate, design and provide appropriate student life programming activities to be held in the Series 2019 Project to benefit the Tenants and further the educational mission of the College. The College shall select, train, supervise, employ and supervise at its sole cost resident advisors who shall live at the Series 2019 Project. See "— Priority College Rentals" below.

Security Services. The College will provide campus security services to the perimeter of the Series 2019 Project on the same basis as it provides on its Campus.

Referral Protocol. If at any time during the academic year the Project is not fully occupied with freshman, sophomore and transfer students, the College shall, when notifying any prospective qualified students (juniors, seniors, and graduate students) who have not yet selected housing or executed housing agreements of their housing options (including but not limited to new and transfer students), identify and market the Series 2019 Project as a housing option. The Series 2019 Project shall be treated as part of the College's student housing program for upper division students (juniors, seniors, and graduate students) on an equal basis as all other College-affiliated housing.

On-Campus Living Requirement. The College will establish the Live-On-Requirement for its (A) freshman, sophomore and transfer students, requiring such students to live in the Series 2019 Project during the academic year; and (B) summer program students attending its undergraduate and graduate International Program to live in the Series 2019 Project while attending such International Program. Students subject to the Live-On Requirement may apply for an exemptions from the Live-On Requirement for any of the following reasons (such requests are not final until reviewed and a determination has been made by the College's Housing & Residential Life office):

- (a) students that live with a parent or legal guardian in their primary place of residence within a 40-mile radius of the Campus who have submitted a Commuter Form to the College's Housing & Residential Life office;
- (b) students who are veterans of the U.S. Armed Forces who have submitted a DD214 form as part of their student records;

(c) students who have medical needs as recommended by a doctor or financial hardships as approved by the College financial aid office;

(d) students who have provided appropriate documentation verifying that they are married, in a registered domestic partnership, or are a parenting student; and

(e) transfer students who are 23 or older or have completed 60 units when they start the semester.

Project Prioritization. The College will provide a “first fill” of the Series 2019 Project for those Students subject to the Live-On Requirement, which shall be the principal source of housing offered by the College for freshman and sophomore students. Notwithstanding the foregoing, the College may permit freshman to live in other College-controlled housing facilities if the College arranges for another Eligible Resident to rent a bed in the Series 2019 Project on a one-for-one basis with any freshmen or sophomore students otherwise required to live in the Series 2019 Project. The College also agrees to direct other Students not subject to the Live-On Requirement to the Series 2019 Project first among all other current and/or future housing options that might be located on the College’s campus to ensure sufficient capacity, but such Students shall not be required to live in the Series 2019 Project. The College shall not be required to fill any Beds that are vacated during an academic year by relocating Students assigned other housing for such academic year to the Series 2019 Project. However, any Students seeking housing during the academic year shall be referred by the College to the Series 2019 Project if any Beds are then available to lease.

Lease Vacancy Provision. If at any time the College anticipates shortfalls in occupancy at the Series 2019 Project, the College shall immediately report such shortfalls to the Borrower and the Manager.

Reenrollment. The College agrees to preclude any Student that has been or will be a Tenant from enrolling in classes while any amounts of Series 2019 Project occupancy rents and any related fees remains due from the Student.

Limiting Credit Transfers. The College will, for the benefit of the Borrower and in the interest of the Borrower receiving its full payments, withhold the transfer of credits of any Student toward other degree-granting institutions while any amounts of Series 2019 Project occupancy rents and any related fees remains due from the Student.

Withhold Transcripts and Diplomas. In the instance of a graduating Student, the College will withhold such Student’s diploma and refuse to release the final academic records while any amounts of Series 2019 Project occupancy rents and any related fees remains due from the Student.

Term of Housing Services Agreement

The Housing Services Agreement provides for a term (“*Term*”) commencing on the date of Substantial Completion of the Series 2019 Project and ending on the expiration or earlier termination of the Ground Lease. The Housing Services Agreement may be terminated by the Borrower or the College, as applicable, in writing, with sixty (60) days (except in emergencies) prior notice (unless otherwise remedied by either party or by the Manager or Trustee on behalf of the Borrower with both the Manager and the Trustee having been provided 60 days prior written notice of such occurrence and given a reasonable opportunity to remedy such occurrence prior to such termination), upon the occurrence of any of the following:

Compromise of Health and Safety of College or Students. By the College, in the event that the College reasonably determines that the health, safety or welfare of any Student, Tenant and/or any of the College's staff, employees, trustees, directors, agents, or invitees, is compromised in any material respect as a result of the Borrower's failure to perform its obligations under the Housing Services Agreement.

Compromise of Status, Health and Safety of the Borrower. By the Borrower, in the event that the Borrower reasonably determines that the health, safety, or welfare of any of the Borrower's or the Manager's employees, directors, officers, agents or invitees is compromised in any material respect as a result of the College's failure to perform its obligations under the Housing Services Agreement.

Termination or Suspension of License. By the College, in the event that any license held by the Borrower and materially necessary for the performance of its duties or services under the Housing Services Agreement is terminated or suspended, unless (i) the Borrower or the Manager commences the process for the reinstatement of such license within 30 days after the termination or suspension of said license and there is no interruption in the services to be provided by the Borrower pursuant to the terms of the Housing Services Agreement which materially and adversely affects the Tenants of the Student Housing Facility; (ii) the College is not subject to any criminal or civil liability during such interim period; and (iii) the Borrower pays all reasonable and necessary costs and expenses, including attorneys' fees and costs, incurred by the College in connection with the matter in question and in providing a substitute to perform the obligations of the Borrower under the Housing Services Agreement during such period, provided, however, that the Borrower shall have the right to approve of any such substitute in any such scenario.

Termination of Ground Lease. By the College, in the event that the Ground Lease is terminated in accordance with its terms.

Responsibilities of the Borrower

Lease to Eligible Residents. As determined jointly with the College, the Company shall make the Beds available initially to students in good standing enrolled at the College (the "***Students***"); provided however, that if there are any unoccupied Beds after such Beds have been first offered to students of the College, then in accordance with the provisions of the Housing Services Agreement, the Company shall make Beds available to students enrolled at least half-time or more in other accredited post-secondary educational institutions that meet the requirements set forth in the Housing Services Agreement ("***Eligible Institutions***"); provided further that during summer break, the Company may make any unoccupied Beds available to attendees of any summer programs offered by the College, or any students of Eligible Institutions or any others who may otherwise be eligible under applicable law (collectively, the "***Eligible Residents***"). In no event shall any of the Beds be offered to any individuals who are not eligible under the Student Housing Ordinance or in violation of the Indenture and Loan Agreement.

Management of Student Housing Facility. The College or, pursuant to the direction of the College, a third-party manager mutually acceptable to the College and the Borrower (the "***Manager***") to manage the operations of the Student Housing Facility and the relations with the tenants of the Student Housing Facility. The Manager (which may be the College) shall be required to provide to the Borrower all information and reports with regards to management, occupancy and operations of the Series 2019 Project the Borrower is required to disclose pursuant to the Continuing Disclosure Agreement with sufficient time in advance of the date the Borrower is required to post such information and reports as required in the Continuing Disclosure Agreement. The Manager will be experienced in the management of similar student housing projects. At least six (6) months prior to the anticipated Substantial Completion, the Borrower shall enter into a management agreement in a form and with a manager, if not the College, reasonably acceptable to the Company and the College. The College and the Borrower shall consent to each third-party management agreement. Subject to the terms of the Management Agreement, if the College is not the initial Manager,

it shall not be precluded from managing the Student Housing Facility at some time in the future. If the Manager is in default under the terms of the Management Agreement, the College reserves the right to have the Manager replaced with a new Manager to be selected jointly by the Parties. In addition, the College reserves the right to require the Borrower to replace a Manager with a new Manager in its sole discretion if the College pays the costs of terminating the Manager in accordance with the Management Agreement. The Borrower will require the Manager to adhere strictly to all policies, procedures, and regulations of the College, including but not limited to, parking, smoking, security, and drug and alcohol policies. Each Management Agreement shall be assigned to the Trustee as security for the Series 2019 Bonds as provided in the Assignment of Contracts and Agreements. Notwithstanding the foregoing or anything contained therein to the contrary, the Food Service Facility shall be subleased to and controlled by the College, the Food Service Facility will be managed separately by the College or by a food service vendor selected by the College.

Priority College Housing Utilization. The Borrower will provide a first priority for students to reserve beds for the upcoming academic year for any group or number of students for which the College feels the needs exists to house students at the Series 2019 Project pursuant to the Live-On Requirement as set forth above, subject to the exceptions as described therein. The Borrower will reserve such Beds for a period of at least within 45 days of the commencement of an academic year to permit such students to make a deposit to rent a Bed in the Series 2019 Project; and the College will be responsible for notifying the Borrower of any intention to rent no later than such date. After this period, the Borrower may rent to other Eligible Residents, the un-rented Beds subject to the Priority College Rentals described below or unless the College itself chooses to rent certain Beds.

Priority College Rentals. The Borrower will also make available to the College at least ten Beds for use and periodic rental at the rates charged other students for resident advisors (“*RAs*”) selected, trained and monitored by the College, and a residential office to provide space for the College’s Residential Life staff (collectively, the “*College Space*”). If the number of Beds that the College desires to rent as College Space for any semester exceeds ten Beds, the College shall notify the Borrower and the Manager of the number of Beds to be rented by the College for each such semester by no later than 45 days prior to the start of such semester.

Food Service Facility. Neither the Manager nor the Borrower shall be responsible for any expenses associated with the Food Services Facility and all revenues derived therefrom shall belong solely to the College.

Operator of Project. The Borrower will cause the Student Housing Facility to be managed in a manner consistent with the rules and policies of the College for safe and appropriate residency of its students, such rules and policies are to be further described in the College’s “Residents Life Handbook” as modified from time to time. The Residents Life Handbook shall be distributed by the College, the Borrower or the Manager, as appropriate, to prospective tenants and agreed to by all Tenants of the Student Housing Facility as a condition of moving in.

Collection of Rents. The Borrower shall appoint an agent to collect rents, additional rents and any and all fees and payments associated with occupying of the Student Housing Facility (the “*Agent*”). The Agent shall be the College with respect to the Tenants who are students of the College and may be the College, if it so elects, or the Manager, on behalf of the Borrower, for all other Tenants. Pursuant to the Loan Agreement, the Borrower is required to direct each Agent to deposit all revenues in accordance with the terms of the Indenture.

Reports to College. The Borrower shall provide all reports required to be provided by the Borrower to the College under the Ground Lease. After the initial year of operations, the College may request that

other reports be prepared and provided by the Borrower within a reasonable period of time, such as a full roll of the Tenants of the Student Housing Facility, the expense of which shall be paid as an operating expense of the Student Housing Facility.

Naming Rights. Notwithstanding anything therein to the contrary, the Company agrees that the right to name the Series 2019 Project and all components thereof will be retained by the College in accordance with the terms of the Ground Lease, and any revenues derived therefrom shall not constitute revenues of the Company.

Events of Default; Remedies

A failure by either party to perform when required any of the covenants, conditions, agreements or provisions contained in the Student Housing Agreement and the continuation of such failure for 60 days after receipt by the defaulting party of a written notice from the non-defaulting party specifying such failure to perform and requiring the same to be remedied, shall constitute an “Event of Default” under the Student Housing Facility; provided, however, that if such performance requires work to be done, action to be taken, or conditions to be remedied that by their nature cannot reasonably be done, taken, or remedied, as the case may be, within such 60-day period, then no Event of Default shall be deemed to have occurred or to exist if, and only so long as, the defaulting party shall begin such performance within such period and shall diligently and continuously prosecute the same to completion. In addition, a “Lessee Event of Default” under the Ground Lease shall also be an Event of Default by Borrower under the Housing Services Agreement. If an Event of Default has occurred and is continuing, then, and in each and every case, the non-defaulting party may exercise any and all remedies available under law or granted under the Ground Lease, including without limitation, the remedy of specific performance; provided however, that there shall be no right under any circumstances to terminate the Student Housing Agreement for such default other than as described in “—Term of Housing Services Agreement” above. The Trustee shall have all of the rights to notice and care of defaults of the Borrower under the Housing Services Agreement that are afforded to the Trustee as “Leasehold Mortgage” pursuant to the Ground Lease.

THE GROUND LEASE

Pursuant to the Ground Lease, the College will lease the Property to the Borrower for its Term, subject to certain termination rights provided therein. The annual rental payable by the Borrower under the Ground Lease will be equal to the Net Available Cash Flow. Net Available Cash Flow will equal the amount transferred from time to time from the Surplus Fund created under the Indenture. The Ground Lease will terminate upon the payment in full of the Bonds. The San Francisco assessor levies a transfer tax on the sale of properties in the county based on the market value of the real estate transferred. If the Ground Lease equals or exceeds 35 years, the transfer of the land under the Ground Lease will be assessed at market value. The term of the Ground Lease is under 35 years to avoid having the College pay the transfer tax.

Term. The term (the “**Term**”) of the Leasehold estate of the Borrower in the Property created under the Ground Lease will commence on the date of issuance of the Series 2019 Bonds and shall expire at 12:00 midnight on the earlier of (i) July __, 2053 (34.5 years after the issuance of the Series 2019 Bonds); or (ii) the date on which the Bonds shall have been paid in full and the Indenture shall no longer be in effect, unless otherwise extended or sooner terminated in accordance with the provisions of the Ground Lease or by operation of law.

Borrower Events of Default Defined. The following shall be “**Lessee Events of Default**” of the Borrower under the Ground Lease, and the terms “**Lessee Event of Default**” or “**Lessee Default**” shall mean, whenever they are used in the Ground Lease, any one or more of the following events:

(i) The Rent due from Borrower or any part thereof, or any sum of money due or payable to the College from the Borrower under the provisions of the Ground Lease, shall not be paid on any day whereon such payment is due, and such default shall continue for a period of ten days after written notice by the College to the Borrower.

(ii) The Borrower shall fail to perform or cause to be performed any other term, covenant, condition, or provision of the Ground Lease, other than as referred to in subsection (i) above, and to correct such failure within 30 days after written notice specifying such is given to the Borrower by the College. In the case of any such failure that cannot with due diligence be corrected within such 30-day period but can be wholly corrected within a period of time not materially detrimental to the rights of the College, it shall not constitute a Lessee Event of Default if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the failure is corrected in accordance with and subject to any directions or limitations of time established in writing by the College.

(iii) The Borrower shall be adjudicated a bankrupt.

(iv) A permanent receiver shall be appointed for the Borrower's interest in the Premises and such receiver shall not be removed within 90 days after notice from the College to the Borrower to obtain such removal.

(v) The Borrower shall voluntarily take advantage of any debtor relief proceedings under any present or future law whereby the Rent or any part thereof shall be reduced or payment thereof deferred or shall become subject to any such involuntary proceedings and said involuntary proceedings shall not be dismissed within 90 days after notice from the College to the Borrower to obtain such dismissal.

(vi) The Borrower shall make a general assignment for benefit of creditors.

(vii) The Premises or the Borrower's effects or interests therein shall be levied upon or attached under process against the Borrower, and the same shall not be satisfied or dissolved within 90 days after notice from the College to the Borrower and the Trustee to obtain satisfaction or dissolution thereof.

(viii) The Housing Services Agreement shall have been terminated due to an event of default by Borrower thereunder.

Remedies. Subject to the provisions in the Ground Lease described under “—Mortgaging of the Leasehold—Mortgagee Leases” and “—Subordination” below, upon the occurrence of a Lessee Event of Default, the College may pursue one of the following remedies:

(i) Terminate the Ground Lease immediately upon written notice thereof to the Borrower, anything therein contained to the contrary notwithstanding, any notice required by any statute or law now or hereafter in force, being waived, and thereafter, without legal process, enter upon and take possession and control of the Premises to the complete exclusion of the Borrower. The College may also demand, collect, and retain all rents due from tenants occupying the Premises, and the College may otherwise treat and occupy the Premises as if the Ground Lease had expired of its own limitation. The failure of the College to exercise such rights after one or more Lessee Events of Default shall not be a waiver of the rights of the College upon the occurrence of any subsequent Lessee Event of Default; or

(ii) As the Borrower's legal representative, without terminating the Ground Lease, exercise Borrower's rights under the Housing Services Agreement upon obtaining the written consent of any Leasehold Mortgagee.

Lessor Events of Default. If the College shall fail to perform, or cause to be performed, any term, covenant, condition, or provision imposed upon it under the Ground Lease, or to correct such failure within 30 days after written notice specifying such is given to the College by the Borrower, such failure shall be a "Lessor Event of Default;" provided, that in the case of any such failure that cannot with due diligence be corrected within such 30 day period, but can be wholly corrected within a period of time not materially detrimental to the rights of the Borrower, it shall not constitute a Lessor Event of Default if corrective action shall be instituted by the College within the applicable period and diligently pursued until the failure shall be corrected. Upon occurrence and during the continuation of any Lessor Event of Default, the Borrower and any Leasehold Mortgagee shall have the right to:

- (i) perform, on behalf of the College, any obligation of the College under the Ground Lease that the College has failed to perform;
- (ii) cure such Lessor Event of Default in any other manner; and
- (iii) pursue any combination of such remedies and/or any other right or remedy available to the Borrower in respect to the College on account of such Lessor Event of Default under the Ground Lease or at law or in equity, other than termination of the Ground Lease.

Termination. In the event of any termination of the Ground Lease, the Borrower's right, title, and interest in documents related to the Premises shall become the property and vest in the College.

Mortgaging of the Leasehold. The Borrower, and every successor and assign of the Borrower, shall have the right in addition to any other rights granted in the Ground Lease to encumber its interest in the Ground Lease with the College's consent, which shall not be unreasonably withheld, under any one or more Leasehold Mortgages, upon the condition that all rights acquired under any such Leasehold Mortgage shall be subject to each of the provisions set forth in the Ground Lease and to all rights and interests of the College therein. In accordance with the foregoing, the College will consent under the Ground Lease to the Borrower's encumbrance of its interest in the Ground Lease pursuant to the Leasehold Deed of Trust. If, from time to time, the Borrower or the Borrower's successors and assigns shall encumber the Ground Lease with a Leasehold Deed of Trust, and if the holder thereof delivers to the College an executed counterpart of such Leasehold Deed of Trust, together with each assignment thereof certified by such holder to be true together with written notice specifying the name and address of such holder and the pertinent recording data with respect to such Leasehold Deed of Trust, the College agrees that, anything in the Ground Lease to the contrary notwithstanding, from and after the date of receipt by the College of such notice and for the term (duration) of such Leasehold Deed of Trust, the following provisions shall apply:

(a) ***Consent to Amendment.*** There shall be no cancellation, surrender or modification of the Ground Lease by the College or the Borrower without the prior written consent of any Leasehold Mortgagee. Notwithstanding the foregoing (but, in any event, subject to a Leasehold Mortgagee's curative rights set forth in clauses (c) and (d) below), nothing in the Ground Lease shall be deemed to prohibit the College from terminating the Ground Lease in accordance with its terms or exercising its option to purchase as provided for in the Ground Lease.

(b) ***Notices to Leasehold Mortgagees.*** The College, upon serving the Borrower with any notice of a Lessee Event of Default, failure to comply, or termination, shall simultaneously serve a copy of such notice on any Leasehold Mortgagee. In the event the College shall serve the Borrower with a notice of a

failure to comply with any term, covenant, condition, or provision of the Ground Lease, the Leasehold Mortgagee shall then have the same period after service of the notice on it as is given to the Borrower to remedy or cause to be remedied such failure, and the College shall accept performances by or at the instigation of any Leasehold Mortgagee as if it had been done by the Borrower.

(c) *Curative Rights of Leasehold Mortgagees.* In addition to the rights granted to any Leasehold Mortgagee under clause (b) above, a Leasehold Mortgagee shall have an additional period of 90 days to remedy or cause to be remedied any Lessee Event of Default of which it shall receive notice.

(d) *Limitation Upon Termination Rights of the College.* If the College shall elect to terminate the Ground Lease upon the occurrence of a Lessee Event of Default, the Leasehold Mortgagee shall also have the right to postpone and extend the date of termination as fixed by the provisions of the Ground Lease for a period of not more than six months from the expiration of the 90-day period specified in clause (c) above, provided that the Leasehold Mortgagee shall pay the Rent and other charges required to be paid under the Ground Lease during such period, and provided further, that the Leasehold Mortgagee shall take steps necessary to acquire the Borrower's interest and estate in the Ground Lease by foreclosure of its Leasehold Mortgage or otherwise, and shall prosecute such action to completion with due diligence. If at the end of the 6-month period, the Leasehold Mortgagee shall be actively engaged in steps to acquire or sell the Borrower's interest in the Ground Lease, the time for Leasehold Mortgagee to comply with the provisions of this clause (d) shall be extended for such period as shall be reasonably necessary to complete these steps with reasonable diligence and continuity.

(e) *Assignment.* The College agrees that in the event of any foreclosure under any Leasehold Mortgage, either by judicial proceedings or under power of sale contained therein all right, title, and interest encumbered by such Leasehold Mortgage may, conditioned upon such purchaser's assumption of the Borrower's interest in the Housing Services Agreement but without the consent of the College, be assigned to and vested in the purchaser at such foreclosure sale subject and subordinate, however, to the rights, title, and interests of the College; and, notwithstanding that the College's consent to such assignment shall not have been obtained, any such assignee shall be vested by virtue of such assignment with any and all rights of the party whose estate was encumbered by such Leasehold Mortgage as though the College had consented thereto.

(f) *Mortgagee Leases.* The College agrees that in the event of a termination of the Ground Lease by reason of any Lessee Event of Default, and subject to the rights therein granted to Leasehold Mortgagees, the Leasehold Mortgagee shall have the option, but not the obligation, to enter into a Mortgagee Lease, subject to the following terms and conditions:

(i) the Leasehold Mortgagee shall enter into a Mortgagee Lease within the six-month period specified in clause (d) above and shall assume the Borrower's obligations under the Housing Services Agreement.

(ii) the Leasehold Mortgagee shall perform and observe all covenants contained in the Mortgagee Lease on the Borrower's part to be performed during such period of time commencing with the date of the execution of the Mortgagee Lease and terminating upon the abandonment or surrender of possession of the Premises under the Mortgagee Lease.

(iii) the Leasehold Mortgagee, as lessee under the Mortgagee Lease shall have the same right, title and interest in and to the Premises and the right to use the buildings and improvements thereon as the Borrower had under the Ground Lease.

Notwithstanding anything else contained in the Ground Lease, if (x) an event shall occur that gives the College the right to terminate the Ground Lease and (y) the Leasehold Mortgagee shall not elect to enter into a Mortgagee Lease, then, as a condition to the College's right to terminate the Ground Lease, the College shall either (1) pay to the Leasehold Mortgagee the outstanding amount payable by the Borrower under the Loan Documents that shall in any event be sufficient to pay the Bonds in full in accordance with the provisions of the Loan Documents or (2) enter into Loan Documents in substantially the same forms as the Loan Documents and grant to the Leasehold Mortgagee a perfected, first priority security interest in the gross revenues generated by the operation of the Student Housing Facility as is provided in the Loan Documents, or (3) enter into a new lease in the form of the Ground Lease with an entity that complies with the requirements set forth therein, assumes the Borrower's obligations under the Loan Documents and under the Housing Services Agreement, and, as a condition to the exercise of any rights under the Ground Lease, the Leasehold Mortgagee shall enter into such agreement, and provides a Favorable Opinion of Bond Counsel.

Subordination. Notwithstanding anything else contained in the Ground Lease, the College agrees that the financing of the design, construction, furnishing, and equipping of the Student Housing Facility will directly benefit the College's operations and the College agrees that its interest in and to the rents, revenues, issues and profits relating to the operation of the Student Housing Facility, including, without limitation, all insurance proceeds, reserve funds and gross revenues, as well as any and all rights to any and all contracts, agreements and other instruments in connection with the design, construction, equipping, installation and operation of the Student Housing Facility shall be junior and subordinate to the interest of the Bond Trustee as granted or provided in any of the Loan Documents (collectively, the "***Project Collateral***"). So long as any of the indebtedness created, evidenced, or secured by any of the Loan Documents shall remain outstanding and unpaid, and provided that upon any termination of the Ground Lease upon a Lessee Event of Default the Trustee enters into a Mortgagee Lease and an agreement substantially in the form of the Housing Services Agreement, the College shall not exercise any rights or remedies with respect to the Project Collateral not explicitly set forth in the Loan Documents without obtaining in each instance the prior written consent of the Trustee. Notwithstanding the foregoing, the College reserves its right to terminate the Ground Lease or exercise other remedies available to the College under the Ground Lease other than foreclosure on or assumption of the Project Collateral, upon the occurrence of a Lessee Event of Default, subject, however, to the limitations set forth therein.

Option to Purchase. Throughout the Term of the Ground Lease, the College will have the right and option to purchase the Borrower's right, title, and interest in and to the Series 2019 Project, the Ground Lease, and the Resident Leases, as hereinafter defined (collectively, the "***Optioned Property***"). The College may exercise such option to purchase the Borrower's right, title and interest in and to the Optioned Property by delivering written notice (the "***Exercise Notice***") of such exercise to the Borrower. If the option to purchase shall be exercised, the purchase price (the "***Option Price***") of the Borrower's right, title, and interest in and to the Optioned Property shall be equal to (i) the principal balance of all indebtedness secured by any Leasehold Mortgage then in effect, plus (ii) any premium payable upon the prepayment or redemption of such indebtedness, plus (iii) all interest accrued or to accrue on such sums through the date of payment or redemption of such indebtedness, plus (iv) all recording fees for satisfaction of the Borrower's loans relating to the Series 2019 Project, plus (v) all transfer taxes in connection with the sale of the Optioned Property and all recording fees in connection with recording of any deed and assignment, plus (vi) all other expenses incurred by the Borrower in connection with the Closing (as defined in the Ground Lease) not paid from the Operating Account, less (vii) amounts then on deposit with the Trustee under the Indenture which are available for prepayment or redemption of the Bonds.

The Optioned Property shall be conveyed free and clear of all loans, and shall be subject only to the Resident Leases, to Permitted Encumbrances, and to all matters occurring subsequent to the date of the Ground Lease that would be disclosed by an accurate survey, title search, and inspection of the Premises.

Upon the transfer of all of the Borrower's interest in the Optioned Property as described above, the Borrower shall be released from, and relieved of, all of its obligations under the Ground Lease without any further action on the part of the College or the Borrower.

MARKET STUDY

Attached hereto as Appendix B is the Market Study prepared by The Scion Group LLC ("**Scion**") on behalf of the College. The Market Study consists of the "Student Housing Demand and Rental Rate Analysis" dated September 7, 2018 and the "Student Housing Operating Expense Analysis" dated June 1, 2018. The primary purpose of the Market Study is to verify demand for the proposed addition of new housing on the Campus and evaluate the area's conventional apartment rental market. Scion employed a number of analytical tools and methodologies to determine the feasibility of the Student Housing Facility, including surveying a statistically significant population of current College students in order to test proposed unit designs and rental rates. The conclusions and findings contained in the Market Study are based upon information available at the time and assumptions about the outcome of future events. There can be no assurance that such projections will approximate actual results, and there is no assurance, representation, or warranty that such projections will be achieved. The conclusions and findings contained in the Market Study are based upon information available at the time and assumptions about the outcome of future events. There can be no assurance, representation, or warranty that such projections will approximate actual results, and there is no assurance, representation, or warranty that such projections will be achieved. See "CERTAIN BONDHOLDERS' RISKS—Actual Results May Differ from Cash Flow" and "—Forward Looking Statements." For discussion of the assumptions and methodology used in arriving at the conclusions and findings, see the Market Study which should be read in its entirety. Scion has consented to the use of the Market Study in this Limited Offering Memorandum.

Scion was founded in 1999, and focuses exclusively on ownership, operation and advisory services for student housing, both on and off campus.

The Scion Group has participated in the acquisition or development of over 70,000 beds and advised college and universities, foundations and private-sector providers in more than 200 campus markets, representing over \$5.0 billion of project value.

Today, the Scion Group owns and operates over 60,000 beds at 90 communities, serving 55 major university campus markets across 26 states. Among the most active participants in the sector, the company has acquired or recapitalized more than \$4 billion of purpose-built student housing during the past three years, and has managed on-campus residences for several colleges and universities nationwide.

CASH FLOW

The table below is a cash flow projection (the "**Cash Flow**") relating to the Student Housing Facility's ability to generate revenues from operations sufficient to pay principal of and interest on the Series 2019 Bonds for each of the years ending June 30, 2021 through 2025. The Cash Flow is based on the Market Study for the revenues and expenses for the Student Housing Facility, the Underwriter for the estimated debt service for the Series 2019 Bonds, and additional information provided by third parties. None of the Authority, the College, the Borrower, the Company or the Underwriter (other than the Underwriter's projection of debt service) makes any representations with respect to the Cash Flow.

Fiscal Year Ending in June 30	2021	2022	2023	2024	2025
<u>Residential Income:</u>					
Gross potential residential rent	\$9,422,082	\$9,798,966	\$10,190,924	\$10,598,561	\$11,022,504
Less: Vacancy & Loss to Lease	(778,134)	(809,259)	(841,630)	(875,295)	(910,307)
Total Residential Income	\$8,643,948	\$8,989,706	\$9,349,294	\$9,723,266	\$10,112,197
<u>Residential Expenses:</u>					
Repairs & Maintenance	\$140,400	\$144,611	\$148,950	\$153,418	\$158,021
General & Administrative	76,690	78,991	81,361	83,802	86,316
Payroll	433,754	446,767	460,170	473,975	488,194
Utilities	393,030	404,820	416,965	429,474	442,358
Resident Life (Security)	55,591	57,259	58,977	60,746	62,568
Turnover	149,596	154,084	158,706	163,467	168,371
Insurance	90,177	92,882	95,668	98,538	101,494
Management Fee	282,662	293,969	305,728	317,957	330,675
NCCD Annual Fee	79,568	81,955	84,413	86,946	89,554
NCCD Annual Expenses	57,289	59,007	60,777	62,601	64,479
CDIAC Annual Fee	5,000	5,000	5,000	5,000	5,000
Total Residential Operating Expenses	\$1,763,757	\$1,819,346	\$1,876,716	\$1,935,925	\$1,997,032
Total Project Net Operating Income	6,880,192	7,170,360	7,472,578	7,787,342	8,115,165
<u>Series 2019 Debt Service:</u>¹					
Debt Service	\$4,686,750	\$5,586,750	\$5,541,750	\$5,996,750	\$5,926,750
Less: Debt Service Reserve Fund Earnings	(60,223)	(120,445)	(120,445)	(120,445)	(120,445)
Less: Capitalized Interest	(781,125)	-	-	-	-
Less: Remaining Balances from Cap I Account ²	-	(1,562,250)	-	-	-
Total Debt Service	\$3,845,403	\$3,904,055	\$5,421,305	\$5,876,305	\$5,806,305
Debt Service Coverage	-	1.84x	1.38x	1.33x	1.40x
Annual Cash Flow After Debt Service	3,034,789	3,266,305	2,051,273	1,911,037	2,308,860
Aggregate Cash Flow After Debt Service	3,034,789	6,301,094	8,352,368	10,263,404	12,572,264
<u>Subordinate Expenses</u>					
Annual Trustee Fee	6,500	6,500	6,500	6,500	6,500
Authority Annual Fee	13,470	13,335	13,200	12,990	12,780
Total Subordinate Expenses	19,970	19,835	19,700	19,490	19,280
<u>Deposit to Reserves after Debt Service:</u>					
Repair and Replacement Reserves:	117,900	122,616	127,521	132,621	137,926
Cash Flow After Subordinate Expenses	2,896,919	3,123,854	1,904,053	1,758,925	2,151,654
Aggregate Subordinate Cash Flow	2,896,919	6,020,773	7,924,826	9,683,751	11,835,405
<u>Operating Contingency Fund Cash Flow</u>					
Operating Contingency Fund Deposit (3 Months of Operating Expenses)	13,897	14,343	14,802	15,277	15,767
Operating Contingency Fund Balance	454,836	469,179	483,981	499,258	515,025
Cash Flow After Operating Contingency Fund Deposit	2,883,022	3,109,512	1,889,251	1,743,648	2,135,887
Total Excess Cash Flow	2,883,022	3,109,512	1,889,251	1,743,648	2,135,887
Aggregate Excess Cash Flow	2,883,022	5,992,534	7,881,784	9,625,432	11,761,319

¹ Reflects debt service on the Series 2019 Bonds due on January 1 of such fiscal year and July 1 of the following fiscal year.

² Remaining moneys in the Capitalized Interest Account are transferred to the Construction Fund before being transferred to the Bond Fund to be used for the payment of principal on the Series 2019 Bonds (assumes a July 1st project delivery date).

The Cash Flow is based on the following assumptions: Projected rental rates are those tested in the Market Study, increased by 4% to the expected date of Substantial Completion of the Student Housing Facility; Unit designs are those tested in the Market Study; Rent rates also increased by 4% per year during the projection period and through maturity of the Series 2019 Bonds (local market is currently growing

approximately 4%-5% per year); and operating expenses of the Student Housing Facility, as provided by the Market Study, increase by 3% per year. Operating expenses of the Student Housing Facility, including deposits to the Repair and Replacement Fund, are based on an initial budget prepared by Scion in the Operating Expense Report and include annual deposits as required by the Indenture. Repair and Replacement Fund deposits are established at \$225 per bed and grow at a rate of 4% per year thereafter. Notwithstanding the foregoing, beginning after the fifth year of completion, such amount will be readjusted every three years as described in the Loan Agreement. The Operations Contingency Fund is funded at 3 months of estimated monthly operating expenses for the following year. Occupancy rates are forecasted to achieve a rate of 95% during the academic year and 56% during the summer months, as set forth in the Market Study.

Additional assumptions with respect to debt service on the Series 2019 Bonds include the following. The Debt Service Reserve Fund is gross funded, with assumed interest earning thereon at an annual rate of 2.00%, contributing to the payment of debt service. The Capitalized Interest Account is net funded through January 1, 2021, or approximately five months after the anticipated delivery of the Series 2019 Project, with assumed interest earning thereon at an annual rate of 2.00% contributing to the payment of debt service. The Construction Fund is net funded with the interest rate assumption of 2.00% over the life of the construction period. Debt is amortized over 31 years, with the application of amounts on deposit in the Debt Service Reserve Fund resulting in net debt service in the final year of \$0.

The achievement of any financial projection is dependent upon future events, the occurrence of which cannot be assured. Therefore, the actual results achieved may vary from the Cash Flow. Such variation could be material. See “CERTAIN BONDHOLDERS’ RISKS—Actual Results May Differ from Cash Flow” and “—Forward Looking Statements.”

ASSIGNMENT OF CONTRACTS AND AGREEMENTS

The Borrower will, as security for the obligations of the Borrower to the Authority under the Loan Agreement and subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in all of its right, title, and interest in and to the Housing Services Agreement, the Management Agreement, the Development Agreement, the Design-Build Agreement, the Architect’s Agreement, and all other contracts and agreements relating to the development, design, or construction of the Series 2019 Project. In the event of a default by the Borrower under the Loan Agreement, the Trustee will be entitled to enforce performance of the Development Agreement, but will not be required to perform the obligations of the Borrower as set forth in such contract. In the event of a default by the Borrower under the Loan Agreement and a default by the Developer under the Development Agreement, the Trustee will be entitled to enforce performance of the Design-Build Agreement and the Architect’s Agreement, but, unless the Trustee chooses to enforce performance of the Design-Build Agreement, will not be required to perform the obligations of the Developer as set forth in such contracts.

CERTAIN BONDHOLDERS’ RISKS

An investment in the Series 2019 Bonds involves certain risks. In order to identify such risks and make an informed investment decision, potential investors should be thoroughly familiar with this entire Limited Offering Memorandum (including the appendices hereto) and the transaction documents in order to make a judgment as to whether the Series 2019 Bonds are an appropriate investment. This section sets forth certain risk factors that should be carefully considered by potential investors in connection with a purchase of the Series 2019 Bonds. Identified and summarized below are a number of considerations or risks that could adversely affect the operation of the Student Housing Facility, the Borrower, the College and the Manager that should be considered by prospective purchasers. The factors listed below, among others, could materially and adversely affect the operations and financial condition of the Borrower, and

the Borrower's ability to pay Loan Payments as and when necessary to pay principal of and interest on the Series 2019 Bonds, to an extent which cannot be determined at this time. This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive. There can be no assurance that other risk factors not identified in this Limited Offering Memorandum will not become material in the future.

Revenues from Operation of the Student Housing Facility

If the Borrower is unable to generate sufficient revenues from the operation of the Student Housing Facility to pay its operating expenses and principal of and interest with respect to the Series 2019 Bonds, an Event of Default will occur under the Bond Documents. Upon an Event of Default, the Series 2019 Bonds may not be paid or may be paid before maturity or applicable redemption dates and a forfeiture of redemption premiums (if any) may result. The Borrower's ability to generate revenues and its overall financial condition may be adversely affected by a wide variety of future events and conditions including (i) a decline in the enrollment of the College, (ii) increased competition from other schools, (iii) loss of accreditation, (iv) failure to meet applicable federal guidelines or some other event that results in students being ineligible for federal financial aid, and (v) cost overruns in connection with the Student Housing Facility or other capital improvements.

The Borrower will only receive revenues from the operation of the Student Housing Facility when the Substantial Completion Date has occurred. Any amounts paid by the Design-Builder as liquidated damages for failure to complete the Series 2019 Project on time will be paid to the College. In addition, any amounts collected by the College from students leasing Beds in the Student Housing Facility will be retained by the College until the Substantial Completion Date. Interest on the Series 2019 Bonds will be capitalized through January 1, 2021. If the Substantial Completion Date occurs after such date, then there may not be sufficient amounts available to pay debt service other than from the Debt Service Reserve Fund.

Limited Obligations of the Authority

The Series 2019 Bonds constitute limited obligations of the Authority and have three potential sources of payment. The sources of payment are as follows:

(a) Loan Payments received by the Trustee from the Borrower pursuant to the terms of the Indenture and the Loan Agreement.

The Authority has no obligation to pay the Series 2019 Bonds except from the Trust Estate, including Basic Loan Payments derived from the Loan Agreement. See APPENDIX C—"DEFINITIONS" for the definition of "*Trust Estate*." The Series 2019 Bonds, together with interest and premium, if any, thereon, will not be or constitute general obligations or indebtedness of the State, the City and County of San Francisco, or any other political subdivision of the State or the College, but will be limited obligations of the Authority. Neither the faith and credit nor the taxing power the State, or any other agency or political subdivision thereof is pledged to the payment of the Debt Service Payments on the Series 2019 Bonds, and the owners of the Series 2019 Bonds, will not have the right to compel any exercise of the taxing power of the State, or any other political subdivision of the State to pay the Series 2019 Bonds, any premium thereon, or the interest thereon. The Authority has no taxing power. The Borrower will be required to make Basic Loan Payments (the interest in which the Trustee has received by assignment from the Authority) to the Trustee in amounts sufficient to enable the Trustee to pay the Debt Service Payments on the Series 2019 Bonds. See APPENDIX D—"SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE INDENTURE—Bond Fund." The Basic Loan Payments will be derived solely from operation of the Student Housing Facility. However, no assurance can be made that the Borrower will generate sufficient revenues from the Student Housing Facility to pay Debt Service Payments on the Series 2019 Bonds after payment of operating expenses of the Student Housing Facility.

(b) Revenues received from operation of the Student Housing Facility by a receiver upon a default under the Indenture.

It has been the experience of lenders in recent years that attempts to have a receiver appointed to take charge of properties with respect to which loans have been made are frequently met with defensive measures such as the initiation of protracted litigation and the initiation of bankruptcy proceedings. Such defensive measures can prevent the appointment of a receiver or greatly increase the expense and time involved in having a receiver appointed. See “CERTAIN BONDHOLDERS’ RISKS—Enforceability of Remedies” herein. Accordingly, prospects for uninterrupted payment of principal and interest on the Series 2019 Bonds in accordance with their terms are largely dependent upon Basic Loan Payments from the Borrower described in the preceding paragraph, which are wholly dependent upon the success of the Borrower in the operation of the Student Housing Facility.

(c) Proceeds realized from the sale or lease of the Borrower’s interest in the Student Housing Facility to a third party by the Trustee at or following foreclosure by the Trustee of the Leasehold Deed of Trust and proceeds realized from the liquidation of other security for the Series 2019 Bonds.

Debtors frequently employ defensive measures, such as protracted litigation and bankruptcy proceedings, in response to lenders’ efforts to foreclose on real property or otherwise to realize upon collateral to satisfy indebtedness that is in default. Such defensive measures can prevent, or greatly increase the expense and time involved in achieving, such foreclosure or other realization. In addition, the Trustee could experience difficulty in selling or leasing the real and personal property portion of the Student Housing Facility upon foreclosure due to the special purpose nature of a student, faculty, and staff housing facility, and the proceeds of such sale may not be sufficient to pay fully the owners of the Series 2019 Bonds. See “CERTAIN BONDHOLDERS’ RISKS—Enforceability of Remedies” herein. Accordingly, prospects for uninterrupted payment of principal and interest on the Series 2019 Bonds in accordance with their terms are largely dependent upon the Basic Loan Payments described in paragraph (a) above, which are wholly dependent upon the success of the Student Housing Facility. Even if the Student Housing Facility is operating in an efficient manner, other factors could affect the ability of the Borrower to make Basic Loan Payments under the Loan Agreement. The Corporation also may become engaged in other ventures in the future.

Limited Resources

The Borrower will have no substantial revenues or assets other than the Student Housing Facility. Furthermore, the Series 2019 Bonds are secured only by the operations and assets of the Student Housing Facility. Therefore, timely payment of Loan Payments under the Loan Agreement will be dependent upon the Borrower’s ability to generate revenues from the Student Housing Facility in amounts sufficient to pay its operating expense and such payments of principal of and premium, if any, and interest on the Series 2019 Bonds. If after payment of operating expenses, net revenues are insufficient to pay the principal of and premium, if any, and interest on the Series 2019 Bonds, the Borrower likely will have no moneys or assets other than the Student Housing Facility from which to make such payments.

Required Occupancy Levels and Rents

In order for the Borrower to generate sufficient revenues to enable it to make the payments at the times required under the Loan Agreement, the Student Housing Facility must meet certain occupancy levels and achieve certain rents. As described herein, pursuant to the Ground Lease and the Housing Services Agreement, the College will agree to the Live-On Requirement for its freshman and sophomore students and its undergraduate transfer students for the Student Housing Facility and will agree to take certain other actions to support the Student Housing Facility. However, the College will not have any obligation, express

or implied, with respect to the payment of the principal of, or the premium, if any, or interest on, the Series 2019 Bonds. There can be no assurance, otherwise, that the Student Housing Facility will be able to meet and maintain such required occupancy and rent levels.

Special Use Nature of the Student Housing Facility

The Series 2019 Project will be constructed to serve as a student housing facility, and to provide limited additional space for the College, and is located on the Campus of the College. If it were necessary to sell the Borrower's interest in the Ground Lease pursuant to the Leasehold Deed of Trust upon an Event of Default, the special use nature of the Student Housing Facility and the fact that the interest to be sold is in the nature of a Leasehold interest and subject to the terms of the Ground Lease may curtail the purchase price that could be obtained, and the net proceeds received may be less than the principal amount of Series 2019 Bonds Outstanding. In addition, any new owner of the Series 2019 Project would be required to follow the procedures under the Student Housing Ordinance in order to permit tenants to live in the Series 2019 Project who do not meet the requirements of the Student Housing Ordinance. For all practical purposes, payment of the Series 2019 Bonds will be primarily dependent upon the continued operation of the Student Housing Facility as a student housing facility as well as the ability of the College to enroll sufficient freshman and sophomore students to occupy the Student Housing Facility.

Risks Associated with the Ground Lease

Neither the Authority nor the Borrower will have fee title to the Property. Instead, the Borrower will lease the Property from the College pursuant to the Ground Lease. The Borrower's obligation to comply with the terms of the Ground Lease and to relinquish any claim to the Series 2019 Project upon the termination of the Ground Lease will likely render the Student Housing Facility less valuable to prospective purchasers upon foreclosure. See "THE GROUND LEASE" herein.

Special Purpose Entity

The Borrower is a special purposes entity created for the sole purpose of entering into the transactions represented by the Borrower Documents. The Borrower will have no substantial revenues or assets other than the Student Housing Facility and will have no source of revenues other than those derived from its operations of the Student Housing Facility. In the event the operation of the Student Housing Facility does not generate sufficient revenues to provide for the repayment of the Series 2019 Bonds, no funds will be available from any other source.

The College

The Housing Services Agreement and the Ground Lease contain provisions requiring the College to meet certain obligations to the Borrower with respect to the Student Housing Facility. See "THE HOUSING SERVICES AGREEMENT" herein. Pursuant to the Housing Services Agreement, the College has agreed to lease at least ten beds at rates equivalent to those charged to other students in comparable Units for resident advisors ("**RAs**") for the Student Housing Facility. The College has no obligation to lease any other beds. The College will not have any obligation, express or implied, with respect to the payment of the principal of, or premium, if any, or interest on the Series 2019 Bonds.

Rate Setting

The Borrower will agree to operate the Student Housing Facility as a revenue producing student housing facility on a non-discriminatory basis, and to the extent permitted by law and by the Ground Lease, to charge such fees and rates for its facilities and services and to exercise such skill and diligence as will

provide Revenue Available for Fixed Charges, together with other available funds, sufficient to pay promptly all expenses of operation, maintenance, and repair of the Student Housing Facility and to provide all payments required to be made by the Borrower under the Loan Agreement. The Borrower will, from time to time as often as necessary and to the extent permitted by law and by the Ground Lease, revise the rates, fees, and charges in such manner as may be necessary or proper so that the Revenue Available for Fixed Charges will be sufficient to meet the requirements of the Loan Agreement, and take all action within its power to obtain approvals of any regulatory or supervisory authority to implement any rates, fees, and charges required by the Loan Agreement. Further, the Manager shall set rental rates in the annual operating budget consistent with any revised Repair and Replacement Fund requirement. Although delegated to the Borrower, rate setting is subject to market conditions and student budget and financial aid limitations. No assurance can be made that the Borrower will generate sufficient revenues from the Student Housing Facility to pay Debt Service Payments on the Series 2019 Bonds after payment of operating expenses of the Student Housing Facility.

Vitality of the College; Competition for Students

Competition among peer colleges and universities and changing trends in higher education may inhibit the extent to which the Borrower will be able to capitalize upon student populations and, as a result, to meet certain occupancy levels and achieve certain rents necessary to meet the assumptions and projections in the Cash Flow and this Limited Offering Memorandum. The College's regional stature and consolidated revenues, expenses, assets and liabilities may be affected by events, developments and conditions relating generally to, among other things, the ability of the College (i) to conduct educational and extracurricular activities of the types and quality required to maintain its stature, (ii) to generate sufficient revenues, while controlling expenses, to adequately fund the cost of these activities, (iii) to attract faculty, staff and management necessary to conduct these activities, (iv) to attract a student body of commensurate quality, and (v) to build and maintain the facilities necessary to conduct these activities. See "CALIFORNIA COLLEGE OF THE ARTS."

In turn, success in these areas depends upon the ability of the College and its management to respond to substantial challenges in a rapidly changing environment including, among others, (i) developments in the regional, national and global economies, such as a protracted economic recession; (ii) volatility in the global financial markets, variations in economic growth, changes in monetary policy and taxation, and the adequacy of the College's investment management policies and the performance of its investments in the face of such challenges, all of which may substantially reduce amounts distributable for operations and contributed by its donors to support College operations and capital needs; (iii) changes in the direction of demographic trends determining the number of college- and post-graduate aged persons in the general population; (iv) the occurrence of local, national or international calamities; (v) changes in the competitive appeal and perceived quality of the College's curriculum; and (vi) changes in the demand for post-high school education and for certain degrees.

A variety of additional risks, uncertainties and other factors may affect the financial strength and stature of the College. By its nature, the College is an open environment, potentially vulnerable to disruption of operations, injury and damage notwithstanding its security and public safety programs. It is subject to governmental investigations and enforcement action and private suits, and may incur substantial costs of defense, sanctions, penalties and reputational harm for violation of laws applicable to the College in its routine operations.

The events, developments and conditions described above are, or may be, of a magnitude such that they could have a material adverse effect on the financial results and condition of the College however effective the College's response thereto.

Management

The financial success of the Student Housing Facility will depend upon competent management. The Manager for the Student Housing Facility has not been identified, and it is not known at this time what the terms of the Management Agreement, including the amount and structure of the management fee, will be. The Borrower and the College have received a proposed term sheet from a third party student housing property manager for the management of the Student Housing Facility. However, no decision has been made, and is not expected to be made prior to the issuance of the Series 2019 Bonds, whether such terms would be acceptable to the College and the Borrower. In addition, the College may elect to serve as the Manager.

Geographic Concentration

The occupancy rates of the Student Housing Facility may be adversely affected by regional and local economic conditions, competitive conditions, local laws and regulations, and general real estate market conditions, including the supply, proximity, and amenities of apartment communities in the area. See “—Competition” below.

Insurance and Legal Proceedings

The Borrower will carry property and general liability insurance in amounts believed by the Borrower to be adequate and consistent with industry practices. See APPENDIX D—“SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE LOAN AGREEMENT—Insurance.” However, there can be no assurance that any current or future claims will be covered by or will not exceed applicable insurance coverage. No casualty will entitle the Borrower to any postponement, abatement, or diminution of the Basic Loan Payments. See APPENDIX D—“SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE LOAN AGREEMENT—Destruction and Damage.”

Competition

The housing industry is highly competitive. 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 Student Housing Facility. Competing companies may offer newer or different projects, amenities, or services and thereby attract occupants who are current or potential occupants of the Student Housing Facility. Scion, in completing the Market Study, identified and collected data from 244 rental units that averaged a distance of 2.2 miles from the Campus. The units included apartments, single family homes, townhomes and a limited number of single room occupancy units for rent. As shown in the Housing Demand Study, a student who lives in a studio off campus can expect to pay between 31-109% more than a student living in a single in the Student Housing Facility. A student who resides in a one-bedroom, one-bathroom unit off-campus pays 144% more than a student living in a similar unit of College’s housing. Additional housing facilities may be developed and constructed that compete with the Student Housing Facility. See “THE HOUSING SERVICES AGREEMENT” herein.

With 30 institutions of higher education and over 120,000 students enrolled, there is currently a shortage of approximately 60,000 beds for such students in San Francisco. Many of these occupy rental units in the City that might otherwise be occupied by the local population. As the population in San Francisco continues to trend upwards, the rental market may continue to tighten, further limiting an already strained market. Considering the high demand for housing in the City, off-campus rental rates are likely to continue to increase in the future.

Government Regulation

The housing industry is significantly regulated by the federal and local government. Regulations and conditions affecting the acquisition, development, and ownership of residential real estate, including local zoning and land use issues, environmental regulations, the Americans with Disabilities Act, the Fair Housing Amendments Act of 1988, and general conditions in the market, could increase the operating expenses of the Student Housing Facility or could otherwise have a material adverse effect on the operation thereof.

Risks of Construction

On the basis the Developer's representation, management of the Borrower believes that the proceeds of the Series 2019 Bonds, together with the contribution from the College of \$1,600,000, will be sufficient to complete the Series 2019 Project; however, the cost of construction of the Series 2019 Project may be affected by factors beyond the control of the Borrower, including strikes, material shortages, adverse weather conditions, subcontractor defaults, delays, and unknown contingencies.

The Design-Build Agreement between the Developer and the Design-Builder will obligate the Design-Builder to complete the Series 2019 Project within a specified time for a fixed price. The Design-Build Agreement will require the Design-Builder 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.

If cost overruns resulting from delays, change orders, or other causes are experienced, the Design-Builder will be obligated, subject to *force majeure* and eminent domain, to complete the Series 2019 Project at its own expense. To the extent that construction is delayed or halted due to acts of *force majeure* or eminent domain, neither the Authority, the Borrower, the College nor the Design-Builder will have any obligation to provide for such completion. In the event the Series 2019 Project is not completed, the only meaningful security for the owners of the Series 2019 Bonds would be the right to foreclose under the Leasehold Deed of Trust on the Borrower's interest in the uncompleted Series 2019 Project. While the Indenture permits the Authority to issue Additional Bonds to complete the Series 2019 Project, the Authority is not obligated to issue such Additional Bonds and there can be no assurance that a purchaser for such Additional Bonds could be obtained.

The Series 2019 Project is subject to the risk of delays due to a variety of factors including, among others, delays in obtaining the necessary permits, licenses and other governmental approvals, site difficulties, labor disputes, delays in delivery and shortage of materials, weather conditions, fire and other casualties and default by the Borrower, the Design-Builder or subcontractors. If completion of the Series 2019 Project is delayed beyond the estimated construction period, the cost of completing the Series 2019 Project may increase. In addition, if operation of the Series 2019 Project is delayed the amount available to pay interest on the Series 2019 Bonds may be exhausted and the ability of the Borrower to make required payments may be adversely affected. Thus, a delay could adversely affect the ability of the Borrower to meet the debt service requirements of the Series 2019 Bonds and the operating expenses of the Borrower. The Borrower believes that the proceeds of the Series 2019 Bonds, together with funds provided by the College, and Additional Bonds, if necessary, will be sufficient to finance the costs of the Series 2019 Project.

Notwithstanding the measures taken by the Borrower to mitigate construction risk, there can be no assurance that the contract terms and financial instruments described above and any available insurance proceeds will be sufficient to cover the costs resulting from delay or unforeseen cost overruns and other

events or to provide cash to the Borrower to complete the construction of the Series 2019 Project or to pay Loan Payments as and when necessary to pay principal of and interest on the Series 2019 Bonds.

Risk of Natural Disasters

The Property is located in a seismically active region. Active earthquake fault underlie both the City and the surrounding Bay Area, including the San Andreas Fault, which passes within about three miles of the City's border and the Hayward Fault, which runs under Oakland, Berkeley and other cities of the east side of the San Francisco Bay. The San Francisco Bay Area has experienced several major and numerous minor earthquakes. The largest was the 1906 San Francisco earthquake along the San Andreas Fault with an estimated magnitude of 8.3 on the Richter scale. The most recent significant seismic event on the San Andreas fault was the Loma Prieta earthquake measuring 6.9 on the Richter scale that occurred in October 1989, centered about 60 miles south of the City. That earthquake caused fires, building collapses and structural damage to building and highways in the City and surrounding area. On August 24, 2014, the San Francisco Bay Area experienced a 6.0 earthquake centered near Napa along the West Napa fault. The City did not suffer any material damage as a result of that earthquake.

In March 2015, the Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey (U.S.G.S.), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more quakes of about magnitude 6.7 or larger will occur in the San Francisco Bay Area before 2045. Such earthquakes may be very destructive. In addition to the potential damage to buildings and facilities in the City, due to the importance of San Francisco as a tourist destination and regional hub of commercial, retail and entertainment activity, a major earthquake anywhere in the Bay Area may cause significant temporary and possibly long-term harm to the City's economy, tax receipts, and residential and business real property values.

The Property could sustain extensive damage to the Series 2019 Project in a major earthquake from ground motion and possible liquefaction of underlying soils and resulting tidal surges. The Loan Agreement does not require the Borrower, nor is the Borrower planning, to obtain and maintain earthquake or flood insurance with respect to the Series 2019 Project. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS—Title and Property Insurance." If the Series 2019 Project is substantially or completely damaged or destroyed due to any uninsured or underinsured event, it is likely that timely payment of Debt Service Payments on the Series 2019 Bonds will be impaired. Such payments will be dependent upon the Borrower's ability to generate revenues from the Student Housing Facility in amounts sufficient to pay its operating expense and such payments of principal of and premium, if any, and interest on the Series 2019 Bonds.

Apart from the Net Proceeds of insurance, none of the Borrower, the Authority or the College will have any obligation to expend any funds to repair or replace such damaged or destroyed property. If the Series 2019 Project so damaged or destroyed is not repaired or replaced within the period during which the proceeds of rental interruption insurance or amounts in the Debt Service Reserve Fund are available, available net revenues are likely to be insufficient to pay the principal of and premium, if any, and interest on the Series 2019 Bonds. If after payment of operating expenses, net revenues are insufficient to pay the principal of and premium, if any, and interest on the Series 2019 Bonds, the Borrower likely will have no moneys or assets other than the Student Housing Facility from which to make such payments.

Climate Change, Risk of Sea Level Rise and Flooding Damage

Numerous scientific studies on global climate change show that sea levels will rise given the increasing temperature of the oceans and growing ocean volume, as land ice melts and runs off into the ocean. Over the past century, the sea level has risen about eight inches around the San Francisco Bay and

along the Pacific coast. Such scientific studies also project accelerating sea level rise due to climate change over the coming century. As a result, coastal area like San Francisco are at risk of substantial flood damage over time and this will affect private development as well as public infrastructure, including roads, utilities, emergency services, schools and parks. Many residents, businesses and governmental operations along the waterfront in the City could be displaced.

In April 2017, the Working Group of the California Ocean Protection Council Science Advisory Team (in collaboration with several state agencies, including the California Natural Resource Agency, the Governor's Office of Planning and Research, and the California Energy Commission) published a report entitled "Rising Seas in California: An Update on Sea Level Rise Science" (the "***Sea Level Rise Report***") to provide a new synthesis of the state of science regarding sea level rise. The Sea Level Rise Report will provide the basis for State guidance to state and local agencies for incorporating sea-level rise into design, planning, permitting, construction, investment and other decisions. Among many findings, the Sea Level Rise Report indicates that the effects of sea level rise are already being felt in coastal California with more extensive coastal flooding during storms, period tidal flooding, and increased coastal erosion. In addition, the report notes that the rate of ice sheet loss from Greenland and Antarctic ice sheets pose a particular risk of sea level rise for the California coastline.

A scientific report issued in March 2018 by professors at UC Berkley and the University of Arizona suggests that flooding risk from climate change could be exacerbated in the San Francisco Bay Area due to the sinking of soil, known as subsidence. The risk of subsidence affects certain parts of San Francisco built on landfill as well as the San Francisco International Airport. Under the new projections in this report, damage due to flooding could be worse than estimated under earlier climate change studies.

Projections of the impacts of global climate change on San Francisco are complex and depend on many factors that are outside the City's control. The various scientific studies that forecast the amount and timing of sea level rise and its adverse impacts, including flood risk, are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and adverse impacts of climate change and its effects continues to evolve. Accordingly, the Borrower is unable to forecast when sea level rise or other adverse impacts of climate change (e.g., the occurrence and frequency of 100 year storm events and king tides) will occur. In particular the Borrower cannot predict the timing or precise magnitude of adverse economic effects, including, without limitation, material adverse impacts on the business operations or financial condition of the City and the local economy during the term of the Series 2019 Bonds. While the impacts of climate change may be mitigated by the City's past and future investment in adaptation strategies, the Borrower can give no assurance about the net effects of those strategies and whether the Borrower or the College will be required to take additional adaptive mitigation measures.

Discovery of a Hazardous Substance That Would Limit the Beneficial Use of the Property

In general, the owners and lessees of a parcel may be required by law to remedy conditions of the property relating to the releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 sometimes referred to as CERCLA or the Superfund Act, is the most well-known and widely applicable of these laws but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or lessee) is obligated to remedy a hazardous substance condition of property whether or not the owner (or lessee) had any involvement in creating or handling the hazardous substance. The effect, therefore, should the Property be affected by a hazardous substance, might be to limit the beneficial use of the Property upon discovery and during remediation. An environmental site assessment of the Property has been completed and identified the issues described under "THE SERIES 2019 PROJECT—Environmental Considerations." No assurances can be given that other hazardous substances are discovered during construction.

Risk of Uninsured or Underinsured Loss

The Borrower will covenant in the Loan Agreement to maintain certain types of insurance with respect to the Student Housing Facility. See APPENDIX D—“SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE LOAN AGREEMENT—Insurance.” These insurance policies will not cover all types of risk and will contain both deductible and maximum loss payment provisions. The Student Housing Facility could be damaged or destroyed due to earthquake or other casualty for which the Student Housing Facility is uninsured or underinsured. Additionally, there can be no assurance that the Borrower’s insurance providers will in all events be able or willing to make payments under the respective policies for such loss should a claim be made under such policies or that that amounts received as proceeds from insurance on the Student Housing Facility will be sufficient to repair the Student Housing Facility or to redeem the Series 2019 Bonds.

Environmental Matters

Pursuant to the Loan Agreement, the Borrower has made certain covenants and warranties with respect to Environmental Regulations (as defined therein) regarding the Property. See “THE SERIES 2019 PROJECT—Environmental Considerations” for a discussion of known environmental considerations affecting the Property. In addition, there can be no assurance that other environmental matters will not arise relating to the Series 2019 Project in the future or that the Borrower will not incur significant expenses related to any such environmental conditions if found liable for such conditions. In particular, normal construction activity could trigger the need for additional permits dealing with, among other things, such issues as construction noise, accidental spills or discharges, equipment malfunctions or removal of contamination disturbed by such activity.

The Borrower is not aware of any other enforcement actions currently in process with respect to any releases of pollutants or contaminants at the Property (other than as described in “THE SERIES 2019 PROJECT—Environmental Consideration”). However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at a future date. In the event such enforcement actions were initiated, the Borrower could be liable for the costs of removing or otherwise treating pollutants or contaminants located at the Property. In addition, under applicable environmental statutes, in the event an enforcement action were initiated, a lien superior to the Trustee’s lien on behalf of the Bondholders could attach to the Series 2019 Project, which would adversely affect the Trustee’s ability to realize value from the disposition of the Borrower’s interest in the Series 2019 Project upon foreclosure of the Leasehold Deed of Trust. Furthermore, in determining whether to exercise any foreclosure rights with respect to the Series 2019 Project under the Indenture, the Trustee and the Bondholders would need to take into account the potential liability of any tenant of the Series 2019 Project, including a tenant by foreclosure, for clean-up costs with respect to such pollutants and contaminants.

Pledge and Assignment of, and Grant of Security Interest in, Future Revenues

Under the Security Agreement, the Borrower will, subject to Permitted Encumbrances, pledge and assign to the Trustee, and grant to the Trustee a first priority security interest in, (i) the Equipment, (ii) the Pledged Revenues, (iii) the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower’s ownership or operation of the Student Housing Facility, (iv) the Inventory, (v) any and all tenant contracts, rental agreements, franchise agreements, construction contracts, and other contracts, licenses and permits affecting the Student Housing Facility, and (vi) all proceeds of any of the foregoing. Nevertheless, certain interests and claims of others may be on a parity with or prior to the grant of security interest made in the Loan Agreement and/or Security Agreement and in the Indenture and certain statutes and other provisions may limit the Borrower’s and the Authority’s rights to make such

pledges, assignments, and/or grants of security interests. Examples of such claims, interests, and provisions are:

- (i) statutory liens;
- (ii) the California Uniform Commercial Code may not recognize a security interest in future revenues derived from the Project;
- (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 as they affect amounts earned with respect to the Project after any effectual institution of bankruptcy proceedings by or against the Borrower or the Authority;
- (v) as to those items in which a security interest can be perfected only by possession, including items converted to cash, the rights of third parties in such items not in the possession of the Trustee;
- (vi) items not in possession of the Trustee, the records to which are located or moved outside the State of California, which are thereby not subject to or are removed from the operation of California law; and
- (vii) the requirement that appropriate continuation statements be filed in accordance with the California Uniform Commercial Code as from time to time in effect.

Enforceability of Remedies

The Series 2019 Bonds are payable from the Trust Estate, including payments to be made under the Loan Agreement and the Indenture. The payments to be made by the Borrower under the Loan Agreement are secured by (i) a first deed of trust lien on the Borrower's interest in the Project and the Property pursuant to the Leasehold Deed of Trust, (ii) a grant to the Trustee of a security interest in (a) the Borrower's interest in the rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits of and from the Project and from and in connection with the Borrower's ownership or operation of the Project and (b) all leases of all or part of the Project and any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, concessions, and other contracts, expenses, and permits pursuant to the Leasehold Deed of Trust, (iii) a pledge and assignment of, and a grant of a security interest in, the Pledged Revenues, (iv) a pledge and assignment of, and a grant of a security interest in, the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's ownership or operation of the Project pursuant to the Security Agreement, and (v) a grant of a security interest in Inventory and in the Equipment pursuant to the Security Agreement, all subject to Permitted Encumbrances. Pursuant to the Indenture, the Series 2019 Bonds are secured by the Trust Estate, including the grant of a security interest to the Trustee in, the Authority's interest in the Loan Agreement. The practical realization of value upon any default will depend upon the exercise of various remedies specified by the Bond Documents. These and other remedies may, in many respects, require judicial actions, which are often subject to discretion and delay. Under existing law (including, particularly, federal bankruptcy law), the remedies specified by the Bond Documents 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 Bond Documents. The various legal opinions to be delivered concurrently with the delivery of the Series 2019 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, including judicial discretion

in the application of the principles of equity, and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally.

Property Tax Risk

The City & County of San Francisco Office of the Assessor-Recorder (the “*Assessor*”), which administers property tax exemptions, has never assessed, or imposed taxes on, the Property since it has been owned by the College. The College and the Borrower believe that no such taxes will be imposed on the Series 2019 Project after its review of an exemption for property owned for educational purposes by a nonprofit corporation. No assurances can be given, however, that the Assessor will not assess such taxes with respect to the Series 2019 Project in future years. It is the intention of the College and the Borrower to contest any such imposition of property taxes. In the event any property interest in the Student Housing Facility becomes subject to property taxes at any time, the amount of such property taxes (which could be significant), would constitute an expense of the Student Housing Facility. Increased expenses relating to property taxes could result in material increases in rental rates with respect to the Student Housing Facility, possibly materially adversely affecting the marketability of the Student Housing Facility to students.

Effect of Determination of Taxability

The Authority, the College and the Borrower will covenant not to take any action that would cause the Series 2019 Bonds to be Arbitrage Bonds or that would otherwise adversely affect the federal income tax status of interest in the Series 2019 Bonds. The Borrower and the Corporation will also make representations with respect to certain matters within their knowledge that have been relied on by Bond Counsel and that Bond Counsel has not independently verified. Failure to comply with such covenants could cause interest on the Series 2019 Bonds to become subject to federal income taxation retroactively from the Closing Date.

It is possible that a period of time may elapse between the occurrence of the event that causes interest to become taxable and the determination that such an event has occurred. In such a case, interest previously paid on the Series 2019 Bonds could become retroactively taxable from the date of their issuance. Additionally, certain owners of Series 2019 Bonds are subject to possible adverse tax consequences. See “TAX MATTERS” herein.

Market for the Series 2019 Bonds

There is currently no secondary market for the Series 2019 Bonds and there can be no assurance that a secondary market will exist, or that the Series 2019 Bonds can be sold for any particular price. Accordingly, a purchaser of the Series 2019 Bonds should recognize that an investment in the Series 2019 Bonds will in all likelihood be illiquid and be prepared to have his, her, or its funds committed until the Series 2019 Bonds mature or are redeemed.

Actual Results May Differ from Cash Flow

The Cash Flow and its assumptions of future demand for units at the Student Housing Facility and its projection of future revenues and expenses with respect to the Student Housing Facility Included herein under the caption “CASH FLOW,” are based upon assumptions concerning future events, circumstances, and transactions. In addition, the Cash Flow contained herein only covers the five-year period ending June 30, 2025, and consequently does not cover the entire period during which the Series 2019 Bonds may be Outstanding. The achievement of any results projected in the Cash Flow or other projection in this Limited Offering Memorandum is dependent upon future events, the occurrence of which cannot be assured. Realization of the results projected will depend, among other things, on the implementation by

the College of policies and procedures consistent with the assumptions. Future results will also be affected by events and circumstances beyond the control of the Borrower or the College. For the reasons described above, it is likely that the actual results of the Student Housing Facility will be different from the results projected in the Cash Flow or other projection in this Limited Offering Memorandum, and those differences may be material and adverse. The Market Study is an integral component of the assumptions underlying the projected demand for units at the Student Housing Facility in the Cash Flow and should be read in its entirety.

Forward Looking Statements

This Limited Offering Memorandum, including but not limited to the information contained in the Market Study and the Cash Flow, contains statements relating to future results that are “forward looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Limited Offering Memorandum, the words “estimate,” “projection,” “intend,” “expect,” and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. The factors that may cause projected revenues and expenditures to be materially different from those anticipated include (1) the ability of the Borrower to market the Student Housing Facility, (2) the ability of the Student Housing Facility to maintain substantial occupancy at projected increased rent levels of the Student Housing Facility, (3) the ability of the occupants of the Student Housing Facility to meet their financial obligations, (4) lower than anticipated revenues, (5) higher than anticipated operating expenses, (6) litigation, (7) changes in governmental regulation, (8) loss of federal tax-exempt status of the Corporation, (9) changes in demographic trends, (10) competition from other residential rental projects, (11) changes in the student housing industry, and (12) general economic conditions. No representation or assurances can be made that Revenues will be generated from the operation of the Student Housing Facility in amounts sufficient to pay maturing principal and interest on the Series 2019 Bonds.

Additional Bonds

The Authority has the right to issue Additional Bonds under the Indenture that will be equally and ratably secured on a parity basis with the Series 2019 Bonds. See “ADDITIONAL BONDS” herein and APPENDIX D—“SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE INDENTURE—Additional Bonds.” SUCH ADDITIONAL BONDS COULD DILUTE THE SECURITY OF THE SERIES 2019 BONDS.

Consequences of Changes in the Corporation’s Tax Status

The tax-exempt status of the Series 2019 Bonds depends upon maintenance by each of the Corporation of its status as an organization described in §501(c)(3) of the Code. The maintenance of this status depends on compliance by the Borrower and the Corporation with rules regarding the organization and operation of tax-exempt entities, including their operation for charitable and educational purposes and their avoidance of transactions that may cause their earnings or assets to inure to the benefit of private individuals, such as the private benefit and inurement rules.

The Corporation has obtained a determination letter from the Internal Revenue Service (the “**IRS**”) stating that it will be treated as an exempt organization as described in §501(c)(3) of the Code. In order for each of the Corporation to maintain its exempt status and to not be considered a private foundation, the Corporation, the Borrower. The possible modification or repeal of certain existing federal income tax laws, the change of IRS policies or positions, the change of the Corporation’s or the Borrower’s method of operations, purposes or character or other factors could result in the loss of tax-exempt status.

The Borrower, the Corporation, and the College will covenant to and represent that they will remain eligible for such tax-exempt status and avoid operating the Series 2019 Project as an unrelated trade or business (as determined by applying §513 of the Code) except to the *de minimis* extent permitted under §145(a)(2) of the Code. Failure of the Project to remain so qualified or so to operate the Series 2019 Project could affect the funds available to the Borrower for payments under the Loan Agreement by subjecting the Corporation and the Borrower to federal income taxation and could result in the loss of the excludability of interest on the Series 2019 Bonds from gross income for purposes of federal income taxation. Potential investors should note that in such event, the provisions of the Indenture relating to a Determination of Taxability may be applicable. See “—Effect of Determination of Taxability” above.

Taxation of Series 2019 Bonds

An opinion of Bond Counsel will be obtained as described under “TAX MATTERS” herein. Such an opinion is not binding on the IRS. Application for a ruling from the IRS regarding the status of the interest on the Series 2019 Bonds has not been made. The opinion of Bond Counsel contains certain exceptions and is based on certain assumptions described herein under the heading “TAX MATTERS.” Failure by any of the Authority, the College, the Borrower or the Corporation, to comply with certain provisions of the Code and covenants contained in the Indenture, the Loan Agreement, the No Arbitrage Certificate, and the Tax Certificate could result in interest on the Series 2019 Bonds becoming includable in gross income for federal tax purposes.

An opinion of Bond Counsel will be obtained regarding the exemption of interest on the Series 2019 Bonds from certain taxation by the State of California, as described under “TAX MATTERS” herein. Bond Counsel has not opined as to whether interest on the Series 2019 Bonds is subject to state or local income taxation in jurisdictions other than California. Interest on the Series 2019 Bonds may or may not be subject to state or local income taxation in jurisdictions other than California under applicable state or local laws. Each purchaser of the Series 2019 Bonds should consult his or her own tax advisor regarding the taxable status of the Series 2019 Bonds in a particular state or local jurisdiction.

Risk of Audit by the IRS

The IRS has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. Certain types of transactions are being targeted for audit, including financings of student housing facilities.

No assurances can be given as to whether the IRS will commence an audit of the Series 2019 Bonds. If an audit is commenced, under current procedures the IRS is likely to treat the Authority as the taxpayer and the Bondholders may have no right to participate in such procedure. Neither the Underwriter nor Bond Counsel will be obligated to defend the tax-exempt status of the Series 2019 Bonds. Neither the Authority nor Bond Counsel will be responsible to pay or reimburse the cost of any Bondholders with respect to any audit or litigation relating to the Series 2019 Bonds.

Because of the complexity of the tax laws and the presence of issues about which reasonable persons can differ, an IRS audit could result in additional taxes, interest, and penalties. An IRS audit ultimately could affect the tax-exempt status of the Corporation, the Borrower or the College, as well as the exclusion from gross income for federal income tax purposes of the interest on the Series 2019 Bonds.

LITIGATION

The Authority

To the knowledge of the Authority, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental agency, or public board or body, pending against the Authority seeking to restrain or enjoin the sale or issuance of the Series 2019 Bonds, or in any way contesting or affecting any proceedings of the Authority taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Series 2019 Bonds, the validity or enforceability of the documents executed by the Authority in connection with the Series 2019 Bonds, the completeness or accuracy of this Limited Offering Memorandum, or the existence or powers of the Authority relating to the sale of the Series 2019 Bonds.

The Borrower

There is no litigation now pending or threatened against the Borrower, of which the Borrower has knowledge, that in any manner questions the right of the Borrower to enter into or perform its obligations under the Loan Agreement, the Leasehold Deed of Trust, the Security Agreement, or the Assignment of Contracts and Agreements or that individually or in the aggregate would adversely affect the operations of the Borrower, financial or otherwise.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel (“*Bond Counsel*”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income tax. In the further opinion of Bond Counsel, interest on the Series 2019 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX F—FORM OF OPINION OF BOND COUNSEL” hereto.

To the extent the issue price of any maturity of the Series 2019 Bonds is less than the amount to be paid at maturity of such Series 2019 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2019 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2019 Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Series 2019 Bonds is the first price at which a substantial amount of such maturity of the Series 2019 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2019 Bonds accrues daily over the term to maturity of such Series 2019 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2019 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2019 Bonds. Beneficial Owners of the Series 2019 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2019 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2019 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2019 Bonds is sold to the public.

Series 2019 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“**Premium Bonds**”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2019 Bonds. The Authority, the Borrower and College have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2019 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2019 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2019 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Series 2019 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2019 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

In addition, Bond Counsel has relied on, among other things, the opinion of Waller Lansden Dortch & Davis, LLP, counsel to the Borrower (“**Borrower’s Counsel**”) and Adler & Colvin, counsel to College (“**College’s Counsel**”), regarding the current qualification of the Borrower and College, respectively, as organizations described in Section 501(c)(3) of the Code and the intended operation of the facilities to be financed by the Series 2019 Bonds as substantially related to the Borrower’s and College’s charitable purposes under Section 513(a) of the Code. Such opinions are subject to a number of qualifications and limitations. Furthermore, Bond Counsel, Borrower’s Counsel or College’s Counsel cannot give and have not given any opinion or assurance about the future activities of the Borrower or College, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or changes in enforcement thereof by the IRS. Failure of either of the Borrower or College to be organized and operated in accordance with the IRS’s requirements for the maintenance of their respective status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed by the Series 2019 Bonds in a manner that is substantially related to the Borrower’s or College’s charitable purposes under Section 513(a) of the Code, may result in interest payable with respect to the Series 2019 Bonds being included in federal gross income, possibly from the date of the original issuance of the Series 2019 Bonds.

Although Bond Counsel is of the opinion that interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income tax, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2019 Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2019 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The

introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for or marketability of, the Series 2019 Bonds. Prospective purchasers of the Series 2019 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2019 Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, the Borrower, and College, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority, the Borrower and College have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the Borrower, College or the Beneficial Owners regarding the tax-exempt status of the Series 2019 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the Borrower, College and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority, the Borrower or College legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2019 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues, may affect the market price for, or the marketability of, the Series 2019 Bonds, and may cause the Authority, the Borrower, College or the Beneficial Owners to incur significant expense.

UNDERWRITING

George K. Baum & Company (the "*Underwriter*") is purchasing the Series 2019 Bonds. The Underwriter will purchase the Series 2019 Bonds at a price equal to \$93,713,805.00 (being \$89,800,000.00, the principal amount thereof, plus \$4,764,889.00 of original issue premium, less \$851,084.00 of Underwriter's discount), subject to the terms of a bond purchase agreement (the "*Bond Purchase Agreement*"), by and between the Underwriter and the Authority. The Bond Purchase Agreement provides that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions.

The Underwriter has been informed by the Borrower that the Bonds are to be offered and sold (including in secondary market transactions) only to Qualified Institutional Buyers or Institutional Accredited Investors.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter has, from time to time, performed, and may in the future perform, various investment banking services for the Authority and the Corporation, for which they received or will receive customary fees and expenses.

In the ordinary course of its various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for its own account and for the accounts of its customers and may at any time hold long and short positions in such

securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority and the Corporation.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“**S&P**”) has assigned the Series 2019 Bonds the long-term rating of “BB+.” An explanation of the significance of such rating may be obtained from S&P. Such rating reflects only the views of S&P, and an explanation of the significance of the rating may be obtained by contacting S&P Global Ratings, 55 Water Street, New York, New York 10041. Such rating is not a recommendation to buy, sell or hold the Series 2019 Bonds. There is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by S&P, if in its judgment circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2019 Bonds.

Generally, rating agencies base their ratings on information and materials furnished to them (which in this case may include information and material from the Borrower and the College which is not included in this Limited Offering Memorandum) and on investigations, studies and assumptions by the rating agencies.

There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2019 Bonds.

LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel to the Authority, A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix F hereto. Certain legal matters will be passed on for the Authority by its counsel, Orrick, Herrington & Sutcliffe, LLP, San Francisco, California, for the College by its counsels, Farella Braun + Martel LLP, San Francisco, California, Orrick, Herrington & Sutcliffe, LLP, San Francisco, California, and Alder & Colvin, San Francisco, California, for the Borrower and the Corporation by their counsels, Waller Lansden Dortch & Davis, LLP, Nashville, Tennessee, and for the Underwriter by its counsel, Kutak Rock LLP, Denver, Colorado.

None of the legal counsel referenced in this Limited Offering Memorandum has (a) participated in the underwriting of the Series 2019 Bonds, (b) provided any advice regarding the creditworthiness of the Series 2019 Bonds, or (c) assisted in determining the value of the collateral for the Series 2019 Bonds upon the occurrence of an event of default. Legal counsel have solely and exclusively opined to those matters which are expressly set forth in their opinions which are being delivered in connection herewith and no holder of a Series 2019 Bond shall be authorized or entitled to infer that such legal counsel have rendered opinions beyond those stated in their written opinions. Holders of the Series 2019 Bonds must not rely either expressly or implicitly upon such counsel in determining whether the Series 2019 Bonds meet their creditworthiness and risk tolerance standards.

CONTINUING DISCLOSURE

The Borrower will agree in a Continuing Disclosure Agreement (the “**Continuing Disclosure Agreement**”) dated as of January 1, 2019, between the Borrower and Wilmington Trust, National Association, as dissemination agent for the benefit of the Owners from time to time of the Series 2019

Bonds, in accordance with Rule 15c2-12 (the “**Rule**”) promulgated by the Securities and Exchange Commission, to provide or cause to be provided to the Municipal Securities Rulemaking Board (the “**MSRB**”) through its Electronic Municipal Market Access (EMMA) System), such financial information and operating data, audited financial statements, and notices, in such manner, as may be required for purposes of the Rule. See APPENDIX G—“FORM OF CONTINUING DISCLOSURE AGREEMENT” in this Limited Offering Memorandum. The Authority does not and will not have any continuing disclosure obligation with respect to the Series 2019 Bonds. The College has agreed to provide certain operating information to the Borrower for inclusion in the annual report, as described in Appendix G. See “CALIFORNIA COLLEGE OF THE ARTS—Additional Information.” The Borrower has not entered into any previous continuing disclosure undertakings.

FORWARD LOOKING STATEMENTS

This Limited Offering Memorandum, including but not limited to the information contained in the Market Study and the Cash Flow, contains statements relating to future results that are “forward looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Limited Offering Memorandum, the words “estimate,” “projection,” “intend,” “expect,” and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. The factors that may cause projected revenues and expenditures to be materially different from those anticipated include (1) the ability of the Borrower to market the Student Housing Facility, (2) the ability of the Student Housing Facility to maintain substantial occupancy at projected increased rent levels of the Student Housing Facility, (3) the ability of the occupants of the Student Housing Facility to meet their financial obligations, (4) lower than anticipated revenues, (5) higher than anticipated operating expenses, (6) litigation, (7) changes in governmental regulation, (8) loss of federal tax-exempt status of the Corporation, (9) changes in demographic trends, (10) competition from other residential rental projects, (11) changes in the student housing industry, and (12) general economic conditions. No representation or assurances can be made that Revenues will be generated from the operation of the Student Housing Facility in amounts sufficient to pay maturing principal and interest on the Series 2019 Bonds.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH 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. NEITHER THE BORROWER NOR THE AUTHORITY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS LIMITED OFFERING MEMORANDUM.

MISCELLANEOUS

References are made herein to certain documents and reports which are brief summaries thereof and do not purport to be complete or definitive. Reference is made to such documents and reports for a full and complete statement of the contents thereof. The information set forth herein relating to the Borrower and the Corporation has been furnished by the Borrower. The information set forth herein regarding the College has been furnished by the College. The information set forth herein relating to the Developer and the Series 2019 Project has been furnished by the Developer. The Authority has furnished only the information included herein under the headings “THE AUTHORITY” and “LITIGATION—The Authority.”

Any statements in this Limited Offering Memorandum involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Limited Offering Memorandum is not to be construed as a contract or agreement between the Authority, the Borrower, the Corporation, the College or the Underwriter and the purchasers or owners of any of the Series 2019 Bonds.

The Borrower has duly authorized the execution, delivery, and distribution of this Limited Offering Memorandum in connection with the offering of the Series 2019 Bonds.

NCCD—HOOPER STREET LLC

By: /s/Charles G. Eden

Charles G. Eden
President

APPENDIX A

THE SERIES 2019 PROJECT

The Series 2019 Project includes the design and completion of a mixed-use student housing facility on the campus of California College of the Arts (the “College”) containing between 520 and 576 beds within approximately 282 single, double, triple and quad dorm and suite-style units (including the buildings, furniture, fixtures, and equipment therefor and associated site development and various related amenities and improvements as more particularly described in this Limited Offering Memorandum, the “Series 2019 Housing Facility”). The number of beds will depend upon the determination by the College of the final mix of types of units to be included in the Series 2019 Project. The description herein sets forth the current expectations of the College with respect to the Series 2019 Project. The facility will also include a ground floor food service facility to be subleased by the College. A Market Survey was completed as described in this Limited Offering Memorandum.



The Market Study was completed in September 2018 to test student housing demand, unit preferences and rental rates of the Series 2019 Housing Facility. Based on the College’s projected enrollment, student survey data including unit type preference, and the expected creation by the College of a two-year live-on residency requirement, the study determined that sufficient demand for beds in the Series 2019 Housing Facility exists among approximately 515 full-time first-year, sophomore and transfer students for the 2020-21 academic year. The survey included a map of the site location on campus and a rendering of the Series 2019 Project, and informed student respondents that the Series 2019 Project would provide high-quality food services on the ground floor along with additional amenities.

The Series 2019 Project will be constructed on a site at 188 Hooper Street near the center of the College’s campus in the Design District neighborhood of San Francisco. The site was previously occupied by three one-story buildings serving as studios. The site location is bound by Hooper Street to the southeast, 8th Street to the southwest and Carolina Street to the west. The College’s Graduate Center lies immediately adjacent to the project site on the northeast, and the main San Francisco campus building lies directly across Hooper Street at 1111 8th Street.

The Series 2019 Project forms part of a strategic plan by the College to consolidate students on the San Francisco campus, along with the Panoramic Residences and Blattner Hall student housing facilities, which are off-campus buildings leased by the College.

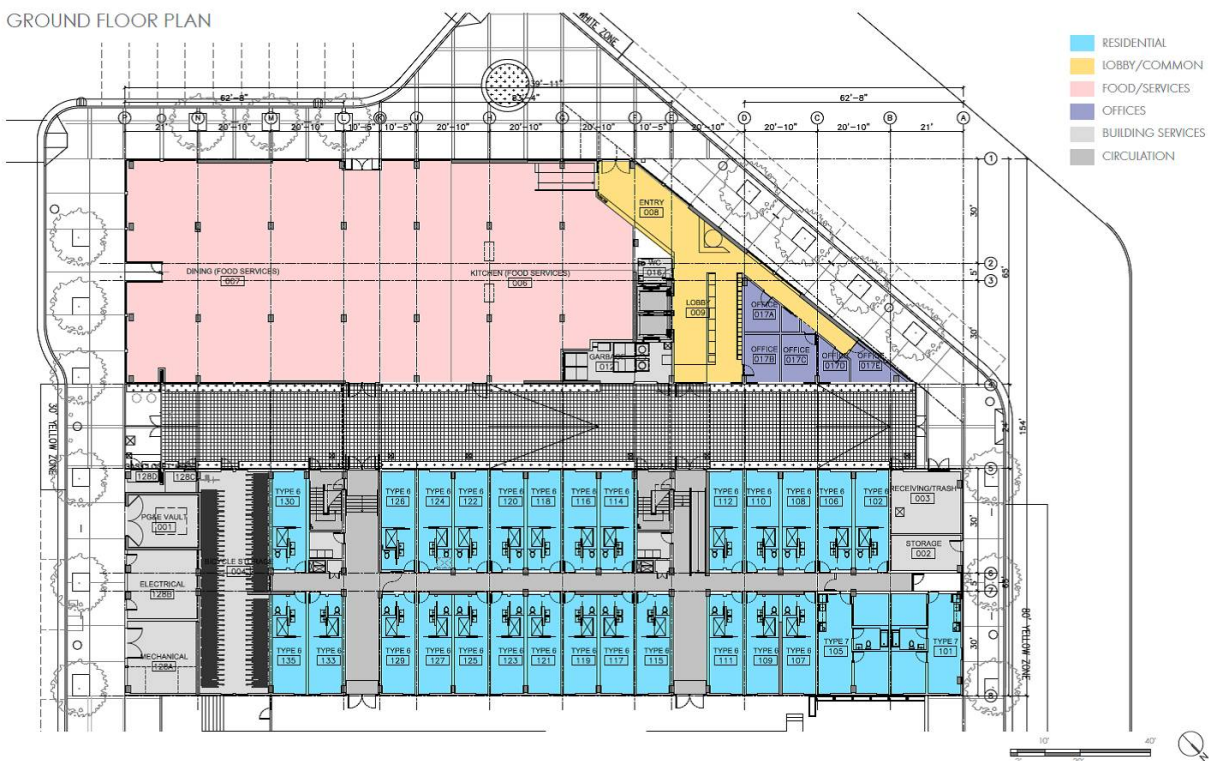
The Series 2019 Project

Once completed, the Series 2019 Project will include five stories consisting of approximately 134,000 of gross square footage, which includes approximately 95,000 square feet of gross residential leasable area and an approximately 8,000 square foot food service facility. The building will include twelve different unit types, 167 bicycle parking spaces, and a roof deck.



The facility will primarily serve lower division and transfer students. Existing one- and two-story institutional buildings on the site used for graduate programs will be demolished, and the five-story mixed-use student housing facility will be constructed. The facility will be up to 58 feet tall and will contain at least 520 beds in single, double, triple and quad-occupancy rooms. The existing adjacent 24,000 square foot building on 184 Hooper Street will remain. Approximately 8,000 square feet on the ground floor will serve as space for food services, and student rooms would be located on levels one through five, along with common meeting and cooking areas. The building will be supported on a forty foot deep torque or drilled displacement pile foundation system. Construction of the Series 2019 Project will require excavation of three or more feet below ground service and removal of approximately less than 1,000 cubic yards of soil to accommodate the foundation system. Construction will take approximately eighteen months to complete.

GROUND FLOOR PLAN

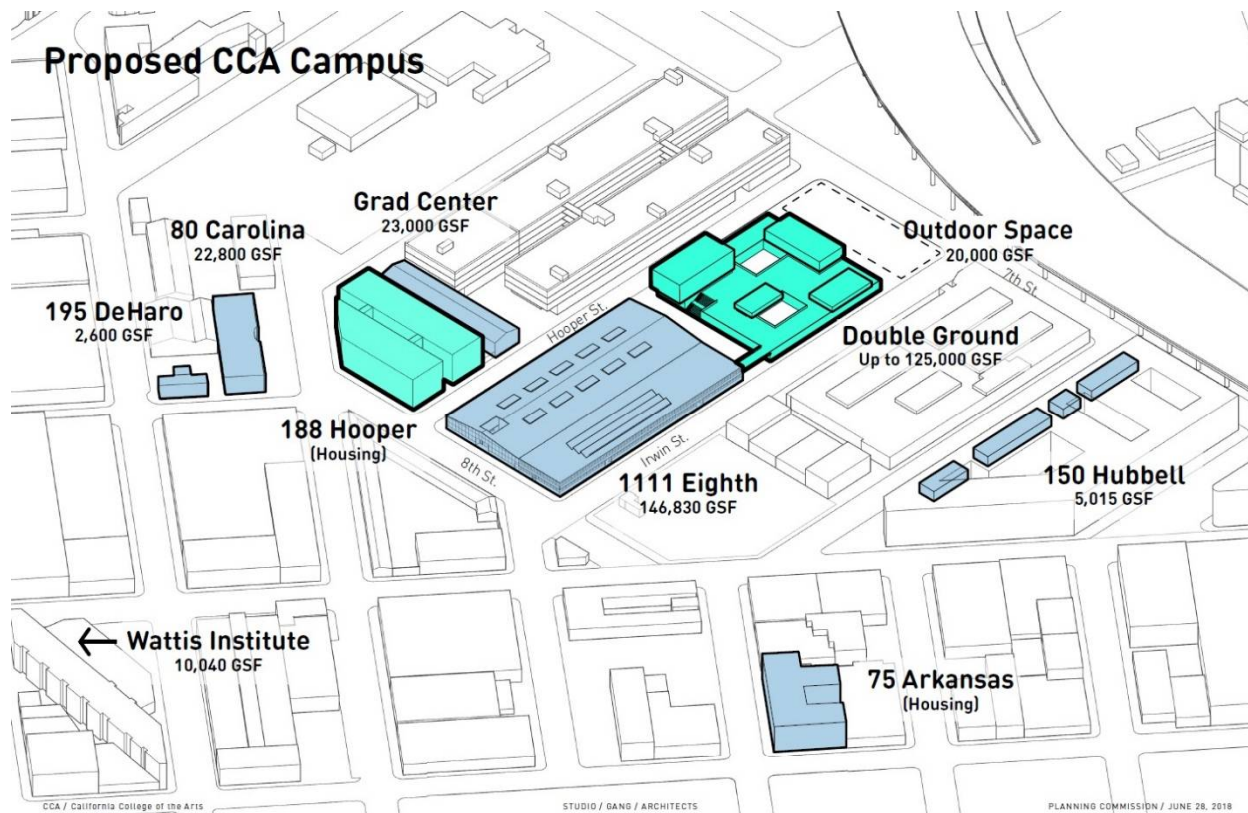


Campus Master Plan

The Series 2019 Project is a key piece of the College's plan to consolidate its two Bay Area campuses, currently split between San Francisco and Oakland, into one unified campus location in San Francisco. The consolidation process is underway with various facilities opened and others scheduled to open through the 2021-2022 academic year, at which point the unification process is expected to be complete. The Oakland campus will be sold toward the end of the process.

Major milestones in the campus unification plan which have been achieved include the purchase of a lot for development on the San Francisco campus in 2011, occupancy of the completed 195-bed Panoramic student housing project in Downtown San Francisco in 2015, occupancy of the Hubbell planning and exhibition space in San Francisco in 2016, and occupancy of the 200-bed Blattner Hall student housing facility in fall 2018. The Hooper Street Housing Facility is the next step in the consolidation process, replacing existing housing in Oakland. Occupancy for the Hooper Street facility is expected beginning in fall 2020.

Between 2021 and 2023, the College plans to move the remainder of its Oakland programs to the San Francisco campus and complete the sale of the Oakland campus. Upon the opening of the Main San Francisco Expansion, unification will be complete. The College is developing its next capital campaign in conjunction with the ongoing campus unification and development in San Francisco. The College has already raised over \$50 million toward a \$75 million goal.



Campus Master Plan Renderings

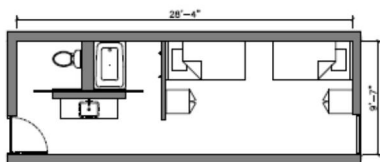
The following is a photo of the campus as it currently exists, followed by a rendering of the consolidated campus upon completion.



Unit Program

Within the Series 2019 Housing Facility, the current program calls for twelve unit types ranging from one to four beds. Listed below are the different unit types and their projected rental rates for the 2020-2021 academic year (assuming 4% annual rate growth from the Market Study tested rents).

There are planned 185 Type 6 units in the Series 2019 Housing Facility. Each contains two beds in a single room, with a bathroom and mini fridge included. This results in 370 total beds. Two individuals will rent the unit, live together and share a bathroom.

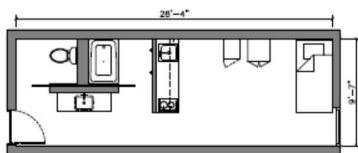


TWO-BED MINI FRIDGE TYPE 6 UNIT

Rent per person (9 month): \$1,406 per month

Rent per person (12 month): \$1,301 per month

There are planned 52 Type 3 units in the Series 2019 Housing Facility. Each contains one bed, one bathroom and a kitchenette consisting of a sink, fridge and cooktop. One individual will rent these units, which will account for 52 total beds.

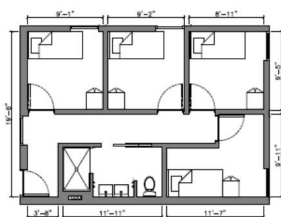


ONE-BED COOKTOP TYPE 3 UNIT

Rent per person: \$2,352 per month

Rent per person (12 month): \$2,176 per month

There are planned 9 Type 11 units in the Series 2019 Housing Facility. Each contains four separate bedrooms and one bathroom. This results in 36 bedrooms, each with its own bed. Four individuals will rent the unit and live together, sharing a bathroom.



FOUR-BED SUITE TYPE 11 UNIT

Rent per person (9 month): \$1,676 per month

Rent per person (12 month): \$1,551 per month

Taken together, these three unit types will account for 458 of the 524 planned beds. The remaining units will consist of 12 Type 1 units, which are single bed units intended occupancy by resident advisors, 4 Type 4 units, which are single bed units with a cooktop intended for occupancy by resident advisors, 1 Type 5 unit, which is a single bed unit with a cooktop set aside under the provisions of the Americans with Disabilities Act, 4 Type 7 units, which are single bed units with a den, 3 Type 8 units, which are three bed units with a kitchen, 4 Type 9 units (3 Type 9A and 1 Type 9B), which are three bed units set aside under

the provisions of the Americans with Disabilities Act, and 8 Type 10 units (6 Type 10A and 2 Type 10B), which are three bed suite-style units.

All together the twelve unit types and subtypes described above comprise 282 total units and 524 beds. The final number of units and beds will depend upon the determination by the College of the final mix of types of units to be included in the Series 2019 Project. The Series 2019 Housing Facility is anticipated to be completed in summer of 2020 and ready for occupancy for the Fall term of the 2020-2021 academic year.

Baseline Year 1 (2020-2021) Rental Rates for Academic Year rental and 12-month rental (7.5% discount for 12-month rental) for the Student Housing Facility:

- 2 bed mini fridge Type 6 \$1,406 / \$1,301
- 1 bed cooktop Type 3 \$2,352 / \$2,176
- 1 bed RA Type 1 \$2,163 / \$2,001
- 1 bed RA cooktop Type 4 \$2,217 / \$2,051
- 1 bed ADA cooktop Type 5 \$2,352 / \$2,176
- 1 bed w/ den Type 7 \$2,677 / \$2,476
- 3 bed w/ kitchen Type 8 \$1,893 / \$1,751
- 3 bed ADA Type 9A \$1,785 / \$1,651
- 3 bed ADA Type 9B \$1,893 / \$1,751
- 3 bed suite Type 10A \$1,785 / \$1,651
- 3 bed suite Type 10B \$1,893 / \$1,751
- 4 bed suite Type 11 \$1,676 / \$1,551

APPENDIX B
MARKET STUDY

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FINAL Memorandum: California College of the Arts - Student Housing Demand and Rental Rate Analysis

DATE: September 7, 2018

FROM: John Spearman, Project Manager, Advisory Services
Jeff Panchavinin, Director, Advisory Services
Ann Volz, Project Executive, Advisory Services

TO: Stephen Koch
California College of the Arts

ATTACHMENTS: Student Housing Preference Survey Guide
Sorted Survey Data
Off-campus Market Listings

Background

California College of the Arts (CCA or College) engaged The Scion Group LLC (Scion) to perform a Student Housing Demand and Rental Rate Analysis for a proposed new student housing development (188 Hooper) located on the campus in San Francisco, California based on the program and design provided by CCA. This document, the *Student Housing Demand and Rental Rate Analysis* (Analysis) memorandum, is a deliverable which presents our findings. It includes the survey respondents' preferred unit types, rental rate sensitivity, student demand, and Summer housing interest. It also provides an off-campus housing market analysis. Following CCA's feedback on the preference analysis, next steps will incorporate the agreed upon changes into the final Analysis.

In performing our work, Scion developed and analyzed a web-based survey to quantify student housing unit preferences and price sensitivity among CCA students for the proposed 188 Hooper project. Scion assessed the proposed unit preferences for the contemplated student housing development using the data obtained from the student survey, interviews with stakeholders, and our experience on dozens of similar campuses.

The College anticipates unifying all campus programs in San Francisco by 2021. The only housing currently provided by CCA near the San Francisco campus are at the following properties: Panoramic Residences that is approximately one mile away in a master-leased student housing community shared with the San Francisco Conservatory of Music and a new residence for upper year students is currently being built at 75 Arkansas Street.

Currently, there exists strong demand among students for housing on the San Francisco campus. This is especially due to the expected two-year live-on requirement to be implemented by the College and the estimated 60,000 student housing bed shortfall in San Francisco.¹

Scion appreciates the opportunity to have prepared this Analysis and to assist California College of the Arts with this important project.

Findings

Potentially the total revenue at 188 Hooper from full-priced academic year contracts at 100% occupancy plus discounted summer only housing contracts at projected 56% occupancy is \$8,079,795. This is approximately three-percent less than the total revenue from annual contracts at a 10% discount rate with 100% occupancy which would be \$8,318,430 (shown in the *Table 3*). The higher annual occupancy would offset the lower monthly rental rate, while also ensuring greater Summer occupancy at 188 Hooper. Based on potential financial performance and student preference, CCA should pursue discounted annual leases and lease remaining units for a 9-month academic year along with marketing them for Summer programs.

CCA Demand

Students Not Enrolled in CCA Summer Programs

Based on CCA's projected enrollment, student survey data including unit type preference, and CCA's expected creation of a two-year live-on residency requirement, Scion estimates a demand for full-time first-year, second-year, and transfer students of 515 beds in the new 188 Hooper student housing project for the 2020-21 academic year. The 188 Hooper project is expected to have approximately 524 total beds which include 10 beds used by Resident Advisors (RAs)/Residence Life staff (paid for by CCA at full rate), therefore the remaining beds 514 beds would be available to students. Considering this information, there is a surplus demand of 1 student bed for the CCA 2020-21 academic year ($515-514=1$) at 188 Hooper. **NOTE:** The current CCA Live-On Policy would require non-exempt transfer students to reside in the Hooper Housing. Of the approximate 120 transfer students per year, CCA projects that 50% would be required to live in Hooper under the new Live-on Policy.

Scion has projected that potential Summer demand for the proposed new 188 Hooper student housing project on the CCA San Francisco campus will be between 292 and 323 beds among all cohorts for the 2020-21 academic year. Considering this demand and the 524 planned beds for 188 Hooper, there would be a 56% - 62% Summer occupancy. **NOTE:** The projected demand is conservatively quantified based on the unit types examined in the online student survey (units Type 3 and Type 6).

¹ <https://www.sfhac.org/policy-advocacy/student-housing/>

Based upon general interest in 188 Hooper, Scion believes it is reasonable to infer that there would be potential demand for the additional unit types planned for the 188 Hooper project.

Notably, the assessment of demand is based on current market conditions. Following one or two years of operation of new student housing, Scion recommends CCA reassess demand for student housing as market conditions are likely to have changed.

Students Enrolled in CCA Summer Programs²

Currently only two of these programs require Summer housing; the Pre-College program currently has a maximum of 164 residents with the potential to expand to 180 residents, while the International Students program has 50 students. These programs overlap for about three weeks and would account for approximately 230 summer occupied beds in the planned 188 Hooper project.

Non-CCA Demand

Scion's analysis considered housing demand from non-CCA students at 188 Hooper. In Scion's 2017 *Student Housing Market and Demand and Analysis* report, Scion projected interest in approximately 300 beds at Panoramic Residences, mostly from the UC Berkeley and the San Francisco Art Institute. The proposed project at 188 Hooper garnered minimal if no interest due to the distance from public transportation, amenities, and campus locations. Scion has since learned that as of Spring 2018, UC Berkeley now has contracted with Panoramic Residences for student beds during the Summer. Scion believes the opportunity to sublease Summer beds to non-CCA qualified tenants, such as interns, may generate additional demand for 188 Hooper.

Rental Rates

Based on current on-campus room rates, rental rates in the competitive market, square footage, in-unit amenities, and student price sensitivity, Scion recommends a room rate of \$1,300 per person per month for a shared bedroom in the semi-suites (Type 6) and \$2,175 per person per month for a private room in a single suite (Type 3). **NOTE:** Rates below are shown in 2018 dollars; The square feet per unit and number of beds were provided by CCA.

² CCA hosts the following five Summer programs; Pre-College, Summer Start Undergrad (ELL), Summer Start Grad (ELL), Making Architecture (in future, part of Career Discovery) and MFA Comics.

Unit Type	Sq. Ft.	Monthly Rental Rate Per Person	Number of Beds	AY Revenue (9-months)
2 Bed Mini-fridge Type 6 (Double Occupancy Semi-Suite)	312.5	\$1,300	370	\$4,329,000
1 Bed Cooktop Type 3 (Single Occupancy Suite)	312.5	\$2,175	52	\$1,017,900
Total			422	\$5,346,900

Table 1: Recommended Rental Rates, 188 Hooper Surveyed Units

At the request of CCA, Scion analyzed ten additional potential unit types in the 188 Hooper project. Based on the recommended rates for the surveyed units, the ten additional units size, occupancy, and room features, as well as Scion's experience with student housing, Scion recommends the following rates for the additional unit types. **NOTE:** Rates below are shown in 2018 dollars; The square feet per unit and number of beds were provided by CCA.

Unit Type ³	Unit Living Space Amenities ⁴	Sq. Ft.	Monthly Rental Rate Per Person	Number of Beds	AY Revenue (9-months)
1 Bed RA Type 1	Sink and Refrigerator	281	\$2,000	12	\$216,000
1 Bed RA Cooktop Type 4	Kitchenette	281	\$2,050	4	\$73,800
1 Bed ADA Cooktop Type 5	Kitchenette	312.5	\$2,175	1	\$19,575
1 Bed Type 7	Den and Kitchenette	630	\$2,475	4	\$89,100
3 Bed Type 8	Kitchenette	630	\$1,750	9	\$141,750
3 Bed ADA Suite Type 9A	Refrigerator	630	\$1,650	9	\$133,650
3 Bed ADA Suite Type 9B	Kitchenette	630	\$1,750	3	\$47,250
3 Bed Suite Type 10A	Refrigerator	630	\$1,650	18	\$267,300
3 Bed Suite Type 10B	Kitchenette	630	\$1,750	6	\$94,500
4 Bed Suite Type 11	-	630	\$1,550	36	\$502,200
Total				102	\$1,585,125

Table 2: Recommended Rental Rates, Additional 188 Hooper Units

³ None of the proposed 188 Hooper unit types provide a full kitchen (refrigerator, sink, stove, and oven) which are found in conventional off-campus rental housing units. A kitchenette has a refrigerator, sink, and stove but does not include an oven.

⁴ Amenities described are as shown in schematics provided by CCA on June 19, 2018.

The total academic year revenue for all 12 unit types proposed for 188 Hooper (shown in the *Tables 1* and *Tables 2* above) is \$6,932,025. CCA has been using about a 4% - 5% annual increase in their housing rates. Scion recommends using a conservative 4% - 5% annual rate of increase for future rate modelling.

Target Student Cohorts

Scion believes that full-time, single students are the ideal population for the new student housing. First- and second-year students should be prioritized to accommodate the residency requirement planned by the College. Upper-year and graduate students should be allowed to live in the building, if necessary. To the extent possible, the various student cohorts should be housed together in separate areas of the building by floor or wing; that is, first- and second-year students should be housed separately from upper-year undergraduate and graduate students.

Lease Terms, Occupancy and Revenue

The analysis of the online survey respondents shows that there is a 67% increase in interest for the 12-month agreement (versus an academic year contract) when a 5% - 10% discount is available. Among first-years and second-year students, the cohorts expected to be required to live on campus, preference for a 12-month contract increases from 24% (when the monthly cost is the same regardless of term length) to 54% (when a 5% - 10% discount was offered toward the monthly price under a 12-month agreement). Similarly, for upper-year and graduate students, preference for a 12-month contract increases from 52% to 74% after a 5% - 10% discount was offered toward the monthly price.

Based on this survey data, Scion recommends CCA consider offering a 12-month lease agreement to students with a 5% - 10% discount from the academic year lease rate. The higher annual occupancy would offset the lower monthly rental rate, while also ensuring greater Summer occupancy at 188 Hooper.

Scion recommends that the remaining beds should be offered as an academic-year only and a 3-month Summer semester discounted housing agreement (either as a standalone agreement or as an option for students to extend their academic year agreement). Offering academic year only and Summer semester housing agreements is aligned with the current options available at CCA and with leasing options available to undergraduates at the majority of institutional on-campus housing facilities. In addition, if the building is occupied by first-year and second-year students (as demand indicates based on CCA provided information), these cohorts are more likely to go home during the Summer than upper-year and graduate students.

Scion analyzed the three lease options that could be offered to CCA students: annual, academic year and Summer semester contracts (see *Table 3*). Assuming a first-year and second-year student residency requirement, Scion analyzed a new 524 bed 188 Hooper project for annual and academic year housing agreements. Based on student survey data, Scion recommends modeling Summer (3-month) occupancy at 56%.

NOTE: Rates below are shown in 2018 dollars.

188 Hooper Program (Single Lease Option)							
Applied Rates	Lease Type Available	# Occupied Beds	Average Unit Size (sf)	Average Monthly Rent Per Person	Total Monthly Revenue	Average Monthly Revenue Per Sq. Ft.	Total Revenue ⁵
Full Rate (100% Occupancy)	Academic Yr. (9-months)	524	340	\$1,470	\$770,225	\$8.09	\$6,932,025
Summer Rate (10% Discount, 56% Occupancy)	Summer (3-months)	292	313	\$1,310	\$382,590	\$7.12	\$1,147,770
10% Discounted Rate (100% Occupancy)	Annual (12-months)	524	340	\$1,323	\$693,203	\$7.28	\$8,318,430

Table 3: 188 Hooper Lease Model Summary Comparison

Potentially the total revenue at 188 Hooper from a full-priced academic year (at 100% occupancy) combined with discounted Summer only housing contracts (at 56% occupancy) is \$8,079,795, or approximately three-percent less than the total revenue from annual contracts at a 10% discount rate (at 100% occupancy) which would be \$8,318,430 (shown in the *Table 3* above).

In addition to Summer and/or 12-month lease agreement at a discount, Summer occupancy at the proposed 188 Hooper project will be supported by two current CCA Summer programs that provide student housing, the Pre-College and Summer Start (ELL) programs for international undergraduate and graduate students. Currently, the Pre-College program is housed on the Oakland campus, the Summer Start programs are now housed at the off-campus San Francisco Panoramic facility which CCA leases. The Pre-College program lasts for four weeks (late June-late July) and has a maximum of 164 residents; however, in the future, CCA would like to expand this program to 180 residents. The

⁵ Total revenue for the academic year and 12-month options accounts for all 11 proposed unit types at 188 Hooper. For the Summer lease option Scion calculated revenue assuming students would stay in the Type 3 and Type 6 units, the units tested in the online student survey.

Summer Start programs last six weeks (early July-mid August) and include 62 students. These programs overlap for about three weeks and would account for approximately 242 occupied beds in the 188 Hooper proposed project. Additionally, CCA is considering expanding their Making Architecture program into a broader (multi-discipline) Career Discovery program (about 30 students) to include future student housing.

Due to CCA's uncertainty as to which additional Summer programs would be housed in 188 Hooper, the Summer housing revenue (shown in *Table 3* above) does not account for potential additional revenue from the two ELL programs mentioned above.

Based on CCA provided information on billable nights, cost per billable night, unit types and guest counts, Scion calculated the potential revenue from these CCA Summer programs for the 2020-21 academic year to be \$371,782. The revenue depends on if CCA chooses to house all Summer programs within 188 Hooper, as shown in the table below.⁶ **NOTE:** Rates below are shown in 2018 dollars; Not all guests would occupy 188 Hooper at the same time.

Program/Session	Building	Billable Nights	Projected Guest Count	Current Cost/Night Offered		Total Revenue Per Room Type		Total Revenue Per Program
				Single Room	Double Room	Single Room	Double Room	
Summer Start Grad (ELL)	188 Hooper	43	22	\$0	\$52	\$0	\$24,596	\$24,596
Summer Start Undergrad (ELL)	188 Hooper	43	40	\$0	\$52	\$0	\$55,900	\$55,900
MFA Comics	188 Hooper	33	18	\$0	\$52	\$0	\$15,444	\$15,444
Pre-College	188 Hooper	29	180	\$0	\$45	\$0	\$234,900	\$234,900
Career Discovery	188 Hooper	28	30	\$67	\$52	\$37,708	\$14,414	\$52,122
Total		176	290			\$37,708	\$334,074	\$371,782

Table 4: Potential CCA Summer Programs Housing Revenue, AY 2020-21

⁶ The CCA Summer programs revenue assumes all program guests will reside in the student surveyed unit types: Type 3 (single room) and Type 6 (double room). Also, it assumes that the number of guests per program will be evenly split among these units, except for the Pre-College program guests since they must be in Room Type 6, (two per room).

Considering both the potential beds needed by CCA Summer programs, and the Summer demand from students not enrolled in these specific programs, 188 Hooper has the potential to be nearly 100% occupied during portions of the summer, as shown in the table below. Whether or not 188 Hooper can attain 100% occupancy throughout the summer depends upon the marketing of 188 Hooper housing, and which CCA Summer programs will require 188 Hooper housing in the future.

AY 2020-21	Potential Beds Needed (188 Hooper)	
	Min	Max
CCA Potential Summer Demand	292	323
CCA Summer Programs	242	272
Total	534	595

Table 5: Potential Number of Needed Beds for Summer at 188 Hooper, AY 2020-21

Demand Analysis

The following analysis examines the potential demand for the proposed new 188 Hooper targeting full-time, single, first-year and second-year students on the California College of the Arts San Francisco campus, as well as the potential demand from other student groups. There may be some demand from part-time students; however, they are not included in the assessment of demand because their living choices and priorities are generally incompatible with living in a campus housing community. Students living with a spouse, partner or dependent child are not considered at this time.

Due to rounding, numbers presented throughout this analysis may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures.

CCA Student Potential Demand for 188 Hooper

To ascertain full-time, single CCA student demand, Scion reviewed current and projected enrollment and the results of an online survey accessible to all CCA students. Scion has assumed that provided enrollment data was for full-time single students, and that all eligible first-year and second-year students without dependents will be required to live in the contemplated new 188 Hooper, consistent with the CCA Live-on Policy.

Scion used provided enrollment data and student survey response data to ascertain the number of full-time enrolled, single undergraduate and graduate students. Based on projected full-time enrolled students eligible for 188 Hooper residency requirement Fall 2017 data provided by CCA there are 1,353 full-time undergraduate and 438 full-time graduate students. Based on student survey response data, approximately 96% of full-time undergraduates and 82% of full-time graduates are single (*i.e.*, they do not live with a spouse, partner, child or dependent), as shown in *Table 6*.

Cohort	Full-time #	% Single	Full-time Single
First-Year	257	100%	257
Second-Year	227	100%	227
Transfers	128	100%	128
Third-Year	359	93.8%	337
Fourth-Year+	382	90.7%	346
Undergraduate	1,353	95.7%	1,295
Graduate	438	82.3%	360
Total	1,791	92.4%	1,655

Table 6: Full-time Single Students, AY 2017-18

In order to calculate the number of single, full-time first-year, second-year, and transfer students who would be included in the planned live-on requirement, Scion utilized CCA provided projected student data; assuming that some students would qualify for an exemption to the policy as Scion has learned there will be potential exemptions (*Table 7*). Approximately 85% of single, full-time, first- and second-year students, and 50% of transfer students, would be required to live on campus. **NOTE:** CCA is considering a radius exemption to the residency requirement (e.g., If a student lives within 40 miles of the campus they will not be required to live on campus).

Cohort	FT Single	Non-Exempt	Non-Exempt FT Single
First-Year	257	85%	218
Second-Year	227	85%	193
Transfers	128	50%	64
Total	612	77.7%	475

Table 7: First-year and Second-year Live-On Requirement, AY 2017-18

In order to calculate the range of potential demand from upper year students, Scion applied survey response data from a series of questions which inquire about full-time, single upper year and graduate student respondents' interest in "new CCA student housing (*Figure 1*)... at the San Francisco campus location highlighted in green on the map" (*Figure 2*).



Figure 1: 188 Hooper Project Rendering

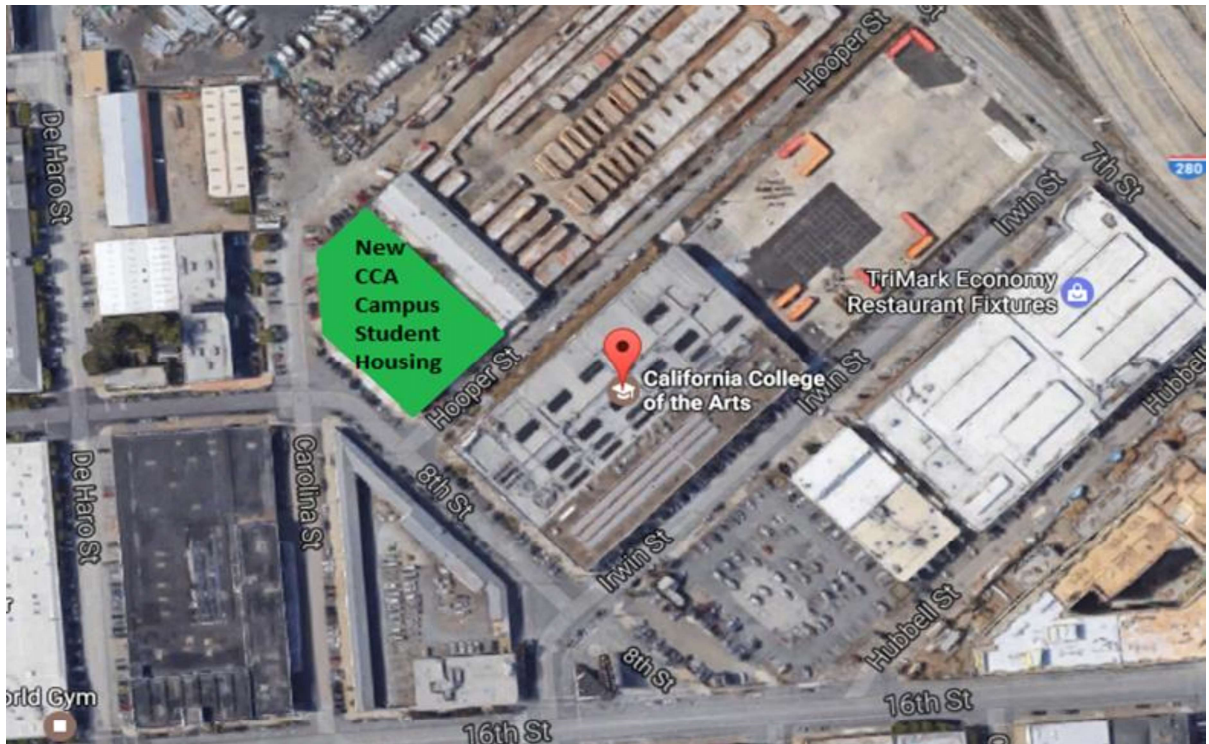


Figure 2: Proposed Location for 188 Hooper Project

The first question in this series establishes general interest through a “yes,” “no,” or “maybe” response; the following questions establish interest in two (2) potential unit types with at certain rental price points.⁷ By including those respondents who answered “yes” or “maybe” to the first question, Scion has determined that there are 253 third-year, 231 fourth-year and 238 graduate full-time, single, students who have general interest in living in the proposed new CCA 188 Hooper student housing project.

By further examining the number of those upper year and graduate students indicating general interest who went on to select at least one unit type combined with the number of non-exempt first-year and second-year students, Scion has established the range of potential demand for new CCA student housing to be 754 to 780 beds for full-time single students depending on unit type availability, including those first-year, second-year, and transfer students who would be captured by the residency requirement. This analysis is summarized in *Table 8*.

⁷ Scion can only quantify demand for the two unit types tested in the online student survey.

Cohort	FT Single Enrollment	Non-Exempt / General Interest		Unit Interest ⁸		Potential Demand	
		%	#	Min	Max	Min	Max
First-Year	257	85.0%	218	-	-	218	
Second-Year	227	85.0%	193	-	-	193	
Transfers	128	50.0%	64	-	-	64	
Third-Year	337	75.0%	253	37.5%	37.5%	95	95
Fourth-Year+	346	66.7%	231	42.0%	48.0%	97	111
Undergraduate	1,295	74.0%	959	-	-	667	681
Graduate	360	66.1%	238	36.6%	41.5%	87	99
Total	1,655	72.3%	1,197			754	780

Table 8: Potential Demand for 188 Hooper Project, AY 2017-18

Applying the methodologies described in the foregoing analysis to enrollment projections provided by CCA, Scion has projected that potential demand for the proposed new 188 Hooper residence hall on the CCA San Francisco campus will rise to 802 to 828 beds among all cohorts by the 2020-21 academic year, depending on unit type, as shown in *Table 9*.

⁸ Unit interest is the number of students who indicated a willingness to pay some cost for the surveyed units compared to the number students who expressed general interest in living at 188 Hooper.

Academic Year	Full-Time Enrollment				FT Single Enrollment				Non-Exempt / General Interest			1 st Year, 2 nd Year & Transfers Non-Exempt	UY & Grad Demand		Total Non-Exempt / Demand	
	1 st & 2 nd	Transfers	UY	Grad	Total	1 st & 2 nd	Transfers	UY & Grad	Total	1 st & 2 nd	Transfers	UY & Grad	Min	Max	Min	Max
2017-18	484	128	741	438	1,791	484	128	1,043	1,655	411	64	722	279	304	754	780
2018-19	496	120	750	438	1,804	496	120	1,052	1,668	422	60	728	281	307	763	788
2019-20	524	122	760	438	1,844	524	122	1,061	1,707	445	61	734	284	310	790	816
2020-21	533	123	774	438	1,868	533	123	1,074	1,730	453	62	743	287	313	802	828

Table 9: Projected Potential Demand for 188 Hooper Project, AY 2017-18 to AY 2020-21

Based on these changes and enrollment projections provided by the College, Scion has projected that demand for first-year, second-year, and transfer beds at 188 Hooper on the CCA San Francisco campus will rise to 515 beds by the 2020-21 academic year (assuming a first- and second-year residency requirement). Considering the expected 188 Hooper residence capacity of 524 beds, the unmet demand for first-year, second-year, and transfer students only, can be expressed as a shortfall of 9 beds. *Table 10* summarizes this information. Unmet demand or surplus is calculated by subtracting the anticipated capacity from the demand number.

Cohort	Non-Exempt	188 Hooper Expected Capacity	Unmet Demand
First-Year, Second-Year, and Transfers	515	524	9

Table 10: Projected 2020-21 Academic Year Unmet Demand (First-Year, Second-Year, and Transfer Students)

CCA Student Potential Summer Demand for 188 Hooper

To ascertain full-time, single CCA student Summer demand, Scion again reviewed current and projected full-time enrollment and the results of an online survey accessible to all CCA students. Scion has assumed that all students without dependents will be eligible to live in 188 Hooper.

Scion used enrollment and student survey response data to ascertain the number of full-time enrolled, single undergraduate and graduate students. Based on projected full-time enrolled students eligible for 188 Hooper residency requirement Fall 2017 data provided by CCA there are 1,353 full-time undergraduate and 438 full-time graduate students and, based on student survey response data, approximately 96% of full-time undergraduates and 82% of full-time graduates are single (*i.e.*, they do not live with a spouse, partner, child or dependent), as shown in *Table 6*.

In order to calculate the range of potential demand from all students, Scion applied survey response data from a series of questions which inquire about full-time, single respondents' interest in "taking Summer courses if could live at the new housing project?".

The first question in this series establishes general interest through a "yes," "no," or "maybe" response; the following questions establish interest in two (2) potential unit types with at certain rental price points.⁹ By including those respondents who answered "yes" or "maybe" to the first question, Scion has determined that there are 167 first-year, 182 second-year, 200 third-year, 185 fourth-year and 215 graduate full-time, single, students who have general interest in taking Summer courses and living in the proposed new CCA 188 Hooper student housing project. Accounting for interest in unit types the potential demand ranges from 378 to 416 beds.

Notably, the overall general interest in CCA Summer courses if 188 Hooper housing was available (55.5%) is similar to the percentage of students more likely to live in CCA housing if the opportunity to take classes for graduation (59.6%) was available, see *Table 16*. Thus, the correlation between Summer courses and 188 Hooper housing provides CCA the opportunity to ensure Summer courses desired by students and securing Summer housing in 188 Hooper.

The following *Table 11*, *Table 12*, and *Table 13* incorporates transfer students in to the first- and second-year student cohorts.

⁹ Scion can only quantify demand for the two unit types tested in the online student survey. However, based on CCA students' general interest in Summer housing, it could be inferred that there would be potential demand for the additional unit types planned for the 188 Hooper project.

Cohort	FT Single Enrollment	General Interest		Unit Interest		Potential Demand	
		%	#	Min	Max	Min	Max
First-Year	323	51.7%	167	46.7%	53.3%	78	89
Second-Year	343	53.1%	182	39.5%	48.8%	72	89
Third-Year	337	59.4%	200	36.8%	39.5%	74	79
Fourth-Year+	346	53.3%	185	42.5%	45.0%	79	83
Undergraduate	1,349	54.4%	734	-	-	302	340
Graduate	360	59.7%	215	35.1%	35.1%	76	76
Total	1,709	55.5%	949			378	416

Table 11: Potential Demand for Summer Courses and 188 Hooper Housing, AY 2017-18

To determine the demand for students who would have interest in 188 Hooper Summer housing if no Summer courses were taken, Scion then adjusted the overall general interest, decreasing it by 25%. Scion's adjustment is based on respondents' answers to incentives that would likely encourage them to live in new CCA housing during the Summer and the number of respondents who preferred an annual housing contract (academic year plus Summer) with a discount compared to an academic year only contract, as well as Scion's experience with student housing. Potential demand for 188 Hooper Summer housing currently ranges between 283 and 312 beds for the 2017-18 academic year. The adjusted demand is shown in the table below.

Cohort	FT Single Enrollment	General Interest		Unit Interest		Potential Demand	
		%	#	Min	Max	Min	Max
First-Year	323	38.8%	125	46.7%	53.3%	59	67
Second-Year	343	39.8%	136	39.5%	48.8%	54	67
Third-Year	337	44.5%	150	36.8%	39.5%	55	59
Fourth-Year+	346	40.0%	139	42.5%	45.0%	59	62
Undergraduate	1,349	40.8%	550	-	-	227	255
Graduate	360	44.8%	161	35.1%	35.1%	57	57
Total	1,709	41.6%	712			283	312

Table 12: Potential Adjusted Demand for 188 Hooper Summer Housing, AY 2017-18

Table 13 below applies the methodologies described in the foregoing analysis (Table 12) to enrollment projections provided by CCA. Scion has projected that potential Summer demand for the proposed new 188 Hooper residence hall on the CCA San Francisco campus will rise to 293 to 323 beds among all cohorts by the 2020-21 academic year, depending on unit type.

Academic Year	Full-Time Enrollment				FT Single Enrollment			General Interest			1 st & 2 nd Demand		UY & Grad Demand		Total Demand	
	1 st & 2 nd	UY	Grad	Total	1 st & 2 nd	UY & Grad	Total	1 st & 2 nd	UY & Grad	Total	Min	Max	Min	Max	Min	Max
2017-18	709	741	438	1,888	666	1,043	1,709	262	450	712	112	134	171	178	283	312
2018-19	718	750	438	1,906	674	1,052	1,726	265	453	718	114	135	172	180	286	315
2019-20	728	760	438	1,926	684	1,061	1,745	269	457	726	115	137	174	181	289	318
2020-21	741	774	438	1,953	696	1,074	1,770	274	463	736	118	140	176	184	293	323

Table 13: Projected Potential Summer Demand for 188 Hooper Project, AY 2017-18 to AY 2020-21

NOTE: The projected Summer demand assumes that the expected required first-year and second-year students will not be required to sign annual housing contracts. Should CCA necessitate these cohorts sign annual housing contracts, then Summer demand will increase as there will be more guaranteed contracts for beds during the Summer.

Student Housing Preference Survey Analysis

To ascertain student demand and preferences, Scion conducted an online survey accessible to CCA students from April 26 to May 7, 2018; 389 non-duplicate responses were received. Approximately 2,625 currently enrolled CCA students were invited to take the survey by CCA.

Respondents' Demographics

Demographics of the 389 student respondents are as follows:

- 307 respondents are full-time undergraduate students (79%) and 62 full-time graduate students (16%); 15 part-time undergraduate students (4%) and 5 part-time graduate students (1%)
- 91% are full-time single students; 9% full-time single students live with a spouse/partner and/or a child
- 67% are female; 24% are male; 1% are transgender female; 2% transgender male; 4% are non-binary; 2% prefer not to identify
- 19% of respondents are under 19 years old; 49% are 20 – 22 years old; 15% are 23 – 25; 11% are 26 – 30; 5% are over 30 years of age
- 24% of the respondents identify as international students; 75% U.S. Citizen, Permanent Resident, or DACA/Dreamer; 1% decline to identify citizenship
- Prior to attending CCA 20% of respondents lived in the San Francisco Bay Area; 28% lived in California, outside of the San Francisco Bay Area; 29% lived in the U.S., outside of California; 22% lived outside the U.S.

188 Hooper Interest

To gauge students' general interest in the proposed new residential facility, full-time single respondents were asked to select whether would consider living at new at 188 Hooper Street location in San Francisco. Approximately 77% indicated 'yes' or 'maybe', while 23% indicated no interest in the new facility (*Figure 3* below). When analyzing undergraduates and graduates, approximately 76% of undergraduates indicated 'yes' or 'maybe', while 82% of graduates indicated 'yes' or 'maybe'.

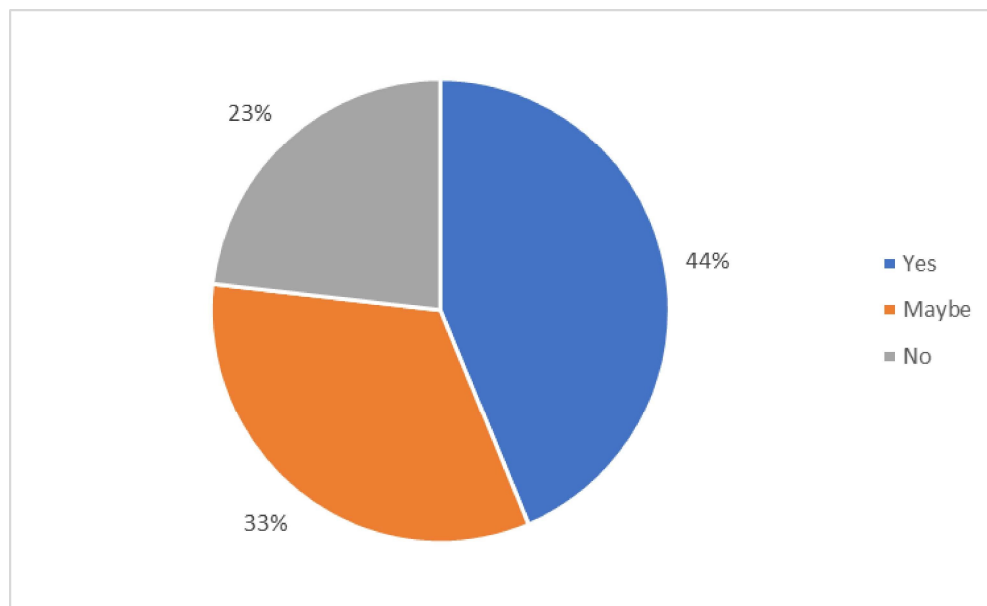


Figure 3: General Interest in Proposed 188 Hooper Project

Scion also examined responses to this question by current living situation. Respondents living in CCA's two newest housing facilities had the highest percentages of students reporting 'yes' they would consider living in 188 Hooper. Respondents living in CCA's two newest properties had the highest general interest in 188 Hooper; Harriet Street Residences has the highest percentage of respondents reporting 'yes' (63%) and approximately 61% of students residing in the Panoramic Residences report 'yes' to considering living in 188 Hooper, as shown in *Figure 4*. This may be due to students' expectation of modern aesthetics and amenities, as well as higher price points for housing. Current respondents living in Webster Hall reported the least interest with 24% selecting 'yes' and 40% selecting 'no'. Of note is that 50% of respondents living with parents or relatives reported 'yes' to the question.

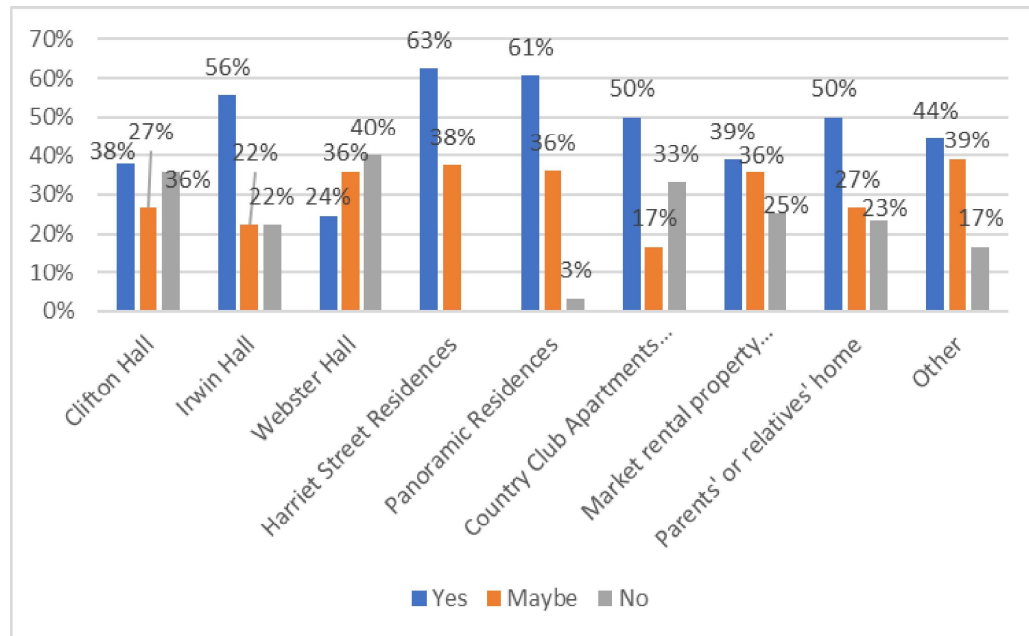


Figure 4: General Interest in 188 Hooper Project by Current Living Situation

Unit Type Preference and Interest

Among full-time single survey respondents that indicated interest in new student housing at 188 Hooper by answering 'yes' or 'maybe' were asked their interested in two different floor plans within specific monthly price ranges. Students were told to assume that Internet, furniture and all utilities were included. Scion examined responses by the unit types presented in the survey and views a willingness to pay more than the stated minimum as an indicator of perceived value (product as a factor of price). Survey respondents indicated the following interest in each unit type (*Table 14*). Scion's analysis concludes that there is approximately the same amount of interest in both the double occupancy semi-suite and single occupancy suite units shown to respondents. Unit type interest among undergraduates and graduates varied only by 1% – 3%.

Unit Type	Description	Interest	Willingness to exceed the listed minimum
2 Bed Mini-fridge Type 6 (Double Occupancy Semi-Suite)	2 students per suite with 1 shared bedroom and 1 shared bathroom	36%	5%
1 Bed Cooktop Type 3 (Single Occupancy Suite)	1 student per suite with 1 private bathroom and kitchenette	35%	9%

Table 14: Unit Type Preference and Interest

It should be noted that slightly more than half of respondents with general interest (those who selected ‘yes’ or ‘maybe’ to living at 188 Hooper) were disinterested in the specific surveyed unit types because of the cost, not the unit types themselves. Scion believes this expressed disinterest may be the result of “sticker shock” as the surveyed unit prices are slightly higher than the current rates for similar units at the Panoramic Residences, which are currently the highest rates for CCA housing. However, the survey rates are comparable to student housing prices for similar units in the market, and the survey rates align with expected housing cost increases for CCA and the market.

Student Renters

Approximately 56% of full-time single respondents live in a CCA housing facility. Of the remaining full-time single survey respondents approximately 9% report living with parents or relatives, 28% are renting housing off campus, while the rest own their home (approximately 2%) or responded “Other” (approximately 5%) to their current living situation.

Among the student renter survey respondents, approximately 45% of student renters live with three or more additional people, 57% live in a two-bedroom rental unit, and 58% have one bathroom in their rental unit. Notably, 49% of student renters report that they do not share a bedroom with another person while approximately 92% share a bathroom. About 65% of students currently have a 12-month contract while 21% are living month-to-month.

In order to characterize student living expenses, Scion has examined the rent and utility cost information provided by student survey respondents currently renting their place of residence. These questions specifically ask respondents to reflect their own share of rent and utilities on a monthly basis and are therefore per person per month. Utilities include gas and electricity, water, sewer/trash, satellite/cable TV and Internet, and parking. Note: rental rates do not include furniture.

The *Table 15* below shows the current median, per person, monthly rental rates and utilities for student survey respondents.

Unit Type	Median Monthly Rent	Median Monthly Utilities & Parking
Studio/Efficiency	\$1,500	\$80
1-Bedroom	\$1,075	\$105
2-Bedroom	\$1,010	\$50
3-Bedroom	\$825	\$45
4-Bedroom or more	\$688	\$20
Total	\$995	\$50

Table 15: Per Bed Survey Respondent Rental Rates

Summer Interest and Preference

In an effort to ascertain students' additional views on living in the proposed 188 Hooper facility, respondents were asked to select whether they would consider taking CCA Summer courses if they could live at the proposed new facility in San Francisco. Approximately 60% indicated 'yes' or 'maybe', while 40% indicated they would not consider taking courses if they could live at the new housing project (see Figure 5).

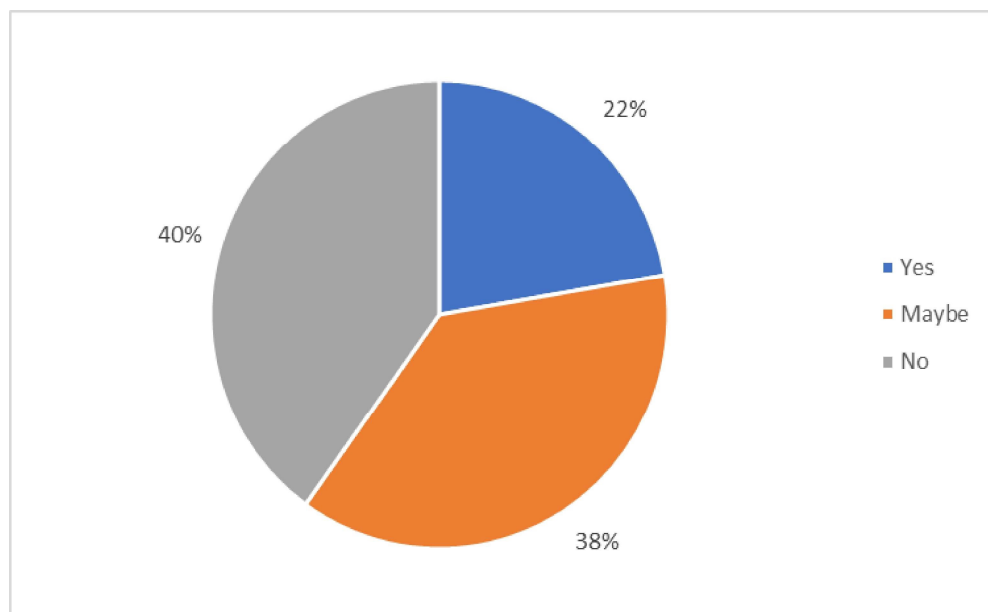


Figure 5: Interest in Taking Summer Courses if Residing at 188 Hooper Project

Scion then analyzed responses to this question by current living situation. Students living with parents or relatives have the highest percentage of respondents reporting 'yes' they would consider taking CCA Summer courses if they could live at 188 Hooper (40%), as shown in *Figure 6*. Approximately 34% of students residing in the Panoramic Residences and 33% of students living in Irwin Hall reported 'yes'. It is interesting to note that after having the highest percentage of respondents' report 'yes' to general interest in living at 188 Hooper (see *Figure 4*), current residents of Harriet Street Residences have the second lowest respondents reporting 'yes' (13%) to taking CCA Summer courses if they could live at 188 Hooper.

Similar to respondents' reporting the lowest general interest in 188 Hooper (*Figure 4*), respondents living in Webster Hall have the lowest percentage indicating 'yes' (11%) to taking CCA Summer courses if they could live at 188 Hooper. Scion believes this is due to Webster Hall currently having the lowest rates among CCA housing facilities.

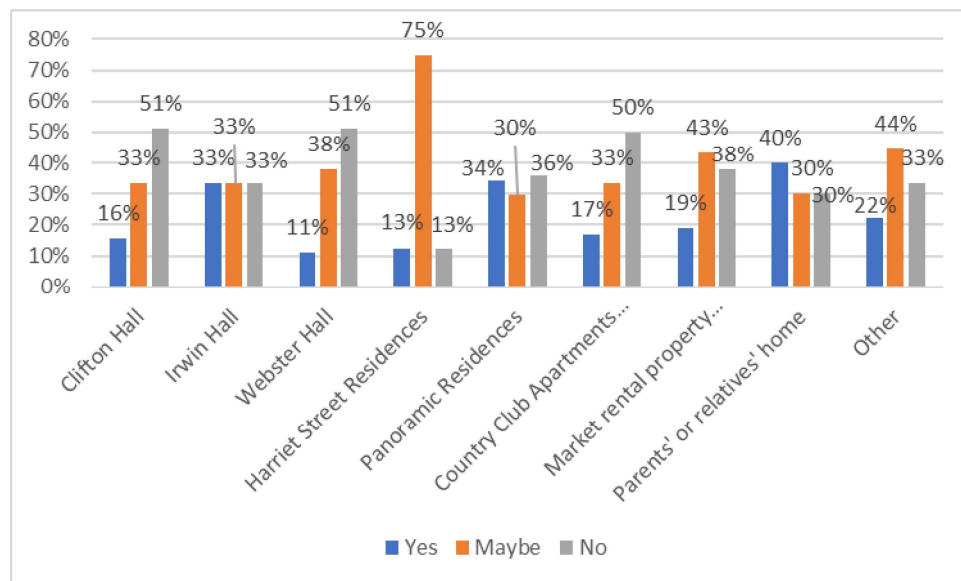


Figure 6: Interest in Taking Summer Courses if Residing at 188 Hooper, by Current Living Situation

Of the full-time single respondents 74% have not enrolled and do not plan to ever enroll in CCA Summer courses, and 89% have not ever lived in CCA housing during the Summer. Of the 11% who have lived who in CCA housing during the Summer, the majority reason for living on campus during the Summer was because they were attending Summer courses. *Table 16* shows the reasons why respondents chose to live in CCA housing during the Summer. 'Other' reasons include residential advisor (RA), transfer student, and Summer conference assistant.

Reasons for CCA Summer Living	Percentage
Ability to meet new friends	6%
Atmosphere/sense of community	4%
Attending Summer courses	23%
Cost	7%
Internship opportunity	5%
Proximity to CCA campus facilities	10%
Safety/Security	11%
Satisfy family's wishes	10%
Working to save money for the fall	12%
Other	13%

Table 16: CCA Summer Living Reasons

Respondents were also asked how likely seven incentives would encourage them to live in new CCA housing during the Summer. Cost of housing is most important to students as nearly 87% of respondents indicated they were more likely to live in CCA housing during the Summer if housing was less expensive. Having access to a private bedroom and an internship opportunity were the second and third reasons why respondents were more likely to live in CCA Summer housing, respectively.

Incentive	More Likely	Would Not Matter	Not Likely
Access to a full, shared kitchen	56.3%	29.5%	14.2%
Access to a private bathroom	72.6%	23.5%	3.9%
Access to a private bedroom	76.8%	18.7%	4.5%
Internship opportunity	76.2%	18.7%	5.1%
Less expensive housing available	86.7%	7.2%	6.0%
Opportunity to take classes for graduation	59.6%	30.1%	10.2%
Proximity to the S.F. campus	70.8%	19.6%	9.6%

Table 17: Incentives to Live in New CCA Housing During Summer

Satisfaction with Current Housing

Full-time single respondents were asked to report their satisfaction with their current housing. In general, students seem to be satisfied with their housing; nearly 44% of respondents report that they are satisfied and only 19% report being dissatisfied, while 37% reported being neutral, as shown in *Figure 7*.

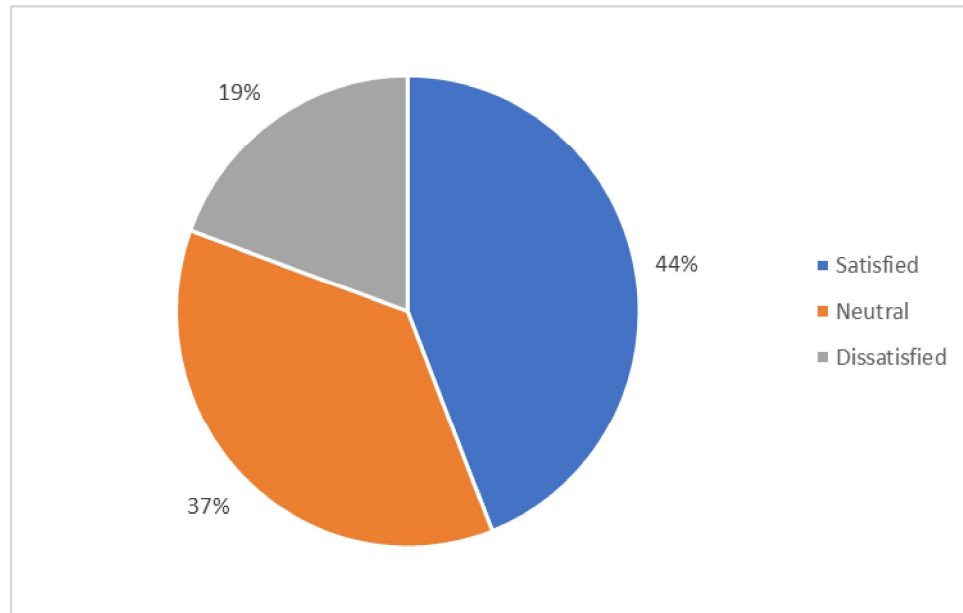


Figure 7: Student Satisfaction with Current Housing

Students living in Avenue Apartments and renting off campus have the highest percentage of respondents reporting that they are satisfied (53%), as shown in *Figure 8*. About 50% of students residing in the Harriet Street Residences report they are satisfied. Dissatisfaction is reported more frequently among students living in Country Club Apartments (through CCA housing).

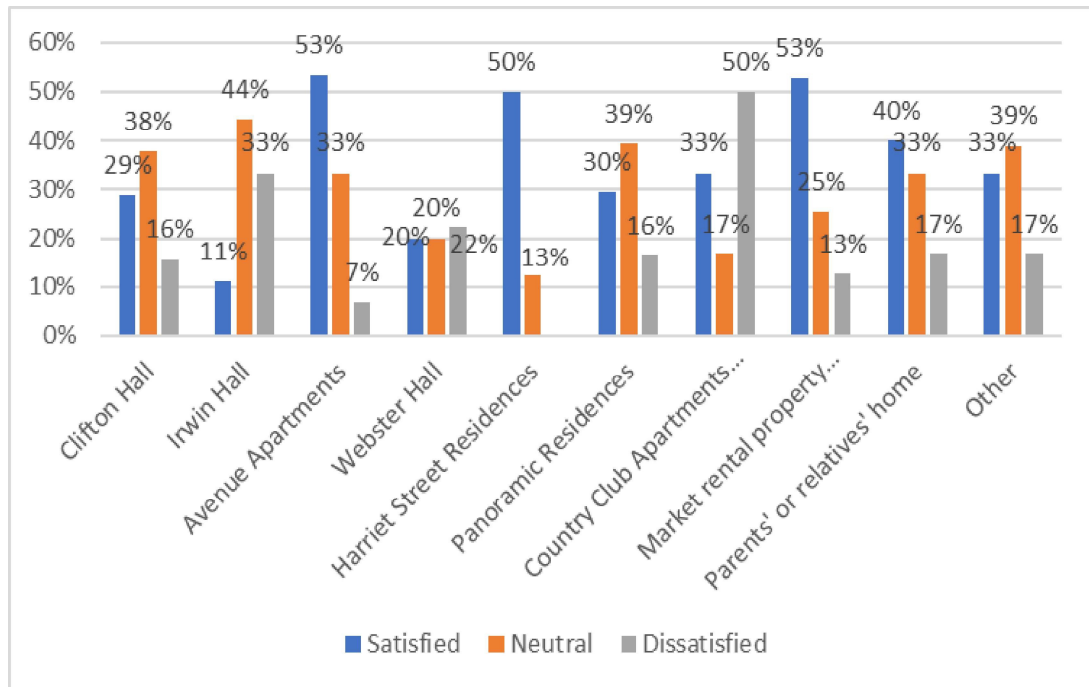


Figure 8: Satisfaction by Current Living Situation

Housing Contract Preference

Full-time single respondents were asked to indicate which contract term they would prefer, assuming the same monthly cost for all contracts. Most students (53%) indicated they prefer an academic year contract while 39% prefer an annual contract lasting fall, spring, and Summer terms (*Figure 10*). No respondents indicated they would prefer a Summer only contract, while 8% had no preference.

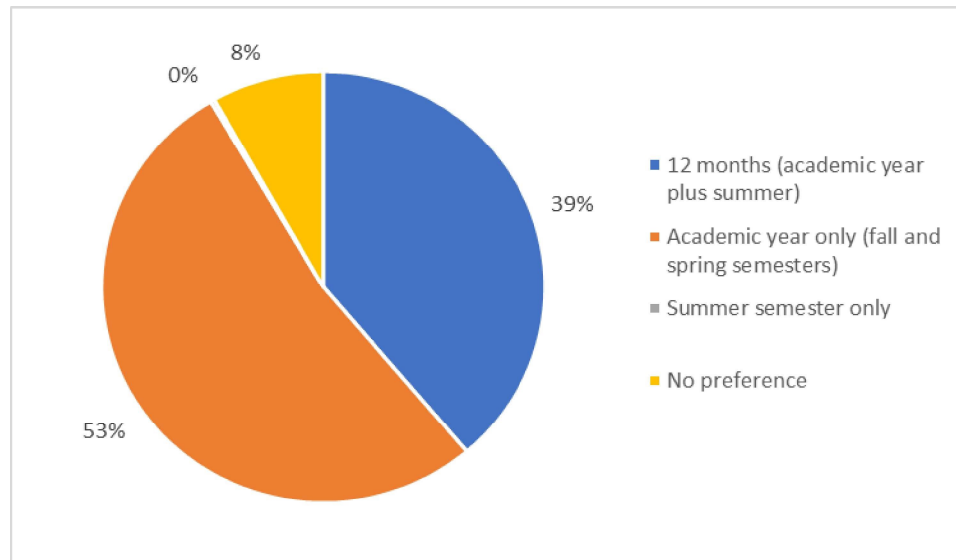


Figure 10: Preferred Contract Term for Campus Housing

Scion then asked respondents to indicate which contract term they would prefer, if a 5 – 10% discount were offered for a 12-month contract versus an academic year contract. Most students (65%) indicated they prefer an annual contract given this option while only 26% would still prefer an academic year contract (Figure 9). About 9% of respondents indicated they would have no contract preference.

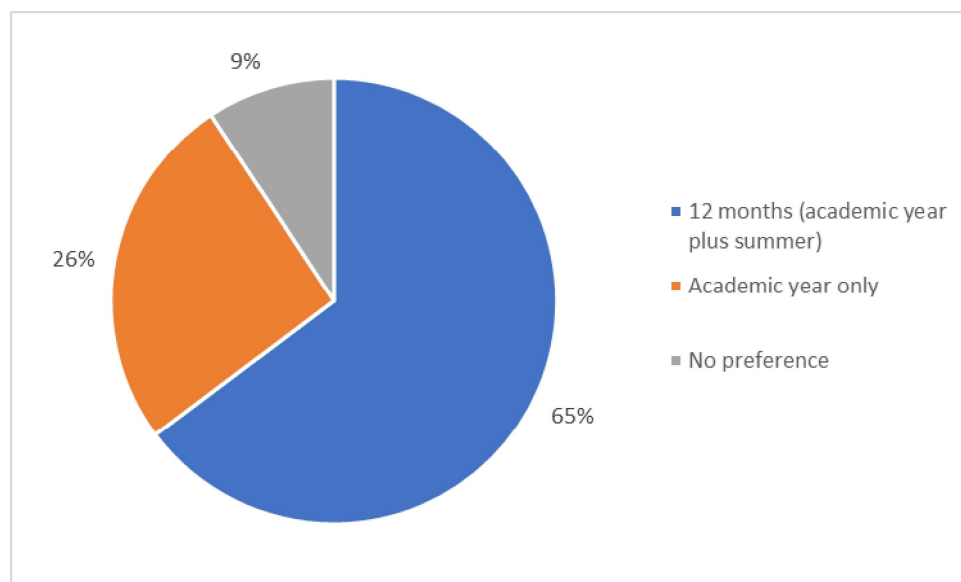


Figure 9: Preferred Contract Term with 5 - 10% Discount Available

Off-Campus Rental Market Analysis

Overview

The off-campus market analysis serves as a tool to understand the characteristics and conditions of the off-campus housing rental market that is available to students.

As the College prepares for 188 Hooper Street, the off-campus analysis only focuses on San Francisco. The rental units examined average 4.4 miles from the San Francisco campus. Survey results indicated that proximity to the San Francisco campus is an important factor in deciding where to live for CCA students. Thus, properties were selected based on their proximity to the College and feedback from Scion's previous experience student focus group participants and similar engagements of this nature. This analysis considers rental rates and other housing factors that impact students housing choices.

Scion's research included interviews with property owners and managers and web-based research. As part of the process, Scion surveyed 244 units including apartments, single family homes, townhomes and a limited number of single room occupancy (SRO) units for rent in the market. Rental rates, amenities, and other fees were provided by leasing agents and online rental websites in April 2018.

San Francisco Student Rental Market

Characteristics of the off-campus rental market include:

- The majority of units are leased by the unit; few by-the-bed leasing options were available
- Water/sewer, trash and heat are typically included in monthly rent; electricity, cable television and Internet access are not typically included
- The majority of the units are unfurnished
- Annual leases options are typical; however, lease options between 1 to 24 months are available at some properties
- A security deposit is typically required
- Most of the units are pet friendly and require a pet deposit and/or monthly pet fee
- Units usually come with in-unit or on-site laundry, a dishwasher, and parking

San Francisco's rental housing is comprised of single-family houses and apartment complexes. The properties included in this analysis range from 0.2 to 13.6 miles from the CCA San Francisco campus; the average distance is 2.2 miles from the campus.

For the purposes of this analysis, the market is defined as the San Francisco, CA city limits. According to the 2017 San Francisco Planning Department Annual Report, there was a total of total of 392,000 at the end of 2017 as compared to 387,600 at the end of 2016.¹⁰ As of May 9, 2018, there were 2,813 units available for rent in the San Francisco market.¹¹ Of these properties, Scion analyzed 244 total units. The unit mix is: studios (23%), one-bedroom (43%), two-bedroom (29%), three-bedroom (3%), and four-bedroom units (2%). The majority of the properties are professionally managed with some limited exceptions.

Student Rental Market Inventory and Vacancy Rates

The city of San Francisco has experienced a moderate population increase. From January 1, 2017 until January 1, 2018 a 1.1% increase was estimated by the State of California Department of Finance to bring the population to 883,963 residents.¹² Figure 11 below shows the year over year population increase from 2011-2017.¹³

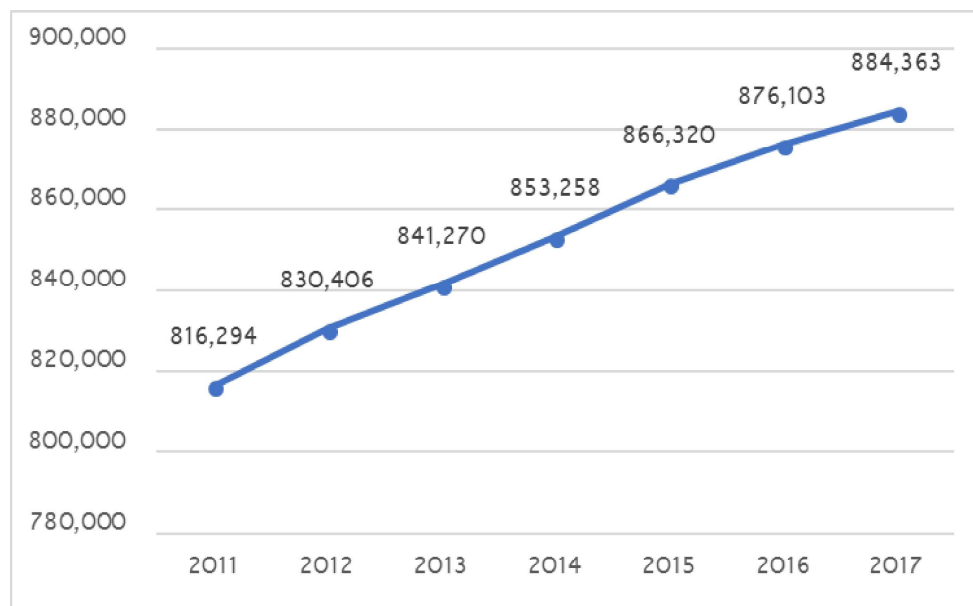


Figure 11: San Francisco Population, 2011 - 2017

¹⁰ http://commissions.sfplanning.org/cpcpackets/19960013CWP_041918.pdf

¹¹ Apartments.com

¹² <http://dof.ca.gov/Forecasting/Demographics/Estimates/E-1/>

¹³ <https://www.census.gov/programs-surveys/acs/>

While population growth has soared in San Francisco over the past seven years, new multi-family units have not kept up with growth. A total of 4,500 new units entered into the market in 2017 which included 4,270 from new construction and 242 units through conversion or expansion of existing units.¹⁴ However, this growth represents a 12% decrease in new net additions in 2016.

Despite new developments, vacancy rates in San Francisco remain low. In the last quarter of 2017, the rate was 3.7%. However, when Class C units are accounted for the vacancy rate drops to 2.7%.¹⁵ Class C apartments are typically older, less desirable units which tend to have lower rents. The newer high-end (Class A) developments are the products which are entering the market. San Francisco remains well below the national average of 4.7%.¹⁶

In Scion's experience, unit size is often important to students. Larger units offer the opportunity to increase density and thus a more affordable living option for students vis-à-vis shared living costs among more people. Scion found that the majority (95%) of the available units in the student rental market are comprised of studios, one- and two-bedroom units. Three-bedroom and other large unit types are limited in the market.

Student Rental Market Rental Rates

By the end of 2017 rental rates were slightly lower than at the start of the year. New supply into the market impacted rental rates. However, in the in the first two months of 2018, rates have increased by 1%, which is below the peak of rental rates in the fourth quarter of 2015.¹⁷

Figure 12 shows the average market rental rates in San Francisco, which has increased by 58% from 2011 to 2017.

¹⁴ <https://www.census.gov/programs-surveys/acs/>

¹⁵ <https://www.forbes.com/sites/samanthasharf/2018/04/13/los-angeles-tops-our-list-of-the-worst-cities-for-renters-in-2018/#342a669d5b6b>

¹⁶ http://www.multifamilyexecutive.com/property-management/rent-trends/reis-national-apartment-vacancy-rate-rises-to-47-in-q1-2018_o

¹⁷ <http://www.socketsite.com/archives/2018/01/rents-in-san-francisco-and-oakland-were-down-at-the-end-of-2017.html>

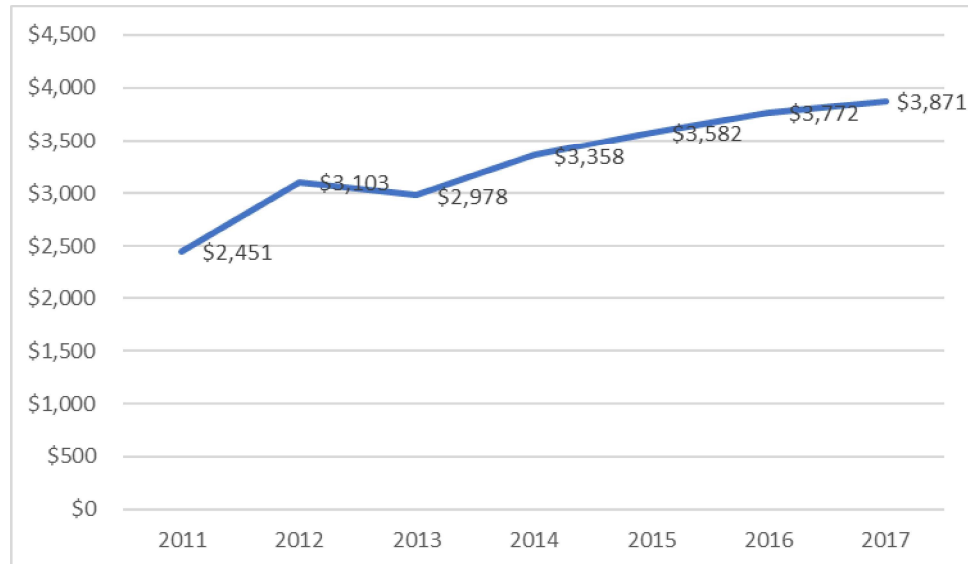


Figure 12: San Francisco Average Market Rental Rates, January 2011 - 2017

Scion analyzed the off-campus housing market with respect to units which marketed towards students. Most units listed did not lease per bed which is typical for student housing. Scion adjusted the rates below to reflect the rate per bed for residents. Table 18 below shows the minimum, median and maximum rates for a 12-month contract.

Unit Type	Per Person Adjusted Monthly Rates		
	Minimum	Median	Maximum
Studio	\$1,790	\$2,920	\$4,112
One-Bedroom	\$2,540	\$3,625	\$5,392
Two-Bedrooms	\$965	\$2,375	\$3,094
Three-Bedrooms	\$1,198	\$1,710	\$3,298
Four-Bedrooms ¹⁸	\$1,079	\$1,509	\$1,844

Table 18: Off-Campus Rental Market Per Person Adjusted Monthly Rates (2018 Dollars)

In order to make an accurate comparison of on- and off-campus rental rates, Scion adjusted the advertised by-the-unit rental rates in the market to by-the-bed equivalent rates.

¹⁸ Includes two five-bedroom units.

To accomplish this, it was assumed that students who rent off campus do not share bedrooms and split costs evenly among all residents regardless of possible differences in bedroom sizes or features. Rental rates were adjusted to include furniture, electric, heat, water, cable television and Internet, which tend to be students' greatest additional expenses when renting off-campus. The utility, cable television, Internet and furniture adjustments used in *Table 18* follow:

Unit Type	Electric	Furniture	Internet ¹⁹	Cable TV
Studio / One Bedroom	\$40	\$75	\$40	\$40
Two-Bedrooms	\$75	\$95	\$40	\$40
Three-Bedrooms	\$100	\$115	\$40	\$40
Four-Bedrooms	\$120	\$135	\$40	\$40

Table 19: Rent Adjustments Per Unit

It is worth noting that the off-campus rates in *Table 18* has not been adjusted to account for amenities that are typically included in on-campus housing and have some value for most students. These features often include:

- Shared academic and social spaces
- Option for an academic-year lease term
- Monitored and hard-wired life safety alarms
- Guidance and support offered by live-in staff
- CCA campus programming
- Proximity or transportation to classes and other campus functions
- Increase social capital via peer interactions.

Scion found five of the proposed 188 Hooper units to be most similar to units in the off-campus market.²⁰ Scion compared these units monthly rental rates per person and determined the 188 Hooper recommended rates are lower than the off-campus market median rates, with the exception of the 3 Bed Type 9B and Type 10B units which were 2.3% higher than market median (*Table 20* below). Having mostly similar units to the off-campus market, at a lower cost and located on-campus, should be attractive to CCA students.

¹⁹ Internet and cable television costs are independent of occupancy/rooms.

²⁰ There are zero proposed 188 Hooper unit types that provide a full kitchen (refrigerator, sink, stove, and oven), which are found in most conventional off-campus rental housing units.

Unit Type (188 Hopper / Off-Campus)	188 Hooper Monthly Rental Rate Per Person	Off-Campus Median Monthly Rental Rate Per Person	188 Hooper Variance %
1 Bed Type 3 or Type 5 / Studio Unit	\$2,175	\$2,920	-25.5%
1 Bed Type 7 / 1-Bedroom Unit	\$2,475	\$3,625	-31.7%
3 Bed Type 9B or Type 10B / 3-Bedroom Unit	\$1,750	\$1,710	2.3%

Table 20: 188 Hooper vs. Off-Campus Median Monthly Rates Per Person (2018 Dollars)

Additionally, Scion analyzed the cost of single occupancy rooms in current CCA First Year Communities (Avenue Apartments, Clifton Hall, Irwin Hall), Webster Hall, Panoramic and 75 Arkansas Residences.

Housing Community	Unit Type	
	Super Single	Single
First Year Community	-	\$1,221
Webster Hall	\$1,043	\$1,018
Panoramic Residences	\$2,179	\$1,749
75 Arkansas Residences	\$2,221	\$1,743
Studio Off-Campus Median	\$2,920	-
1-Bedroom Off-Campus Median	-	\$3,625
% Variance	31% - 179%	107% - 256%

Table 21: 2018-2019 Comparison of CCA Housing and Rental Market Monthly Per Person Rates (2018 Dollars)

As shown in *Table 21*, a student who lives in a studio off campus in San Francisco can pay between 31%-179% more than a student living in a single in CCA Housing while students living off campus in a one-bedroom can pay between 107% and 256% higher. A student who resides in a one-bedroom, one-bathroom unit off-campus pays 144% more than a student living a similar unit CCA Housing.

Future Housing Developments

With 30 institutions and over 120,000 students in San Francisco, student housing is the biggest growth opportunity for multifamily rentals, as there is currently a shortage of approximately 60,000 student beds in San Francisco.²¹ These students occupy rental units that might otherwise be occupied by the local population. While new developments are underway, student housing seems to be slow moving and has not caught up to the shortfall.

Scion identified several other institutions within San Francisco with proposed or planned student housing developments. *Table 22* shows the planned new student housing projects in San Francisco.

Institution	Number of Beds
SF Conservatory of Music	420 ²²
UCSF	1,800
San Francisco State	550 ²³
UC Hastings/UCSF	592 ²⁴
USF	606 ²⁵

Table 22: New Planned San Francisco Student Housing

The shortfall of student housing has triggered private development opportunities. In May of 2018, Panoramic Interest announced an additional 200 unit community that will house 618 students in San Francisco.²⁶

As the population in San Francisco continues to trend upwards the rental market may continue to tighten, this would further limit an already strained market. Considering the high demand for housing in the market as shown through the low vacancy rates and the planned increase of inventory in the market, off-campus rental rates are still likely to increase in the future.

²¹ <https://www.sfhac.org/policy-advocacy/student-housing/>

²² <https://www.bizjournals.com/sanfrancisco/news/2018/04/26/san-francisco-conservatory-music-student-housing.html>

²³ <http://www.sfxaminer.com/sf-state-break-ground-new-student-housing-high-tech-media-center-fall/>

²⁴ <https://www.sfchronicle.com/bayarea/article/UC-Hastings-expansion-will-add-housing-bring-12625324.php>

²⁵ <http://www.sfxaminer.com/usf-seeking-planning-approval-new-student-dorm/>

²⁶ <http://www.globest.com/2018/05/23/student-housing-shortage-triggers-new-builds/?slreturn=20180424101358>

scion

California College of the Arts

Required Questions*California College of the Arts - Student Housing Survey**housing-survey.com/cca

California College of the Arts has partnered with The Scion Group, a real estate services firm specializing in non-profit and higher education institutions, to assess interest in new on-campus housing for CCA students. The College plans on expanding future campus housing options. **Your feedback matters!**

This survey is confidential. All data will be used in a form that will make it impossible to determine the identity of the individual respondents.

To show our appreciation for you taking the time to complete the survey, respondents will have the chance to participate in an opportunity drawing for the following:

- Five (5) Wacom Intuos Tablet.
- Three (3) - Panasonic Wireless Headphones

Thank you for completing this survey and sharing your comments with us, even if you do not anticipate taking advantage of such housing opportunities.

You must be 18 years of age or older to take this survey.

Page break

*** 1) What is your current enrollment status?**

- ☐ Full-time undergraduate
- ☐ Part-time undergraduate
- ☐ Full-time graduate student
- ☐ Part-time graduate student

• Respondents who selected "Part-time undergraduate" or "Part-time graduate" (#1) jump to #24

• Respondents that selected "Full-time undergraduate" or "Full-time graduate" (#1) continue to #2

*** 2) What is your class standing?**

- ☐ 1st year standing undergraduate
- ☐ 2nd year standing undergraduate
- ☐ 3rd year standing undergraduate
- ☐ 4th year standing undergraduate
- ☐ 5th year standing undergraduate
- ☐ 1st year standing graduate
- ☐ 2nd year standing graduate
- ☐ 3rd year standing graduate

*** 3) Do you live with a spouse/partner or child(ren)?**

- ☐ Yes
- ☐ No

- Respondents who selected "No" (#3) continue to #4
 - Respondents who selected "Yes" (#3) jump to #24
-

*** 4) Where do you currently live?**

- ☐ Clifton Hall
- ☐ Irwin Hall
- ☐ Avenue Apartments
- ☐ Webster Hall
- ☐ Harriet Street Residences
- ☐ Panoramic Residences
- ☐ Country Club Apartments (through CCA housing)
- ☐ Market rental property (apartment or house not rented through CCA housing)
- ☐ Parents' or relatives' home
- ☐ Property I own
- ☐ Other (please describe below)

If you selected Other, please describe below

-
- Respondents who selected "Property I own" (#4) jump to #24
-

5) Overall, how satisfied are you with your current residence?

- ☐ Satisfied
- ☐ Neutral
- ☐ Dissatisfied

6) At the time you looked for housing, how did you feel about the choices available to you? Please select all that apply.

- ☐ I had many options, both CCA housing and off-campus rental properties
- ☐ My options were limited because most CCA housing was already filled for the coming year
- ☐ My options were limited because there were no attractive CCA housing options
- ☐ My options were limited because most market rental housing was already filled for the coming year
- ☐ My options were limited because there were no attractive market rate housing options
- ☐ My options were limited because most housing was outside my budget

- Respondents who selected "Market rental property (apartment or house not rented through CCA housing)" or "Other" (#4) continue to #7
 - Respondents who selected "Clifton Hall" or "Irwin Hall" or "Avenue Apartments" or "Webster Hall" or "Harriet Street Residences" or "Panoramic Residences" or "Country Club Apartments (through CCA housing)" or "Parents' or relatives' home" (#4) jump to #14
-

*** 7) With how many other people do you currently live?**

- ☐ None, I live alone
- ☐ One additional person
- ☐ Two additional people
- ☐ Three or more additional people

*** 8) How many bedrooms are in your current rental house or apartment?**

- ☐ Studio / Efficiency
- ☐ One bedroom
- ☐ Two bedrooms
- ☐ Three bedrooms
- ☐ Four or more bedrooms

*** 9) How many bathrooms are in your current rental house or apartment?**

- ☐ One bathroom
- ☐ Two bathrooms
- ☐ Three bathrooms
- ☐ Four or more bathrooms

• Respondents who choose "None, I live alone" (#7) jump to #12

*** 10) With how many people do you share a bedroom?**

- ☐ None, I have my own bedroom
- ☐ One
- ☐ Two
- ☐ Three or more

*** 11) With how many people do you share a bathroom?**

- ☐ None, I have my own bathroom
- ☐ One
- ☐ Two
- ☐ Three or more

Page break

*** 12) If you currently have a housing agreement (outside of CCA), what is the length of the agreement?**

- ☐ More than 12 months
- ☐ 12 months
- ☐ 9 months or academic year
- ☐ 6 months
- ☐ Month to month

*** 13) What do you pay on average for your portion of the rent, utilities and parking each month while you attend CCA?**

Rent	\$ _____
Gas and Electricity	\$ _____
Water	\$ _____
Sewer/trash	\$ _____
Satellite/Cable TV and Internet	\$ _____
Parking	\$ _____

Page break

*** 14) Have you ever enrolled, or do you plan to ever enroll in CCA summer courses?**

- ☐ Yes, I have enrolled or plan to enroll in summer courses
- ☐ No, I have not enrolled and do not plan to ever enroll in summer courses

*** 15) While attending CCA as a college student, have you ever lived in CCA housing during the summer?**

- ☐ Yes
- ☐ No

- Respondents who selected "No" (#15) jump to #17
 - Respondents who selected "Yes" (#15) continue to #16
-

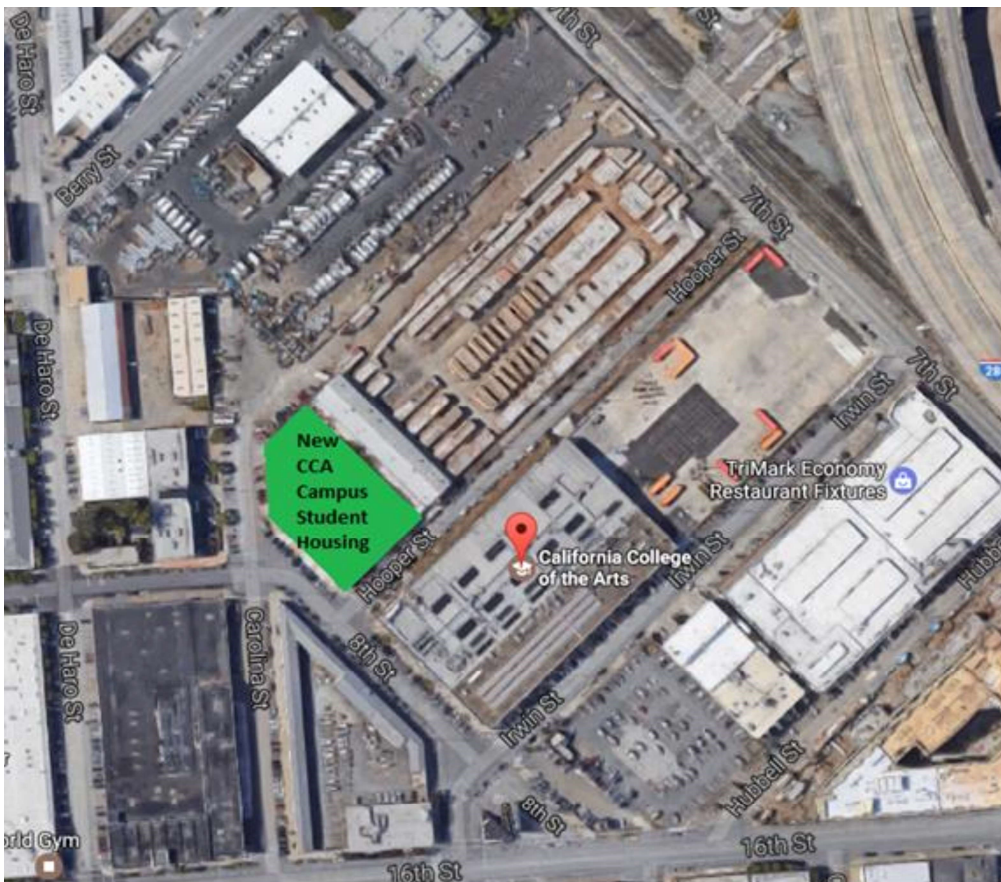
16) What are the reasons you chose to live in CCA housing during the summer? (please check all that apply)

- ☐ Ability to meet new friends
- ☐ Atmosphere/sense of community
- ☐ Attending summer courses
- ☐ Cost
- ☐ Internship opportunity
- ☐ Proximity to CCA campus facilities
- ☐ Safety/Security
- ☐ Satisfy family's wishes
- ☐ Working to save money for the fall
- ☐ Other (please describe below)

If you selected Other, please describe below

Page break

* 17) If a new CCA housing project (shown in the image below) were built at the San Francisco campus location highlighted in green in the map below (188 Hooper St.), would you consider living there?



- ☐ Yes
- ☐ Maybe
- ☐ No

*** 18) If new CCA housing were built at the San Francisco campus location shown in the image above, would you consider taking summer courses if you could live at the new housing project?**

- ☐ Yes
- ☐ Maybe
- ☐ No

*** 19) How likely would the following incentives be to encourage you to live in new CCA housing during the summer?**

	More likely	Would not matter	Not likely
Access to a full, shared kitchen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internship opportunity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Less expensive housing available	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to a private bedroom	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to a private bathroom	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Opportunity to take classes for graduation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Proximity to the S.F. campus	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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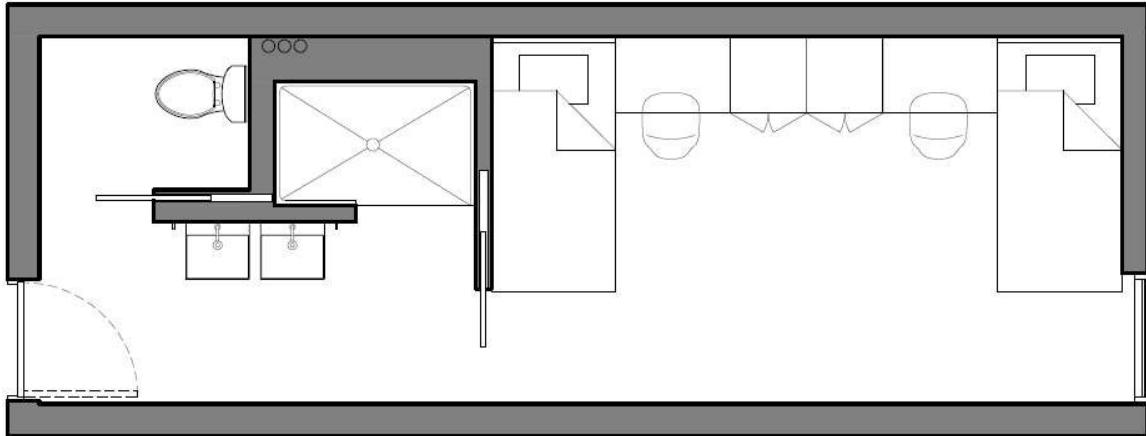
(Section introduction text)

***** The following section will measure your interest in the proposed on-campus housing project located on Hooper Street in San Francisco. Please note that the floor plans presented below are for survey purposes ONLY. The price points shown below assume an academic year contract for housing.**

The 188 Hooper St. proposed project site would be a 5-story, approximately 520 bed housing project that would primarily serve lower level undergraduates, with some upper level undergraduate and/or graduate students. In addition, the proposed project would provide high quality food services (dining hall plus kitchen area and grab-n-go) on the ground floor, and additional amenities. ***

Page break

* 20) Please consider a **Double Occupancy Suite** room (two students per suite with one shared bedroom and shared bathroom) in a new building.

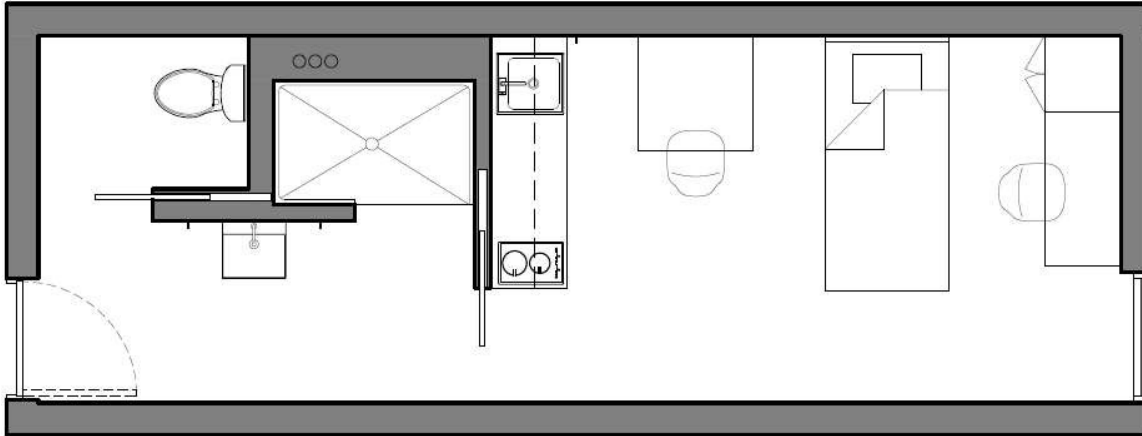


How much would you be willing to pay per month for a shared bedroom in a **Double Occupancy Suite** in a new building? *Please assume Internet, furniture and all utilities are included in the rates shown below.*

- ☐ \$1,300 - \$1,350 per month (\$11,700 - \$12,150 per academic year)
- ☐ \$1,351 - \$1,400 per month (\$12,159 - \$12,600 per academic year)
- ☐ \$1,401 - \$1,450 per month (\$12,600 - \$13,050 per academic year)
- ☐ Over \$1,450 per month (More than \$13,050 per academic year)
- ☐ Not interested because of unit type
- ☐ Not interested because of cost

Page break

*** 21) Please consider a Single Occupancy Suite room (one student per suite with one private bathroom and kitchenette) in a new building.**



How much would you be willing to pay per month for a private Single Occupancy Suite? Please assume Internet, furniture and all utilities are included in the rates shown below. A kitchenette including a sink, stovetop and refrigerator, would be available in the suite.

- ☐ \$1,700 - \$1,750 per month (\$15,300 - \$15,750 for the academic year)
- ☐ \$1,751 - \$1,800 per month (\$15,759 - \$16,200 for the academic year)
- ☐ \$1,801 - \$1,850 per month (\$16,209 - \$16,650 for the academic year)
- ☐ More than \$1,850 per month (Over \$16,650 for the academic year)
- ☐ Not interested because of unit type
- ☐ Not interested because of cost

Page break

22) If you were to live in CCA housing, would you prefer a 12-month contract, an academic year contract or a summer semester contract, assuming the monthly cost is the same for all contracts?

- ☐ 12 months (academic year plus summer)
- ☐ Academic year only (fall and spring semesters)
- ☐ Summer semester only
- ☐ No preference

23) If you were to live in CCA housing and a 5-10% discount was available toward the monthly price for a 12-month contract (versus an academic year contract), which would you prefer?

- ☐ 12 months (academic year plus summer)
- ☐ Academic year only (fall and spring semesters)
- ☐ No preference

Page break

*** 24) To which gender do you most identify?**

- ☐ Female
- ☐ Male
- ☐ Transgender Female
- ☐ Transgender Male
- ☐ Gender Variant / Non-Conforming
- ☐ Other
- ☐ Prefer Not to Answer

*** 25) What is your age?**

- ☐ Under 19
- ☐ 20 - 22
- ☐ 23 - 25
- ☐ 26 - 30
- ☐ Over 30

26) What best describes your citizenship?

- ☐ I am an international student
- ☐ I am a U.S. Citizen, Permanent Resident, or DACA/Dreamer
- ☐ I decline to state

27) Where did you live before starting at CCA?

- ☐ I lived in the San Francisco Bay Area
- ☐ I lived in California, outside of the San Francisco Bay Area
- ☐ I lived in the U.S., outside of California
- ☐ I lived outside the U.S.

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28) Please submit your CCA email address if you want to be entered in the prize drawing. (NOTE: An email address is not required to submit the survey.)

Email: _____

Once again, to show our appreciation for you taking the time to complete the survey, respondents will have the chance to participate in an opportunity drawing for the following:

- Five (5) Wacom Intuos Tablet.
- Three (3) - Panasonic Wireless Headphones

***** Opportunity Drawing Terms *****

A valid e-mail address must be received in order to enter the random opportunity drawing. A valid e-mail address consists of username@cca.edu

To enter, contestants must complete the housing survey. This contest is open only to California College of the Arts students. California College of the Arts will notify the winners and make arrangements for prize delivery. NO PURCHASE IS REQUIRED. To enter, contestants must complete the housing survey.

If the winners cannot be contacted or do not claim the award within 21 days, California College of the Arts reserves the right to select alternate winners at random, at its discretion. Chances of winning are dependent upon the number of entries received. The identity of the winners will be made available upon written request. Only one entry per person is allowed. The winner is solely responsible for any and all taxes associated with prize receipt and use. This contest and all interaction between any entrant and the promoters of the contest will be governed by the laws of the State of California, and each entrant agrees by submitting an entry or other information that any dispute or claim will be submitted to mandatory arbitration in Oakland, California before a single arbitrator under the commercial arbitration rules of the American Arbitration Association, with all claims, awards and judgments limited to actual out-of-pocket costs incurred.

Page break

**Survey Results
& Analysis**

for

**California College of the Arts (2018) - Student
Housing Survey**



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Executive Summary

This report contains a detailed statistical analysis of the results to the survey titled *California College of the Arts (2018) - Student Housing Survey*. The results analysis includes answers from all respondents who took the survey in the 14 day period from Monday, April 23, 2018 to Monday, May 07, 2018. There were 389 completed responses (369 Full-time and 20 part-time) were received to the survey during this time.

Survey Results & Analysis

Survey: California College of the Arts (2018) - Student Housing Survey

Author: The Scion Group LLC

Full-time Responses Received: 369

What is your current enrollment status?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other
Full-time undergraduate student	100.0% (45)	100.0% (9)	100.0% (15)	95.6% (43)	75.0% (6)	83.6% (51)	83.3% (5)	77.9% (74)	86.7% (26)	80.0% (4)	44.4% (8)
Part-time undergraduate student	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Full-time graduate student	0.0% (0)	0.0% (0)	0.0% (0)	4.4% (2)	25.0% (2)	16.4% (10)	16.7% (1)	22.1% (21)	13.3% (4)	20.0% (1)	55.6% (10)
Part-time graduate student	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total Counts	45	9	15	45	8	61	6	95	30	5	18

What is your class standing?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other
1st year standing undergraduate	82.2% (37)	88.9% (8)	100.0% (15)	15.6% (7)	0.0% (0)	6.6% (4)	66.7% (4)	1.1% (1)	23.3% (7)	0.0% (0)	0.0% (0)
2nd year standing undergraduate	13.3% (6)	0.0% (0)	0.0% (0)	35.6% (16)	0.0% (0)	32.8% (20)	0.0% (0)	21.1% (20)	26.7% (8)	40.0% (2)	16.7% (3)
3rd year standing undergraduate	4.4% (2)	11.1% (1)	0.0% (0)	15.6% (7)	37.5% (3)	21.3% (13)	16.7% (1)	23.2% (22)	23.3% (7)	20.0% (1)	16.7% (3)
4th year standing undergraduate	0.0% (0)	0.0% (0)	0.0% (0)	24.4% (11)	37.5% (3)	19.7% (12)	0.0% (0)	29.5% (28)	10.0% (3)	0.0% (0)	5.6% (1)
5th year standing undergraduate	0.0% (0)	0.0% (0)	0.0% (0)	4.4% (2)	0.0% (0)	1.6% (1)	0.0% (0)	4.2% (4)	6.7% (2)	20.0% (1)	0.0% (0)
1st year standing graduate	0.0% (0)	0.0% (0)	0.0% (0)	4.4% (2)	12.5% (1)	13.1% (8)	0.0% (0)	8.4% (8)	3.3% (1)	0.0% (0)	22.2% (4)
2nd year standing graduate	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	12.5% (1)	3.3% (2)	0.0% (0)	11.6% (11)	3.3% (1)	20.0% (1)	22.2% (4)
3rd year standing graduate	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	1.6% (1)	16.7% (1)	1.1% (1)	3.3% (1)	0.0% (0)	16.7% (3)
Total Counts	45	9	15	45	8	61	6	95	30	5	18

Do you live with a spouse/partner or child(ren)?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other
Yes	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
No	100.0% (45)	100.0% (9)	100.0% (15)	100.0% (45)	100.0% (8)	100.0% (61)	100.0% (6)	100.0% (95)	100.0% (30)	100.0% (5)	100.0% (18)
Total Counts	45	9	15	45	8	61	6	95	30	5	18

Where do you currently live?

Response	Count	Percent
Clifton Hall	45	13.4%
Irwin Hall	9	2.7%
Avenue Apartments	15	4.5%
Webster Hall	45	13.4%
Harriet Street Residences	8	2.4%
Panoramic Residences	61	18.1%
Country Club Apartments (through CCA housing)	6	1.8%
Market rental property (apartment or house not rented through CCA housing)	95	28.2%
Parents' or relatives' home	30	8.9%
Property I own	5	1.5%
Other (please describe below)	18	5.3%

Other Responses:

Will be in Panoramic for summer session
Avalon Mission Bay
Rent a room
Renting a room out of a family's house
My parent's home
midwest
rented property
apt in oakland
A friend's place
East Bay, 1bedroom shared with stranger
Rented apartment shared with brother
Renting a house near Cca
Rented apartment
Oakland apartment I rent alone
In country club but not through CCA
Country Club Terrace Apartments
I rent apartment with friends
EMME apartment
renting
EXCELSIOR
1010
apartment
Potrero 1010

Overall, how satisfied are you with your current residence?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other
Satisfied	28.9% (13)	11.1% (1)	53.3% (8)	20.0% (9)	50.0% (4)	29.5% (18)	33.3% (2)	52.6% (50)	40.0% (12)	0.0% (0)	33.3% (6)
Neutral	37.8% (17)	44.4% (4)	33.3% (5)	20.0% (9)	12.5% (1)	39.3% (24)	16.7% (1)	25.3% (24)	33.3% (10)	0.0% (0)	38.9% (7)
Dissatisfied	15.6% (7)	33.3% (3)	6.7% (1)	22.2% (10)	0.0% (0)	16.4% (10)	50.0% (3)	12.6% (12)	16.7% (5)	0.0% (0)	16.7% (3)
Total Counts	45	9	15	45	8	61	6	95	30	0	18

At the time you looked for housing, how did you feel about the choices available to you? (Please select all that apply)

Response	Count	Percent
I had many options, both CCA housing and off-campus rental properties	78	20.1%
My options were limited because most CCA housing was already filled for the coming year	50	12.9%
My options were limited because there were no attractive CCA housing options	113	29.0%
My options were limited because most market rental housing was already filled for the coming year	39	10.0%
My options were limited because there were no attractive market rate housing options	70	18.0%
My options were limited because most housing was outside my budget	190	48.8%

With how many other people do you currently live?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
None, I live alone	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	5.3% (5)	0.0% (0)	0.0% (0)	5.6% (1)	5.3%
One additional person	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	15.8% (15)	0.0% (0)	0.0% (0)	33.3% (6)	18.6%
Two additional people	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	30.5% (29)	0.0% (0)	0.0% (0)	33.3% (6)	31%
Three or more additional people	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	48.4% (46)	0.0% (0)	0.0% (0)	27.8% (5)	45.1%
Total Counts	0	0	0	0	0	0	0	95	0	0	18	100%

How many bedrooms are in your current rental house or apartment?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
Studio / Efficiency	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	4.2% (4)	0.0% (0)	0.0% (0)	0.0% (0)	3.5%
One bedroom	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	13.7% (13)	0.0% (0)	0.0% (0)	16.7% (3)	14.2%
Two bedrooms	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	55.8% (53)	0.0% (0)	0.0% (0)	61.1% (11)	56.6%
Three bedrooms	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	20.0% (19)	0.0% (0)	0.0% (0)	11.1% (2)	18.6%
Four or more bedrooms	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	6.3% (6)	0.0% (0)	0.0% (0)	11.1% (2)	7.1%
Total Counts	0	0	0	0	0	0	0	95	0	0	18	100%

How many bathrooms are in your current rental house or apartment?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
One bathroom	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	58.9% (56)	0.0% (0)	0.0% (0)	50.0% (9)	57.5%
Two bathrooms	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	36.8% (35)	0.0% (0)	0.0% (0)	38.9% (7)	37.2%
Three bathrooms	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	4.2% (4)	0.0% (0)	0.0% (0)	5.6% (1)	4.4%
Four or more bathrooms	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	5.6% (1)	0.9%
Total Counts	0	0	0	0	0	0	0	95	0	0	18	100%

With how many people do you share a bedroom?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
None, I have my own bedroom	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	44.4% (40)	0.0% (0)	0.0% (0)	70.6% (12)	48.6%
One	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	45.6% (41)	0.0% (0)	0.0% (0)	23.5% (4)	42.1%
Two	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	8.9% (8)	0.0% (0)	0.0% (0)	5.9% (1)	8.4%
Three or more	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	1.1% (1)	0.0% (0)	0.0% (0)	0.0% (0)	0.9%
Total Counts	0	0	0	0	0	0	0	90	0	0	17	100%

With how many people do you share a bathroom?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
None, I have my own bathroom	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	5.6% (5)	0.0% (0)	0.0% (0)	17.6% (3)	7.5%
One	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	32.2% (29)	0.0% (0)	0.0% (0)	47.1% (8)	34.6%
Two	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	31.1% (28)	0.0% (0)	0.0% (0)	11.8% (2)	28%
Three or more	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	31.1% (28)	0.0% (0)	0.0% (0)	23.5% (4)	29.9%
Total Counts	0	0	0	0	0	0	0	90	0	0	17	100%

If you currently have a housing agreement (outside of CCA), what is the length of the agreement?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
More than 12 months	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	7.4% (7)	0.0% (0)	0.0% (0)	5.6% (1)	7.1%
12 months	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	65.3% (62)	0.0% (0)	0.0% (0)	61.1% (11)	64.6%
9 months or academic year	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	5.3% (5)	0.0% (0)	0.0% (0)	5.6% (1)	5.3%
6 months	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	2.1% (2)	0.0% (0)	0.0% (0)	0.0% (0)	1.8%
Month to month	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	20.0% (19)	0.0% (0)	0.0% (0)	27.8% (5)	21.2%
Total Counts	0	0	0	0	0	0	0	95	0	0	18	100%

What do you pay on average for your portion of the rent, utilities and parking each month while you attend CCA? (NOTE: Each row represents one individual student's responses)

Rent	Gas and Electricity	Water	Sewer/trash	Satellite/Cable TV and Internet	Parking
675	0	0	0	20	0
1500	30	0	30	30	0
1000	25	25	25	14	0
550	30	0	0	20	0
600	0	0	0	10	0
940	20	0	0	13	0
1400	1	1	1	1	1
4772	45.2	59.89	22.00	40	0
750	20	10	10	10	0
675	0	0	0	0	0
1450	35	25	10	15	0
681	20	0	0	0	0
637.88	0	0	0	20	0
425	0	0	0	0	0
623.5	25	20	7	20	0
1100	15	10	0	15	0
1000	50	0	0	50	100
995	200	100	100	70	100
650	0	0	0	15	0
1075	40	20	20	10	0
830	30	50	20	10	0
780.91	35	0	0	13.33	0
699	40	29	0	0	0
9000	300	0	0	185	0
1100	0	0	0	0	0
800	11	0	0	0	0

1025	40	0	0	32	0
950	10	30	5	10	0
700	80	0	0	0	0
1250	35	30	5	40	0
1325	50	100	50	50	0
980	15	0	0	17	0
1225	25	10	10	45	50
700	25	10	12	0	0
1187.5	9.59	11.38	19.66	9	0
1400	10	10	20	30	0
1585	30	15	15	30	0
825	15	20	0	20	0
950	10	10	10	20	0
1600	0	0	20	0	0
812	50	0	0	80	75
782	30	0	0	32	0
1350	50	0	0	0	0
1150	25	0	7	12	0
2500	40	50	30	60	0
900	10	0	0	10	0
887.5	20	60	14	0	0
975	10	10	10	15	0
960	10	8	8	40	0
800	0	0	0	0	0
700	15	10	2.75	0	0
1050	25	0	0	0	0
680	10	0	0	15	0
1200	50	50	20	0	0
622.5	40	25	10	20	0

1700	40	40	40	50	0
1500	40	0	0	0	0
1000	10	10	10	10	10
1850	80	0	0	40	20
1200	50	0	10	60	0
1050	30	0	0	0	0
750	50	25	5	25	0
1100	0	0	0	30	0
1300	20	0	0	25	0
1360	0	0	0	0	0
750	20	0	0	0	0
1300	15	15	0	15	0
900	0	0	0	0	0
1178.5	20	15	2.99	11	0
1500	10	0	0	40	0
1100	50	50	10	100	75
1350	30	0	0	60	0
900	50	20	10	20	0
1500	30	10	20	50	0
1200	0	0	0	0	0
750	20	0	0	30	0
1250	50	50	50	0	0
940	20	0	0	13	0
850	10	0	0	20	0
1000	20	0	0	0	0
553	10	0	0	10	0
658	0	0	0	20	0
1100	20	22	22	40	0
700	50	50	50	25	0

1350	50	0	0	20	0
1205	30	30	15	15	0
900	50	25	5	25	0
940	40	20	20	20	0
638	0	0	0	17	0
1100	40	0	0	25	0
933	15	25	30	0	0
800	0	0	0	8	0
980	50	20	5	12	0
1295	20	15	20	20	0
995	25	0	0	0	0
1400	20	10	5	10	0
2495	80	100	0	40	0
800	20	0	0	15	0
1100	0	0	0	0	0
800	20	10	5	20	100
1400	30	20	10	10	0
850	20	15	15	15	0
2488	20	0	0	50	300
1350	50	20	30	0	0
900	10	10	0	8	0
830	10	10	10	10	0
640	0	0	0	15	0
1025	20	20	15	30	0
1200	30	15	10	20	0
1400	15	50	50	30	200
900	20	15	0	20	0
653	0	0	0	0	0
1400	15	35	0	0	0

Have you ever enrolled, or do you plan to ever enroll in CCA summer courses?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
Yes, I have enrolled or plan to enroll in summer courses	17.8% (8)	22.2% (2)	33.3% (5)	20.0% (9)	0.0% (0)	34.4% (21)	33.3% (2)	26.3% (25)	33.3% (10)	0.0% (0)	22.2% (4)	25.9%
No, I have not enrolled and do not plan to ever enroll in summer courses	82.2% (37)	77.8% (7)	66.7% (10)	80.0% (36)	100.0% (8)	65.6% (40)	66.7% (4)	73.7% (70)	66.7% (20)	0.0% (0)	77.8% (14)	74.1%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

While attending CCA as a college student, have you ever lived in CCA housing during the summer?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
Yes	15.6% (7)	0.0% (0)	0.0% (0)	4.4% (2)	0.0% (0)	19.7% (12)	16.7% (1)	13.7% (13)	6.7% (2)	0.0% (0)	5.6% (1)	11.4%
No	84.4% (38)	100.0% (9)	100.0% (15)	95.6% (43)	100.0% (8)	80.3% (49)	83.3% (5)	86.3% (82)	93.3% (28)	0.0% (0)	94.4% (17)	88.6%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

What are the reasons you chose to live in CCA student housing during the summer? (please check all that apply)

Response	Count	Percent
Ability to meet new friends	5	6%
Atmosphere/sense of community	3	3.6%
Attending summer courses	19	22.9%
Cost	6	7.2%
Internship opportunity	4	4.8%
Proximity to CCA campus facilities	8	9.6%
Safety/Security	9	10.8%
Satisfy family's wishes	8	9.6%
Working to save money for the fall	10	12.1%
Other (please describe below)	11	13.3%

Other Responses:

I was a summer residential advisor
Pre-College RA
Transfer
Being a residential advisor
Summer Conference Assistant position
was a summer RA in Oakland
Worked as an Summer RA
summer course requirement
I worked for the college
have shuttle

If a new CCA housing project (shown in the image below) were built at the San Francisco campus location highlighted in green in the map below (188 Hooper St.), would you consider living there?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
Yes	37.8% (17)	55.6% (5)	46.7% (7)	24.4% (11)	62.5% (5)	60.7% (37)	50.0% (3)	38.9% (37)	50.0% (15)	0.0% (0)	44.4% (8)	43.7%
Maybe	26.7% (12)	22.2% (2)	33.3% (5)	35.6% (16)	37.5% (3)	36.1% (22)	16.7% (1)	35.8% (34)	26.7% (8)	0.0% (0)	38.9% (7)	33.1%
No	35.6% (16)	22.2% (2)	20.0% (3)	40.0% (18)	0.0% (0)	3.3% (2)	33.3% (2)	25.3% (24)	23.3% (7)	0.0% (0)	16.7% (3)	23.2%
Total	45	9	15	45	8	61	6	95	30	0	18	100%

If new CCA housing were built at the San Francisco campus location shown in the image above, would you consider taking summer courses if you could live at the new housing project?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
Yes	15.6% (7)	33.3% (3)	13.3% (2)	11.1% (5)	12.5% (1)	34.4% (21)	16.7% (1)	18.9% (18)	40.0% (12)	0.0% (0)	22.2% (4)	22.3%
Maybe	33.3% (15)	33.3% (3)	40.0% (6)	37.8% (17)	75.0% (6)	29.5% (18)	33.3% (2)	43.2% (41)	30.0% (9)	0.0% (0)	44.4% (8)	37.7%
No	51.1% (23)	33.3% (3)	46.7% (7)	51.1% (23)	12.5% (1)	36.1% (22)	50.0% (3)	37.9% (36)	30.0% (9)	0.0% (0)	33.3% (6)	40.1%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

How likely would the following incentives be to encourage you to live in new CCA housing during the summer?

	More likely	Would not matter	Not likely
Access to a full, shared kitchen	56.3% (187)	29.5% (98)	14.2% (47)
Access to a private bathroom	72.6% (241)	23.5% (78)	3.9% (13)
Access to a private bedroom	76.8% (255)	18.7% (62)	4.5% (15)
Internship opportunity	76.2% (253)	18.7% (62)	5.1% (17)
Less expensive housing available	86.7% (288)	7.2% (24)	6.0% (20)
Opportunity to take classes for graduation	59.6% (198)	30.1% (100)	10.2% (34)
Proximity to the S.F. campus	70.8% (235)	19.6% (65)	9.6% (32)

Access to a full, shared kitchen (How likely would the following incentives be to encourage you to live in new CCA housing during the summer?)

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
More likely	64.4% (29)	66.7% (6)	53.3% (8)	40.0% (18)	50.0% (4)	55.7% (34)	66.7% (4)	56.8% (54)	60.0% (18)	0.0% (0)	66.7% (12)	56.3%
Would not matter	17.8% (8)	11.1% (1)	13.3% (2)	35.6% (16)	12.5% (1)	36.1% (22)	16.7% (1)	34.7% (33)	33.3% (10)	0.0% (0)	22.2% (4)	29.5%
Not likely	17.8% (8)	22.2% (2)	33.3% (5)	24.4% (11)	37.5% (3)	8.2% (5)	16.7% (1)	8.4% (8)	6.7% (2)	0.0% (0)	11.1% (2)	14.2%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

Access to a private bathroom (How likely would the following incentives be to encourage you to live in new CCA housing during the summer?)

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
More likely	80.0% (36)	77.8% (7)	86.7% (13)	66.7% (30)	75.0% (6)	80.3% (49)	100.0% (6)	61.1% (58)	86.7% (26)	0.0% (0)	55.6% (10)	72.6%
Would not matter	15.6% (7)	11.1% (1)	0.0% (0)	24.4% (11)	25.0% (2)	19.7% (12)	0.0% (0)	37.9% (36)	10.0% (3)	0.0% (0)	33.3% (6)	23.5%
Not likely	4.4% (2)	11.1% (1)	13.3% (2)	8.9% (4)	0.0% (0)	0.0% (0)	0.0% (0)	1.1% (1)	3.3% (1)	0.0% (0)	11.1% (2)	3.9%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

Access to a private bedroom (How likely would the following incentives be to encourage you to live in new CCA housing during the summer?)

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
More likely	66.7% (30)	77.8% (7)	73.3% (11)	62.2% (28)	87.5% (7)	93.4% (57)	83.3% (5)	75.8% (72)	83.3% (25)	0.0% (0)	72.2% (13)	76.8%
Would not matter	26.7% (12)	11.1% (1)	13.3% (2)	28.9% (13)	12.5% (1)	6.6% (4)	16.7% (1)	22.1% (21)	13.3% (4)	0.0% (0)	16.7% (3)	18.7%
Not likely	6.7% (3)	11.1% (1)	13.3% (2)	8.9% (4)	0.0% (0)	0.0% (0)	0.0% (0)	2.1% (2)	3.3% (1)	0.0% (0)	11.1% (2)	4.5%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

Internship opportunity (How likely would the following incentives be to encourage you to live in new CCA housing during the summer?)

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
More likely	80.0% (36)	77.8% (7)	80.0% (12)	71.1% (32)	87.5% (7)	86.9% (53)	66.7% (4)	70.5% (67)	66.7% (20)	0.0% (0)	83.3% (15)	76.2%
Would not matter	15.6% (7)	11.1% (1)	6.7% (1)	22.2% (10)	0.0% (0)	13.1% (8)	33.3% (2)	24.2% (23)	26.7% (8)	0.0% (0)	11.1% (2)	18.7%
Not likely	4.4% (2)	11.1% (1)	13.3% (2)	6.7% (3)	12.5% (1)	0.0% (0)	0.0% (0)	5.3% (5)	6.7% (2)	0.0% (0)	5.6% (1)	5.1%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

Less expensive housing available (How likely would the following incentives be to encourage you to live in new CCA housing during the summer?)

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
More likely	88.9% (40)	55.6% (5)	80.0% (12)	84.4% (38)	75.0% (6)	90.2% (55)	83.3% (5)	88.4% (84)	90.0% (27)	0.0% (0)	88.9% (16)	86.7%
Would not matter	8.9% (4)	22.2% (2)	0.0% (0)	8.9% (4)	0.0% (0)	6.6% (4)	16.7% (1)	7.4% (7)	6.7% (2)	0.0% (0)	0.0% (0)	7.2%
Not likely	2.2% (1)	22.2% (2)	20.0% (3)	6.7% (3)	25.0% (2)	3.3% (2)	0.0% (0)	4.2% (4)	3.3% (1)	0.0% (0)	11.1% (2)	6%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

Opportunity to take classes for graduation (How likely would the following incentives be to encourage you to live in new CCA housing during the summer?)

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
More likely	73.3% (33)	33.3% (3)	60.0% (9)	53.3% (24)	87.5% (7)	65.6% (40)	16.7% (1)	53.7% (51)	73.3% (22)	0.0% (0)	44.4% (8)	59.6%
Would not matter	17.8% (8)	44.4% (4)	26.7% (4)	28.9% (13)	0.0% (0)	32.8% (20)	33.3% (2)	40.0% (38)	20.0% (6)	0.0% (0)	27.8% (5)	30.1%
Not likely	8.9% (4)	22.2% (2)	13.3% (2)	17.8% (8)	12.5% (1)	1.6% (1)	50.0% (3)	6.3% (6)	6.7% (2)	0.0% (0)	27.8% (5)	10.2%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

Proximity to the S.F.campus (How likely would the following incentives be to encourage you to live in new CCA housing during the summer?)

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
More likely	68.9% (31)	55.6% (5)	66.7% (10)	42.2% (19)	87.5% (7)	80.3% (49)	50.0% (3)	77.9% (74)	80.0% (24)	0.0% (0)	72.2% (13)	70.8%
Would not matter	15.6% (7)	33.3% (3)	13.3% (2)	33.3% (15)	12.5% (1)	19.7% (12)	16.7% (1)	18.9% (18)	16.7% (5)	0.0% (0)	5.6% (1)	19.6%
Not likely	15.6% (7)	11.1% (1)	20.0% (3)	24.4% (11)	0.0% (0)	0.0% (0)	33.3% (2)	3.2% (3)	3.3% (1)	0.0% (0)	22.2% (4)	9.6%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

Please consider a Double Occupancy Suite room (two students per suite with one shared bedroom and shared bathroom) in a new building. How much would you be willing to pay per month for a shared bedroom in a Double Occupancy Suite in a new building? Please assume Internet, furniture and all utilities are included in the rates shown below.

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
\$1,300 - \$1,350 per month (\$11,700 - \$12,150 per academic year)	40.0% (18)	55.6% (5)	26.7% (4)	20.0% (9)	50.0% (4)	44.3% (27)	16.7% (1)	21.1% (20)	26.7% (8)	0.0% (0)	38.9% (7)	31%
\$1,351 - \$1,400 per month (\$12,159 - \$12,600 per academic year)	0.0% (0)	22.2% (2)	6.7% (1)	2.2% (1)	12.5% (1)	6.6% (4)	0.0% (0)	3.2% (3)	3.3% (1)	0.0% (0)	0.0% (0)	3.9%
\$1,401 - \$1,450 per month (\$12,600 - \$13,050 per academic year)	4.4% (2)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.6%
Over \$1,450 per month (More than \$13,050 per academic year)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0%
Not interested because of unit type	8.9% (4)	0.0% (0)	33.3% (5)	17.8% (8)	12.5% (1)	24.6% (15)	33.3% (2)	12.6% (12)	10.0% (3)	0.0% (0)	16.7% (3)	16%

Not interested because of cost	46.7% (21)	22.2% (2)	33.3% (5)	60.0% (27)	25.0% (2)	24.6% (15)	50.0% (3)	63.2% (60)	60.0% (18)	0.0% (0)	44.4% (8)	48.5%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

Please consider a Single Occupancy Suite room (one student per suite with one private bathroom and kitchenette) in a new building. How much would you be willing to pay per month for a private Single Occupancy Suite? Please assume Internet, furniture and all utilities are included in the rates shown below. A kitchenette including a sink, stovetop and refrigerator, would be available in the suite.

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
\$1,700 - \$1,750 per month (\$15,300 - \$15,750 for the academic year)	28.9% (13)	44.4% (4)	20.0% (3)	26.7% (12)	62.5% (5)	44.3% (27)	16.7% (1)	21.1% (20)	33.3% (10)	0.0% (0)	33.3% (6)	30.4%
\$1,751 - \$1,800 per month (\$15,759 - \$16,200 for the academic year)	2.2% (1)	11.1% (1)	20.0% (3)	2.2% (1)	12.5% (1)	3.3% (2)	0.0% (0)	4.2% (4)	3.3% (1)	0.0% (0)	5.6% (1)	4.5%
\$1,801 - \$1,850 per month (\$16,209 - \$16,650 for the academic year)	0.0% (0)	11.1% (1)	0.0% (0)	2.2% (1)	0.0% (0)	6.6% (4)	0.0% (0)	1.1% (1)	0.0% (0)	0.0% (0)	5.6% (1)	2.4%
More than \$1,850 per month (Over \$16,650 for the academic year)	0.0% (0)	0.0% (0)	0.0% (0)	2.2% (1)	0.0% (0)	0.0% (0)	0.0% (0)	1.1% (1)	0.0% (0)	0.0% (0)	0.0% (0)	0.6%
Not interested because of unit type	0.0% (0)	11.1% (1)	0.0% (0)	0.0% (0)	0.0% (0)	6.6% (4)	0.0% (0)	7.4% (7)	3.3% (1)	0.0% (0)	0.0% (0)	3.9%

Not interested because of cost	68.9% (31)	22.2% (2)	60.0% (9)	66.7% (30)	25.0% (2)	39.3% (24)	83.3% (5)	65.3% (62)	60.0% (18)	0.0% (0)	55.6% (10)	58.1%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

If you were to live in CCA housing, would you prefer a 12-month contract, an academic year contract or a summer semester contract, assuming the monthly cost is the same for all contracts?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
12 months (academic year plus summer)	15.6% (7)	33.3% (3)	20.0% (3)	46.7% (21)	25.0% (2)	41.0% (25)	33.3% (2)	49.5% (47)	33.3% (10)	0.0% (0)	44.4% (8)	38.8%
Academic year only (fall and spring semesters)	64.4% (29)	55.6% (5)	80.0% (12)	48.9% (22)	75.0% (6)	50.8% (31)	66.7% (4)	42.1% (40)	53.3% (16)	0.0% (0)	50.0% (9)	52.7%
Summer semester only	2.2% (1)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.3%
No preference	17.8% (8)	11.1% (1)	0.0% (0)	4.4% (2)	0.0% (0)	6.6% (4)	0.0% (0)	7.4% (7)	13.3% (4)	0.0% (0)	5.6% (1)	8.2%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

If you were to live in CCA housing and a 5-10% discount was available toward the monthly price for a 12-month contract (versus an academic year contract), which would you prefer?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other	Total %
12 months (academic year plus summer)	51.1% (23)	33.3% (3)	53.3% (8)	66.7% (30)	75.0% (6)	65.6% (40)	33.3% (2)	73.7% (70)	63.3% (19)	0.0% (0)	77.8% (14)	64.8%
Academic year only	35.6% (16)	55.6% (5)	33.3% (5)	24.4% (11)	25.0% (2)	27.9% (17)	66.7% (4)	18.9% (18)	16.7% (5)	0.0% (0)	16.7% (3)	25.9%
No preference	13.3% (6)	11.1% (1)	13.3% (2)	8.9% (4)	0.0% (0)	6.6% (4)	0.0% (0)	7.4% (7)	20.0% (6)	0.0% (0)	5.6% (1)	9.3%
Total Counts	45	9	15	45	8	61	6	95	30	0	18	100%

To which gender do you most identify?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other
Female	60.0% (27)	55.6% (5)	86.7% (13)	60.0% (27)	75.0% (6)	67.2% (41)	66.7% (4)	74.7% (71)	66.7% (20)	20.0% (1)	66.7% (12)
Male	28.9% (13)	33.3% (3)	6.7% (1)	33.3% (15)	12.5% (1)	21.3% (13)	16.7% (1)	16.8% (16)	30.0% (9)	80.0% (4)	27.8% (5)
Transgender Female	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	1.6% (1)	0.0% (0)	1.1% (1)	0.0% (0)	0.0% (0)	0.0% (0)
Transgender Male	2.2% (1)	0.0% (0)	0.0% (0)	0.0% (0)	12.5% (1)	6.6% (4)	0.0% (0)	1.1% (1)	0.0% (0)	0.0% (0)	0.0% (0)
Gender Variant / Non-Conforming	8.9% (4)	0.0% (0)	6.7% (1)	6.7% (3)	0.0% (0)	0.0% (0)	16.7% (1)	3.2% (3)	3.3% (1)	0.0% (0)	0.0% (0)
Other	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Prefer Not to Answer	0.0% (0)	11.1% (1)	0.0% (0)	0.0% (0)	0.0% (0)	3.3% (2)	0.0% (0)	3.2% (3)	0.0% (0)	0.0% (0)	5.6% (1)
Total Counts	45	9	15	45	8	61	6	95	30	5	18

What is your age?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other
Under 19	75.6% (34)	55.6% (5)	73.3% (11)	0.0% (0)	0.0% (0)	6.6% (4)	50.0% (3)	5.3% (5)	16.7% (5)	20.0% (1)	0.0% (0)
20 - 22	24.4% (11)	44.4% (4)	26.7% (4)	80.0% (36)	50.0% (4)	62.3% (38)	33.3% (2)	61.1% (58)	53.3% (16)	40.0% (2)	27.8% (5)
23 - 25	0.0% (0)	0.0% (0)	0.0% (0)	13.3% (6)	37.5% (3)	23.0% (14)	0.0% (0)	12.6% (12)	13.3% (4)	20.0% (1)	27.8% (5)
26 - 30	0.0% (0)	0.0% (0)	0.0% (0)	6.7% (3)	12.5% (1)	4.9% (3)	16.7% (1)	13.7% (13)	16.7% (5)	0.0% (0)	27.8% (5)
Over 30	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	3.3% (2)	0.0% (0)	7.4% (7)	0.0% (0)	20.0% (1)	16.7% (3)
Total Counts	45	9	15	45	8	61	6	95	30	5	18

What best describes your citizenship?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other
I am an international student	20.0% (9)	44.4% (4)	20.0% (3)	15.6% (7)	0.0% (0)	23.0% (14)	50.0% (3)	32.6% (31)	16.7% (5)	20.0% (1)	50.0% (9)
I am a U.S. Citizen, Permanent Resident, or DACA/Dreamer	80.0% (36)	55.6% (5)	80.0% (12)	82.2% (37)	100.0% (8)	75.4% (46)	50.0% (3)	66.3% (63)	83.3% (25)	80.0% (4)	50.0% (9)
I decline to state	0.0% (0)	0.0% (0)	0.0% (0)	2.2% (1)	0.0% (0)	1.6% (1)	0.0% (0)	1.1% (1)	0.0% (0)	0.0% (0)	0.0% (0)
Total Counts	45	9	15	45	8	61	6	95	30	5	18

Where did you live before starting at CCA?

Base Question	Clifton Hall	Irwin Hall	Avenue Apartments	Webster Hall	Harriet Street Residences	Panoramic Residences	Country Club Apartments (through CCA housing)	Market rental property (apartment or house not rented through CCA housing)	Parents' or relatives' home	Property I own	Other
I lived in the San Francisco Bay Area	8.9% (4)	11.1% (1)	6.7% (1)	8.9% (4)	50.0% (4)	13.1% (8)	16.7% (1)	10.5% (10)	56.7% (17)	40.0% (2)	27.8% (5)
I lived in California, outside of the San Francisco Bay Area	31.1% (14)	22.2% (2)	40.0% (6)	42.2% (19)	12.5% (1)	34.4% (21)	50.0% (3)	27.4% (26)	20.0% (6)	20.0% (1)	22.2% (4)
I lived in the U.S., outside of California	37.8% (17)	22.2% (2)	20.0% (3)	40.0% (18)	37.5% (3)	21.3% (13)	0.0% (0)	34.7% (33)	16.7% (5)	0.0% (0)	27.8% (5)
I lived outside the U.S.	22.2% (10)	44.4% (4)	33.3% (5)	8.9% (4)	0.0% (0)	31.1% (19)	33.3% (2)	27.4% (26)	6.7% (2)	40.0% (2)	22.2% (4)
Total Counts	45	9	15	45	8	61	6	95	30	5	18

Summary: Off-Campus Rental Market						
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: Studios																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other							Other Fees?	
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate		Security Deposit
Avalon at Mission Bay	255 King Street	1.5	\$ 3,240	1	1	No	No	No	No	Unit	\$ 195	\$ 3,435	2 - 24 months	In-unit	Yes	Central	Yes	Assigned			\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,473	1	1	No	No	No	No	Unit	\$ 195	\$ 3,668	2 - 24 months	In-unit	Yes	Central	Yes	Assigned			\$30 App. Fee
Parkmerced	3711 19th Ave	7.6	\$ 2,373	1	1	No	No	No	No	Unit	\$ 195	\$ 2,568	12 months	On-site	No	Central	Yes	Not Assigned	\$ 150		\$43 App. Fee
1188 Mission at Trinity Place	1188 Mission St	1.5	\$ 2,774	1	1	No	No	No	Yes	Unit	\$ 120	\$ 2,894	1 - 12 months	On-site	No	Central	Yes	Not Available		\$ 500	\$46 App. Fee
1188 Mission at Trinity Place	1188 Mission St	1.5	\$ 2,784	1	1	No	No	No	Yes	Unit	\$ 120	\$ 2,904	1 - 12 months	On-site	No	Central	Yes	Not Available		\$ 500	\$46 App. Fee
1188 Mission at Trinity Place	1188 Mission St	1.5	\$ 2,799	1	1	No	No	No	Yes	Unit	\$ 120	\$ 2,919	1 - 12 months	On-site	No	Central	Yes	Not Available		\$ 500	\$46 App. Fee
33 8th at Trinity Place	33 8th St	1.2	\$ 2,835	1	1	No	No	No	No	Unit	\$ 195	\$ 3,030	12 months	On-site	Yes	No	Yes	Assigned	\$275 - 350		\$46 App. Fee
33 8th at Trinity Place	33 8th St	1.2	\$ 2,665	1	1	No	No	No	No	Unit	\$ 195	\$ 2,860	12 months	On-site	Yes	No	Yes	Assigned	\$275 - 350		\$46 App. Fee
33 8th at Trinity Place	33 8th St	1.2	\$ 2,775	1	1	No	No	No	No	Unit	\$ 195	\$ 2,970	12 months	On-site	Yes	No	Yes	Assigned	\$275 - 350		\$46 App. Fee
100 Van Ness	100 Van Ness Ave	1.6	\$ 3,627	1	1	No	No	No	No	Unit	\$ 195	\$ 3,822	12 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$300 Pet deposit; \$40 monthly pet fee
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 3,142	1	1	No	No	No	No	Unit	\$ 195	\$ 3,337	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 3,297	1	1	No	No	No	No	Unit	\$ 195	\$ 3,492	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee

Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: Studios																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other								
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit	Other Fees?
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 3,307	1	1	No	No	No	No	Unit	\$ 195	\$ 3,502	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 3,493	1	1	No	No	No	No	Unit	\$ 195	\$ 3,688	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 3,513	1	1	No	No	No	No	Unit	\$ 195	\$ 3,708	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
Bennett Lofts	530 Brannan St	1.1	\$ 3,917	1	1	No	No	No	No	Unit	\$ 195	\$ 4,112		On-site	Yes	Central	No	Not Assigned		\$ 1,000	\$35 - \$50 monthly pet fee
The Gantry	2121 3rd St	1.0	\$ 2,995	1	1	No	No	No	No	Unit	\$ 195	\$ 3,190		In-unit	Yes	Central	Yes	Assigned		\$ 800	\$25 App. Fee
Lakewood Apartments at Lake Merced	515 John Muir Dr	9.1	\$ 2,049	1	1	No	No	No	No	Unit	\$ 195	\$ 2,244	3, 6, 12 months	On-site	Yes		Yes	Assigned		\$ 2,009	\$28 App. Fee; \$500 Pet deposit; \$50 - \$75 monthly pet fee
Lakewood Apartments at Lake Merced	515 John Muir Dr	9.1	\$ 2,209	1	1	No	No	No	No	Unit	\$ 195	\$ 2,404	3, 6, 12 months	On-site	Yes		Yes	Assigned		\$ 2,375	\$28 App. Fee; \$500 Pet deposit; \$50 - \$75 monthly pet fee

Summary: Off-Campus Rental Market									
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person			
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920			
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625			
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375			
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710			
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509			

Off-Campus Rentals: Studios																				
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other							
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit
	621 Taylor St #63	2.2	\$ 1,995	1	1	No	No	No	No	Unit	\$ 195	\$ 2,190	On-site	No	No	Not Available		\$ 1,500		
Jones Street Apartments LLC.	424 Jones St	1.9	\$ 1,595	1	1	No	No	No	No	Unit	\$ 195	\$ 1,790	On-site	Yes	No	Not Available				
Jones Street Apartments LLC.	424 Jones St	1.9	\$ 1,595	1	1	No	No	No	No	Unit	\$ 195	\$ 1,790	On-site	Yes	No	Not Available				
Pine Properties LLC.	1739 Pine St	2.6	\$ 1,845	1	1	No	No	No	No	Unit	\$ 195	\$ 2,040	On-site	Yes	No	Not Available			\$35 App. Fee; \$300 Pet deposit; \$50 - \$100 monthly pet fee	
Palace Court Apartments LLC.	555 O'Farrell St	2.0	\$ 2,095	1	1	No	No	No	No	Unit	\$ 195	\$ 2,290	On-site	Yes	No	Not Available				
Palace Court Apartments LLC.	555 O'Farrell St	2.0	\$ 1,845	1	1	No	No	No	No	Unit	\$ 195	\$ 2,040	On-site	Yes	No	Not Available				
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,221	1	1	No	No	No	No	Unit	\$ 195	\$ 3,416	On-site	Yes	No	Yes	Assigned		\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee	
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 4,695	2	2	No	No	No	No	Unit	\$ 250	\$ 2,473	On-site	Yes	No	Yes	Assigned		\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee	
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 4,695	2	2	No	No	No	No	Unit	\$ 250	\$ 2,473	On-site	Yes	No	Yes	Assigned		\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee	
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,618	1	1	No	No	No	No	Unit	\$ 195	\$ 2,813	On-site	Yes	No	Yes	Assigned		\$49 App. Fee	
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,471	1	1	No	No	No	No	Unit	\$ 195	\$ 2,666	On-site	Yes	No	Yes	Assigned		\$49 App. Fee	

Summary: Off-Campus Rental Market						
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: Studios																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other								
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit	Other Fees?
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,424	1	1	No	No	No	No	Unit	\$ 195	\$ 2,619		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,450	1	1	No	No	No	No	Unit	\$ 195	\$ 2,645		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,726	1	1	No	No	No	No	Unit	\$ 195	\$ 2,921		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,437	1	1	No	No	No	No	Unit	\$ 195	\$ 2,632		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,367	1	1	No	No	No	No	Unit	\$ 195	\$ 2,562		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,769	1	1	No	No	No	No	Unit	\$ 195	\$ 2,964		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,709	1	1	No	No	No	No	Unit	\$ 195	\$ 2,904		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,746	1	1	No	No	No	No	Unit	\$ 195	\$ 2,941		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,424	1	1	No	No	No	No	Unit	\$ 195	\$ 2,619		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,756	1	1	No	No	No	No	Unit	\$ 195	\$ 2,951		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,836	1	1	No	No	No	No	Unit	\$ 195	\$ 3,031		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,540	1	1	No	No	No	No	Unit	\$ 195	\$ 2,735		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,409	1	1	No	No	No	No	Unit	\$ 195	\$ 2,604		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,937	1	1	No	No	No	No	Unit	\$ 195	\$ 3,132		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,718	1	1	No	No	No	No	Unit	\$ 195	\$ 2,913		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,976	1	1	No	No	No	No	Unit	\$ 195	\$ 3,171		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,773	1	1	No	No	No	No	Unit	\$ 195	\$ 2,968		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 3,076	1	1	No	No	No	No	Unit	\$ 195	\$ 3,271		On-site	Yes	No	Yes	Assigned			\$49 App. Fee

Summary: Off-Campus Rental Market									
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person			
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920			
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625			
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375			
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710			
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509			

Off-Campus Rentals: Studios																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other								
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit	Other Fees?
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,517	1	1	No	No	No	No	Unit	\$ 195	\$ 2,712		On-site	Yes	No	Yes	Assigned		\$49 App. Fee	
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,632	1	1	No	No	No	No	Unit	\$ 195	\$ 2,827		On-site	Yes	No	Yes	Assigned		\$49 App. Fee	
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,826	1	1	No	No	No	No	Unit	\$ 195	\$ 3,021		On-site	Yes	No	Yes	Assigned		\$49 App. Fee	
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,508	1	1	No	No	No	No	Unit	\$ 195	\$ 2,703		On-site	Yes	No	Yes	Assigned		\$49 App. Fee	
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,942	1	1	No	No	No	No	Unit	\$ 195	\$ 3,137		On-site	Yes	No	Yes	Assigned		\$49 App. Fee	
The Fillmore Center	1475 Fillmore St	2.6	\$ 2,881	1	1	No	No	No	No	Unit	\$ 195	\$ 3,076		On-site	Yes	No	Yes	Assigned		\$49 App. Fee	
Vara	1600 15th St	1.4	\$ 3,133	1	1	No	No	No	No	Unit	\$ 195	\$ 3,328	3 - 15 months	In-unit	Yes	No	Yes	Not Assigned	\$ 350	\$ 800	\$45 App. Fee; \$500 Pet deposit; \$65 monthly pet fee
Vara	1600 15th St	1.4	\$ 3,309	1	1	No	No	No	No	Unit	\$ 195	\$ 3,504	3 - 15 months	In-unit	Yes	No	Yes	Not Assigned	\$ 350	\$ 800	\$45 App. Fee; \$500 Pet deposit; \$65 monthly pet fee
Potero Launch	2236 3rd St	2.0	\$ 2,995	1	1	No	No	No	No	Unit	\$ 195	\$ 3,190	13 months	In-unit	Yes	Central	Yes	Assigned		\$ 801	\$47 App. Fee; \$500 Pet deposit; \$50 monthly pet fee
Potero Launch	2236 3rd St	2.0	\$ 3,150	1	1	No	No	No	No	Unit	\$ 195	\$ 3,345	13 months	In-unit	Yes	Central	Yes	Assigned		\$ 801	\$47 App. Fee; \$500 Pet deposit; \$50 monthly pet fee

Summary: Off-Campus Rental Market						
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: One-Bedrooms																				
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other							
						Electricity	Internet	TV	Furniture				Lease Length	Washer/Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit
Avalon at Mission Bay	255 King Street	1.5	\$ 3,505	1	1	No	No	No	No	Unit	\$ 195	\$ 3,700	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,476	1	1	No	No	No	No	Unit	\$ 195	\$ 3,671	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,505	1	1	No	No	No	No	Unit	\$ 195	\$ 3,700	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,545	1	1	No	No	No	No	Unit	\$ 195	\$ 3,740	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,665	1	1	No	No	No	No	Unit	\$ 195	\$ 3,860	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,739	1	1	No	No	No	No	Unit	\$ 195	\$ 3,934	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,760	1	1	No	No	No	No	Unit	\$ 195	\$ 3,955	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,770	1	1	No	No	No	No	Unit	\$ 195	\$ 3,965	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,805	1	1	No	No	No	No	Unit	\$ 195	\$ 4,000	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,828	1	1	No	No	No	No	Unit	\$ 195	\$ 4,023	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,830	1	1	No	No	No	No	Unit	\$ 195	\$ 4,025	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,875	1	1	No	No	No	No	Unit	\$ 195	\$ 4,070	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,895	1	1	No	No	No	No	Unit	\$ 195	\$ 4,090	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,916	1	1	No	No	No	No	Unit	\$ 195	\$ 4,111	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,925	1	1	No	No	No	No	Unit	\$ 195	\$ 4,120	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 3,995	1	1	No	No	No	No	Unit	\$ 195	\$ 4,190	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 4,010	1	1	No	No	No	No	Unit	\$ 195	\$ 4,205	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 4,104	1	1	No	No	No	No	Unit	\$ 195	\$ 4,299	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee

Summary: Off-Campus Rental Market						
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: One-Bedrooms																				
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other							
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit
Avalon at Mission Bay	255 King Street	1.5	\$ 4,312	1	1	No	No	No	No	Unit	\$ 195	\$ 4,507	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
AVA 55 Ninth	55 Ninth Street	1.4	\$ 3,925	1	1	No	No	No	No	Unit	\$ 195	\$ 4,120	3 - 24 months	In-unit	Yes	Central	Yes	Assigned	\$ 375	\$500 Pet dep
Parkmerced	3711 19th Ave	7.6	\$ 3,199	1	1	No	No	No	No	Unit	\$ 195	\$ 3,394	12 months	On-site	No	Central	Yes	Not Assigned	\$ 150	\$43 App. Fee
1188 Mission at Trinity Place	1188 Mission St	1.5	\$ 3,099	1	1	No	No	No	No	Unit	\$ 195	\$ 3,294	12 months	On-site	No	Central	Yes	Not Available	\$ 500	\$46 App. Fee
1188 Mission at Trinity Place	1188 Mission St	1.5	\$ 3,264	1	1	No	No	No	Yes	Unit	\$ 120	\$ 3,384	1- 12 months	On-site	No	Central	Yes	Not Available	\$ 500	\$46 App. Fee
1188 Mission at Trinity Place	1188 Mission St	1.5	\$ 3,144	1	1	No	No	No	Yes	Unit	\$ 120	\$ 3,264	1- 12 months	On-site	No	Central	Yes	Not Available	\$ 500	\$46 App. Fee
1188 Mission at Trinity Place	1188 Mission St	1.5	\$ 3,299	1	1	No	No	No	No	Unit	\$ 195	\$ 3,494	12 months	On-site	No	Central	Yes	Not Available	\$ 500	\$46 App. Fee
1188 Mission at Trinity Place	1188 Mission St	1.5	\$ 3,359	1	1	No	No	No	No	Unit	\$ 195	\$ 3,554	12 months	On-site	No	Central	Yes	Not Available	\$ 500	\$46 App. Fee
1188 Mission at Trinity Place	1188 Mission St	1.5	\$ 3,309	1	1	No	No	No	No	Unit	\$ 195	\$ 3,504	12 months	On-site	No	Central	Yes	Not Available	\$ 500	\$46 App. Fee
33 8th at Trinity Place	33 8th St	1.2	\$ 3,164	1	1	No	No	No	No	Unit	\$ 195	\$ 3,359	12 months	On-site	Yes	No	Yes	Assigned	\$275-350	\$46 App. Fee
33 8th at Trinity Place	33 8th St	1.2	\$ 3,299	1	1	No	No	No	No	Unit	\$ 195	\$ 3,494	12 months	On-site	Yes	No	Yes	Assigned	\$275-350	\$46 App. Fee
33 8th at Trinity Place	33 8th St	1.2	\$ 3,349	1	1	No	No	No	No	Unit	\$ 195	\$ 3,544	12 months	On-site	Yes	No	Yes	Assigned	\$275-350	\$46 App. Fee
100 Van Ness	100 Van Ness Ave	1.6	\$ 4,492	1	1	No	No	No	No	Unit	\$ 195	\$ 4,687	12 months	In-unit	Yes	No	Yes	Not Available	\$ 500	Fee: \$300 Pet deposit; \$40 monthly pet fee
100 Van Ness	100 Van Ness Ave	1.6	\$ 4,347	1	1	No	No	No	No	Unit	\$ 195	\$ 4,542	12 months	In-unit	Yes	No	Yes	Not Available	\$ 500	Fee: \$300 Pet deposit; \$40 monthly pet fee

Summary: Off-Campus Rental Market						
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: One-Bedrooms																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other								
						Electricity	Internet	TV	Furniture				Lease Length	Washer/Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit	Other Fees?
100 Van Ness	100 Van Ness Ave	1.6	\$ 4,345	1	1	No	No	No	No	Unit	\$ 195	\$ 4,540	12 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$300 Pet deposit; \$40 monthly pet fee
Potrero 1010 Apartments	1010 16th St	0.2	\$ 3,287	1	1	No	No	No	No	Unit	\$ 195	\$ 3,482	12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
Potrero 1010 Apartments	1010 16th St	0.2	\$ 3,299	1	1	No	No	No	No	Unit	\$ 195	\$ 3,494	12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
Potrero 1010 Apartments	1010 16th St	0.2	\$ 3,304	1	1	No	No	No	No	Unit	\$ 195	\$ 3,499	12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
Potrero 1010 Apartments	1010 16th St	0.2	\$ 3,387	1	1	No	No	No	No	Unit	\$ 195	\$ 3,582	12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
Potrero 1010 Apartments	1010 16th St	0.2	\$ 3,437	1	1	No	No	No	No	Unit	\$ 195	\$ 3,632	12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
Potrero 1010 Apartments	1010 16th St	0.2	\$ 3,506	1	1	No	No	No	No	Unit	\$ 195	\$ 3,701	12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee

Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Summary: Off-Campus Rental Market

Off-Campus Rentals: One-Bedrooms																			
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other						
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate
Potrero 1010 Apartments	1010 16th St	0.2	\$ 3,563	1	1	No	No	No	No	Unit	\$ 195	\$ 3,758	12 months	In-unit	Yes	Central	No	Not Assigned	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
Potrero 1010 Apartments	1010 16th St	0.2	\$ 3,614	1	1	No	No	No	No	Unit	\$ 195	\$ 3,809	12 months	In-unit	Yes	Central	No	Not Assigned	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
Potrero 1010 Apartments	1010 16th St	0.2	\$ 3,717	1	1	No	No	No	No	Unit	\$ 195	\$ 3,912	12 months	In-unit	Yes	Central	No	Not Assigned	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
Potrero 1010 Apartments	1010 16th St	0.2	\$ 4,047	1	1	No	No	No	No	Unit	\$ 195	\$ 4,242	12 months	In-unit	Yes	Central	No	Not Assigned	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
Potrero 1010 Apartments	1010 16th St	0.2	\$ 4,077	1	1	No	No	No	No	Unit	\$ 195	\$ 4,272	12 months	In-unit	Yes	Central	No	Not Assigned	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 3,746	1	1	No	No	No	No	Unit	\$ 195	\$ 3,941	6 - 18 months	In-unit	Yes	No	Yes	Not Available	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 3,766	1	1	No	No	No	No	Unit	\$ 195	\$ 3,961	6 - 18 months	In-unit	Yes	No	Yes	Not Available	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee

Summary: Off-Campus Rental Market									
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person			
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920			
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625			
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375			
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710			
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509			

Off-Campus Rentals: One-Bedrooms																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other								
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit	Other Fees?
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 3,818	1	1	No	No	No	No	Unit	\$ 195	\$ 4,013	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 3,940	1	1	No	No	No	No	Unit	\$ 195	\$ 4,135	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 3,942	1	1	No	No	No	No	Unit	\$ 195	\$ 4,137	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 4,033	1	1	No	No	No	No	Unit	\$ 195	\$ 4,228	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
Bennett Lofts	530 Brannan St	1.1	\$ 5,176	1	1	No	No	No	No	Unit	\$ 195	\$ 5,371		On-site	Yes	Central	No	Not Assigned		\$ 1,000	\$38 App. Fee; \$500 Pet deposit; \$35 - \$50 monthly pet fee
Bennett Lofts	530 Brannan St	1.1	\$ 3,977	1	1	No	No	No	No	Unit	\$ 195	\$ 4,172		On-site	Yes	Central	No	Not Assigned		\$ 1,000	\$38 App. Fee; \$500 Pet deposit; \$35 - \$50 monthly pet fee
Bennett Lofts	530 Brannan St	1.1	\$ 5,197	1	1	No	No	No	No	Unit	\$ 195	\$ 5,392		On-site	Yes	Central	No	Not Assigned		\$ 1,000	\$38 App. Fee; \$500 Pet deposit; \$35 - \$50 monthly pet fee

Summary: Off-Campus Rental Market									
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person			
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920			
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625			
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375			
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710			
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509			

Off-Campus Rentals: One-Bedrooms																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other								
						Electricity	Internet	TV	Furniture				Lease Length	Washer/Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit	Other Fees?
The Gantry	2121 3rd St	1.0	\$ 3,325	1	1	No	No	No	No	Unit	\$ 195	\$ 3,520		In-unit	Yes	Central	Yes	Assigned		\$ 900	\$25 App. Fee
The Gantry	2121 3rd St	1.0	\$ 3,675	1	1	No	No	No	No	Unit	\$ 195	\$ 3,870		In-unit	Yes	Central	Yes	Assigned		\$ 900	\$25 App. Fee
The Gantry	2121 3rd St	1.0	\$ 3,475	1	1	No	No	No	No	Unit	\$ 195	\$ 3,670		In-unit	Yes	Central	Yes	Assigned		\$ 900	\$25 App. Fee
Lakewood Apartments at Lake Merced	515 John Muir Dr	9.1	\$ 2,399	1	1	No	No	No	No	Unit	\$ 195	\$ 2,594	3, 6, 12 months	On-site	Yes		Yes	Assigned		\$ 2,409	\$28 App. Fee; \$500 Pet deposit; \$50 - \$75 monthly pet fee
Lakewood Apartments at Lake Merced	515 John Muir Dr	9.1	\$ 2,499	1	1	No	No	No	No	Unit	\$ 195	\$ 2,694	3, 6, 12 months	On-site	Yes		Yes	Assigned		\$ 2,409	\$28 App. Fee; \$500 Pet deposit; \$50 - \$75 monthly pet fee
Lakewood Apartments at Lake Merced	515 John Muir Dr	9.1	\$ 2,579	1	1	No	No	No	No	Unit	\$ 195	\$ 2,774	3, 6, 12 months	On-site	Yes		Yes	Assigned		\$ 2,409	\$28 App. Fee; \$500 Pet deposit; \$50 - \$75 monthly pet fee
Lakewood Apartments at Lake Merced	515 John Muir Dr	9.1	\$ 2,699	1	1	No	No	No	No	Unit	\$ 195	\$ 2,894	3, 6, 12 months	On-site	Yes		Yes	Assigned		\$ 2,409	\$28 App. Fee; \$500 Pet deposit; \$50 - \$75 monthly pet fee
Lakewood Apartments at Lake Merced	515 John Muir Dr	9.1	\$ 2,699	1	1	No	No	No	No	Unit	\$ 195	\$ 2,894	3, 6, 12 months	On-site	Yes		Yes	Assigned		\$ 2,409	\$28 App. Fee; \$500 Pet deposit; \$50 - \$75 monthly pet fee

Summary: Off-Campus Rental Market									
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person			
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920			
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625			
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375			
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710			
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509			

Off-Campus Rentals: One-Bedrooms																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other								
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit	Other Fees?
Lakewood Apartments at Lake Merced	515 John Muir Dr	9.1	\$ 2,829	1	1	No	No	No	No	Unit	\$ 195	\$ 3,024	3, 6, 12 months	On-site	Yes		Yes	Assigned		\$ 2,959	\$28 App. Fee; \$500 Pet deposit; \$50 - \$75 monthly pet fee
Nob Hill Associates LLC.	930 Sutter St	2.0	\$ 2,345	1	1	No	No	No	No	Unit	\$ 195	\$ 2,540	12 months	On-site	No		No	Not Available			\$30 App. Fee
Pine Properties LLC.	1739 Pine St	2.6	\$ 2,825	1	1	No	No	No	No	Unit	\$ 195	\$ 3,020		On-site	Yes		No	Not Available			\$35 App. Fee; \$300 Pet deposit; \$50 - \$100 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,364	1	1	No	No	No	No	Unit	\$ 195	\$ 3,559	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,379	1	1	No	No	No	No	Unit	\$ 195	\$ 3,574	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,393	1	1	No	No	No	No	Unit	\$ 195	\$ 3,588	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,430	1	1	No	No	No	No	Unit	\$ 195	\$ 3,625	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee

Summary: Off-Campus Rental Market									
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person			
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920			
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625			
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375			
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710			
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509			

Off-Campus Rentals: One-Bedrooms																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other								
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit	Other Fees?
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,450	1	1	No	No	No	No	Unit	\$ 195	\$ 3,645	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,586	1	1	No	No	No	No	Unit	\$ 195	\$ 3,781	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,612	1	1	No	No	No	No	Unit	\$ 195	\$ 3,807	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,613	1	1	No	No	No	No	Unit	\$ 195	\$ 3,808	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,686	1	1	No	No	No	No	Unit	\$ 195	\$ 3,881	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,613	1	1	No	No	No	No	Unit	\$ 195	\$ 3,808	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,632	1	1	No	No	No	No	Unit	\$ 195	\$ 3,827	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee

Summary: Off-Campus Rental Market									
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person			
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920			
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625			
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375			
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710			
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509			

Off-Campus Rentals: One Bedrooms																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other							Other Fees?	
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate		Security Deposit
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,633	1	1	No	No	No	No	Unit	\$ 195	\$ 3,828	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 3,644	1	1	No	No	No	No	Unit	\$ 195	\$ 3,839	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 3,221	1	1	No	No	No	No	Unit	\$ 195	\$ 3,416		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1475 Fillmore St	2.6	\$ 3,256	1	1	No	No	No	No	Unit	\$ 195	\$ 3,451		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 3,150	1	1	No	No	No	No	Unit	\$ 195	\$ 3,345		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 2,911	1	1	No	No	No	No	Unit	\$ 195	\$ 3,108		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 2,756	1	1	No	No	No	No	Unit	\$ 195	\$ 2,951		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 3,565	1	1	No	No	No	No	Unit	\$ 195	\$ 3,760		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 2,905	1	1	No	No	No	No	Unit	\$ 195	\$ 3,100		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 2,821	1	1	No	No	No	No	Unit	\$ 195	\$ 3,016		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 2,838	1	1	No	No	No	No	Unit	\$ 195	\$ 3,033		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 3,064	1	1	No	No	No	No	Unit	\$ 195	\$ 3,259		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 3,743	1	1	No	No	No	No	Unit	\$ 195	\$ 3,938		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 2,694	1	1	No	No	No	No	Unit	\$ 195	\$ 2,889		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 2,698	1	1	No	No	No	No	Unit	\$ 195	\$ 2,893		On-site	Yes	No	Yes	Assigned			\$49 App. Fee

Summary: Off-Campus Rental Market									
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person			
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920			
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625			
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375			
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710			
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509			

Off-Campus Rentals: One-Bedrooms																				
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other							
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit
The Fillmore Center	1476 Fillmore St	3.6	\$ 2,864	1	1	No	No	No	No	Unit	\$ 195	\$ 3,059		On-site	Yes	No	Yes	Assigned		\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 3,040	1	1	No	No	No	No	Unit	\$ 195	\$ 3,235		On-site	Yes	No	Yes	Assigned		\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 2,984	1	1	No	No	No	No	Unit	\$ 195	\$ 3,179		On-site	Yes	No	Yes	Assigned		\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 2,475	1	1	No	No	No	No	Unit	\$ 195	\$ 2,670		On-site	Yes	No	Yes	Assigned		\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 2,759	1	1	No	No	No	No	Unit	\$ 195	\$ 2,954		On-site	Yes	No	Yes	Assigned		\$49 App. Fee
The Fillmore Center	1476 Fillmore St	3.6	\$ 2,849	1	1	No	No	No	No	Unit	\$ 195	\$ 3,044		On-site	Yes	No	Yes	Assigned		\$49 App. Fee
Vara	1600 15th St	1.4	\$ 3,343	1	1	No	No	No	No	Unit	\$ 195	\$ 3,538	3 - 15 months	In-unit	Yes	No	Yes	Not Assigned	\$ 350	\$ 800
Vara	1600 15th St	1.4	\$ 3,403	1	1	No	No	No	No	Unit	\$ 195	\$ 3,598	3 - 15 months	In-unit	Yes	No	Yes	Not Assigned	\$ 350	\$ 800
Vara	1600 15th St	1.4	\$ 3,448	1	1	No	No	No	No	Unit	\$ 195	\$ 3,643	3 - 15 months	In-unit	Yes	No	Yes	Not Assigned	\$ 350	\$ 800
Vara	1600 15th St	1.4	\$ 3,523	1	1	No	No	No	No	Unit	\$ 195	\$ 3,718	3 - 15 months	In-unit	Yes	No	Yes	Not Assigned	\$ 350	\$ 800
Vara	1600 15th St	1.4	\$ 3,708	1	1	No	No	No	No	Unit	\$ 195	\$ 3,903	3 - 15 months	In-unit	Yes	No	Yes	Not Assigned	\$ 350	\$ 800

Summary: Off-Campus Rental Market									
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person			
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920			
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625			
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375			
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710			
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509			

Off-Campus Rentals: One-Bedrooms																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other								
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit	Other Fees?
Vara	1600 15th St	1.4	\$ 3,913	1	1	No	No	No	No	Unit	\$ 195	\$ 4,108	3 - 15 months	In-unit	Yes	No	Yes	Not Assigned	\$ 350	\$ 800	\$45 App. Fee; \$500 Pet deposit; \$65 monthly pet fee
Vara	1600 15th St	1.4	\$ 4,043	1	1	No	No	No	No	Unit	\$ 195	\$ 4,238	3 - 15 months	In-unit	Yes	No	Yes	Not Assigned	\$ 350	\$ 800	\$45 App. Fee; \$500 Pet deposit; \$65 monthly pet fee
Potrero Launch	2235 3rd St	1.0	\$ 3,722	1	1	No	No	No	No	Unit	\$ 195	\$ 3,917	12 months	In-unit	Yes	Central	Yes	Assigned		\$ 800	\$47 App. Fee; \$500 Pet deposit; \$50 monthly pet fee
Potrero Launch	2235 3rd St	1.0	\$ 3,922	1	1	No	No	No	No	Unit	\$ 195	\$ 4,117	12 months	In-unit	Yes	Central	Yes	Assigned		\$ 800	\$47 App. Fee; \$500 Pet deposit; \$50 monthly pet fee
Potrero Launch	2235 3rd St	1.0	\$ 3,997	1	1	No	No	No	No	Unit	\$ 195	\$ 4,192	12 months	In-unit	Yes	Central	Yes	Assigned		\$ 800	\$47 App. Fee; \$500 Pet deposit; \$50 monthly pet fee

Summary: Off-Campus Rental Market						
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: Two-bedrooms																				
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Adjusted Monthly Rate Per Person	Amenities/Other							Other Fees?		
						Electricity	Internet	TV	Furniture		Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities		Onsite Parking	Parking Rate
Avalon at Mission Bay	255 King Street	1.5	\$ 4,335	2	1	No	No	No	No	Unit	\$ 250	\$ 2,293	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 1,680	2	2	No	No	No	No	Unit	\$ 250	\$ 965	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 4,750	2	2	No	No	No	No	Unit	\$ 250	\$ 2,500	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 4,777	2	2	No	No	No	No	Unit	\$ 250	\$ 2,514	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 4,820	2	2	No	No	No	No	Unit	\$ 250	\$ 2,535	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 4,879	2	2	No	No	No	No	Unit	\$ 250	\$ 2,565	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 4,910	2	2	No	No	No	No	Unit	\$ 250	\$ 2,580	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 4,915	2	2	No	No	No	No	Unit	\$ 250	\$ 2,583	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 4,970	2	2	No	No	No	No	Unit	\$ 250	\$ 2,610	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 5,181	2	2	No	No	No	No	Unit	\$ 250	\$ 2,716	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 5,200	2	2	No	No	No	No	Unit	\$ 250	\$ 2,725	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 5,259	2	2	No	No	No	No	Unit	\$ 250	\$ 2,755	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 5,330	2	2	No	No	No	No	Unit	\$ 250	\$ 2,790	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Avalon at Mission Bay	255 King Street	1.5	\$ 5,938	2	2	No	No	No	No	Unit	\$ 250	\$ 3,094	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Parkmerced	3711 19th Ave	7.6	\$ 3,458	2	1	No	No	No	No	Unit	\$ 250	\$ 1,854	12 months	On-site	No	Central	Yes	Not Assigned	\$ 150	\$43 App. Fee

Summary: Off-Campus Rental Market						
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: Two-bedrooms												
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person
						Electricity	Internet	TV	Furniture			
Parkmerced	3711 19th Ave	7.6	\$ 3,560	2	1	No	No	No	No	Unit	\$ 250	\$ 1,905
Parkmerced	3711 19th Ave	7.6	\$ 3,610	2	2	No	No	No	No	Unit	\$ 250	\$ 1,930
Parkmerced	3711 19th Ave	7.6	\$ 3,658	2	2	No	No	No	No	Unit	\$ 250	\$ 1,954
33 8th at Trinity Place	33 8th St	1.2	\$ 3,899	2	1	No	No	No	No	Unit	\$ 250	\$ 2,075
33 8th at Trinity Place	33 8th St	1.2	\$ 3,919	2	1	No	No	No	No	Unit	\$ 250	\$ 2,085
33 8th at Trinity Place	33 8th St	1.2	\$ 4,103	2	1	No	No	No	No	Unit	\$ 250	\$ 2,177
33 8th at Trinity Place	33 8th St	1.2	\$ 4,028	2	1	No	No	No	No	Unit	\$ 250	\$ 2,139
100 Van Ness	100 Van Ness Ave	1.6	\$ 5,157	2	2	No	No	No	No	Unit	\$ 250	\$ 2,704
100 Van Ness	100 Van Ness Ave	1.6	\$ 5,107	2	2	No	No	No	No	Unit	\$ 250	\$ 2,679
Polero 1010 Apartments	1010 16th St	0.2	\$ 4,398	2	2	No	No	No	No	Unit	\$ 250	\$ 2,324
Polero 1010 Apartments	1010 16th St	0.2	\$ 4,398	2	2	No	No	No	No	Unit	\$ 250	\$ 2,324

Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Ave utilities and furniture included?				Rent by Bed or Unit	"Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other								
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit	Other Fees?
Parkmerced	3711 19th Ave	7.6	\$ 3,560	2	1	No	No	No	No	Unit	\$ 250	\$ 1,905	12 months	On-site	No	Central	Yes	Not Assigned	\$ 150		\$43 App. Fee
Parkmerced	3711 19th Ave	7.6	\$ 3,610	2	2	No	No	No	No	Unit	\$ 250	\$ 1,930	12 months	On-site	No	Central	Yes	Not Assigned	\$ 150		\$43 App. Fee
Parkmerced	3711 19th Ave	7.6	\$ 3,658	2	2	No	No	No	No	Unit	\$ 250	\$ 1,954	12 months	On-site	No	Central	Yes	Not Assigned	\$ 150		\$43 App. Fee
33 8th at Trinity Place	33 8th St	1.2	\$ 3,899	2	1	No	No	No	No	Unit	\$ 250	\$ 2,075	12 months	On-site	Yes	No	Yes	Assigned	\$275 - 350		\$46 App. Fee
33 8th at Trinity Place	33 8th St	1.2	\$ 3,919	2	1	No	No	No	No	Unit	\$ 250	\$ 2,085	12 months	On-site	Yes	No	Yes	Assigned	\$275 - 350		\$46 App. Fee
33 8th at Trinity Place	33 8th St	1.2	\$ 4,103	2	1	No	No	No	No	Unit	\$ 250	\$ 2,177	12 months	On-site	Yes	No	Yes	Assigned	\$275 - 350		\$46 App. Fee
33 8th at Trinity Place	33 8th St	1.2	\$ 4,028	2	1	No	No	No	No	Unit	\$ 250	\$ 2,139	12 months	On-site	Yes	No	Yes	Assigned	\$275 - 350		\$46 App. Fee
100 Van Ness	100 Van Ness Ave	1.6	\$ 5,157	2	2	No	No	No	No	Unit	\$ 250	\$ 2,704	12 months	In-unit	Yes	No	Yes	Not Available		\$ 500	Fee: \$300 Pet deposit: \$40 monthly pet fee
100 Van Ness	100 Van Ness Ave	1.6	\$ 5,107	2	2	No	No	No	No	Unit	\$ 250	\$ 2,679	12 months	In-unit	Yes	No	Yes	Not Available		\$ 500	Fee: \$300 Pet deposit: \$40 monthly pet fee
Potrero 1010 Apartments	1010 16th St	0.2	\$ 4,398	2	2	No	No	No	No	Unit	\$ 250	\$ 2,324	12 months	In-unit	Yes	Central	No	Not Assigned			Fee: \$500 Pet deposit: \$75 monthly pet fee
Potrero 1010 Apartments	1010 16th St	0.2	\$ 4,398	2	2	No	No	No	No	Unit	\$ 250	\$ 2,324	12 months	In-unit	Yes	Central	No	Not Assigned			Fee: \$500 Pet deposit: \$75 monthly pet fee

Summary: Off-Campus Rental Market						
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: Two-bedrooms												
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person
						Electricity	Internet	TV	Furniture			
Potrero 1010 Apartments	1010 16th St	0.2	\$ 4,450	2	2	No	No	No	No	Unit	\$ 250	\$ 2,350
Potrero 1010 Apartments	1010 16th St	0.2	\$ 4,476	2	2	No	No	No	No	Unit	\$ 250	\$ 2,363
Potrero 1010 Apartments	1010 16th St	0.2	\$ 4,476	2	2	No	No	No	No	Unit	\$ 250	\$ 2,363
Potrero 1010 Apartments	1010 16th St	0.2	\$ 4,529	2	2	No	No	No	No	Unit	\$ 250	\$ 2,390
Potrero 1010 Apartments	1010 16th St	0.2	\$ 4,579	2	2	No	No	No	No	Unit	\$ 250	\$ 2,415
Potrero 1010 Apartments	1010 16th St	0.2	\$ 4,605	2	2	No	No	No	No	Unit	\$ 250	\$ 2,428
Potrero 1010 Apartments	1010 16th St	0.2	\$ 4,708	2	2	No	No	No	No	Unit	\$ 250	\$ 2,479

Amenities/Other										Lease Length	Washer/Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit	Other Fees?
										12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
										12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
										12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
										12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
										12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
										12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
										12 months	In-unit	Yes	Central	No	Not Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee

Summary: Off-Campus Rental Market						
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: Two-bedrooms																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other								
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate	Security Deposit	Other Fees?
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 4,544	2	2	No	No	No	No	Unit	\$ 250	\$ 2,397	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 4,713	2	2	No	No	No	No	Unit	\$ 250	\$ 2,482	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 4,946	2	2	No	No	No	No	Unit	\$ 250	\$ 2,598	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
One Henry Adams Apartments	1 Henry Adams St	0.4	\$ 5,601	2	2	No	No	No	No	Unit	\$ 250	\$ 2,926	6 - 18 months	In-unit	Yes	No	Yes	Not Available		\$ 500	\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
The Gantry	2121 3rd St	1.0	\$ 4,225	2	1	No	No	No	No	Unit	\$ 250	\$ 2,238		In-unit	Yes	Central	Yes	Assigned		\$ 1,000	\$25 App. Fee
The Gantry	2121 3rd St	1.0	\$ 4,500	2	2	No	No	No	No	Unit	\$ 250	\$ 2,375		In-unit	Yes	Central	Yes	Assigned		\$ 1,000	\$25 App. Fee
The Gantry	2121 3rd St	1.0	\$ 4,350	2	2	No	No	No	No	Unit	\$ 250	\$ 2,300		In-unit	Yes	Central	Yes	Assigned		\$ 1,000	\$25 App. Fee
The Gantry	2121 3rd St	1.0	\$ 4,650	2	2	No	No	No	No	Unit	\$ 250	\$ 2,450		In-unit	Yes	Central	Yes	Assigned		\$ 1,000	\$25 App. Fee
Lakewood Apartments at Lake Merced	515 John Muir Dr	9.1	\$ 3,209	2	1	No	No	No	No	Unit	\$ 250	\$ 1,730	3, 6, 12 months	On-site	Yes		Yes	Assigned		\$ 2,979	\$28 App. Fee; \$500 Pet deposit; \$50 - \$75 monthly pet fee

Summary: Off-Campus Rental Market						
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: Two-bedrooms																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other						Other Fees?		
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking		Parking Rate	Security Deposit
Lakewood Apartments at Lake Merced	515 John Muir Dr	9.1	\$ 3,849	2	1	No	No	No	No	Unit	\$ 250	\$ 2,050	3, 6, 12 months	On-site	Yes		Yes	Assigned		\$ 3,475	\$28 App. Fee; \$500 Pet deposit; \$50 - \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 4,525	2	2	No	No	No	No	Unit	\$ 250	\$ 2,388	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 4,511	2	2	No	No	No	No	Unit	\$ 250	\$ 2,381	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 4,695	2	2	No	No	No	No	Unit	\$ 250	\$ 2,473	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 4,723	2	2	No	No	No	No	Unit	\$ 250	\$ 2,487	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 4,819	2	2	No	No	No	No	Unit	\$ 250	\$ 2,535	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee

Summary: Off-Campus Rental Market						
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: Two-bedrooms																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other						Other Fees?		
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking		Parking Rate	Security Deposit
SolMa Square Apartments	One Saint Francis Place	1.7	\$ 4,901	2	2	No	No	No	No	Unit	\$ 250	\$ 2,576	3,4,6,7,8,9, 10,11,12 months	On-site	Yes	No	Yes	Assigned			\$35 App. Fee; \$500 Pet deposit; \$75 monthly pet fee
The Filmore Center	1476 Filmore St	3.6	\$ 3,541	2	2	No	No	No	No	Unit	\$ 250	\$ 1,896		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Filmore Center	1476 Filmore St	3.6	\$ 3,401	2	2	No	No	No	No	Unit	\$ 250	\$ 1,826		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Filmore Center	1476 Filmore St	3.6	\$ 3,572	2	2	No	No	No	No	Unit	\$ 250	\$ 1,911		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Filmore Center	1476 Filmore St	3.6	\$ 3,426	2	2	No	No	No	No	Unit	\$ 250	\$ 1,838		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Filmore Center	1476 Filmore St	3.6	\$ 3,168	2	2	No	No	No	No	Unit	\$ 250	\$ 1,709		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Filmore Center	1476 Filmore St	3.6	\$ 3,422	2	2	No	No	No	No	Unit	\$ 250	\$ 1,836		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Filmore Center	1476 Filmore St	3.6	\$ 4,242	2	2	No	No	No	No	Unit	\$ 250	\$ 2,246		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Filmore Center	1476 Filmore St	3.6	\$ 3,257	2	2	No	No	No	No	Unit	\$ 250	\$ 1,754		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Filmore Center	1476 Filmore St	3.6	\$ 3,306	2	2	No	No	No	No	Unit	\$ 250	\$ 1,778		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Filmore Center	1476 Filmore St	3.6	\$ 3,201	2	2	No	No	No	No	Unit	\$ 250	\$ 1,726		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Filmore Center	1476 Filmore St	3.6	\$ 3,501	2	2	No	No	No	No	Unit	\$ 250	\$ 1,876		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Filmore Center	1476 Filmore St	3.6	\$ 3,821	2	2	No	No	No	No	Unit	\$ 250	\$ 2,036		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
The Filmore Center	1476 Filmore St	3.6	\$ 3,546	2	2	No	No	No	No	Unit	\$ 250	\$ 1,898		On-site	Yes	No	Yes	Assigned			\$49 App. Fee
Vara	1600 15th St	1.4	\$ 4,528	2	1	No	No	No	No	Unit	\$ 250	\$ 2,389	3 - 15 months	In-unit	Yes	No	Yes	Not Assigned	\$ 350	\$ 800	\$45 App. Fee; \$500 Pet deposit; \$65 monthly pet fee

Summary: Off-Campus Rental Market						
Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: Two-bedrooms																					
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other							Other Fees?	
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking	Parking Rate		Security Deposit
Vara	1600 15th St	1.4	\$ 4,713	2	1	No	No	No	No	Unit	\$ 250	\$ 2,482	3 - 15 months	In-unit	Yes	No	Yes	Not Assigned	\$ 350	\$ 800	\$45 App Fee; \$500 Pet deposit; \$65 monthly pet fees
Vara	1600 15th St	1.4	\$ 4,878	2	2	No	No	No	No	Unit	\$ 250	\$ 2,564	3 - 15 months	In-unit	Yes	No	Yes	Not Assigned	\$ 350	\$ 800	\$45 App Fee; \$500 Pet deposit; \$65 monthly pet fees
	451 Kansas St Unit 356	0.4	\$ 4,300	2	2	No	No	No	No	Unit	\$ 250	\$ 2,275	12 months	In-unit	Yes	No	No	Assigned		\$ 4,500	\$50 App Fee; \$50 monthly pet fees
Potrero Launch	2235 3rd St	1.0	\$ 5,202	2	1	No	No	No	No	Unit	\$ 250	\$ 2,726	12 months	In-unit	Yes	Central	Yes	Assigned		\$ 800	\$47 App Fee; \$500 Pet deposit; \$50 monthly pet fees
Potrero Launch	2235 3rd St	1.0	\$ 5,452	2	1	No	No	No	No	Unit	\$ 250	\$ 2,851	12 months	In-unit	Yes	Central	Yes	Assigned		\$ 800	\$47 App Fee; \$500 Pet deposit; \$50 monthly pet fees
429 BAKER Apartments	430 Baker St	2.9	\$ 4,495	2	1	No	yes	No	No	Unit	\$ 210	\$ 2,353	\$ 12	In-unit	Yes	Central	Yes	Assigned			

Summary: Off-Campus Rental Market

Unit Size	Average Distance from Site (miles)	Maximum Distance from Site (miles)	Average Adjusted Monthly Rate Per Person	Min Monthly Rate Per Person	Max Monthly Rate Per Person	Median Adjusted Monthly Rate Per Person
Studio	2.3	9.1	\$ 2,916	\$ 1,790	\$ 4,112	\$ 2,920
1 Bedroom	2.2	9.1	\$ 3,642	\$ 2,540	\$ 5,392	\$ 3,625
2 Bedrooms	2.2	9.1	\$ 2,297	\$ 965	\$ 3,094	\$ 2,375
3 Bedrooms	6.0	13.6	\$ 1,946	\$ 1,198	\$ 3,298	\$ 1,710
4+ Bedrooms	4.4	6.9	\$ 1,563	\$ 1,079	\$ 1,884	\$ 1,509

Off-Campus Rentals: Three-bedrooms																				
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other						Other Fees?	
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking		Parking Rate
Avalon at Mission Bay	255 King Street	1.5	\$ 6,610	3	2	No	No	No	No	Unit	\$ 295	\$ 2,302	2 - 24 months	In-unit	Yes	Central	Yes	Assigned		\$30 App. Fee
Parkmerced	3711 19th Ave	7.6	\$ 4,668	3	2	No	No	No	No	Unit	\$ 295	\$ 1,654	12 months	On-site	No	Central	Yes	Assigned	\$ 150	\$43 App. Fee
Parkmerced	3711 19th Ave	7.6	\$ 4,836	3	2.5	No	No	No	No	Unit	\$ 295	\$ 1,710	12 months	On-site	No	Central	Yes	Assigned	\$ 150	\$43 App. Fee
Parkmerced	3711 19th Ave	7.6	\$ 4,726	3	3	No	No	No	No	Unit	\$ 295	\$ 1,674	12 months	On-site	No	Central	Yes	Assigned	\$ 150	\$43 App. Fee
The Gantry	2121 3rd St	1.0	\$ 5,795	3	2	No	No	No	No	Unit	\$ 295	\$ 2,030		In-unit	Yes	Central	Yes	Assigned		\$45 App. Fee
Vara	1600 15th St	1.4	\$ 5,933	3	2	No	No	No	No	Unit	\$ 295	\$ 2,076	3 - 15 months	In-unit	Yes	No	Yes	Assigned	\$ 350	\$25 App. Fee; \$500 Pet deposit; \$65 monthly pet fee
	2933 Yorba St	10.4	\$ 4,527	3	2	Yes	No	No	No	Unit	\$ 195	\$ 1,574	12 months	In-unit	Yes	No	No	Assigned		\$ 4,000
	4640 Balboa St	13.6	\$ 3,200	3	1	No	No	No	No	Bed	\$ 295	\$ 3,298	3 - 12 months	In-unit	No	No	No	Assigned		\$ 3,500
	1455 Silver Ave	3.0	\$ 3,300	3	2	No	No	No	No	Unit	\$ 295	\$ 1,198	12 months	In-unit	Yes	No	No	Assigned	\$ 300	\$ 3,300

Off-Campus Rentals: Four-bedrooms*																				
Property Name	Address	Distance from Site (miles)	Monthly Advertised Rate	Bedrooms	Baths	Are utilities and furniture included?				Rent by Bed or Unit	*Utility, Appliance & Furniture Adjustment Per Unit	Adjusted Monthly Rate Per Person	Amenities/Other						Other Fees?	
						Electricity	Internet	TV	Furniture				Lease Length	Washer/ Dryer	Dishwasher	A/C	Workout Facilities	Onsite Parking		Parking Rate
	871 Foerster St	5.1	\$ 7,200	4	3.5	No	No	No	No	Unit	\$ 335	\$ 1,884	12 months	In-unit	Yes	No	No	Assigned		\$ 8,092
	67 Maddux Ave	3.3	\$ 5,025	5	3	No	No	No	No	Unit	\$ 370	\$ 1,079	12 months	In-unit	No	No	No	Assigned		
	1676 Grove St	3.0	\$ 5,500	4	1	No	No	No	No	Unit	\$ 335	\$ 1,459	12 months	In-unit	Yes	No	No	Not Available		\$ 5,700
	46 Kitteridge Ter	3.5	\$ 7,200	4	3	No	No	No	No	Unit	\$ 335	\$ 1,884	12 months	In-unit	Yes	No	No	Assigned		\$ 10,800
	2466 17th Ave	6.9	\$ 5,700	4	2	No	No	No	No	Unit	\$ 335	\$ 1,509	12 months	In-unit	Yes	No	No	Assigned		



Memorandum: California College of the Arts - Student Housing Operating Expense Analysis

DATE: June 1, 2018

FROM: John Spearman, Project Manager, Advisory Services
Jeff Panchavinin, Director, Advisory Services
Ann Volz, Project Executive, Advisory Services
Robert Kolinsky, Asset Analyst, Advisory Services

TO: Stephen Koch
California College of the Arts

ATTACHMENTS: Student Housing Operating Expense

Background

California College of the Arts (CCA or Client) engaged The Scion Group LLC (Scion) to perform a Student Housing Operating Expense Analysis for a proposed new student housing community (188 Hooper) located on the CCA campus in San Francisco, California. This document, the *Student Housing Operating Expense Analysis* memorandum, is a deliverable which presents our findings. Following CCA's feedback on the expense analysis, next steps will incorporate the agreed upon changes into the final analysis.

Scion analyzed an April 25, 2018 draft of student housing operating expense assumptions provided by CCA for the proposed 188 Hooper project. Scion assessed the proposed costs for the contemplated student housing community using benchmarking data obtained from our own and managed properties, as well as our experience on dozens of similar campuses.

Scion appreciates the opportunity to have prepared this analysis and to assist California College of the Arts with this important project.

Findings / Adjustments

Analysis of the preliminary draft for 188 Hooper Operating Expense Assumptions provided by CCA shows that the majority of the line item expenses align with expected expenses in the market; therefore, minimal changes were necessary. The following is a list of Scion's additions/changes to the draft 188 Hooper Operating Expense Assumptions and Scion's rationale for the addition/change:

- 1) **Turnover line item was modified to \$225/bed compared to the original \$340/unit.** Scion uses a benchmark of \$225/bed for turnover costs and believes this is sufficient for turnover at CCA.
- 2) **Scion added a line item for KeyTrak (a key tracking software) expense of \$3/bed.** CCA stakeholders mentioned that the current system is challenging and time consuming for

staff. Scion has identified two opportunities for operational efficiencies. KeyTrak is a system mostly used for physical, metal keys; therefore if CCA is using physical keys then this item should remain. Scion mostly uses Advant Solutions, which provides digital/electronic keys. If 188 Hooper will have an electronic key system, then the KeyTrak line items can be removed and the upfront installation would be included in the development budget.

- 3) **Scion added a \$1,200 Legal expense (approximately \$2/bed).** This was done in response to the finance related comment in draft 188 Hooper Operating Expense Assumptions.
- 4) **Scion added in a Security expense of \$100/bed.** CCA has commented that the urban setting creates concerns about student safety. Scion uses a benchmark of \$100/bed at similar properties. Please note that this security expense includes both labor and equipment. Additionally, this expense is dependent upon the overall layout of the property and may need to be revisited once operational procedures are completed.
- 5) **Scion added in a line item for Resident Programs & Workshops expense of \$15/bed.** This expense would encompass Resident Life events. Scion recognizes that the final decision on programming has not been determined by CCA and the line item may have the potential to be removed from the operating expenses.
- 6) **Scion added in a line item for Earthquake insurance expense of \$248/bed.** Scion included this line item as the draft 188 Hooper Operating Expense Assumptions mentioned that earthquake insurance was not included. This expense accounts for construction cost, estimated revenue, and location. In addition, it assumes the 188 Hooper Street project in San Francisco (five story 280-unit student housing building) is the only building on the policy.
- 7) **Scion budgeted \$0 for Personal Property Tax.** Scion assumed an exemption for this expense as CCA has an exemption for Real Estate Tax. However, Scion recognizes that taxes are different in every municipality and recommends that CCA determine all potential property taxes at the 188 Hooper prior to financial closing.
- 8) **Scion added in a Management Fee of \$432/bed.** The management fee is 3% of an estimated gross revenue of \$7.55 million. While CCA asked for two separate scenarios (self-managed and third party managed), it is Scion's belief that the only difference in the two scenarios would be the management fee. Thus, the fee can be removed if CCA self-manages 188 Hooper.

Scion's budgeted total operating expenses for the 188 Hooper student housing project (\$1,790,679) is six-percent greater than the preliminary draft for 188 Hooper Operating Expense Assumptions (\$1,689,975).¹

¹ CCA's preliminary operating expenses were based on a 520-bed facility. Scion's estimated operating expenses were based on a 524-bed facility, as directed by the most recent CCA provided data.

The Scion Group LLC

California College of the Arts

188 Hooper St.

524 beds

Operating Expense Proforma	\$	\$ / Bed
General Repairs & Maintenance	83,840	160
Elevator Maintenance / Testing	19,000	36
Fire Alarm/Sprinkler Testing	18,000	34
Landscaping	7,500	14
Exterminator	4,000	8
Repairs & Maintenance	132,340	253
General & Administrative	27,248	52
Advertising / Marketing	20,960	40
Licenses & Fees	10,000	19
Telephone	8,000	15
Luxer One Package System Fees	3,200	6
KeyTrak - Key Tracking System	1,680	3
Legal Fees	1,200	2
General & Administrative	72,288	138
On-Site Staff Payroll	328,440	627
On-Site Staff Health Insurance	43,200	82
On-Site Staff Tax	37,215	71
Payroll	408,855	780
Garbage	62,880	120
Gas	28,820	55
Electricity - Units	88,032	168
Electricity - Common	68,120	130
Water - Units	113,184	216
Water - Common	9,432	18
Utilities	370,468	707
Internet	69,168	132
Security	52,400	100
Resident Programs & Workshops	7,860	15
Resident Life	129,428	247
Turnover	117,900	225
Turnover	117,900	225
General Insurance	85,000	162
Earthquake Insurance	130,000	248
Insurance	215,000	410
Real Estate Taxes	0	0
Personal Property Taxes	0	0
Other Business Taxes	0	0
Taxes	0	0
Management Fee	226,500	432
Management Fee	226,500	432
Operating Expenses Before Reserves	1,672,779	3,192
Reserves	117,900	225
Total Operating Expenses	1,790,679	3,417

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APPENDIX C

DEFINITIONS

Certain capitalized terms used in this Limited Offering Memorandum are defined herein. In addition to the words and terms defined elsewhere in this Limited Offering Memorandum, the following terms are defined terms used in this Limited Offering Memorandum.

“Accountant” means an independent certified public accountant or firm of independent certified public accountants (that may be the accountant or firm of accountants retained by the Borrower).

“Accounts” means, collectively, all of the accounts within the Funds created pursuant to the Indenture (each, an *“Account”*).

“Act” means the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented.

“Additional Bonds” means any additional parity Bonds authorized to be issued by the Authority pursuant to the terms and conditions of the Indenture.

“Additional Loan Payments” means the Loan Payments payable by the Borrower pursuant to the Loan Agreement that are described under the subheading *“Additional Loan Payments”* in *“APPENDIX D—SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE LOAN AGREEMENT—Loan Payments and Other Amounts Payable.”*

“Additions or Alterations” means modifications, repairs, renewals, improvements, replacements, alterations, additions, enlargements or expansions in, on or to a Housing Facility, including any and all machinery, furnishings and equipment therefor.

“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 Directing Body of which are members of the Directing Body of the Borrower. For purposes of this definition, control means with respect to: (i) a corporation having stock, the ownership, directly or indirectly, of more than 50% of the securities (as defined in § 2(1) of the Securities Act) 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 non-profit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the members of the Directing 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 Directing Body, by contract or otherwise. For the purposes of this definition, *“Directing Body”* means with respect to: (A) a corporation having stock, such corporation’s board of directors and owners, directly or indirectly, of more than 50% of the securities (as defined in § 2(1) of the Securities Act) 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 shall be considered a Directing Body); (B) a non-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 shall be deemed to include all entities performing the function of directors or members however denominated.

“*Agreement*” or “*Loan Agreement*” means the Loan Agreement between the Authority and the Borrower, as the same may be amended and/or supplemented from time to time in accordance with the provisions of the Loan Agreement and of the Indenture.

“*Agreement Term*” means the term of the Loan Agreement as described in “APPENDIX D—SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE LOAN AGREEMENT—Term of the Loan Agreement.”

“*Annual Budget*” means the annual budget of the Borrower required by the Loan Agreement.

“*Annual Debt Service*” means the amount required to pay all principal of and interest on a Series of Bonds in any Bond Year.

“*Annual Period*” means the 12-month period commencing on July 1 of each calendar year and ending on June 30 of the immediately succeeding calendar year.

“*Annual Reserve Requirement*” shall mean \$122,616 for the Annual Period 2021-22, \$127,521 for the Annual Period 2022-23, \$132,621 for the Annual Period 2023-24, \$137,926 for the Annual Period 2024-25, and thereafter as determined for each Annual Period in accordance with Section 5.05 of the Loan Agreement.

“*Assignment of Contracts and Agreements*,” with respect to the Series 2019 Bonds, means the Assignment of Contracts and Agreements of even date with the Indenture by the Borrower in favor of the Trustee, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

“*Audit Report*” means an audit report resulting from an audit conducted by an Accountant in conformity with generally accepted auditing standards prepared in accordance with GAAP.

“*Authority*” means the California Statewide Communities Development Authority, or its successors and assigns.

“*Authority Additional Payments*” means, collectively:

(a) all taxes and assessments of any type or character charged to the Authority affecting the amount available to the Authority from payments to be received under the Loan Agreement or in any way arising due to the transactions contemplated by the Indenture or by the Loan Agreement (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments); provided, however, the Borrower shall have the rights to (i) protest any such taxes or assessments and to require the Authority, at the Borrower’s expense, to protest and contest any such taxes or assessments levied upon it; and (ii) to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest, or contest would adversely affect the rights or interests of the Authority;

(b) the reasonable fees and expenses of such accountants, consultants, attorneys, rebate analysts, and other experts as may be engaged by the Authority to prepare audits, financial statements, reports, and/or opinions or to provide such other services required to be provided by the Authority under any of the Bond Documents, including, but not limited to, any audit or inquiry by the Internal Revenue Service or any other governmental body; and

(c) the Authority Annual Fee and the reasonable fees and expenses of the Authority or any agent or attorney selected by the Authority to act on its behalf in connection with any of the Bond Documents or the Bonds, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale, and delivery of any Bonds or in connection with any litigation, investigation, inquiry, or other proceeding that may at any time be instituted involving any of the Authority Documents, the Bonds, or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets, or operations or otherwise in connection with the administration of the Indenture and of the Borrower Documents.

“Authority Annual Fee,” with respect to the Series 2019 Bonds, means the Authority’s annual fee as described in the Loan Agreement.

“Authority Closing Expenses” means, collectively, (a) the Authority Issuance Fee less, if applicable, any application fee paid by the Borrower to the Authority prior to the issuance of the Series 2019 Bonds, and (b) attorneys’ fees incurred by the Authority in connection with the issuance of the Series 2019 Bonds.

“Authority Documents,” with respect to the Series 2019 Bonds, means, collectively, the Indenture, the Loan Agreement, the Tax Certificate, and the Bond Purchase Agreement.

“Authority Issuance Fee” means the amount of \$74,900.

“Authorized Borrower Representative” means any person at the time designated to act on behalf of the Borrower by written certificate furnished to the Authority and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by its President. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“Authorized College Representative” means any person at the time designated to act on behalf of the College by written certificate furnished to the Authority and the Trustee containing the specimen signature of such person and signed on behalf of the College by its President and/or its Chief Financial Officer and Senior Vice President of Finance and Administration. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“Authorized Denomination” means (i) during any Restricted Period, denominations of at least \$100,000 or any amounts in excess thereof in even \$5,000 increments, and (ii) outside of any Restricted Period, \$5,000 or any multiple thereof.

“Authorized Developer Representative” means any person at the time designated to act on behalf of the Developer by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Developer by its president, chief executive officer, manager, or managing member. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“Authorized Signatory” means any member of the Commission of the Authority and any other person as may be designated and authorized to sign on behalf of the Authority pursuant to a resolution adopted thereby.

“Basic Loan Payments” means the Loan Payments payable by the Borrower to the Authority pursuant to the Loan Agreement that are described under the subheading “Basic Loan Payments” in

“APPENDIX D—SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE LOAN AGREEMENT—Loan Payments and Other Amounts Payable.”

“*Bond Counsel*” means Independent Counsel nationally recognized as experienced in matters relating to Tax-Exempt Bonds and reasonably acceptable to the Authority and the Borrower.

“*Bond Documents*,” with respect to the Series 2019 Bonds, means, collectively, this Indenture, the Loan Agreement, the Tax Certificate, the Leasehold Deed of Trust, the Security Agreement, the Assignment of Contracts and Agreements, the Bond Purchase Agreement, the Borrower/Corporation Indemnity Letters, the Ground Lease, the Development Agreement, the General Construction Contract, the Management Agreement, the Housing Services Agreement, the Continuing Disclosure Agreement, and the Financing Statements.

“*Bond Fund*” means the Fund of that name created in the Indenture.

“*Bondholder*” or “*Bondholders*” means the Person or Persons in whose name(s) any of the Bonds is registered on the Bond Register.

“*Bond Purchase Agreement*,” with respect to the Series 2019 Bonds, means the Bond Purchase Agreement dated January 15, 2019, between the Authority and the Underwriter, and approved by the Borrower and the Corporation.

“*Bond Register*” means the books for the registration of the Bonds and for the registration of the transfer of the Bonds kept and maintained by the Trustee as bond registrar.

“*Bond Resolution*,” with respect to the Series 2019 Bonds, means the resolution or resolutions adopted by the Authority authorizing the issuance and sale thereof, the security therefor, and the execution, delivery, and performance of the applicable Authority Documents.

“*Bonds*” means, collectively, the Series 2019 Bonds and all Additional Bonds (each, a “Bond”).

“*Bond Year*” means the 12-month period beginning on May 2 of each calendar year and ending on May 1 of the immediately succeeding calendar year, provided that the initial Bond Year shall commence on the Closing Date for the Series 2019 Bonds and end on May 1, 2019.

“*Book-Entry System*” means the system of evidence and transfer of ownership of the Bonds maintained by the Securities Depository described in the Indenture.

“*Borrower*” means NCCD – Hooper Street LLC, a single member limited liability company organized and existing under the laws of the State, and its successors and assigns, the sole member of which is the Corporation.

“*Borrower/Corporation Indemnity Letters*,” with respect to the Series 2019 Bonds, means the letters of representations from the Borrower and the Corporation to the Authority and the Underwriter.

“*Borrower Documents*,” with respect to the Series 2019 Bonds, means the Loan Agreement, the Tax Certificate, the Leasehold Deed of Trust, the Security Agreement, the Assignment of Contracts and Agreements, the Bond Purchase Agreement, the Borrower/Corporation Indemnity Letter, the Ground Lease, the Development Agreement, the Management Agreement, the Housing Services Agreement, the Continuing Disclosure Agreement, and the Borrower Financing Statements.

“Borrower Financing Statements,” with respect to the Series 2019 Bonds, means the UCC-1 Financing Statements filed under the Leasehold Deed of Trust, the Security Agreement, and the Assignment of Contracts and Agreements.

“Building” means those certain buildings and all other facilities and improvements constituting part of the Housing Project and not constituting part of the Equipment that are or will be located on the Property.

“Business Day” means any day other than a Saturday, a Sunday, or a day on which banking institutions in the State or in the state where the Office of the Trustee is located are authorized or obligated by law to close or a day on which the New York Stock Exchange is closed.

“Calculation Date” means the last day of each Bond Year, commencing with the second Bond Year, and the date upon which an Issue of Tax-Exempt Bonds shall be Discharged.

“Campus” means the campus of the College located in the City.

“Capitalized Interest” means amounts derived from the proceeds of Bonds deposited in the Capitalized Interest Account to pay interest on Bonds and interest earned on such amounts to the extent that such interest earned is required to be applied to pay interest on Bonds.

“Capitalized Interest Account” means the Account of the Bond Fund of that name created in the Indenture.

“Cash Trap Fund” means the Fund of that name created in the Indenture.

“Closing Date,” with respect to a Series of Bonds, means the date of issuance and delivery thereof.

“Code” means the Internal Revenue Code of 1986, as amended. Reference herein to any specific provision of the Code shall be deemed to include a reference to any successor provision or provisions to such provision and to any Regulations issued or proposed under or with respect to such provision or under or with respect to any predecessor provision of the Internal Revenue Code of 1954, as amended, to the extent any of the foregoing is applicable to the Bonds.

“College” means California College of the Arts, and its successors and assigns.

“College Indemnified Parties” means, collectively, the College, and each of its past, present and future board of trustees, elected or appointed officials, officers, employees, attorneys, agents, and advisers (including counsel and financial advisers), and each and all of their respective heirs, successors, and assigns (each, a “College Indemnified Party”).

“Computation Date” means each Installment Computation Date and the Final Computation Date.

“Condemnation Fund” means the Fund of that name created in the Indenture.

“Construction Contracts,” with respect to the Series 2019 Project, means the Development Agreement, the General Construction Contract, and the other contracts, if any, relating to the construction thereof between the Developer, the General Contractor, or the Borrower and construction professionals or suppliers of materials and Equipment.

“*Construction Costs*,” with respect to the Series 2019 Project, means all Costs of the Project that are properly payable to the appropriate contractors with respect thereto pursuant to the applicable Construction Contracts.

“*Construction Fund*” means the Fund of that name created in the Indenture.

“*Construction Period*,” with respect to the Series 2019 Project, means the period between the beginning of construction thereof or the date on which Series 2019 Bonds are first delivered to the Underwriter (whichever is earlier) and the Substantial Completion Date.

“*Consulting Architect*” means Natoma Architects, Inc., or any other architect or architectural firm at the time employed by the Borrower and designated by written certificate furnished to the Trustee, containing the signature of such person or the signature of a partner or officer of such firm, and signed on behalf of the Borrower by the Authorized Borrower Representative. The Consulting Architect shall be registered and qualified to practice under the laws of the State and shall not be a full-time employee of the Authority, the Borrower, or the College.

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement of even date with the Indenture between the Borrower and the Dissemination Agent, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

“*Corporation*” means National Campus and Community Development Corporation, a nonprofit corporation duly organized and existing under the laws of the State of Texas and an organization described in Section 501(c)(3) of the Code, and its successors and assigns.

“*Corporation Acquisition Fee*” means the amount payable to the Corporation out of the proceeds of the Series 2019 Bonds to compensate the Corporation for the responsibilities assigned to the Borrower under the applicable Bond Documents.

“*Corporation Membership Fee*” means the amount payable to the Corporation pursuant to the Ground Lease for each Annual Period.

“*Costs of the Project*,” with respect to the Series 2019 Project, means those costs and expenses in connection with the acquisition, construction, furnishing, and equipping thereof permitted by the Act to be paid or reimbursed from the proceeds of the Series 2019 Bonds or any Additional Bonds including, but not limited to, the following:

(a) (i) the cost of the preparation of Plans and Specifications (including any preliminary study or planning thereof or any aspect thereof); (ii) the cost of acquisition and construction thereof and all construction, acquisition, and installation expenses required to provide utility services or other facilities and all real or personal properties deemed necessary in connection therewith (including development, architectural, engineering, and supervisory services with respect to any of the foregoing); (iii) interest on the Series 2019 Bonds during the applicable Construction Period and for such additional period as shall be permitted by applicable law and as the Borrower and the Underwriter shall reasonably agree to be necessary for placing the Series 2019 Project in operation; and (iv) any other costs and expenses relating to the acquisition, construction, and placing in service thereof;

(b) the purchase price of the Equipment in connection therewith, including all costs incident thereto, payment for labor, services, materials and supplies used or furnished in site improvement and in the construction thereof, including all costs incident thereto, payment for the

cost of the construction, acquisition and installation of utility services or other facilities in connection therewith, payment for all real and personal property deemed necessary in connection therewith, payment of consulting and development fees in connection therewith, and payment for the miscellaneous expenses incidental to any of the foregoing items including the premium on any surety bond;

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

(d) any other costs and expenses relating to the Project that constitute costs or expenses for which the Borrower may expend Bond proceeds under the Act, including, without limitation, during the Construction Period, any Authority Annual Fee, any Corporation Membership Fee, fees paid for accounting, audit, legal, and other professional services provided to or on behalf of the Borrower relating to the Project, any filing fees of the Borrower, any Rating Agency fees and expenses, initial marketing expenses and start up costs related to placing the Series 2019 Project in service, and any Trustee fees, but excluding Issuance Costs of the Series 2019 Bonds; and

(e) reimbursement to the Borrower or the College for any costs described above paid by either, whether before or after the execution of the Loan Agreement; provided, however, that reimbursement for any expenditures made prior to the execution of the Loan Agreement from the Construction Fund shall only be permitted for expenditures meeting the requirements of the Regulations, including but not limited to, § 1.150-2 of the Regulations.

“*CPI Adjustment*” has the meaning ascribed thereto in the Loan Agreement.

“*Debt Service Payment*” means, with respect to the Bonds or any Series or Subseries of Bonds on any Bond Payment Date, (a) the premium, if any, and interest payable on the Bonds or such Series or Subseries of Bonds on such Bond Payment Date; (b) the principal payable in respect of the Bonds or such Series or Subseries of Bonds on such Bond Payment Date; and (c) the Mandatory Sinking Fund Redemption Requirement, if any, relating to the Bonds or such Series or Subseries of Bonds on such Bond Payment Date (collectively, the “Debt Service Payments”).

“*Debt Service Reserve Fund*” means the Fund of that name created in the Indenture.

“*Debt Service Reserve Requirement*,” at the time of determination, means the least of (a) 10% of the stated principal amount thereof (less original issue discount if more than 2% of the principal amount of the respective Issue of Tax-Exempt Bonds); (b) 125% of the average Annual Debt Service thereon from the date of calculation to the final maturity thereof; (c) the Maximum Annual Debt Service thereon; or (d) such lesser sum as shall be required by the Code and the Regulations to ensure the exclusion of the interest thereon from the gross income of the Owners thereof for federal income tax purposes; provided, however, that the amount of principal due in any Bond Year shall be determined, in the case of Bonds subject to mandatory sinking fund redemption pursuant to the Indenture and similar provisions in any supplemental indenture, by the principal amount of Bonds to be redeemed by mandatory sinking fund redemption in such Bond Year. Calculation of the Debt Service Reserve Requirement shall be made by the Underwriter with respect to each Issue of Bonds rather than by Series. Notwithstanding anything herein to the contrary, the Trustee shall have no obligation to calculate the Debt Service Reserve Requirement.

“*Default Rate*” means the prime rate charged corporate borrowers by the commercial lending department of the Trustee, if any, or in the absence of such commercial lending department or rate, the rate

designated the “Prime Rate” as published each Business Day in *The Wall Street Journal*, plus 2% per annum; provided that the maximum Default Rate shall not exceed the maximum rate permitted by law.

“*Defaulted Interest*” means any interest on any Bond that is due and payable, but that is not punctually paid or duly provided for on any Interest Payment Date.

“*Defeasance Obligations*” means (a) cash deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in item (b) below); (b) to the extent the same are non-callable and non-prepayable, Government Obligations; (c) evidences of ownership of a proportionate interest in specified Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian; and (d) Defeased Municipal Obligations.

“*Defeased Municipal Obligations*” means obligations of state or local government municipal bond issuers that are rated in the highest rating category by S&P and Moody’s, respectively, provision for the payment of the principal of and interest on which shall have been made by deposit with a trustee or escrow agent of (a) non-callable Government Obligations; or (b) evidences of ownership of a proportionate interest in specified non-callable Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, the maturing principal of and interest on such Government Obligations or evidences of ownership, when due and payable, shall provide sufficient money to pay the principal of, redemption premium, if any, and interest on such obligations of state or local government municipal bond issuers.

“*Developer*” means UGD 188 Hooper, LLC, a limited liability company organized under the laws of the State of California, and its successors and assigns.

“*Development Agreement*” means, with respect to the Series 2019 Bonds, the Amended and Restated Development Agreement of even date of the Loan Agreement between the College and the Developer, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

“*Discharged*,” with respect to a Series or a Subseries of Bonds, means that all amounts due thereunder are actually and unconditionally due, if cash is available at the place of payment and no interest accrues thereafter with respect to such Series or Subseries of Bonds.

“*Dissemination Agent*” means Wilmington Trust, National Association, in its capacity as dissemination agent under the Continuing Disclosure Agreement and its successors and assigns, and the dissemination agent under any successor agreement.

“*DTC*” means The Depository Trust Company, New York, New York, or any successor Securities Depository.

“*Eligible Organization*” means an organization described in Section 501(c)(3) of the Code which is determined by the Authority to satisfy the criteria set forth in the resolution of the Authority adopted on March 21, 1991, authorizing the issuance of bonds, notes, or other evidences of indebtedness, or certificates of participation in leases or other agreements to finance or refinance facilities owned and/or operated by such organizations.

“*Equipment*” shall have the meaning ascribed thereto in the Security Agreement and as described in Exhibit A attached to the Loan Agreement, and all replacements, substitutions, and additions thereto.

“Event of Default” means, (a) with respect to the Indenture as an “Event of Default”, each of the events specified in the Indenture as an “Event of Default”; (b) with respect to the Loan Agreement, each of the events specified in the Indenture as an “Event of Default”; (c) with respect to the Leasehold Deed of Trust, each of the events specified therein as an “Event of Default”; (d) with respect to the Security Agreement, each of the events specified therein as an “Event of Default”; and (e) with respect to each of the other Bond Documents, the termination thereof by one party thereto as a result of the action or inaction of another or the other party thereto and the failure by the terminating party either to assume the obligations of the terminated party thereunder in writing or to enter into a substantially similar replacement agreement or contract within 30 days of such termination.

“Event of Taxability” means, with respect to any Series or Subseries of Tax-Exempt Bonds, the existence or absence of any circumstances that causes the interest thereon or on any portion thereof to become includable in the gross income of the Owner thereof for federal income tax purposes.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Expenses,” with respect to the Housing Facility, means, for any period, the aggregate of all expenses and expenditures relating thereto, including, without limitation, expenses or expenditures relating to the performance of any obligation of the Borrower under the Bond Documents or to the enforcement of the obligations of other parties to documents executed in connection with the Bond Documents; the Corporation Membership Fee; fees required to be paid to the Manager under the Management Agreement; expenses incurred by the Borrower in connection with the inspection of the Housing Facility or the calculation, collection, and payment of the Rebate Amount relating to any Tax-Exempt Bonds as required by federal law; fees paid for accounting, audit, legal, and other professional services provided to or on behalf of the Borrower; bank fees relating to the Operating Account; travel expenses of Borrower’s officers relating to the Housing Facility; bonding expenses and insurance required to be carried by Borrower by the Ground Lease or the Bond Documents; taxes incurred in connection with Borrower’s ownership or lease of the Housing Facility; out-of-pocket expenses of the Borrower incurred in connection with compliance with the Bond Documents or that are directly attributable to the Series 2019 Project; deposits to the Debt Service Reserve Fund or the Repair and Replacement Fund; the repayment of the principal amount of any Indebtedness; and lease payments made to the College under the Ground Lease, but excluding (a) any expense or expenditure paid with the proceeds of the Bonds or the Net Proceeds of insurance other than business or rental interruption insurance; (b) interest on any Indebtedness to the extent that such interest is payable from the proceeds of such Indebtedness; (c) any expenses resulting from forgiveness of or the establishment of reserves against Indebtedness of an Affiliate that do not constitute extraordinary expense; (d) losses resulting from any reappraisal, revaluation, or write-down of assets; (e) any unrealized loss resulting from changes in the value of investment securities; and (f) any expenses borne by the College under the terms of the Ground Lease.

“Extraordinary Services of the Trustee” and *“Extraordinary Expenses of the Trustee”* mean all services rendered and all expenses incurred by the Trustee under the Indenture and under the other Bond Documents (including, without limitation, in connection with a default or an Event of Default under the Indenture), including, without limitation, reasonable counsel fees and expenses, other than Ordinary Services of the Trustee and Ordinary Expenses of the Trustee.

“Favorable Opinion of Bond Counsel” means an opinion of Bond Counsel, addressed to the Authority, the Borrower, and the Trustee to the effect that the action proposed to be taken is authorized or permitted by the laws of the State, the Indenture, and the Loan Agreement and will not, in and of itself, adversely affect any exclusion from gross income for federal income tax purposes or any exemption from State income taxes, of interest on any Tax-Exempt Bonds.

“Final Computation Date,” with respect to an Issue, means the date the last of the Issue is Discharged.

“Financial Consultant” means a firm of Accountants and/or professional management, marketing, or financial consultants having the skill and experience necessary to render the particular report required that is designated as such in writing by the Borrower. Such firm(s) shall not be, and no member, stockholder, director, officer, or employee of which shall be, an officer or employee of the Authority, the Borrower, or the College. The reports of the Financial Consultant showing projected financial performances may be in the form of a projection of the management of the Borrower that is accompanied by a statement of a Financial Consultant to the effect that such Financial Consultant has reviewed the underlying assumptions and procedures used by management and that such assumptions provide a reasonable basis for the projection of management.

“Financing Statements,” with respect to the Series 2019 Bonds, means the Borrower Financing Statements.

“Fitch” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall for any reason no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower.

“501(c)(3) Organization” means an organization described in Section 501(c)(3) of the Code.

“Fixed Charges” means, for any period, the sum of all cash outflows related to the Housing Facility that the Borrower cannot avoid without violating long-term contractual or legal obligations (those obligations that extend for a period greater than one year), including, but not limited to, (a) interest on Indebtedness other than Short-Term Indebtedness; and (b) scheduled payments of principal on Indebtedness other than Short-Term Indebtedness (each, a “Fixed Charge”). “Fixed Charges” do not include any amounts included in Expenses, lease payments made to the College under the Ground Lease or any amounts payable in respect of any Indebtedness to the extent that such amounts are payable from the proceeds of such Indebtedness.

“Fixed Charges Coverage Ratio” means, for any period, the ratio of Revenue Available for Fixed Charges to Fixed Charges.

“Food Service Facility” means the food service facility and related facilities to be located on the ground floor in the same structure as the Series 2019 Project which, upon Substantial Completion thereof, will be subleased to and operated by the College.

“Food Service Facility Contribution” means One Million Six Hundred Thousand Dollars (\$1,600,000), which shall be contributed by the College towards the Costs of the Project related to the Food Service Facility and shall be deposited by Trustee in and disbursed from the Construction Fund.

“Funds” means, collectively, all of the funds created pursuant to the Indenture (each, a “Fund”).

“GAAP” means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board and its predecessors or pronouncements of the American Institute of Certified Public Accountants or those principles of accounting that have other substantial authoritative support and are applicable in the circumstances as of the date of application, as such principles are from time to time supplemented and amended.

“General Construction Contract,” with respect to the Series 2019 Project, means the Design-Build Agreement dated December 21, 2018, between the College and the General Contractor, as contractor, pursuant to which the General Contractor has agreed to construct the Series 2019 Project.

“General Contractor” means Nibbi Bros. Associates, Inc., a corporation organized under the laws of the State of California, and its successors and assigns.

“Government Obligations” means direct obligations of, or obligations the timely payment of the principal of and interest on which when due are fully and unconditionally guaranteed by the United States of America or any agency or instrumentality thereof and evidences of direct ownership interest in amounts payable upon any of the foregoing.

“Gross Proceeds” of an Issue of Tax-Exempt Bonds means “gross proceeds” of such Issue of Tax-Exempt Bonds, within the meaning of §1.148-1(b) of the Regulations.

“Ground Lease,” with respect to the Series 2019 Bonds, means the Ground Lease Agreement of even date with the Indenture between the College, as ground lessor, and the Borrower, as ground lessee, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

“Housing Facility” means the Series 2019 Project and any additional student, faculty, and/or staff housing facility acquired, constructed, furnished and equipped with the proceeds of Additional Bonds.

“Housing Services Agreement” means the Housing Services Agreement of even date herewith between the College, by and for itself and on behalf of the College, and the Borrower, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and hereof.

“Indenture” means the Trust Indenture of even date of the Loan Agreement between the Authority and the Trustee, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof.

“Independent Architect/Engineer” means any architect, engineer, or firm of architects or engineers (including the Consulting Architect) that is independent of the Authority, the Borrower and the College and that is selected by the Borrower, at the expense of the Borrower and payable as a Cost of the Project or Expense, to report and be accountable solely to the Trustee for the benefit of the Bondholders for the purposes of, inter alia, producing monthly construction monitoring reports, passing on questions relating to the design and construction of any particular facility, reviewing repairs and replacements to the Housing Facility and the adequacy of the amounts deposited and required to be deposited into the Repair and Replacement Fund, and that has all licenses and certifications necessary for the performance of such services, and that has a favorable reputation for skill and experience in performing similar services in respect of facilities of a comparable size and nature. Notwithstanding the foregoing, the Trustee has no duty to monitor the performance of the Independent Architect/Engineer and no duty to review or verify such reports or other data. To the extent that the Trustee receives such reports and other data, it shall retain such solely as a repository on behalf of the Bondholders.

“Independent Counsel” means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state of the United States or District of Columbia and not in the full-time employment of the Authority, the Borrower and the College.

“Installment Computation Date,” with respect to an Issue means any date; provided, however, the first Installment Computation Date must be not later than five years after the Issue Date thereof and

subsequent Installment Computation Dates must be not later than five years after the previous Installment Computation Date for which a rebate payment was made.

“Insurance Consultant” means any Person that is not the Authority, the Borrower, or an Affiliate, appointed by the Borrower that is qualified to survey risks and to recommend insurance coverage for student housing facilities and organizations engaged in like operations as that of the Project in the State, and that has a favorable reputation for skill and experience in such surveys and such recommendations and who may be a broker or agent with whom the Authority or the Borrower transacts business.

“Insurance Fund” means the Fund of that name created in the Indenture.

“Inventory” shall have the meaning ascribed to such term in the Security Agreement.

“Irrevocable Deposit” means the irrevocable deposit with the Trustee in trust of Defeasance Obligations in accordance with the provisions of the Indenture described in “APPENDIX D—SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE INDENTURE—Discharge of Lien.”

“IRS” means the United States Internal Revenue Service or any successor agency or department.

“Issuance Cost Fund” means the Fund of that name created in the Indenture.

“Issuance Costs,” with respect to the Series 2019 Bonds, means:

(a) the initial or acceptance fee of the Trustee (which includes the administration fee for the first year), the fees and taxes for recording and filing the Leasehold Deed of Trust, the Security Agreement, the Assignment of Contracts and Agreements, UCC-1 Financing Statements, and any curative documents that either the Trustee or Independent Counsel may reasonably deem desirable to file for record in order to perfect or protect the interest of the Borrower in the Series 2019 Project or the lien or security interest created or granted by the Leasehold Deed of Trust, the Security Agreement, or the Assignment of Contracts and Agreements, and the reasonable fees and expenses in connection with any actions or proceedings that either the Trustee or Independent Counsel may reasonably deem desirable to bring in order to perfect or protect the lien or security interest created or granted by the Leasehold Deed of Trust, the Security Agreement, or the Assignment of Contracts and Agreements, in connection with the issuance thereof;

(b) legal fees and expenses, underwriters’ spread, underwriting fees, financing costs, Authority’s fees and expenses, financial advisor’s fees, accounting fees and expenses, consulting fees and expenses, Trustee’s fees, paying agent and certifying and authenticating agent fees, dissemination agent fees and expenses, publication costs, title insurance premiums paid in respect of a lender’s or mortgagee’s title insurance policy if an owner’s policy is issued contemporaneously therewith, and printing and engraving costs incurred in connection with the authorization, sale, issuance, and carrying of the Series 2019 Bonds and the preparation of the applicable Bond Documents and all other documents in connection therewith; and

(c) other costs in connection with the issuance of the Series 2019 Bonds permitted by the Act to be paid or reimbursed from proceeds of the Series 2019 Bonds.

“Issue” means obligations treated as part of the same issue pursuant to § 1.150-1(c) of the Regulations.

“Issue Date” with respect to an Issue of Tax-Exempt Bonds means the date of the authentication and delivery of the initial Bonds of such Issue in exchange for the purchase price therefor.

“Joint Powers Agreement” means the Amended and Restated Joint Exercise of Powers Agreement, dated June 1, 1988, relating to the formation of the Authority, among certain cities, counties and special districts in the State of California, including the Program Participant.

“Leasehold Deed of Trust,” with respect to the Series 2019 Bonds, means the Construction Leasehold Deed of Trust, Assignment of Rents and Subleases, and Fixture Filing of even date of the Indenture by the Borrower in favor of the Deed of Trust Trustee for the benefit of the Trustee, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

“Loan” means the loan by the Authority to the Borrower of the proceeds of the Bonds pursuant to the Loan Agreement.

“Loan Agreement,” with respect to the Series 2019 Bonds, means the Loan Agreement of even date with the Indenture between the Authority and the Borrower, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

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

“Management Agreement,” with respect to the Series 2019 Bonds, means any management or similar agreement between the Borrower and any successor Manager relating to the management of the Series 2019 Project, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and hereof.

“Manager” means the manager under the Management Agreement, and thereafter, any other management company employed by the Borrower, including the College, to manage the Housing Facility.

“Mandatory Sinking Fund Redemption Requirement,” with respect to the Series 2019 Bonds, and on the date of calculation, means the principal portion of any Series 2019 Bonds required by the provisions of the Indenture to be redeemed by the Authority on the immediately succeeding May 1.

“Maximum Annual Debt Service,” with respect to a Series of Bonds, means the maximum Annual Debt Service thereon in the then current Bond Year or in any future Bond Year, whether at maturity or subject to mandatory sinking fund redemption.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower. Whenever rating categories of Moody’s are specified in the Indenture, such categories shall be irrespective of gradations within a category.

“Net Proceeds,” when used with respect to any insurance or condemnation award, with respect to the sale or other disposition of a portion of the Housing Facility, or with respect to any other recovery on a contractual claim or claim for damage to or for taking of property, means the gross proceeds from the insurance or condemnation award, sale, or other disposition, or recovery remaining after payment of all expenses (including attorneys’ fees and any Extraordinary Expenses of the Trustee) incurred in the collection of such gross proceeds.

“Office of the Trustee” means the corporate trust office of the Trustee in Birmingham, Alabama, currently located at 505 20th Street North, Suite 1750, Birmingham, AL 35203, or such other location as may be designated by it to the Authority and the Borrower in writing, or the corporate trust office of, or such other location as may be designated to the Authority and the Borrower in writing by, any successor or temporary Trustee hereunder; provided, that, for purposes of the surrender or presentation of Bonds for payment, transfer or exchange, the Office of the Trustee shall be designated corporate trust agency or operations office of the Trustee.

“Operating Account” means the checking account opened by the Manager on behalf of the Borrower and maintained by the Manager on behalf of the Borrower and from which Expenses shall be paid.

“Operating Account Surplus” means, as calculated by the Borrower, the amount, if any, by which the amounts paid to the Borrower by the Trustee for deposit into the Operating Account in an Annual Period pursuant to the Indenture exceed the amounts paid, incurred, or accrued in respect of operating expenses of the Housing Facility during such Annual Period, such amount to be determined with reference to, and simultaneously with the delivery of, the audited financial statements delivered to the Trustee in accordance with the provisions of the Loan Agreement, as such amount may be adjusted in accordance with the provisions of the Indenture. For purposes of calculating the Operating Account Surplus for any Annual Period, amounts remaining in the Operating Account at the end of such Annual Period representing reserves for Shortfall Periods shall be considered to be accrued in respect of operating expenses of the Housing Facility during such Annual Period.

“Operations Contingency Fund” means the Fund of that name created in the Indenture.

“Opinion of Counsel” means an opinion in writing of Independent Counsel who or that is reasonably acceptable to all recipients thereof and who or that may be counsel to the Authority, the Trustee, or the Borrower.

“Ordinary Services of the Trustee” and *“Ordinary Expenses of the Trustee”* mean those reasonable services rendered and those reasonable expenses incurred by the Trustee in the performance of its duties under the Indenture and under the other Bond Documents of the type ordinarily performed by corporate trustees under like indentures, including, without limitation, reasonable counsel fees and expenses.

“Outstanding Bonds” or *“Bonds Outstanding”* means all Bonds that have been duly authenticated and delivered by the Trustee under the Indenture, except:

- (a) Bonds theretofore canceled or required to be canceled by the Trustee;
- (b) Bonds that are deemed to have been paid in accordance with the Indenture; and
- (c) Bonds in substitution for which other Bonds have been authenticated and delivered under the Indenture.

If the Indenture shall be discharged, no Bonds shall be deemed to be Outstanding within the meaning of this definition.

“Owner” or *“Owners”* means the Person or Persons in whose name(s) any of the Bonds is registered on the Bond Register.

“Permitted Encumbrances” means, as of any particular time:

- (a) liens for ad valorem taxes, special assessments, and other charges not then delinquent or for taxes, assessments, and other charges being contested in accordance with the Loan Agreement;
- (b) the Bond Documents;
- (c) currently existing utility, access, and other easements and rights of way, restrictions, and exceptions described in the title policy required by the Loan Agreement;
- (d) utility, access, and other easements and rights of way, restrictions, and exceptions that have been determined not to materially impair the use of the Housing Facility for its intended purpose or materially and adversely affect the value thereof, as set forth in a certificate of an Authorized Borrower Representative delivered to the Trustee;
- (e) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, or permit, or provision of law, affecting the Housing Facility, to (i) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right has been determined not to materially impair the use of the Housing Facility for its intended purpose or materially and adversely affect the value thereof; or (ii) purchase, condemn, appropriate, or recapture, or designate a purchaser of, the Housing Facility, as set forth in a certificate of an Authorized Borrower Representative delivered to the Trustee;
- (f) rights reserved to or vested in any municipality or public authority to control or regulate the Housing Facility or to use the Housing Facility in any manner that have been determined not to materially impair the use of the Housing Facility for its intended purpose or materially and adversely affect the value thereof, as set forth in a certificate of an Authorized Borrower Representative delivered to the Trustee;
- (g) inchoate mechanics’ and materialmen’s liens that arise by operation of law, but that have not been perfected by the required filing of record, for work done or materials delivered after the date of recording the Leasehold Deed of Trust in connection with Additions or Alterations;
- (h) the mechanics’ and materialmen’s liens permitted by the Loan Agreement;
- (i) liens incurred in the ordinary course of business in connection with workers’ compensation, unemployment insurance, or other forms of governmental insurance or benefits;
- (j) liens to secure the performance of letters of credit, bids, tenders, statutory obligations, leases, and contracts (other than for borrowed funds) entered into in the ordinary course of business to secure obligations on surety or appeal bonds;
- (k) statutory restrictions imposed on the use of real property owned by or for the benefit of the College;
- (l) judgment liens against the Borrower so long as such judgment is being contested and execution thereon is stayed or while the period for responsive pleading has not lapsed; and
- (m) liens arising by reason of an Irrevocable Deposit.

“Permitted Investments” means any one or more of the following investments, if and to the extent the same are then legal investments under the applicable laws of the State for moneys proposed to be invested under the Indenture:

- (a) Government Obligations;
- (b) obligations of any federal agency that represent the full faith and credit of the United States of America, including, but not limited to:
 - (i) the Export-Import Bank;
 - (ii) the U. S. Department of Agriculture - Rural Development (formerly the Farmers Home Administration);
 - (iii) the U. S. Maritime Administration,
 - (iv) the Small Business Administration,
 - (v) the U. S. Department of Housing & Urban Development (PHAs),
 - (vi) the Federal Housing Administration; and
 - (vii) the Federal Financing Bank;
- (c) Defeasance Obligations;
- (d) direct obligations of any of the following federal agencies that are not fully guaranteed by the full faith and credit of the United States of America:
 - (i) Senior debt or mortgage pass through obligations that are issued or guaranteed by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC) or any other federal government sponsored agencies;
 - (ii) Obligations of the Resolution Funding Corporation (REFCORP); and
 - (iii) Senior debt obligations of other federal government sponsored agencies;
- (e) U.S. dollar denominated deposit accounts, including demand deposits, time deposits, certificates of deposit (including certificates of deposit placed by a third party pursuant to a separate agreement between the Borrower and the Trustee), other bank deposit products, trust funds, trust accounts, overnight bank deposits, interest bearing deposits, interest bearing money market accounts, federal funds and bankers’ acceptances with domestic commercial banks that are rated by Moody’s and S&P in the single highest rating category assigned by such Rating Agencies and that mature not more than 360 days after the date of purchase (it being understood that ratings on bank holding companies are not considered as the rating of the bank);
- (f) commercial paper that is rated at least “P-1” by Moody’s and at least “A-1” by S&P and that matures not more than 270 days after the date of purchase;
- (g) investments in a money market mutual fund that is rated by S&P in the single highest rating category assigned by such Rating Agency, including those for which the Trustee or

an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise;

(h) obligations issued by states or political subdivisions or agencies of the states (and District of Columbia) and their territories that are rated by at least two Rating Agencies (one of which must be either S&P or Moody's) in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by such Rating Agencies;

(i) certificates of deposit (including certificates of deposit placed by a third party pursuant to a separate agreement between the Borrower and the Trustee), other bank deposit products, trust funds, trust accounts, overnight bank deposits, interest bearing deposits, interest bearing money market accounts, time deposits or other direct, unsecured debt obligations of any bank (including without limitation the Trustee or any of its affiliates), trust company, or savings and loan association, if all of the direct, unsecured debt obligations of such institution are rated by a Rating Agency in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by such Rating Agency, or which certificates of deposit, time deposits, or other obligations are fully secured by a security interest in obligations described in item (a) or (b) of this definition; provided, however, that if such certificates of deposit, time deposits or obligations are so secured (i) the Trustee shall have a perfected first security interest in the obligations securing such certificates of deposit, time deposits, or obligations; (ii) the Trustee shall hold or shall have the option to appoint an intermediary bank, trust company, or savings and loan association as its agent to hold the obligations securing such certificates of deposit or time deposits; and (iii) the Trustee or its appointed agent shall hold such obligations free and clear of the liens or claims of third parties;

(j) certificates of deposit (including certificates of deposit placed by a third party pursuant to a separate agreement between the Borrower and the Trustee), other bank deposit products, trust funds, trust accounts, overnight bank deposits, interest bearing deposits, interest bearing money market accounts, or time deposits of any bank (including the Trustee or any of its affiliates), trust company, or savings and loan association which certificates of deposit, other obligations or time deposits are fully insured by a federally sponsored insurance corporation;

(k) repurchase agreements secured by collateral listed in (a), (b) or (d) above with an entity whose rating or whose guarantor's rating is at least in the "BBB" category (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by one of the Rating Agencies; and

(l) investment agreements with an entity whose rating or whose guarantor's rating at the time the agreement is entered into is at least in the "A" category (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by one of the Rating Agencies.

References to particular ratings and rating categories in this definition are applicable only at the time of purchase of the Permitted Investments.

"Person" means natural persons, firms, joint ventures, associations, trusts, partnerships, corporations, limited liability companies, public bodies, and similar entities.

"Plans and Specifications," with respect to the Series 2019 Project, means the detailed plans and specifications for the construction thereof prepared by the Consulting Architect or by architects and

engineers acceptable to the Consulting Architect, as amended from time to time by the Borrower with the consent of the College, a copy of which is or will be on file with the Trustee.

“Pledged Revenues,” for any period commencing on the Substantial Completion Date, means (a) the sum of (i) the gross receipts and operating and non-operating revenues derived by the Borrower from the ownership or operation of the Housing Facility (other than contributions), including, without limitation, all payments to the Borrower from the College under the Housing Services Agreement, and provided, that such receipts and/or revenues are not subject to refunds or similar offsets; and (ii) Net Proceeds of insurance; and (iii) Unrestricted Contributions, but excluding in any event; (b) the sum of (i) earnings on amounts that are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness; and (ii) security deposits received from occupants of the Housing Facility and held by the Borrower until such time, if any, as the Borrower shall be permitted to apply such deposits to the payment of rent or to the repair and maintenance of the Housing Facility in accordance with the terms of a lease or residency agreement; and (iii) earnings or gains resulting from any reappraisal, revaluation, or write-up of assets; (iv) any unrealized gain resulting from changes in the value of investment securities; (v) any revenues derived from naming rights with respect to the Housing Facility; and (vi) any revenues derived from any dining or food services relating the Housing Facility.

“Premises” means, collectively, the Property and the Series 2019 Project.

“Project” means the Series 2019 Project and any additional project acquired, constructed, furnished, and equipped with the proceeds of Additional Bonds.

“Property” means the land described in Exhibit A attached to the Ground Lease upon which the Series 2019 Project is being constructed.

“Rating Agency,” at any point in time, means any nationally recognized securities rating agency or service then rating a Series or Subseries of Bonds (collectively, the “Rating Agencies”). When used in the definition of “Permitted Investments,” the term Rating Agencies shall include any of Moody’s, S&P, or Fitch, whether or not any of them then rates a Series or Subseries of Bonds.

“Rebate Amount,” with respect to an Issue of Tax-Exempt Bonds as of any Computation Date, means the “rebate amount” with respect to such Issue of Tax-Exempt Bonds determined in accordance with § 1.148-3 of the Regulations.

“Rebate Analyst” means any independent certified public accountant, financial analyst, or Bond Counsel, or any firm of the foregoing, or financial institution (including the Trustee or any of its affiliates), experienced in making the arbitrage and rebate calculations required pursuant to § 148(f) of the Code, selected and retained and compensated by the Borrower pursuant to the Loan Agreement to make the computations and give the directions required under the Indenture.

“Rebate Fund” means the Fund of that name created in the Indenture.

“Redemption Fund” means the Fund of that name created in the Indenture.

“Redemption Price” means, with respect to Bonds or a portion thereof, the principal amount of such Bonds or portion thereof plus accrued interest, if any, plus the applicable premium, if any, payable on redemption thereof in the manner contemplated in accordance with its terms and the Indenture.

“Regulations” means the applicable treasury regulations promulgated under the Code or under § 103 of the Internal Revenue Code of 1954, as amended, whether at the time proposed, temporary, final,

or otherwise. Reference in the Indenture to any specific provision of the Regulations shall be deemed to include a reference to any successor provision or provisions to such provision.

“Repair and Replacement Fund” means the Fund of that name created in the Indenture.

“Requisite Number of Bondholders” means the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding.

“Reserve Loan Payments” means the Loan Payments payable by the Borrower to the Trustee pursuant to the Loan Agreement that are described under the subheading “Reserve Loan Payments” in “APPENDIX D—SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS—THE LOAN AGREEMENT—Loan Payments and Other Amounts Payable.”

“Responsible Officer” means, the president, any managing director, any vice president, any assistant vice president, any senior associate, any associate or any other officer of the Trustee within the Office of the Trustee (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Office of the Trustee because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of the Indenture.

“Restoration Plans and Specifications” has the meaning ascribed thereto in the Indenture.

“Revenue Available for Fixed Charges” means, for any period, the excess of Revenues over Expenses, provided, however, that, for purposes of determining Revenue Available for Fixed Charges, Expenses shall not include any of the following items to the extent that they shall have been included as an Expense, (a) expenses or expenditures made in respect of the Housing Facility that are capitalized; (b) any extraordinary expenses (including without limitation losses on the sale of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination of pension plans); (c) the repayment of the principal amount of any Indebtedness; (d) lease payments made to the College under the Ground Lease; (e) interest on Indebtedness other than Short-Term Indebtedness; (f) depreciation; (g) amortization; (h) Subordinated Management Fees paid to the Manager in accordance with Section 5.11(b) hereof; and (i) any other Expense to the extent that payment of such Expense shall have been specifically subordinated by written agreement to the payment of Annual Debt Service.

“Revenue Fund” means the Fund of that name created in the Indenture.

“Revenues,” for any period, means Pledged Revenues minus (a) any gains on the sale or other disposition of investments or fixed or capital assets not in the ordinary course of business, (b) any contributions from any Affiliate, and (c) any Net Proceeds of insurance other than business or rental interruption insurance.

“S&P” means S&P Global Ratings, its successors and assigns, and if such corporation shall for any reason no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower. Whenever rating categories of S&P are specified in the Indenture, such categories shall be irrespective of gradations within a category.

“Securities Act” means the Securities Act of 1933, as amended.

“*Securities Depository*,” with respect to the Series 2019 Bonds, means DTC or other recognized securities depository selected by the Authority at the request of the Borrower that maintains the Book-Entry System in respect of such Bonds and agrees to follow the procedures required to be followed under the Indenture by a securities depository and shall include any substitute for or successor to the securities depository initially acting as securities depository.

“*Securities Depository Nominee*” means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the Bond Register the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in the Book-Entry System.

“*Security*” means any of the property subject to the operation of the granting clauses contained in the Security Documents.

“*Security Agreement*,” with respect to the Series 2019 Bonds, means the Pledge and Security Agreement of even date with the Indenture by and between the Borrower and the Trustee, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

“*Security Documents*” means, collectively, the Indenture, the Leasehold Deed of Trust, the Security Agreement, the Assignment of Contracts and Agreements, and the Loan Agreement (each, a “Security Document”).

“*Series*,” with respect to the Bonds, means all Bonds issued pursuant to the same Bond Resolution. Two or more Subseries of Bonds may be part of the same Series of Bonds even though they may not be issued and delivered on the same day.

“*Series 2019 Bonds*” means the college housing revenue bonds designated “California Statewide Communities Development Authority College Housing Revenue Bonds (NCCD – Hooper Street LLC - California College of the Arts Project) Series 2019” in the aggregate principal amount of \$89,800,000 issued pursuant to the Indenture.

“*Series 2019 Building*” means those certain buildings and all other facilities and improvements constituting part of the Series 2019 Project and not constituting part of the Series 2019 Equipment that are or will be located on the Property.

“*Substantial Completion Date*” means the date of substantial completion of the Series 2019 Project, as certified by the Borrower as provided in the Loan Agreement.

“*Series 2019 Equipment*” means the equipment, machinery, furnishings, and other personal property to be located on the Property acquired with the proceeds of the Series 2019 Bonds and described in Exhibit A to the Loan Agreement, and all replacements, substitutions, and additions thereto.

“*Series 2019 Project*” means the approximately 280 unit housing facility primarily for students of the College, including the buildings, furniture, fixtures and equipment, as well as a food service facility (together with associated site development and various related amenities and improvements) that will be acquired, constructed, furnished, and equipped with the proceeds of the Series 2019 Bonds.

“*Shortfall Periods*” means certain periods of time (e.g. summer months) when the Revenues may be inadequate to pay all of the Expenses.

“*Short-Term Indebtedness*” means any Indebtedness maturing not more than 365 days after it is incurred or that is payable on demand, except for any such Indebtedness that 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 that, 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.

“*State*” means the State of California.

“*Subordinated Management Fees*” shall, if applicable, have the meaning ascribed thereto in the Management Agreement.

“*Subseries*,” with respect to the Bonds, means all Bonds of a Series that have the same designation and date of issuance and delivery (but do not necessarily have the same maturity date or bear interest at the same rate). If a Series of Bonds has only one Subseries, such Subseries shall also constitute a Series.

“*Substantial Completion Date*” means, the date upon which Substantial Completion has occurred as defined and described under the General Construction Contract.

“*Surplus Fund*” means the Fund of that name created in the Indenture.

“*Taxable Bonds*” means any Bonds which are not Tax-Exempt Bonds.

“*Taxable Investment*” means any Permitted Investment other than:

(a) *Non-AMT Tax-Exempt Obligations*: an obligation the interest on which is excluded from the gross income, as defined in § 61 of the Code, of the owners thereof for federal income tax purposes (or, when such obligation was issued, was purported by the evidence of such obligation to be so excluded) and that is not a preference item, as defined in § 57 of the Code; and

(b) *Tax-Exempt Mutual Funds*: an interest in a regulated investment company to the extent that at least 95% of the income to the holder of such interest is interest excludable from gross income under § 103(a) of the Code and is not an item of tax preference.

“*Tax Certificate*,” with respect to the Series 2019 Bonds, means the Tax Certificate and Agreement dated as of the Closing Date among the Authority, Borrower and the Corporation.

“*Tax-Exempt Bonds*” means any Bonds the interest on which is intended to be excluded from the gross income of the Owners thereof for federal income tax purposes, including the Series 2019 Bonds.

“*Tax-Exempt Organization*” means a Person organized under the laws of the United States of America or any state thereof (a) that is an organization described in §501(c)(3) of the Code, (b) that is exempt from federal income taxes under §501(a) of the Code, and (c) unless a Favorable Opinion of Bond Counsel shall be delivered to the Authority and the Trustee, that is not a “private foundation,” within the meaning of §509(a) of the Code.

“*Trustee*” means the trustee and any co-trustee at the time serving as such under the Indenture. Wilmington Trust, National Association, is the initial Trustee.

“*Trustee Indemnified Parties*” means, collectively, Trustee and each of its officers, directors, officials, employees, attorneys, and agents (each, a “Trustee Indemnified Party”).

“*Trust Estate*” means any and all property subject to the operation of the granting clauses of the Indenture.

“*2019 Account of the Construction Fund*” means the Account of the Construction Fund of that name created in the Loan Agreement.

“*Unassigned Rights*” means the rights of the Authority under the Loan Agreement and, to the extent not expressly provided in the Loan Agreement, the Authority’s rights thereunder to (a) inspect books and records; (b) give or receive notices, approvals, consents, requests, and other communications; (c) receive payment or reimbursement for expenses, including without limitation, Authority Additional Payments and the Authority Annual Fee; (d) immunity from and limitation of liability; and (e) indemnification by the Borrower; and further, to enforce, it is own name and on its own behalf, those provisions of the Indenture, of the Loan Agreement, and of any other document, instrument, or agreement entered into with respect to the Bonds that provides generally for the foregoing enumerated rights or any similar rights of the Authority. For avoidance of doubt, the “Unassigned Rights” referenced in items (d) and (e), above, shall be interpreted broadly to encompass (but not be limited to) the rights of the Authority to immunity from and limitation of liability and indemnification by the Borrower as provided in the Loan Agreement.

“*Underwriter*” means George K. Baum & Company, and its successors and assigns.

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

“*Value*,” with respect to Permitted Investments, means (a) other than as described in items (b) and (c) of this definition, the value thereof as established by the pricing service utilized by the Trustee from time to time in the ordinary course of its business; (b) with respect to certificates of deposit and bankers’ acceptances, means the face amount thereof, plus accrued interest; and (c) with respect to agreements described in items (k) and (l) of the definition of Permitted Investments that permit the Borrower to withdraw amounts invested thereunder at any time without penalty, the amount available to be withdrawn therefrom.

“*Yield*” of:

(a) *Taxable Investments*: all Taxable Investments acquired with (or representing an investment of) Gross Proceeds of an Issue of Tax-Exempt Bonds (or money replaced thereby) on or before any date means the actuarial “yield” of all such Taxable Investments, as “yield” is defined in and determined in accordance with § 1.148-5(b) of the Regulations; and

(b) *Bonds*: an Issue of Tax-Exempt Bonds means the actuarial “yield” of such Issue of Tax-Exempt Bonds, as defined in § 1.148-4 of the Regulations.

APPENDIX D

SUMMARIES OF PRINCIPAL FINANCING DOCUMENTS

The following summaries of certain of the Bond Documents do not purport to be comprehensive or definitive statements of the provisions of such Bond Documents and prospective purchasers of the Series 2019 Bonds are referred to the complete texts of such documents, copies of which are available upon request from the Underwriter prior to the issuance and delivery of the Series 2019 Bonds and from the Trustee after the issuance and delivery of the Series 2019 Bonds.

THE LOAN AGREEMENT

Introduction

The Loan Agreement is an agreement that will provide for the Loan of the proceeds of the Series 2019 Bonds by the Authority to the Borrower and for the repayment of and security for such Loan by the Borrower.

Term of the Loan Agreement

The Loan Agreement shall become effective upon its execution and delivery and shall be in full force and effect until all obligations under the Indenture shall have been paid in full (or provision for such payment shall have been made in accordance with the Indenture); provided, however, that the covenants and obligations expressed in the Loan Agreement to so survive shall survive the Agreement Term.

Acquisition, Construction, Furnishing, and Equipping of the Series 2019 Project

The Borrower shall acquire the interest in the Property created by the Ground Lease, acquire and construct the Series 2019 Building, acquire and install the Series 2019 Equipment therein. The Authority authorizes the Borrower to use the proceeds of the Series 2019 Bonds and other amounts deposited into the Construction Fund from time to time to acquire, construct, furnish, and equip the Series 2019 Project and as provided in the Indenture. The Borrower agrees (i) that it will exercise the foregoing authorizations given to it by the Authority, (ii) that it will cause the Series 2019 Equipment to be acquired, and (iii) that the Series 2019 Project will be acquired and constructed in accordance with the Plans and Specifications. The Authority hereby acknowledges as security to the College and consents to the Borrower's assignment to the College, as lessor under the Ground Lease, for the Borrower's obligation to construct and equip the Series 2019 Project, of the Borrower's rights under the Loan Agreement.

The Borrower shall exercise its rights under the Development Agreement to cause the Developer to exercise its rights under the Construction Contract to cause the General Contractor to construct the Series 2019 Project in accordance with the Plans and Specifications and the Construction Contracts and warrants that the construction of the Series 2019 Project in accordance with the Plans and Specifications will, when supplemented by the Equipment, 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 Series 2019 Project. The Borrower may not make changes in or additions to the Plans and Specifications for the Series 2019 Project without the prior written approval of the Authorized College Representative.

Loan Payments and Other Amounts Payable

Basic Loan Payments.

(i) Until the Debt Service Payments on the Bonds shall have been paid in full or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower shall pay to the Trustee for the account of the Authority as Basic Loan Payments, in each case for deposit into the Bond Fund, amounts sufficient to pay the Debt Service Payments on the Bonds as and when the same shall become due and all other sums payable under the terms of the Bonds. The Borrower shall pay to the Trustee for the account of the Authority:

(A) on or before February 20, 2019, and on or before the twentieth day of each month thereafter to and including June 20, 2019, a sum equal to one-fifth of the amount payable on July 1, 2019, as interest on the Series 2019 Bonds, or such lesser amount that, together with amounts already on deposit in the Bond Fund and available therefor, will be sufficient to pay interest on the Series 2019 Bonds to become due on July 1, 219_, as provided in the Indenture;

(B) on or before July 20, 2019, and on or before the twentieth day of each month thereafter, a sum equal to one-sixth of the amount payable on the immediately succeeding Interest Payment Date as interest on the Series 2019 Bonds, or such lesser amount that, together with amounts already on deposit in the Bond Fund and available therefor, will be sufficient to pay interest on the Series 2019 Bonds to become due on the immediately succeeding Interest Payment Date, as provided in the Indenture;

(C) on the dates set forth in any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds, the amount(s) set forth therein to be paid by the Borrower in respect of interest on such Additional Bonds;

(D) on or before July 20, 2021, and on or before the twentieth day of each month thereafter, to and including June 20, 2022, a sum equal to one-twelfth of the principal due on July 1, 2022;

(E) on or before July 20, 2022, and on or before the twentieth day of each month thereafter, a sum equal to the sum of (1) one-twelfth of the principal due on the immediately succeeding July 1 that is a maturity date of the Series 2019 Bonds, and (2) one-twelfth of the Mandatory Sinking Fund Redemption Requirement;

(F) on the dates set forth in any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds, the amount(s) set forth therein to be paid by the Borrower in respect of the principal of such Additional Bonds (whether at maturity or under any mandatory sinking fund or other similar redemption requirements of any supplemental indenture or indentures executed in connection with the issuance of Additional Bonds);

(G) on the Business Day prior to any date on which the Series 2019 Bonds are to be redeemed pursuant to the mandatory redemption provisions of the Indenture (other than mandatory sinking fund redemption pursuant to the Indenture), an amount equal to the Redemption Price of the Series 2019 Bonds to be redeemed (taking into account amounts then on deposit in the Bond Fund and the Redemption Fund to be used for the payment of such Series 2019 Bonds to be redeemed); and

(H) on the Business Day prior to any date on which any Additional Bonds are to be redeemed pursuant to any mandatory redemption provisions of any supplemental indenture or indentures executed in connection with the issuance of Additional Bonds (other than mandatory sinking fund or other similar redemption pursuant to such supplemental indenture or indentures), an amount equal to the Redemption Price of such Additional Bonds to be redeemed (taking into account amounts then on deposit in the Bond Fund and the Redemption Fund to be used for the payment of such Additional Bonds to be redeemed).

(ii) Each payment of Basic Loan Payments under clauses (i)(A), (B) and (C) of this Section shall in all events be sufficient, after giving credit for funds held in the Bond Fund (including amounts held in the Capitalized Interest Account) and the Revenue Fund available for such purpose, to pay the total amount of interest payable on the Bonds on the immediately succeeding Interest Payment Date, each payment of Basic Loan Payments under clauses (i)(D) and (E) of this Section shall in all events be sufficient, after giving credit for funds held in the Bond Fund available for such purpose, to pay the total amount of principal payable in respect of the Bonds on the immediately succeeding July 1 (whether at maturity or by mandatory sinking fund redemption), and each payment of Basic Loan Payments under clauses (i)(F) and (G) of this Section shall in all events be sufficient, after giving credit for funds held in the Redemption Fund available for such purpose, to pay the total Redemption Price of the Bonds on the applicable date of redemption. Any Basic Loan Payments shall be reduced or need not be made to the extent that there are moneys on deposit in the Bond Fund and/or the Redemption Fund in excess of scheduled payments of Basic Loan Payments plus the amount required for the payment of Bonds theretofore matured or called for redemption, the amount required for the payment of interest for which checks or drafts have been mailed by or for which wires have been provided by the Trustee, and past due interest in all cases where Bonds have not been presented for payment. Further, if the amount held by the Trustee in the Bond Fund and the Redemption Fund shall be sufficient to pay at the times required the Debt Service Payments on the Bonds then remaining unpaid, the Borrower shall not be obligated to make any further payments of Basic Loan Payments under the provisions of this Section. There shall also be a credit against remaining Basic Loan Payments for Bonds purchased, redeemed, or canceled, as provided in the Indenture or in any supplemental indenture or indentures executed in connection with the issuance of Additional Bonds as provided therein.

Additional Loan Payments.

(i) The Borrower shall pay (A) to the Trustee until the Debt Service Payments on the Bonds shall have been paid in full (1) for deposit into the Rebate Fund any amount required to be deposited therein pursuant to the Loan Agreement; (2) promptly upon request, an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered, and the Ordinary Expenses of the Trustee incurred, under the Indenture as and when the same shall become due; (3) promptly upon request, the reasonable fees and charges of the Trustee, as bond registrar and paying agent, and of any other paying agents on the Bonds for acting as paying agents as provided in the Indenture as and when the same shall become due; (4) promptly upon request, the reasonable fees and charges of the Trustee for the Extraordinary Services of the Trustee rendered by it, and the Extraordinary Expenses of the Trustee incurred by it, under the Indenture as and when the same shall become due; provided, that the Borrower may, without creating an Event of Default under the Loan Agreement, contest in good faith the reasonableness of any such Extraordinary Services of the Trustee and Extraordinary Expenses of the Trustee and the reasonableness of any such fees, charges, or expenses; (5) for deposit into the Repair and Replacement Fund, commencing on the 20th day of the calendar month next succeeding the Substantial Completion Date, and on the 20th day of each month thereafter to and including June 20, 2021, in equal monthly installments, \$9,825

and on the twentieth day of each month thereafter, in equal monthly installments, one-twelfth of the Annual Reserve Requirement for such Annual Period, such amount to be increased over time following periodic evaluation in accordance with the Loan Agreement, and any and all additional amounts required to be deposited therein by any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds on the dates set forth therein; and (6) for deposit into any Fund or Funds created under the Indenture or any supplemental indenture or indentures executed in connection with the issuance of Additional Bonds other than the Repair and Replacement Fund, the Cash Trap Fund, the Operations Contingency Fund, and the Surplus Fund, any and all additional amounts required to be deposited into such Fund or Funds by any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds on the dates set forth therein, (B) to the Authority, the Authority Additional Payments including, without limitation, the Authority Annual Fee (at the Remittance Address) on the due dates therefor; (C) to the Independent Architect/Engineer and the Insurance Consultant all of their reasonable fees, charges, and expenses; and (D) provided no Event of Default shall have occurred and then be continuing under the Loan Agreement, to the Manager, any Subordinated Management Fees owed pursuant to the Management Agreement from amounts available for such payment in accordance with the Indenture, which shall be evidenced by a written invoice approved by the Borrower.

(ii) Such Additional Loan Payments shall be billed to the Borrower by the Authority or the Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by such party for one or more of the above items. After such a demand, amounts so billed shall be paid by the Borrower within thirty (30) days after receipt of the bill by the Borrower. Notwithstanding the foregoing, the Authority shall not be required to submit a bill to the Borrower for payment of the Authority's annual fee of 0.015% of the aggregate principal amount of Bonds Outstanding under the Indenture. Such annual fee shall be paid by the Borrower to the Authority annually, due and payable in arrears, on each respective Principal Payment Date (deeming, for purposes of calculating the fee to be paid, any principal to be paid on or as of such Principal Payment Date as no longer Outstanding) and shall be made as an Additional Loan Payment in accordance with the Loan Agreement and the Indenture.

(iii) In the event the Borrower shall fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been paid in full and shall bear interest at the highest rate of interest on the Bonds.

(iv) All amounts deposited in the Funds and Accounts created in the Indenture and available to be used to pay the amounts, fees, charges, and expenses described in paragraph (b)(i) above in accordance with the terms of the Indenture shall be credited against the Borrower's obligation to make Additional Loan Payments to the extent such amounts are so used.

Reserve Loan Payments.

(i) The Debt Service Reserve Fund shall be funded in an amount equal to the Debt Service Reserve Requirement for the purpose of paying Debt Service Payments on the Series 2019 Bonds and on any Additional Bonds that are Tax-Exempt Bonds as the same shall become due in the event there shall be insufficient funds for said purpose in the Cash Trap Fund, the Bond Fund, the Redemption Fund, the Surplus Fund, and the Operations Contingency Fund, unless provision for their payment in full shall have been duly made, and for payment of the fees, charges, and expenses of the Trustee upon the occurrence of an Event of Default under the Indenture. In the event any funds from the Debt Service Reserve Fund shall be withdrawn or if there shall be a

diminution in Value of the cash and investments held in the Debt Service Reserve Fund as of any Valuation Date or if any net losses result from the investment of amounts held in the Debt Service Reserve Fund that shall reduce the Value of the cash and investments held in the Debt Service Reserve Fund to less than the Debt Service Reserve Requirement as of any Valuation Date, the Borrower shall, beginning on the twentieth day of the month following notice from the Trustee of such withdrawal, diminution in Value, or losses and on the twentieth day of each month thereafter, in addition to any other Loan Payments that may be due, make 12-consecutive monthly payments as Reserve Loan Payments to the Trustee for deposit into the Debt Service Reserve Fund, each equal to one-twelfth of the amount of such withdrawal, diminution in Value, or losses.

(ii) If any funds shall be withdrawn from the Repair and Replacement Fund to pay Debt Service Payments on the Bonds in accordance with the Indenture, the Borrower shall pay to the Trustee for deposit to the Repair and Replacement Fund the greater of (A) the lesser of (1) one-twelfth of the amount of such withdrawal or (2) such amount that is necessary to reimburse the Repair and Replacement Fund for all such withdrawals, or (B) such amount as shall be determined by the Borrower.

Credit for Transfers and Deposits Under the Indenture. The Borrower shall receive a credit against its obligation to make the Loan Payments under this Section to the extent of all sums that are transferred to any Person or deposited to any Fund or Account in accordance with the provisions of the Indenture.

Authority Closing Expenses. In addition to and without in any way limiting its obligations to pay and indemnify the Authority and the Authority Indemnified Persons against fees, costs, and charges arising out of or in connection with the Loan Agreement, the other Borrower Documents, the Bonds, or the Indenture, the Borrower shall pay, on the Closing Date, to the Authority or to the Authority's attorneys, as applicable, the Authority Closing Expenses.

The Loan and the Notes

The Authority agrees to lend to the Borrower, and the Borrower agrees to borrow from the Authority, the proceeds of the sale of the Series 2019 Bonds for the purposes of financing the Costs of the Project, funding the initial costs of marketing the Series 2019 Project, providing initial working capital for the Series 2019 Project, funding interest on the Series 2019 Bonds during the period of construction of the Series 2019 Project, funding the Debt Service Reserve Fund for the Series 2019 Bonds, paying the Corporation Acquisition Fee and the Issuance Costs, and paying any Authority Annual Fee required to be paid prior to the Substantial Completion Date, all in accordance with the terms and conditions of the Loan Agreement and the Indenture. The deposit of the proceeds of the sale of the Series 2019 Bonds as provided in the Indenture shall constitute the loan of such proceeds from the Authority to the Borrower. Such proceeds shall be applied as provided in the Indenture. The Borrower shall repay the Loan as provided above under "Loan Payments and Other Amounts Payable." The Borrower will duly and punctually pay the principal of, premium, if any, and interest on the Loan at the dates and the places and in the manner mentioned in the Loan Agreement. The Borrower shall make payments on the Loan and is liable therefor at times and in amounts sufficient to pay when due all Debt Service Payments on all Bonds from time to time Outstanding under the Indenture.

Nature of Obligations of the Borrower

The obligations of the Borrower to make the payments required above under "Loan Payments and Other Amounts Payable" and in the Loan Agreement, and to perform and observe any and all of the other covenants and agreements on its part contained in the Loan Agreement shall be absolute and unconditional

irrespective of any defense or any rights of setoff, recoupment, or counterclaim it may otherwise have against the Authority. The Borrower agrees that it will not (i) suspend, abate, reduce, abrogate, diminish, postpone, modify, or discontinue any payments provided for above under “Loan Payments and Other Amounts Payable”; (ii) fail to observe any of its other agreements contained in the Borrower Documents; or (iii) except as provided in the Loan Agreement or in any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds, terminate its obligations under any of the Borrower Documents for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of the Borrower to occupy or to use the Housing Facility as contemplated in the Loan Agreement or otherwise, any change or delay in the time of availability of the Housing Facility, any acts or circumstances that may impair or preclude the use or possession of the Housing Facility, any defect in the title, design, operation, merchantability, fitness, or condition of the Housing Facility or in the suitability of the Housing Facility for the Borrower’s purposes or needs, failure of consideration, any declaration or finding that any of the Bonds are unenforceable or invalid, the invalidity of any provision of the Loan Agreement or any of the other Bond Documents, any acts or circumstances that may constitute an eviction or constructive eviction, destruction of or damage to the Housing Facility, the taking by eminent domain of title to or the use of all or any part of the Housing Facility, 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 or agency of either or in the rules or regulations of any governmental authority, or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Loan Agreement.

Nothing contained in this Section shall be construed to release the Authority from the performance of any of the agreements on its part contained in the Loan Agreement. In the event the Authority should fail to perform any such agreement on its part, the Borrower may institute such action against the Authority as the Borrower may deem necessary to compel performance so long as such action does not abrogate the Borrower’s obligations under the Loan Agreement.

Repair and Replacement Fund Certification

At least every three years following the fifth anniversary of the Substantial Completion Date, the Borrower shall file with the Trustee a certification accompanied by a written report of an Independent Architect/Engineer relating to the adequacy of the deposits in the Repair and Replacement Fund and the condition of the Housing Facility which shall state the Independent Architect/Engineer’s recommendation as to the amount of any adjustment needed to the Repair and Replacement Fund for the next three years of operation.

Maintenance and Modification of Housing Facility by the Borrower

The Borrower agrees that during the Agreement Term it shall at its own expense (i) keep the Housing Facility in as reasonably safe condition as its operations shall permit; (ii) keep the Building and all other improvements forming a part of the Housing Facility in good repair and in good operating condition, making from time to time, subject to the provisions below under “Removal of Equipment,” 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, and cause the Equipment to be maintained in accordance with the manufacturer’s then currently published standard maintenance contract and recommendations. The Borrower may, also at its own expense, from time to time make any Additions or Alterations to the Housing Facility that it may deem desirable for its business purposes and that do not, in the opinion of an Independent Architect/Engineer filed with the Trustee, adversely affect the operation or value of the Housing Facility; provided, that the opinion of an Independent Architect/Engineer shall only be required in the case of

material Additions or Alterations. Additions or Alterations to the Housing Facility so made by the Borrower shall be on the Property, shall become a part of the Housing Facility, and shall become subject to the lien and security interest of the Leasehold Deed of Trust and the Security Agreement. Such Additions or Alterations that cost in excess of \$1,000,000 shall be made only by contractors that furnish performance and labor and material payment bonds in the full amount of such contracts, made by the contractor thereunder as the principal and a surety company or companies deemed reasonably acceptable by the Independent Architect/Engineer as surety, and such bonds shall be in such forms as are deemed reasonably acceptable by the Independent Architect/Engineer. Such bonds shall name the Borrower, the Authority and the Trustee as obligees, and all Net Proceeds received under such bonds shall be paid over to the Trustee and deposited into the Insurance Fund to be applied to the completion of the Additions or Alterations to the Housing Facility. Such money held by the Trustee in the Insurance Fund shall be invested from time to time, as provided in the Loan Agreement.

The Borrower shall execute a conditional assignment directing the architect who has prepared any Plans and Specifications for any “material” Additions or Alterations to make available to the Trustee a complete set of the Plans and Specifications, which assignment shall be effective only upon the occurrence of an Event of Default under the Loan Agreement (it being understood that the Trustee has no duty or obligation to access or review such Plans and Specifications). All Construction Contracts executed by the Borrower for construction of any “material” Additions or Alterations shall contain a provision that, or by separate agreement such contractors shall agree that, upon the occurrence of an Event of Default under the Loan Agreement, said contracts with the contractors and/or sub-contractors shall be deemed assigned to the Trustee should the Trustee so direct. The Borrower covenants to include such conditional assignments in all material contracts and subcontracts executed for work to be performed on the Property. For purposes of this Section, the term “material” means any Addition or Alteration or contract having a cost of more than \$100,000.

The Borrower further agrees that at all times during the construction of Additions or Alterations that cost in excess of \$500,000, if the cost of restoring damage or destruction by casualty resulting from such additions or Alterations is not covered by the casualty insurance already in effect with respect to the Housing Facility it shall 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 Additions or Alterations. The Borrower shall 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 Additions or Alterations so made by it; provided that it shall not constitute an Event of Default under the Loan Agreement upon such lien’s 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 shall obtain and cause to be recorded a bond that shall cause such liens to be released of record. If the Borrower shall be unable or shall otherwise fail to obtain such a bond or provide such a cash deposit, the Borrower shall promptly cause to be satisfied and discharged all such items by payment thereof. If the Borrower shall be unable or shall otherwise fail to obtain such a bond or provide such a cash deposit, or to satisfy and discharge the lien, the Authority or the Trustee may, but shall be under no obligation to, satisfy and discharge the lien by payment thereof or provide security that shall cause the claimant to release the lien against the Project, and all amounts so paid by the Authority or the Trustee shall be treated as an advance to the Borrower repayable in accordance with “Advances by the Authority or the Trustee” below.

The Borrower shall 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 Housing Facility, or any part thereof, unless the Borrower shall have first procured and paid for all requisite municipal and other governmental permits and authorizations, including any permits or authorizations required by the Ground Lease. All such work shall 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 the Loan Agreement.

Removal of Equipment

If no Event of Default under the Loan Agreement shall have occurred and be continuing, in any instance where the Borrower in its discretion shall determine that any items of Equipment or any portion thereof shall have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the Borrower may remove such items of Equipment or portion thereof from the Property and sell, trade-in, exchange, or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Authority or the Trustee therefor, provided that the Borrower shall either:

(i) substitute and install anywhere in the Building or on the Property 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 Housing Facility for the purpose for which it is intended, provided such removal and substitution shall not impair the nature of the Housing Facility, all of which replacement equipment or related property shall be free of all liens, security interests, and encumbrances (other than Permitted Encumbrances), shall become subject to the lien and security interest of the Leasehold Deed of Trust and the Security Agreement, and shall be held by the Borrower on the same terms and conditions as the items originally constituting Equipment; or

(ii) not make any such substitution and installation, unless in the case of: (A) the sale of any such Equipment; (B) the trade-in of such Equipment for other machinery, furnishings, equipment, or related property not to become part of the Equipment or to become subject to the lien and security interest of the Leasehold Deed of Trust and the Security Agreement; or (C) any other disposition thereof, the Borrower shall 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 Redemption Fund. In the case of the sale, trade-in, or other disposition of any such Equipment to an Affiliate of the Borrower, the Borrower shall 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 for deposit into the Redemption Fund.

All amounts deposited into the Redemption Fund pursuant to the provisions of this Section shall be used to redeem all or a portion of the Bonds issued to finance or refinance the acquisition of such inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary Equipment or, if such Bonds shall no longer be Outstanding, the redemption of such other Bonds as may be directed by the Borrower in accordance with the provisions of the Indenture. With respect to the Series 2019 Bonds, such amounts shall be used to redeem Series 2019 Bonds in accordance with the provisions of the Indenture or, if the Series 2019 Bonds shall no longer be Outstanding, to redeem such other Bonds as may be directed by the Borrower in accordance with the provisions of the Indenture. Except to the extent that amounts are deposited into the Redemption Fund, the removal from the Housing Facility of any portion of the Equipment pursuant to the provisions of this Section shall not entitle the Borrower to any postponement, abatement, or diminution of the Basic Loan Payments payable above under "Loan Payments and Other Amounts Payable."

In the event that prior to such removal and disposition of items of Equipment from the Building and the Property, the Borrower shall have acquired and installed machinery, furnishings, equipment, or related property with its own funds that become part of the Equipment and subject to the lien and security interest of the Leasehold Deed of Trust and the Security Agreement and that have equal or greater utility (but not necessarily the same function) 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 (but not necessarily the same function) or that it make payment to the Trustee for deposit into the Redemption Fund.

The Borrower shall report or cause to be reported promptly to the Trustee each such removal, substitution, sale, or other disposition and shall pay or cause to be paid to the Trustee such amounts as are required by the provisions of the preceding paragraph (a) of this Section to be deposited into the Redemption Fund promptly 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 deposited into the Redemption Fund on account of all such sales, trade-ins, or other dispositions not previously reported shall equal, in the aggregate, at least \$50,000 in any Annual Period. All amounts deposited into the Redemption Fund pursuant to this Section as a result of the sale, trade-in, exchange, or other disposition of Equipment shall be applied to the redemption of all or a portion of the Bonds issued to finance or refinance the acquisition of such Equipment or, if such Bonds shall no longer be Outstanding, the redemption of such other Bonds as may be directed by the Borrower in accordance with the provisions of the Indenture. With respect to the Series 2019 Bonds, such amounts shall be used to redeem Series 2019 Bonds in accordance with the provisions of the Indenture or, if the Series 2019 Bonds shall no longer be Outstanding, to redeem such other Bonds as may be directed by the Borrower in accordance with the provisions of the Indenture. The Borrower shall not remove, or permit the removal of, any of the Equipment from the Building or the Property except in accordance with the provisions of this Section.

Taxes, Other Governmental Charges, and Utility Charges

The Borrower shall pay as an Expense, as the same become due, (i) all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Housing Facility that, if not paid, will become a lien on the Housing Facility prior to or on a parity with the lien and security interest of the Leasehold Deed of Trust and the Security Agreement or a charge on the Pledged Revenues prior to or on a parity with the charge and security interest thereon and the pledge or assignment thereof created and made in the Security Agreement and including all ad valorem taxes or payments in lieu of such taxes lawfully assessed upon the Housing Facility; (ii) all utility and other charges incurred in the ownership, operation, maintenance, use, occupancy, and upkeep of the Housing Facility; and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Housing Facility; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Borrower shall be obligated to pay only such installments as are required to be paid during the Agreement Term.

If the Borrower shall first notify the Trustee of its intention so to do, the Borrower may, at its own expense and in good faith, contest any such taxes, assessments, or other charges and, in the event of any such contest, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided the Borrower shall furnish the Trustee with a bond or a cash deposit equal to at least the amount so contested plus any interest or penalties that might be payable as a result of any late payment, which, in the case of cash, shall be placed into an account with the Trustee and held for the purposes stated in this paragraph (b), or an Opinion of Counsel stating that by nonpayment of any such items, the lien and security interest of the Leasehold Deed of Trust and the Security Agreement will not be materially endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. The proceeds of such bond or cash deposit may be used by the Trustee to satisfy the lien if action shall be taken to enforce the lien and such action shall not be stayed. Such bond or cash deposit shall be returned to the Borrower if the taxes, assessments, or other charges shall be successfully contested. If the Borrower shall be unable or shall otherwise fail to obtain such a bond or provide such a cash deposit or such Opinion of Counsel, such taxes, assessments, or charges shall be promptly satisfied and discharged by payment thereof.

Insurance

The Borrower agrees that it will, at all times during the construction of the Series 2019 Project, obtain and maintain or cause the Developer and/or cause the Developer to cause the General Contractor to obtain and maintain in full force and effect All Risk and Builder's Risk—Completed Value Form Property Insurance insuring all buildings, structures, boilers, equipment, facilities, fixtures, supplies, and other property constituting the Series 2019 Project on an "all risk of loss or damage basis," currently referred to as "special form," including coverage for soft costs (in an amount no less than \$9,500,000) and lost rents or revenue for delayed opening costs including bond debt service and bond carrying costs (in an amount no less than \$8,000,000) due to damage and destruction prior to completion, including perils of theft, vandalism, malicious mischief, transit, materials stored off site, collapse, falsework, temporary buildings, debris removal, testing, and damage resulting from defective design, workmanship or material, fire, lightning, windstorm (including tornados), collapse, boiler and machinery accidents, strikes, riot, civil commotion, sabotage, and all other risks covered by the extended coverage endorsement then in use in the State to the full replacement cost of the Series 2019 Project with a deductible provision not to exceed \$100,000.00 per occurrence, except in the event of a named windstorm, in which case the deductible shall not exceed 5% of the value at risk, but shall in any case be a minimum of \$100,000.

In addition to the insurance required above, throughout the Agreement Term, the Borrower shall keep the Housing Facility or cause the same to be kept continuously insured against such risks as are customarily insured against with respect to facilities of like size and type, as recommended by an Insurance Consultant, including, but not limited to:

(a) commencing on the Substantial Completion Date, insurance upon the repair or replacement basis in an amount of not less than 100% of the then actual cost of replacement (excluding costs of replacing excavations and foundations, but without deduction for depreciation) of the Housing Facility (with deductible provisions not to exceed \$100,000 per occurrence, except in the event of a named windstorm in which case the deductible shall not exceed 3% of the value at risk, but shall in any case be a minimum of \$100,000) against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, and smoke and such other risks as are now or hereafter included in the uniform standard extended coverage endorsement in common use for similar structures (including vandalism and malicious mischief);

(b) commencing on Substantial Completion Date, business interruption insurance (also referred to as "business income" or "loss of rents" insurance) covering loss of revenues and other income by the Borrower by reason of total or partial suspension of, or interruption in, the operation of the Housing Facility caused by covered damage to or destruction of the Housing Facility in an amount not less than the Maximum Annual Debt Service on the Bonds plus 12 months' budgeted operating expenses minus those operating expenses avoided as a result of and during the period of interruption;

(c) comprehensive general liability insurance providing insurance (with deductible provisions not to exceed \$1,000 per occurrence) covering all claims for bodily injury and property damage, including not less than \$1,000,000 per occurrence and \$5,000,000 in the aggregate, to include personal and advertising injury, general aggregate, products and completed operations aggregate insurance beginning at the completion of each Housing Facility component, and contract liability to cover all insurable obligations under the Ground Lease;

(d) commencing on the date any vehicle is acquired or hired by the Borrower for use with respect to the Project, automobile liability insurance providing insurance (with deductible

provisions not to exceed \$1,000 per occurrence) to the extent of not less than a combined single limit of \$1,000,000 per accident covering liability arising out of the use of any Borrower vehicle or such vehicles used in conjunction with the Project, whether owned, non-owned, or hired, and including personal injury protection and uninsured motorist protection in the minimum statutory limits where required by law;

(e) at all times, insurance under the Federal Flood Insurance Program within the minimum requirements and amounts required for federally financed or assisted loans under the Flood Disaster Protection Act of 1973, as amended, if the Housing Facility is eligible under such program;

(f) commencing on the date the first employee of the Borrower is hired, workers' compensation coverage or other similar coverage covering all of the Borrower's employees on the Premises, as required by the laws of the State, including, with respect to workers' compensation insurance, Coverage B—Employer's liability limits of: bodily injury by accident—\$500,000 each accident; and bodily injury by disease—\$500,000 each employee (and, in this regard, the Borrower shall require all subcontractors performing work on the Project to provide an insurance certificate showing proof of workers' compensation insurance);

(g) to the extent that the Housing Facility contains a steam boiler, pressure vessels, or pressure piping, and commencing on the date on which the same are installed in the Housing Facility, boiler explosion insurance on steam boilers, if any, pressure vessels, and pressure piping in an amount not less than 100% of the then actual cost of replacement (excluding costs of replacing excavations and foundations, but without deduction for depreciation) of the Housing Facility (with deductible provisions not to exceed \$25,000 per occurrence);

(h) commencing on the Substantial Completion Date, fidelity bonds or employee dishonesty insurance in the amount of \$100,000 for all officers, agents, and employees of the Borrower with the responsibility of handling Pledged Revenues; and

(i) additional umbrella or excess liability coverage in the amount of \$10,000,000 in the aggregate, which shall include all coverages required by (c), (d) and (f) above in this Section.

Application of Net Proceeds of Insurance

The Net Proceeds of the insurance carried pursuant to provisions above under "Insurance" shall be paid and applied as provided below under "Destruction and Damage," and the Net Proceeds of insurance carried pursuant to provisions above under "Insurance Required" shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been paid. The Net Proceeds of the insurance carried pursuant to provisions above under "Insurance Required," up to an amount equal to the Debt Service Reserve Requirement on the Bonds (including any Mandatory Sinking Fund Redemption Requirement) for the succeeding 12-month period, shall be deposited into the Bond Fund and used as provided in the Indenture and the balance shall be deposited into the Revenue Fund.

Additional Provisions Respecting Insurance

All insurance required under "Insurance Required" be taken out and maintained in generally recognized responsible insurance companies qualified to do business in the State, that may include "captive" insurance companies or governmental insurance pools, and that have Best Policyholders Rating of "A-" or better and with a financial size rating of Class VIII or larger. All policies evidencing such insurance shall provide for payment to the Authority, the Borrower, and the Trustee as their respective

interests may appear, the policies required above under “Insurance Required” shall name the Authority and the Trustee as additional insureds, and the policies required above under “Insurance Required” shall name the Trustee as mortgagee and loss payee under a standard loss payable endorsement providing that no act or omission by the Borrower shall in any way prejudice the rights of the Trustee under such policies and shall require that all Net Proceeds of insurance if in excess of \$250,000 for loss or damage covered thereby be paid to the Trustee and applied under “Destruction and Damage” below; provided, however, that prior to the occurrence of an Event of Default under the Loan Agreement, all claims regardless of amount may be adjusted by the Borrower with the insurers, subject to prior written approval of the Borrower as to any settlement of any claim in excess of \$250,000, which approval shall not be unreasonably withheld, and which approval shall be deemed given if not denied by notice given within 10 days following Borrower’s request. In lieu of separate policies, the Borrower may maintain one or more blanket policies of insurance having the coverage required above under “Insurance Required.” The Borrower shall promptly forward any notice of cancellation received from an insurance carrier to the Authority and the Trustee.

Insurance Certification; Review by Insurance Consultant

The Borrower shall deliver to the Trustee within 90 days after the end of each Annual Period, beginning with the Annual Period ending June 30, 2021, a certificate of an Authorized Borrower Representative setting forth the particulars as to all insurance policies maintained by the Borrower above under “Insurance Required” and “Additional Provisions Respecting Insurance” and certifying that such insurance policies are in full force and effect, that such policies comply with the provisions of such Sections, and that all premiums then due thereon have been paid. The Trustee shall be entitled to rely upon said certification of the Borrower as to the Borrower’s compliance with the insurance requirements of the Loan Agreement. The Trustee shall not be responsible for the sufficiency of coverage or the amounts of any such policies.

At all times during the Agreement Term, an Insurance Consultant shall be designated by the Borrower. The Borrower shall procure from the Insurance Consultant a review of its insurance requirements not less than every two years along with a written recommendation, if necessary, for increasing or decreasing any of the insurance or coverages hereinabove required, and shall furnish a copy of such review to the Trustee. If any such review by the Insurance Consultant contains recommendations for increasing any of such insurance or coverages, the Borrower shall promptly increase such insurance or coverages in accordance with such recommendations, and if any such review by the Insurance Consultant contains recommendations for decreasing any of such insurance or coverages, the Borrower may decrease such insurance or coverages in accordance with such recommendations. In addition, on or before the execution and delivery of the Loan Agreement and, thereafter, upon the request of the Trustee, the Borrower shall furnish to the Trustee a certificate of the Insurance Consultant to the effect that the insurance procured by the Borrower satisfies in all respects the requirements above under “Insurance Required” and “Additional Provisions Respecting Insurance”. Prior to the Closing Date for a Series of Bonds, the Borrower shall deliver to the Trustee original ACORD Certificates of Insurance that evidence the coverages and endorsements required in the Loan Agreement.

Advances by the Authority or the Trustee

If the Borrower shall fail to make any payment or perform any act required of it under the Loan Agreement, the Authority or the Trustee may (but shall be under no obligation), after notifying the Borrower of its intention to do so and at the expiration of any applicable cure period, make such payment or perform such act. All amounts so paid by the Authority or the Trustee and all costs, fees, and expenses so incurred shall be payable as an additional obligation under the Loan Agreement and under the Notes, together with interest thereon from the date of payment by the Authority or the Trustee, as applicable, at the Default Rate, payment of which shall be secured by the Leasehold Deed of Trust and the Security Agreement. Any

remedy vested in the Authority or the Trustee for the collection of the Loan Payments shall also be available to the Authority and the Trustee for the collection of all such amounts so advanced. The Trustee shall be under no obligation to make any such payment unless it shall be requested to do so by the Requisite Number of Bondholders and shall be provided with adequate funds paid in cash to the Trustee (from a source or sources approved by the Trustee) for the purpose of such payment.

Destruction and Damage

In the event that the Housing Facility shall be destroyed or damaged (in whole or in part) by fire or other casualty, the Borrower shall promptly notify the Authority and the Trustee in writing, and, unless the Bonds shall be paid in full from the Net Proceeds of insurance resulting from such destruction or damage, shall be obligated to continue to make the Loan Payments and shall not be entitled to any postponement, abatement, or diminution thereof.

If such Net Proceeds of insurance shall be less than \$250,000 as provided in writing by the Borrower to the Trustee), all such insurance proceeds shall be paid to the Borrower, and the Borrower shall repair, replace, rebuild, restore, and/or re-equip the Housing Facility promptly to substantially the same condition thereof as existed prior to the event causing such destruction or damage with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Borrower and as will not impair the value or the function of the Housing Facility and such modifications as may be required under applicable law. In the event the Net Proceeds shall not be sufficient to pay in full the costs of any such repair, replacement, rebuilding, restoration, and/or re-equipping, the Borrower shall nonetheless complete said work and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

If such Net Proceeds of insurance shall be in excess of \$250,000, all such insurance proceeds shall be paid to the Trustee and deposited and held in the Insurance Fund to be applied, as fully as practicable, in one or more of the following ways as shall be directed in writing by the Borrower within sixty days from the date of such deposit:

(i) subject to the requirements of “Conditions Precedent to Repair, Restoration or Replacement of the Housing Facility; Other Requirements” below, such Net Proceeds may be applied to the restoration of the Housing Facility; or

(ii) subject to the requirements of “Conditions Precedent to Repair, Restoration or Replacement of the Housing Facility; Other Requirements” below, such Net Proceeds may be applied to the acquisition of other suitable land and the acquisition, by construction or otherwise, to the extent permitted by applicable law, of improvements consisting of a building or buildings, facilities, furnishings, machinery, equipment, or other properties suitable for the Borrower’s operations at the Housing Facility as conducted prior to such destruction or damage (which improvements shall be deemed a part of the Housing Facility and available for use and occupancy by the Borrower without the payment of any Loan Payments other than as herein provided to the same extent as if such improvements were specifically described herein and shall be acquired by the Borrower subject to no liens, security interests, or encumbrances prior to or on a parity with the lien and security interest of the Leasehold Deed of Trust and the Security Agreement, other than Permitted Encumbrances); or

(iii) such Net Proceeds may be transferred to the Redemption Fund to be applied to the redemption of Bonds; or

(iv) such Net Proceeds may be applied in some combination permitted in this Section.

All Net Proceeds deposited into the Redemption Fund pursuant to this Section as a result of the destruction of or damage to the Housing Facility shall be applied to the redemption of all or a portion of the Bonds issued to finance or refinance the acquisition of such portion of the Housing Facility or, if such Bonds shall no longer be Outstanding, the redemption of such other Bonds as may be directed by the Borrower in accordance with the provisions of the Indenture.

All Net Proceeds so deposited into the Redemption Fund to be applied to the redemption of the Series 2019 Bonds shall be used to redeem Series 2019 Bonds in accordance with the provisions of the Indenture; provided, that no part of such Net Proceeds may be applied to a redemption of the Bonds in whole pursuant to the Indenture unless the requirements under “Option to Prepay Loan Upon the Occurrence of Certain Extraordinary Events” below shall have been met.

Any balance of such Net Proceeds of insurance remaining after application pursuant to this Section shall be transferred to the Revenue Fund and any such balance remaining because of the failure of the Authorized Borrower Representative to furnish to the Authority and the Trustee the items required by “Conditions Precedent to Repair, Restoration or Replacement of the Housing Facility; Other Requirements” below shall be transferred to the Redemption Fund and used to redeem Bonds as provided in this Section.

Notwithstanding the other provisions of this Section, at Borrower’s request, Net Proceeds of business interruption/rent loss insurance shall be paid to Borrower to be paid to Student Residents of the Housing Facility as refunds of rental or license fees for beds or units made uninhabitable as a result of destruction or damage.

Condemnation

In the event that title to or the temporary use of the Housing Facility or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, the Borrower shall promptly notify the Authority and the Trustee in writing and, unless the Bonds shall be paid in full from the award made in such eminent domain proceedings, shall be obligated to continue to make the Loan Payments and shall not be entitled any postponement, abatement, or diminution thereof.

Except for Net Proceeds received by the Borrower pursuant to the Loan Agreement and the proceeds received from a temporary taking (which shall be deposited in the Revenue Fund), the Authority and the Borrower shall cause the Net Proceeds received by them or any of them from any award made in such eminent domain proceedings to be paid to the Trustee and the Trustee shall deposit such Net Proceeds received directly by it or received from the Authority or Borrower to be deposited and held in the Condemnation Fund to be applied, as fully as practicable, in one or more of the following ways as shall be directed in writing by the Borrower within 60 days from the date of such deposit:

- (i) subject to the requirements of “Conditions Precedent to Repair, Restoration or Replacement of the Housing Facility; Other Requirements” below, such Net Proceeds may be applied to the restoration of the Housing Facility; or

- (ii) subject to the requirements of “Conditions Precedent to Repair, Restoration or Replacement of the Housing Facility; Other Requirements” below, such Net Proceeds may be applied to the acquisition of other suitable land and the acquisition, by construction or otherwise, to the extent permitted by applicable law, of improvements consisting of a building or buildings, facilities, furnishings, machinery, equipment, or other properties suitable for the Borrower’s operations at the Housing Facility as conducted prior to such taking (which improvements shall be deemed a part of the Housing Facility and available for use and occupancy by the Borrower without

the payment of any Loan Payments other than as herein provided to the same extent as if such improvements were specifically described herein and shall be acquired by the Borrower subject to no liens, security interests, or encumbrances prior to or on a parity with the lien and security interest of the Leasehold Deed of Trust and the Security Agreement, other than Permitted Encumbrances); or

(iii) such Net Proceeds may be transferred to the Redemption Fund to be applied to the redemption of Bonds; or

(iv) such Net Proceeds may be applied in some combination permitted by this Section.

All Net Proceeds deposited into the Redemption Fund pursuant to this Section as a result of the condemnation of a portion of the Housing Facility shall be applied to the redemption of all or a portion of the Bonds issued to finance or refinance the acquisition of such portion of the Housing Facility or, if such Bonds shall no longer be Outstanding, the redemption of such other Bonds as may be directed by the Borrower in accordance with the provisions of the Indenture.

All Net Proceeds so deposited into the Redemption Fund to be applied to the redemption of the Series 2019 Bonds shall be used to redeem Series 2019 Bonds in accordance with the provisions of the Indenture; provided, that no part of such Net Proceeds may be applied to a redemption of the Bonds in whole pursuant to the Indenture unless the requirements under “Option to Prepay Loan Upon the Occurrence of Certain Extraordinary Events” below shall have been met.

Any balance of such Net Proceeds remaining after application pursuant to this Section or remaining because of the failure of the Authorized Borrower Representative to furnish to the Authority and the Trustee the items required under “Conditions Precedent to Repair, Restoration or Replacement of the Housing Facility; Other Requirements” below shall be transferred to the Redemption Fund and used to redeem Bonds as provided in this Section.

Conditions Precedent to Repair, Restoration or Replacement of the Project; Other Requirements

Before the Trustee may apply any Net Proceeds, pursuant to “Destruction and Damage” or “Condemnation” above, to pay the costs of repairing, restoring, or replacing the Housing Facility, the Borrower shall furnish to the Authority, the College and the Trustee (i) a construction contract and any architect’s agreement relating to such repair, restoration, or replacement; (ii) complete plans and specifications relating to such repair, restoration, or replacement (the “Restoration Plans and Specifications”); (iii) a certificate of an Independent Architect/Engineer that states that such repair, restoration, or replacement, if completed in accordance with the Restoration Plans and Specifications, will (A) restore the Housing Facility to substantially the condition thereof immediately preceding the damage, destruction, or condemnation; and (B) comply with all applicable statutes, codes, and regulations; (iv) a certificate of an Authorized Borrower Representative stating that sufficient moneys are available to (A) pay for such repair, restoration, or replacement; and (B) together with available business interruption insurance proceeds and other available Pledged Revenues, pay Debt Service Payments on the Bonds and Expenses during the period of repair, restoration, or replacement; (v) applicable lien waivers or conditional lien waivers; (vi) evidence of the existence of performance and payment bonds for the applicable contractor; and (vii) evidence that the Borrower has acquired all permits and licenses necessary for such construction; and, if such net proceeds are in excess of \$250,000, in addition to those requirements listed in clauses (i) through (vii) above, the Borrower shall also deliver to the Trustee: (A) an endorsement to the applicable title insurance policy insuring the continued priority of the lien of the Leasehold Deed of Trust; and (B) an opinion of Bond Counsel to the effect that neither such repair, replacement, nor restoration nor such use of

such casualty or condemnation proceeds will adversely affect the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds. The Trustee shall not be required to review the documents provided to it under this Section 7.03 and shall retain them solely as a repository for the Bondholders. The Borrower, in addition to the foregoing, shall provide the Trustee with an officer's certificate stating that it has delivered all documents required pursuant to this Section.

The Trustee shall retain 10% of the requested disbursements to be disbursed upon final completion of the repair, replacement, or restoration as certified by an Independent Architect/Engineer and receipt of certificates of occupancy, waivers of liens and, if such Net Proceeds shall be in excess of \$250,000 (plus the applicable CPI Adjustment, if any), an endorsement to the title insurance policy or policies required by the Loan Agreement insuring the continued priority of the Leasehold Deed of Trust. If at any time during the period of repair, restoration, or replacement, the insurance or casualty proceeds shall be less than the estimated remaining costs to restore, repair, or replace the Housing Facility, the Borrower shall provide the Trustee with cash or cash equivalents in an amount equal to the shortfall

General Option To Terminate Loan Agreement

The Borrower shall have, and is granted, the following option to terminate the Loan Agreement at any time prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture). The Borrower may terminate the Agreement Term by (a) paying to the Trustee an amount that, when added to the amount on deposit in the Bond Fund and the Redemption Fund, will be sufficient to pay, retire, and redeem all of the Outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, redemption premium, interest to maturity or earliest applicable redemption date, as the case may be, premium, if any, expenses of redemption, and Trustee's and paying agents' fees and expenses, including reasonable attorneys' fees and expenses); (b) in the case of redemption, making arrangements satisfactory to the Trustee for the giving of the required, irrevocable notice of redemption; (c) paying to the Authority any and all sums then due to the Authority under the Loan Agreement; and (d) otherwise complying with the provisions of the Indenture. If the College shall exercise the option granted to it pursuant to the Ground Lease to purchase the Housing Facility, the Borrower shall exercise the option granted by this Section.

Option to Prepay Loan Upon the Occurrence of Certain Extraordinary Events

The Borrower shall have, and is granted, the option to prepay the Series 2019 Loan in full or in part prior to the full payment of all of the Series 2019 Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), (i) in full if the Series 2019 Project shall have been destroyed or damaged to such an extent that, in the opinion of an Independent Architect/Engineer expressed in a certificate filed with the Trustee and the Authority, (A) the Series 2019 Project cannot reasonably be restored within a period of 12 months to the condition thereof immediately preceding such destruction or damage, or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than 12 consecutive months, or (C) the cost of restoration or replacement thereof would exceed the Net Proceeds of insurance payable in respect of such destruction or damage; (ii) in full if title to, or the temporary use of, a substantial portion of the Series 2019 Project shall have been taken under the exercise of the power of eminent domain by any governmental authority or Person acting under governmental authority to such an extent that, in the opinion of an Independent Architect/Engineer expressed in a certificate filed with the Trustee and the Authority, (A) the Series 2019 Project cannot be reasonably restored or replaced within a period of 12 months to substantially the condition thereof immediately preceding such taking, or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than 12 consecutive months, or (C) the cost of restoration or replacement thereof would exceed the total amount of compensation for such taking; or (iii) in part in the event of partial condemnation or destruction of, or partial damage to, the Series 2019 Project, from the

Net Proceeds received by the Borrower as a result of such taking, destruction, or damage to the extent such Net Proceeds are not used for the restoration of the Series 2019 Project or for the acquisition of substitute property suitable for the Borrower's operations at the Series 2019 Project as such operations were conducted prior to such taking, destruction, or damage if the Borrower furnishes to the Trustee and the Authority (A) a certificate of an Independent Architect/Engineer stating (1) that the property forming a part of the Series 2019 Project that was taken, destroyed or damaged is not essential to the Borrower's use or occupancy of the Series 2019 Project at substantially the same revenue-producing level as prior to such taking, destruction, or damage; or (2) that the Series 2019 Project has been restored to a condition substantially equivalent to its condition prior to such taking, destruction or damage; or (3) that the Borrower has acquired suitable land and improvements that are substantially equivalent to the property forming a part of the Series 2019 Project that was taken, destroyed or damaged; or (B) a written report of a Financial Consultant filed with the Trustee and the Authority certifying that the Fixed Charges Coverage Ratio for each of the two Annual Periods following the Annual Period following such taking, destruction, or damage will not be less than the lesser of (1) 1.20, and (2) the average Fixed Charges Coverage Ratio for the two most recent Annual Periods prior to such taking, destruction or damage for which audited financial statements are available.

In the case of the occurrence of any of the events described in the preceding paragraph (a), the Borrower, if it shall exercise its option to prepay the Series 2019 Loan, must prepay the Series 2019 Loan within 180 days after the receipt of the insurance or condemnation proceeds received by the Borrower as a result of such event.

To exercise such option, the Borrower shall, within 60 days following the event authorizing the exercise of such option, give written notice of the exercise of such option to the Authority and to the Trustee and shall specify therein the date of tender of such prepayment, which date shall not be less than 45, nor more than 120, 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.

The amount payable by the Borrower in the event of its exercise of the option to prepay the Series 2019 Loan in full granted in the circumstances described above in this Section shall be the sum of the following:

- (i) an amount of money that, when added to the amount then on deposit in the Bond Fund, the Redemption Fund, and the Debt Service Reserve Fund (taking into account the restrictions in the Indenture) will be sufficient to retire and redeem all the then Outstanding Series 2019 Bonds on the applicable redemption date provided by the Indenture, including, without limitation, principal, all interest to accrue to said redemption date, and redemption expense, but without premium, plus
- (ii) an amount of money equal to the Trustee's and paying agents' fees and expenses, including reasonable attorneys' fees and expenses, under the Indenture accrued and to accrue until such final payment and redemption of the Series 2019 Bonds, plus
- (iii) an amount of money equal to the Authority's reimbursable expenses under the Loan Agreement accrued and to accrue until such final payment and redemption of the Series 2019 Bonds.

The amount payable by the Borrower in the event of its exercise of the option to prepay the Series 2019 Loan in part granted in the circumstances described above in this Section shall be the sum of the following:

(i) an amount of money that, when added to the amount then on deposit in the Bond Fund and the Redemption Fund, will be sufficient to retire and redeem the Series 2019 Bonds that are to be redeemed on the applicable redemption date provided by the Indenture, including, without limitation, principal, all interest to accrue to said redemption date, and redemption expense, but without premium, plus

(ii) an amount of money equal to the Trustee's and paying agents' fees and expenses, including reasonable attorneys' fees and expenses relating to such redemption, plus

(iii) an amount of money equal to the Authority's reimbursable expenses under the Loan Agreement relating to such redemption.

Option to Prepay Loan in Connection With Optional Redemption of the Bonds

The Borrower shall have the option to prepay the Series 2019 Loan by prepaying Basic Loan Payments due under the Loan Agreement in such manner and amounts as will enable the Authority to redeem the Series 2019 Bonds prior to maturity in whole or in part on any date, as provided in the Indenture. The Basic Loan Payments payable by the Borrower in the event of its exercise of the option granted under this Section shall be, (i) in the case of partial redemption, the amount necessary to pay principal, all interest to accrue to the redemption date, the applicable redemption premium, as provided in the Indenture, and any redemption expense; and (ii) in the case of a total redemption, the amounts set forth in the Indenture and the applicable redemption premium, as provided in the Indenture.

To exercise such option, the Borrower shall give the Authority and the Trustee not less than 45 days' prior written notice of the exercise of such option and shall specify therein the date of tender of such prepayment and the amount thereof, shall direct the redemption of the corresponding amount of Series 2019 Bonds, and shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

Covenant Regarding Financial Statements

The Borrower shall provide the Trustee, the Dissemination Agent, and the College annually, within 180 days after the end of each Annual Period, beginning with the Annual Period ending June 30, 2021, the financial statements of the Borrower, including its balance sheet, statement of revenue, expenses, and changes in fund balance (deficit), and statement of cash flow, for the year then ended in comparative form for the preceding Annual Period (other than the financial statements provided for the Annual Period ended June 30, 2021, which shall not be required to be in comparative format), which financial statements shall be prepared in accordance with GAAP and accompanied by an Audit Report.

The financial statements to be furnished to the Trustee, the Dissemination Agent, and the College, annually pursuant to this Section shall be accompanied by a calculation of (i) the Fixed Charges Coverage Ratio; and (ii) the amount of the Operating Account Surplus, if any, and by a certificate of the Borrower to the effect that the Borrower is not then in default under any provisions of the Loan Agreement and has fully complied with all of the provisions thereof, or if the Borrower shall then be in default or shall have failed to so comply, setting forth the nature of the default or failure to comply.

Borrower and Corporation to Maintain Status; Conditions Under Which Exceptions Permitted

The Borrower (i) shall maintain its legal existence as a single member limited liability company organized under the laws of the State whose sole member is a Tax-Exempt Organization; (ii) shall cause

the Corporation to maintain its legal existence as a Tax-Exempt Organization and a nonprofit corporation organized under the laws of the State of Texas; (iii) shall not, except as permitted by this Section, consolidate with or merge into another entity or permit another entity to consolidate with or merge into it; (iv) shall not dissolve or otherwise dispose of all or substantially all of its assets; (v) shall cause the Corporation to file all required reports and documents with the IRS so as to maintain its status as a Tax-Exempt Organization; (vi) shall not operate the Housing Facility in any manner nor engage in any activities or take any action that might reasonably be expected to result in the Corporation's ceasing to be a Tax-Exempt Organization or that would constitute an unrelated trade or business of the Corporation; (vii) shall promptly notify the Authority and the Trustee in writing of any loss of the Corporation's status as a Tax-Exempt Organization or of any investigation, proceeding, or ruling that might result in such loss of status; and (viii) shall use good faith efforts not to operate the Housing Facility or engage in activities or take action that might reasonably be expected to impair the Housing Facility's exemption from ad valorem taxation. The Borrower shall preserve and keep in full force and effect all licenses and permits necessary to the proper conduct of its business.

The Borrower covenants that none of its or the Corporation's revenues, income, or profits, whether realized or unrealized, will be distributed to any of its or the Corporation's directors or inure to the benefit of any private Person, other than for the lawful corporate purposes of the Borrower or the Corporation; provided, however, that the Borrower and the Corporation may pay to any Person the value of any service or product performed for, or supplied to, the Borrower or the Corporation by such Person. The Borrower further covenants that it and the Corporation will take such actions as are necessary or appropriate and within their respective control to take to comply with the provisions of the Code and the Regulations in order to preserve the exclusion of the interest paid on the Tax-Exempt Bonds from the gross income of the Owners thereof for federal income tax purposes and will not act or fail to act in any other manner that would adversely affect such exclusion. In connection with the foregoing, the Borrower acknowledges and agrees to comply with the provisions of the Tax Certificate.

The Borrower may, without violating the covenants contained in this Section, consolidate or merge with another Person or sell or otherwise transfer to another Person: the Housing Facility, all other property or assets pledged or assigned to the Trustee or in which the Trustee shall have been granted a security interest pursuant to any of the other Bond Documents, and, without duplication, any and all amounts on deposit in the Operating Account on the date of such sale or transfer and in all Funds and Accounts on the date of such sale or transfer; provided (i) such consolidation, merger, sale, or other transfer shall not otherwise cause an Event of Default under the Loan Agreement; and (ii) the surviving, resulting, or transferee Person (A) shall be authorized to do business in the State; (B) shall be a domestic corporation, partnership, or other entity, or, if a natural person, a resident of the United States of America; (C) shall have the power to assume and shall assume in writing all of the obligations of the Borrower under the Loan Agreement, and the other Borrower Documents and shall deliver to the Trustee any security agreement necessary to ensure that after such consolidation, merger, sale, or other transfer, the Trustee shall have a security interest in all assets that constitute, or would have constituted, the Collateral (as defined in the Security Agreement) prior to such consolidation, merger, sale, or transfer, together with an Opinion of Counsel that all action has been taken to perfect such security interest to the extent perfection can be made by the filing of financing statements; (D) shall obtain, or cause to be obtained, all licenses and permits required by law to operate the Housing Facility; (E) shall deliver to the Trustee a title insurance policy or endorsement insuring that the surviving, resulting, or transferee Person has a valid leasehold interest in the Property and insuring the Leasehold Deed of Trust as a first lien subject only to the Permitted Encumbrances; (F) shall deliver to the Trustee an Opinion of Counsel to the effect that the Loan Agreement, and the other Borrower Documents, as assumed by the surviving, resulting, or transferee Person, are valid and enforceable obligations of such Person, subject only to exceptions related to bankruptcy and other customary exceptions; (G) shall deliver a Favorable Opinion of Bond Counsel; (H) shall have either (1) a fund balance or net worth, as the case may be, as reflected in the pro forma financial statements required to

be furnished pursuant to this Section, not less than the fund balance or net worth, as the case may be, of the Borrower, as reflected in the most recent audited balance sheet of the Borrower furnished to the Trustee pursuant to the Loan Agreement; or (2) no indebtedness for borrowed money; and (I) shall have a Fixed Charges Coverage Ratio not less than that of the Borrower for the two consecutive years prior to such consolidation, merger, sale, or transfer, as determined from the surviving, resultant, or transferee Person's financial statements on a pro forma basis that gives effect to such consolidation, merger, sale, or transfer, which pro forma basis financial statements shall be accompanied by a report of the Accountant with respect to such historical pro forma basis financial statements stating the Fixed Charges Coverage Ratio for the periods reported on. The Borrower shall also deliver an officer's certificate and opinion of counsel stating that all conditions required in this Section have been complied with, to the Trustee. From and after the date of any sale or transfer effected in accordance with this paragraph (c), the Borrower shall, without any further action on the part of the Authority, the Trustee, or the Borrower, from and after the date of such sale or transfer, be released from, and relieved of, all liability and obligations under the Loan Agreement and under the other Borrower Documents.

The Borrower may also, without violating any covenants contained in the Loan Agreement, sell, or otherwise transfer the Housing Facility to another Person that is controlled solely by the Borrower or the Corporation and that, prior to such sale or transfer, has no assets or liabilities, upon completion or satisfaction of the conditions set forth above in this Section, and upon such completion or satisfaction shall be released from all liabilities and obligations under the Loan Agreement, and the other Borrower Documents.

Rate Covenant

The Borrower covenants and agrees to operate the Housing Facility as a revenue producing student, faculty and staff housing facility on a non-discriminatory basis, and to the extent permitted by law and by the Ground Lease, to charge such fees and rates for its facilities and services and to exercise such skill and diligence as will provide Revenue Available for Fixed Charges, together with other available funds, sufficient to pay promptly all expenses of operation, maintenance, and repair of the Housing Facility and to provide all payments required to be made by the Borrower under the Loan Agreement.

Such rates, fees, and charges in each Annual Period beginning with the first full Annual Period after the Substantial Completion Date, shall be sufficient to produce a Fixed Charges Coverage Ratio of at least 1.20. In the event that it shall be determined, based upon the financial statements and calculation of the Borrower required by the Loan Agreement, that for any Annual Period such Fixed Charges Coverage Ratio shall not have been maintained, the Borrower shall, within 30 days of receipt of such financial statements, engage a Financial Consultant to submit to the Trustee a report of such firm containing recommendations, if any, as to changes in the operating policies of the Borrower designed to maintain such Fixed Charges Coverage Ratio, shall cause such Financial Consultant to prepare and submit such recommendations within 60 days of the date of its engagement, and shall promptly implement such recommendations to the extent permitted by law and by the Ground Lease. Provided that the Fixed Charges Coverage Ratio does not fall below 1.00, no Event of Default under the Loan Agreement shall occur if such recommendations shall be followed notwithstanding that such Fixed Charges Coverage Ratio shall not subsequently be re-attained, but the Borrower shall continue to be obligated to employ such a Financial Consultant for such purpose until such Fixed Charges Coverage Ratio shall be re-attained.

The Borrower shall, from time to time as often as necessary and to the extent permitted by law and by the Ground Lease, revise the rates, fees, and charges aforesaid in such manner as may be necessary or proper so that the Revenue Available for Fixed Charges will be sufficient to meet the requirements of the Loan Agreement, and further, that it will, in order to comply with the provisions of the Loan Agreement,

take all action within its power to obtain approvals of any regulatory or supervisory authority to implement any rates, fees, and charges required by the Loan Agreement

Annual Budget

At least 30 days prior to the first day of each Annual Period commencing with the Annual Period occurring when the Substantial Completion Date has occurred, the Borrower shall prepare the Annual Budget (after consultation with the College) for the immediately succeeding Annual Period which shall include the monthly budgeted Expenses of the Housing Facility for such Annual Period. If the Borrower shall fail to prepare the Annual Budget for any Annual Period, the Annual Budget for the immediately preceding Annual Period shall continue in effect until the Annual Budget shall be prepared for the remainder of the applicable Annual Period.

To the extent that the Borrower shall deem it necessary at any time during any Annual Period, the Borrower shall submit a revised Annual Budget to the Authority, the Trustee, and the College declaring that the revisions are necessary to operate or maintain the Housing Facility and setting forth the reasons therefor which revised Annual Budget shall, for all purposes of the Loan Agreement, be deemed the Annual Budget for the remainder of the applicable Annual Period.

A copy of each Annual Budget or revised Annual Budget shall be furnished to the Authority, the Trustee, and the College. The Annual Budget or revised Annual Budget shall be accompanied by a certificate of the Borrower to the effect that the Fixed Charges Coverage Ratio for the Annual Period to which such Annual Budget relates, based on the projected Revenues and Expenses set forth therein, will not be less than 1.20. The Trustee shall have no duty to review, verify or analyze such Annual Budget and shall hold such Annual Budget solely as a repository for the benefit of the Bondholders.

In the event the Borrower shall fail to provide the certificate required by this Section, a Financial Consultant shall be engaged by the Borrower to review and/or revise the Annual Budget and to so certify to the Authority, the Trustee, and the College and, to the extent such Financial Consultant shall revise the proposed Annual Budget, such revised Annual Budget shall, for all purposes of the Loan Agreement, be deemed the Annual Budget for the remainder of the applicable Annual Period.

Continuing Disclosure Agreement

The Borrower shall at all times remain party to the Continuing Disclosure Agreement, or if the Continuing Disclosure Agreement shall terminate, 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 shall perform its obligations under the Continuing Disclosure Agreement

Covenant Regarding Manager

The Borrower agrees that if the initial Manager shall cease to serve as Manager, the Borrower will promptly employ, and at all times thereafter, employ, as the Manager, either (i) the College; or (ii) a recognized manager of student housing facilities that then manages, and shall have for the past five years managed, at least 500 beds of student housing. Prior to entering into a contract with any successor Manager, the Borrower shall first deliver to the Trustee a Favorable Opinion of Bond Counsel.

Maintenance of Tax-Exempt Status of Tax-Exempt Bonds

The Borrower shall not (and shall not permit any Affiliate within its control to) take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the excludability of interest on any Tax-Exempt Bond from the gross income, as defined in §61 of the Code, of the owner thereof for federal income tax purposes. The Borrower and the Authority shall execute amendments and supplements to the Loan Agreement (and shall comply with the provisions thereof) as may, in the Opinion of Counsel, be necessary to preserve or perfect such exclusion. The Borrower shall comply with each specific covenant in this Section at all times prior to the last maturity of the Tax-Exempt Bonds (and, in the case of this Section, until compliance therewith in full), unless and until there shall have been delivered to the Trustee and the Authority a Favorable Opinion of Bond Counsel to the effect that failure to comply with such covenant, either generally or to the extent stated therein, shall not adversely affect the excludability of interest on any Tax-Exempt Bond from the gross income, as defined in §61 of the Code, of the owner thereof for federal income tax purposes, and thereafter such covenant shall no longer be binding upon the Borrower, generally or to such extent as the case may be, anything in this Section to the contrary notwithstanding.

Assignment and Subleasing

The Borrower may enter into subleases with occupants of the Housing Facility (which shall include residence hall agreements, leases, licenses, or other similar agreements in accordance with College practice) or the College without complying with the provisions of this paragraph (a) other than clause (vii) below. The rights and obligations of the Borrower under the Loan Agreement may be assigned and delegated, and the Housing Facility may be subleased, as a whole or in part, by the Borrower without the necessity of obtaining the consent of either the Authority or the Trustee, but with the prior written consent of the College, subject, however, to each of the following conditions:

(i) No assignment (other than pursuant to the Loan Agreement) or sublease shall relieve the Borrower from primary liability for any of its obligations under the Loan Agreement, and in the event of any such assignment or sublease, the Borrower shall continue to remain primarily liable for payment of the Loan Payments and for the payment, performance, and observance of the other obligations and agreements on its part herein provided to be performed and observed by it.

(ii) The assignee shall assume in writing the obligations of the Borrower under the Loan Agreement and shall confirm the representations and warranties of the Borrower under the Loan Agreement to the extent of the interest assigned.

(iii) The Borrower shall furnish or cause to be furnished to the Authority and the Trustee an officer's certificate to the Authority and the Trustee that the Housing Facility will continue to be operated as a student housing facility and related facilities.

(iv) No assignment or sublease with any Person shall be entered into by the Borrower without the Borrower's first furnishing to the Trustee a Favorable Opinion of Bond Counsel or a ruling from the IRS to the effect that such assignment or sublease will not bring about an Event of Taxability; provided, however, this requirement shall not apply to subleases to residents of the Housing Facility or the sublease of the Food Service Facility.

(v) No such assignment or sublease shall give rise to a novation.

(vi) The Borrower shall, within 30 days after the execution thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of each such assignment or sublease, as the case may be. The Authority and the Trustee shall have the right, at any time and from time to time, to notify any assignee or sublessee of the rights of the Authority and the Trustee, as provided by this paragraph. From time to time, upon the request of the Authority or the Trustee, the Borrower shall specifically assign and grant a security interest to the Trustee, as additional security for the Loan Payments, by an amendment to the Security Agreement in writing and in the form approved by the Authority and the Trustee, all the right, title, and interest of the Borrower in and to any and all subleases hereafter on or affecting the Premises (other than any sublease to which the College is a party as the sublessee), together with all security therefor and all moneys payable thereunder, subject to the conditional right of the Borrower to collect the rentals under any such subleases. The Borrower and the Authority shall also execute and deliver to the Trustee any notification, financing statement, or other document reasonably required, upon the advice of Bond Counsel, to perfect the foregoing assignment and security interest created as to any such subleases and other properties.

(vii) All subleases shall, to the extent required by the laws of the State, contain an attornment clause providing in effect that if at any time during the term of the sublease, the Trustee, the designee of the Trustee, or a subsequent purchaser at a foreclosure sale from the Trustee, shall become the owner of the Housing Facility, such sublessee agrees, at the election and upon demand of any owner of the Housing Facility, to attorn, from time to time, to any such owner upon the terms and conditions set forth in the sublease. To the extent required by the laws of the State, such sublessee shall be required to agree that at the request of the party to whom it has attorned, it will execute, acknowledge, and deliver, without charge, from time to time, instruments acknowledging such attornment. The attornment clause shall also provide that upon such attornment, the sublease shall continue in full force and effect as, or as if it were, a direct sublease between the successor and the sublessee, except that the successor landlord shall not (A) have any liability for any previous act or omission of a predecessor landlord under the sublease; (B) be bound by any previous modification of the sublease, unless such modification or prepayment shall have been expressly approved in writing by the Authority; or (C) have any liability for refusal or failure to perform or complete the landlord's work or otherwise prepare the demised premises for occupancy in accordance with the provisions of the sublease.

The Authority confirms and recognizes that the right of possession of sublessees of the Borrower to the Premises and their other rights arising out of the subleases shall not be affected or disturbed in any way by the Authority or the Trustee or by the exercise of any rights or remedies by the Authority or the Trustee for any reason other than one that would entitle the Borrower under the subleases to dispossess the sublessees from the Premises or that would constitute an event of default under the subleases. Further, in the event of a foreclosure or such other exercise of the Authority's or the Trustee's rights under the Loan Agreement and the Indenture, the Authority agrees that so long as any sublessee is not in default under the terms of its sublease, it shall recognize such sublessee as the sublessee under such sublease.

Events of Default Defined

The following shall be "Events of Default" under the Loan Agreement, and the term "Event of Default" shall mean, whenever it is used in the Loan Agreement, any one or more of the following events:

(a) The Borrower shall fail to pay the Basic Loan Payments required to be paid above under "Loan Payments and Other Amounts Payable" at the times specified in the Loan Agreement and such failure shall continue for a period of five days after notice by mail, facsimile transmission, or personal delivery in the manner provided in the Loan Agreement, given to the Borrower by either

the Trustee or the Authority, that the payment referred to in such notice has not been received, or, without regard to notice, for a period of 10 days (eight days in the case of Basic Loan Payments due in February) after any such amount shall become due, whichever shall occur first.

(b) The Borrower shall fail to pay the Basic Loan Payments required to be paid above under “Loan Payments and Other Amounts Payable” at the times specified in the Loan Agreement and such failure shall continue for a period set forth in the amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds.

(c) Any representation or warranty made by the Borrower in any statement or certificate furnished to the Authority or the Trustee or the purchaser of any Bonds, in connection with the sale of any Bonds or furnished by the Borrower pursuant to the Loan Agreement, shall prove to have been inaccurate as of the date of the issuance or making thereof and shall not have been corrected within 30 days after written notice specifying such inaccuracy shall have been given to the Borrower by the Authority, the Trustee, or such purchaser. In the case of any such inaccuracy that cannot with due diligence be corrected within such 30-day period, but that can be wholly corrected within a period of time not materially detrimental to the rights of the Trustee, as certified by the Borrower, it shall not constitute an Event of Default under the Loan Agreement if corrective action shall be instituted by the Borrower within the applicable period and diligently pursued until the inaccuracy shall have been corrected within one hundred eighty (180) days of the delivery date of the default notice.

(d) The Borrower shall fail to perform or cause to be performed any other covenant, condition, or provision of the Loan Agreement, other than as referred to above in this Section or any covenant contained above under “Continuing Disclosure Agreement,” and to correct such failure within 30 days’ after written notice specifying such failure shall have been given to the Borrower by the Authority or the Trustee. In the case of any such failure that cannot with due diligence be corrected within such 30-day period, but that can be wholly corrected within a period of time not materially detrimental to the rights of the Trustee, as certified by the Borrower, it shall not constitute an Event of Default under the Loan Agreement if corrective action shall be instituted by the Borrower within the applicable period and diligently pursued until the failure shall have been corrected within one hundred eighty (180) days after the date of the default notice.

(e) The Borrower shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of it or of all or a substantial part of its property or of the Housing Facility; (ii) fail to lift or bond promptly (if legally permissible) any execution, garnishment, or attachment of such consequence as will impair the ability of the Borrower to carry on its operations at the Housing Facility; (iii) enter into an agreement of composition with its creditors; (iv) admit in writing its inability to pay its debts as such debts shall become due; (v) make a general assignment for the benefit of its creditors; (vi) commence a voluntary case under the federal bankruptcy law or any similar law in effect in a foreign jurisdiction (as now or hereafter in effect); (vii) file a petition or answer seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; (viii) fail to controvert in a timely or appropriate manner or acquiesce in writing to any petition filed against it in an involuntary case under such federal bankruptcy law or any similar law in effect in a foreign jurisdiction (as now or hereafter in effect); or (ix) take any action for the purpose of effecting any of the foregoing.

(f) A proceeding or case shall be commenced, without the application of the Borrower, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding-up, or composition or adjustment of debts of the Borrower; (ii) the

appointment of a trustee, receiver, custodian, liquidator, or the like of the Borrower or of all or any substantial part of its assets; or (iii) similar relief in respect of the Borrower under any law relating to bankruptcy, insolvency, reorganization, winding up, or composition and adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment, or decree approving or ordering any of the foregoing shall be entered and shall continue unvacated and unstayed and in effect, for a period of 90 days, whether consecutive or not.

(g) The Fixed Charges Coverage Ratio for any Annual Period shall be less than 1.00.

(h) The occurrence of an Event of Default under any of the Bond Documents other than the Continuing Disclosure Agreement.

Notwithstanding anything to the contrary contained herein, the Trustee shall give notice to the College concurrent with notice of default given to the Borrower pursuant to this Section and the College shall be permitted (but not be required) to cure any Default Conditions or Event of Default relating to the Borrower under this Agreement and the Authority shall accept such cure on behalf of the Borrower.

Remedies on Event of Default

Whenever any Event of Default referred to above under “Events of Default Defined” shall have happened and be subsisting, the Authority, or the Trustee as the assignee of the Authority (and subject to its rights and protections under the Indenture), to the extent permitted by law, may:

(i) at its option, which may be exercised separately and independently from any similar option under the Indenture, declare all unpaid installments of Basic Loan Payments and other amounts payable above under “Loan Payments and Other Amounts Payable” for the remainder of the Agreement Term to be immediately due and payable whereupon the same shall become immediately due and payable, it being understood that upon a declaration of acceleration by the Trustee under the Indenture, all unpaid Basic Loan Payments payable under the Loan Agreement shall become immediately due and payable; provided, however, that if acceleration of the Bonds shall have been rescinded and annulled pursuant to the Indenture, acceleration of the Basic Loan Payments and other amounts payable above under “Loan Payments and Other Amounts Payable” required by this Section shall similarly be rescinded and annulled and the Event of Default occasioning such acceleration shall be waived, but no such waiver, rescission, and annulment shall extend to or affect any subsequent Event of Default or impair or exhaust any right, power, or remedy consequent thereon; or

(ii) have access to and inspect, examine, and make copies of the books and records and any and all accounts, similar data, and income tax and other tax returns of the Borrower; or

(iii) from time to time take whatever action at law or in equity or under the terms of the Bond Documents may appear necessary or desirable to collect the Loan Payments and other amounts payable by the Borrower under the Loan Agreement then due and/or thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of the Borrower under the Loan Agreement.

Amounts collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Indenture, or, if the Bonds shall have been paid in full (or provision for payment thereof shall have been made in accordance with the provisions of the Indenture) and the Borrower shall

have paid all amounts due under the Loan Agreement, then any amounts remaining shall be paid to the Borrower.

No Remedy Exclusive

No remedy herein conferred upon or reserved to the Trustee, as assignee of the Authority, is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Loan Agreement or now or hereafter existing at law or in equity or by statute. 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 and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in the Loan Agreement, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the Authority under the Loan Agreement shall also extend to the Trustee, and the Trustee and the owners of the Bonds shall be deemed third party beneficiaries of all covenants and agreements herein contained.

Waiver of Events of Default

The Trustee, on behalf of the Authority, may waive any Event of Default under the Loan Agreement and its consequences or rescind any declaration of acceleration of payments of the Basic Loan Payments due under the Loan Agreement. In case of any such waiver or rescission, or in case any proceeding taken by the Authority or the Trustee on account of any such Event of Default shall be discontinued or abandoned or determined adversely to the Authority or the Trustee, then and in every such case the Authority and the Borrower shall be restored to their former position and rights under the Loan Agreement, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Limited Liability, Authority, and Recourse

Notwithstanding anything to the contrary contained in any Bond Document or other instrument executed in connection with the issuance of the Bonds (other than the Bond Purchase Agreement and the Borrower/Corporation Indemnity Letters), except as set forth in this Section, the liability of the Borrower under any such Bond Document or instrument shall be limited to its interest in the Project and the other Security, and except as specifically provided in this Section, no Person shall have the right to obtain payment from the Borrower or from any assets of the Borrower other than the Project and the other Security and any other property or moneys pledged to the payment of the Loan and the Bonds, whether herein or in any other Bond Documents. Neither the Authority nor the Trustee (either as a party to the Security Documents or as the assignee of the Authority), shall enforce the liability and obligation of the Borrower to perform and observe the obligations contained in the Loan Agreement, any of the other Bond Documents (other than the Bond Purchase Agreement and the Borrower/Corporation Indemnity Letters), or any other documents delivered in connection with the issuance of the Bonds (other than the Bond Purchase Agreement and the Borrower/Corporation Indemnity Letters) in any action or proceeding wherein a money judgment shall be sought against the Borrower, except that the Trustee may bring a foreclosure action, action for specific performance, or other appropriate action or proceeding to enable the Trustee to enforce and realize upon the Leasehold Deed of Trust, the Security Agreement, and the Assignment of Contracts and Agreements, and the interest in the Security; provided, however, that any judgment in any such action or proceeding shall be enforceable against the Borrower only to the extent of the Borrower's interest in the Housing Facility and the other Security and any other property or moneys pledged to the payment of the Loan and the Bonds, whether herein or in any other Bond Documents.

The Authority agrees that it will not sue for, seek, or demand any money from, or deficiency judgment against, the Borrower in such action or proceeding, under or by reason of or in connection with the Loan Agreement, any of the other Bond Documents, or any other documents delivered in connection with the issuance of the Bonds. The provisions of this Section shall not, however, (i) constitute a waiver, release, or impairment (except for the foregoing restriction on obtaining any money from, or deficiency judgment against, the Borrower) of any obligation evidenced or secured by the Loan Agreement or any of the other Bond Documents (except as hereinafter set forth); or (ii) impair the right of the Authority to obtain insurance proceeds or condemnation awards due to the Borrower.

Notwithstanding the foregoing, the Borrower shall be liable for (i) any (A) fraud or intentional misrepresentation by the Borrower or any of its officers in connection with its representations contained in the Loan Agreement, the Leasehold Deed of Trust, and the Security Agreement; or (B) intentional failure by the Borrower or any of its officers to disclose a material fact actually known by the Borrower or any of its officers in connection with the issuance and delivery of Bonds, to the extent of actual losses or damages actually suffered by the Authority, the Trustee, or the owners of such Bonds as a result of such fraud, intentional misrepresentation, or intentional failure to state a material fact; (ii) intentional misapplication after the date of the Loan Agreement of (A) proceeds of any insurance covering any portion of the Security actually received by the Borrower or any of its officers, (B) proceeds from the sale or condemnation of any portion of the Security actually received by the Borrower or any of its officers, or (C) rentals or other proceeds from the lease of any portion of the Security actually received by the Borrower or any of its officers; and (iii) any indemnity owed to the Trustee under the Loan Agreement. Any liability of the Borrower arising under this clause (c) shall not be limited as described in clause (a) above.

No Liability of the Borrower's or the Corporation's Officers or the Authorized Borrower Representative

No recourse under or upon any obligation, covenant, or agreement contained in the Loan Agreement, in any of the Bond Documents, or in any other documents delivered in connection with the issuance of the Bonds, or for any claim based thereon, or under any judgment obtained against the Borrower, 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 Loan Agreement, shall be had against the Authorized Borrower Representative, any incorporator, director, member, or officer, as such, past, present, or future of the Borrower or the Corporation, or any incorporator, director, member, or officer of any successor entity, as such, either directly or through the Borrower, the Corporation, or any successor entity, or otherwise, for the payment for or to the Borrower or any receiver thereof, of any sum that may be due and unpaid by the Borrower under the Loan Agreement, any of the Bond Documents, or any other documents delivered in connection with the issuance of the Bonds.

Restoration to Original Positions

In case the Authority or the Trustee shall have proceeded to enforce any right under the Loan Agreement, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Authority, the Borrower, and the Trustee shall be restored to their former positions and rights under the Loan Agreement, and all rights, remedies, and powers of the Authority and the Trustee shall continue as if no such proceedings had been taken. To the extent that the Authority or the Trustee shall waive or rescind any Event of Default under the Loan Agreement, or in case any proceeding taken by the Authority or the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Trustee, and the Borrower shall be restored to their former positions and rights under the

Loan Agreement, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Delay or Omission Not a Waiver

No delay or omission of the Authority or the Trustee to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by the Loan Agreement to the Authority or the Trustee may be exercised from time to time and as often as may be deemed expedient by the Authority or the Trustee.

Waiver of Extension, Stay, and Redemption Laws

To the extent permitted by law, the Borrower shall not, during the continuance of any Event of Default under the Loan Agreement, insist upon, or plead, or in any manner whatever, claim or take any benefit or advantage of, any extension or stay law wherever enacted, now or at any time hereafter in force, that may affect the covenants and terms of performance of the Loan Agreement; nor after any sale or sales of the Project that may be made pursuant to any provision in the Loan Agreement contained, or pursuant to the decree, judgment, or order of any court of competent jurisdiction, claim or exercise any right under any statute heretofore or hereafter enacted by the United States of America or by any state or territory, or otherwise, to redeem the property so sold or any part thereof, and the Borrower expressly waives all benefits or advantages of any such law or laws and covenants not to hinder, delay or impede the execution of any power in the Loan Agreement granted or delegated to the Authority, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

Remedies Subject to Provisions of Laws

All rights, remedies, and powers provided by the Loan Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of the Loan Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling in the premises and to be limited to the extent necessary so that they will not render the Loan Agreement invalid or unenforceable under the provisions of any applicable law.

No Right to Conduct Affairs of the Borrower

Nothing contained in the Loan Agreement shall be construed to grant to the Authority or the Trustee the right to conduct the business and affairs of the Borrower, whether or not an Event of Default shall have occurred.

THE INDENTURE

Introduction

The Indenture will be a contract for the benefit of the Owners that will specify the terms and details of the Series 2019 Bonds and which will define the security therefor.

Establishment of Funds

The following trust funds will be established with the Trustee under the Indenture:

Revenue Fund

Bond Fund
Redemption Fund
Issuance Cost Fund
Construction Fund
Debt Service Reserve Fund
Repair and Replacement Fund
Insurance and Condemnation Funds
Cash Trap Fund
Operations Contingency Fund
Surplus Fund
Rebate Fund

Revenue Fund

The Borrower has agreed to deposit or cause to be deposited the Pledged Revenues on a monthly basis into Revenue Fund. The Manager is authorized to request withdrawals of amounts held in the Revenue Fund to pay operating costs of the Series 2019 Project when due (other than amounts payable to the Manager as its fee under the Management Agreement) if amounts then held in the Operating Account are insufficient for such purpose. Any such request shall be in writing and countersigned by the Borrower. In addition, the amounts deposited into the Revenue Fund shall be transferred or paid by the Trustee to the following Funds and/or Persons in the order and amounts and on the dates indicated:

(a) there shall be paid to the Manager on the twentieth day of each month (or the immediately succeeding Business Day if the twentieth day of a month is not a Business Day) for deposit into the Operating Account an amount as calculated by the Borrower equal to the amount budgeted in the Annual Budget for Expenses (other than those Expenses, provision for the payment of which has otherwise been made either in the Indenture) for the immediately succeeding month; provided, however, if, during any Annual Period, it shall be determined that an Operating Account Surplus shall have been created with respect to the immediately preceding Annual Period, such payment to the Borrower shall be reduced by the amount of such Operating Account Surplus, if any, and the amount of the Operating Account Surplus, if any, shall then be adjusted by the amount of such reduction;

(b) there shall be transferred to the Bond Fund:

(i) on or before February 20, 2019, and on or before the twentieth day of each month thereafter to and including June 20, 2019, a sum equal to one-fifth of the amount payable on July 1, 2019, as interest on the Series 2019 Bonds, or such lesser amount that, together with amounts already on deposit in the Bond Fund and available therefor and any amounts to be transferred from the Capitalized Interest Account on such date, will be sufficient to pay interest on the Series 2019 Bonds to become due on July 1, 2019, as provided in the Indenture;

(ii) on or before July 20, 2019, and on or before the twentieth day of each month thereafter, a sum equal to one-sixth of the amount payable on the immediately succeeding Interest Payment Date as interest on the Series 2019 Bonds, or such lesser amount that, together with amounts already on deposit in the Bond Fund and available therefor and any amounts to be transferred from the Capitalized Interest Account on such date, will be sufficient to pay interest on the Series 2019 Bonds to become due on the immediately succeeding Interest Payment Date, as provided in the Indenture;

(iii) on the dates set forth in any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds, the amount(s) set forth therein to be paid by the Borrower in respect of interest on such Additional Bonds;

(iv) on or before July 20, 2021, and on or before the twentieth day of each month thereafter, to and including June 20, 2022, a sum equal to one-twelfth of the principal due on July 1, 2022;

(v) on or before July 20, 2022, and on or before the twentieth day of each month thereafter, a sum equal to the sum of (A) one-twelfth of the principal due on the immediately succeeding July 1 that is a maturity date of the Series 2019 Bonds; and (B) one-twelfth of the Mandatory Sinking Fund Redemption Requirement;

(vi) on the dates set forth in any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds, the amount(s) set forth therein to be paid by the Borrower in respect of the principal of such Additional Bonds (whether at maturity or under any mandatory sinking fund or other similar redemption requirements of any supplemental indenture or indentures executed in connection with the issuance of such Additional Bonds);

(vii) on the Business Day immediately preceding any date on which the Series 2019 Bonds are to be redeemed pursuant to the mandatory redemption provisions of the Indenture (other than mandatory sinking fund redemption pursuant to the Indenture), an amount equal to the Redemption Price of the Series 2019 Bonds to be redeemed (taking into account amounts then on deposit in the Bond Fund and the Redemption Fund available to be used for the payment of such Series 2019 Bonds to be redeemed); and

(viii) on the Business Day immediately preceding any date on which any Additional Bonds are to be redeemed pursuant to any mandatory redemption provisions of any supplemental indenture or indentures executed in connection with the issuance of Additional Bonds (other than mandatory sinking fund or other similar redemption pursuant to such supplemental indenture or indentures), an amount equal to the Redemption Price of such Additional Bonds to be redeemed (taking into account amounts then on deposit in the Bond Fund and the Redemption Fund available to be used for the payment of such Additional Bonds to be redeemed);

(c) there shall be transferred to the Rebate Fund and the Account(s) therein on the dates that the Borrower provides any calculation of the Rebate Amount to the Trustee in accordance with the provisions of the Indenture relating to the "Rebate Fund" referenced below, the amounts determined by the Borrower to be equal to the excess, if any, of the Rebate Amount so calculated over the amount then in the Rebate Fund;

(d) there shall be paid to the Trustee:

(i) promptly upon request, an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered, and the Ordinary Expenses of the Trustee incurred, under the Indenture and under the other Bond Documents as and when the same shall become due;

(ii) promptly upon request, the reasonable fees and charges of the Trustee, as bond registrar and paying agent, and of any other paying agents on the Bonds for acting as paying agents as provided in the Indenture as and when the same shall become due; and

(iii) promptly upon request, the reasonable fees and charges of the Trustee for the Extraordinary Services of the Trustee rendered by it, and the Extraordinary Expenses of the Trustee incurred by it, under the Indenture and under the other Bond Documents as and when the same shall become due; provided, that the Borrower may, without creating an Event of Default under the Indenture, contest in good faith the reasonableness of any such Extraordinary Services of the Trustee and Extraordinary Expenses of the Trustee and the reasonableness of any such fees, charges, or expenses;

(e) there shall be paid or transmitted to the Authority (as certified in writing to the Trustee by the Authority) (i) on the due date therefor, the Authority Annual Fee; and (ii) on the date due therefor, any other Authority Additional Payments, as described in the Loan Agreement;

(f) if any funds shall be withdrawn from the Debt Service Reserve Fund, if there shall be a diminution in Value of the cash and investments held in the Debt Service Reserve Fund as of any Valuation Date, or if any net losses shall result from the investment of amounts held in the Debt Service Reserve Fund that shall reduce the Value of the cash and investments in the Debt Service Reserve Fund to less than the Debt Service Reserve Requirement as of any Valuation Date, there shall be transferred to the Debt Service Reserve Fund, beginning on the twentieth day of the month following notice from the Trustee of such withdrawal, diminution in Value, or losses and on the twentieth day of each month thereafter, 12 consecutive monthly payments, each equal to one-twelfth of the amount of such withdrawal, diminution in Value, or losses;

(g) if any funds shall be withdrawn from the Repair and Replacement Fund to pay Debt Service Payments on the Bonds in accordance with the Indenture, there shall be transferred to the Repair and Replacement Fund, beginning on the twentieth day of the month following any such withdrawal and continuing on the twentieth day of each month thereafter the greater of (i) the lesser of (A) one-twelfth of the amount of such withdrawal, or (B) such amount that is necessary to reimburse the Repair and Replacement Fund for all such withdrawals; or (ii) such amount as shall be directed by the Borrower;

(h) there shall be transferred to the Repair and Replacement Fund, commencing on the 20th day of the calendar month next succeeding the Substantial Completion Date, and on the 20th day of each month thereafter to and including June 20, 2021, in equal monthly installments, \$9,825 and on the twentieth day of each month thereafter, in equal monthly installments, one-twelfth of the Annual Reserve Requirement for such Annual Period, such amount to be increased over time following periodic evaluation in accordance with the Loan Agreement, and any and all additional amounts required to be deposited therein by any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds;

(i) there shall be transferred to the appropriate fund or funds other than the Repair and Replacement Fund, the Cash Trap Fund, the Operations Contingency Fund, and the Surplus Fund, any and all additional amounts required to be deposited into such fund or funds by any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds on the date(s) specified therein; and

(j) provided no Event of Default (to the Trustee's actual knowledge) shall have occurred and then be continuing under the Indenture, any amounts remaining therein on the last Business Day of each month shall be transferred to the Operations Contingency Fund.

(k) Notwithstanding anything contained in the Indenture to the contrary, the Trustee may open such additional Funds, Accounts and subaccounts as directed by the Authority or the Borrower.

Notwithstanding anything to the contrary contained herein, Pledged Revenues shall not be released to fund purposes specified in Sections (g), (h), (i) or (j) above until (1) the Operating Account contains an amount sufficient for Annual Budget for Expenses for the applicable year, and (2) deposits in the Bond Fund are sufficient to satisfy debt service requirements for the applicable year.

Bond Fund

There shall be deposited into the Bond Fund from the sale of the Series 2019 Bonds the amounts specified in the Indenture. In addition, there shall be deposited into the Bond Fund from the Revenue Fund all amounts specified above under “Revenue Fund” and all other moneys received by the Trustee under and pursuant to any of the provisions of the Loan Agreement when accompanied by written directions from the Borrower that such moneys are to be paid into the Bond Fund. Except as otherwise provided in this Section and in the Indenture, moneys in the Bond Fund shall be used solely to pay the Debt Service Payments on the Bonds. Subject to the provisions of the Indenture, not later than 1:00 p.m. on any date Debt Service Payments on the Bonds are due (other than principal of Bonds to be paid from moneys in the Redemption Fund pursuant to the Indenture), the Trustee shall withdraw moneys from the Bond Fund sufficient to make such Debt Service Payment and shall make such Debt Service Payment to the Owner of such Bond entitled thereto.

There is created by the Authority and ordered established a separate Account within the Bond Fund, to be designated the “Capitalized Interest Account.” The Trustee shall also establish separate subaccounts within the Capitalized Interest Account with respect to each Series, or, if applicable Subseries of Additional Bonds. The Trustee may, at any time and from time to time, transfer cash and investments from the Bond Fund to the Capitalized Interest Account and from the Capitalized Interest Account to the Bond Fund, in each case, for equivalent value. For purposes of this Section, investments shall be valued at par plus interest accrued to the date of the transfer.

There shall be deposited into the Capitalized Interest Account from the sale of the Series 2019 Bonds the amounts specified in the Indenture. On each date that transfers to the Bond Fund are required above under “Revenue Fund” while there are funds on deposit in the Capitalized Interest Account, the Trustee shall transfer (i) from the Capitalized Interest Account to the Bond Fund the lesser of (A) an amount equal to any such transfer required in respect of the Series 2019 Bonds on that date; or (B) the amount remaining in the Capitalized Interest Account; and (ii) from any other subaccount of the Capitalized Interest Account created in respect of a Series or Subseries of Additional Bonds to the Bond Fund the lesser of (A) an amount equal to any such transfer required in respect of such Series or Subseries of Additional Bonds on that date; or (B) the amount remaining in such subaccount.

Upon the written request of the Borrower, all of the proceeds of the Series 2019 Bonds, or any portion thereof designated in writing by the Borrower, remaining in the Capitalized Interest Account on the Substantial Completion Date shall be transferred to the 2019 Account of the Construction Fund and used for the payment of the Costs of the Project.

Upon the occurrence of an Event of Default under the Indenture, the Trustee may use moneys in the Bond Fund to pay the fees and expenses of the Trustee prior to the making of any payments to the Bondholders. Except as provided in the Indenture or any corresponding article in an indenture supplemental to the Indenture, no part of the Basic Loan Payments in the Bond Fund shall be used to redeem, prior to maturity, a part of the Bonds Outstanding; provided, that whenever the amount in the Bond Fund from any source whatsoever, together with the amount in the Redemption Fund, is sufficient to redeem all of the

Bonds Outstanding under the Indenture, to pay interest to accrue thereon to such redemption date, and to pay all costs and expenses accrued and to accrue to such redemption date, if so directed by the Borrower pursuant to the Loan Agreement, the Authority covenants and agrees to take and cause to be taken the necessary steps to redeem all of said Bonds on the immediately succeeding redemption date for which the required redemption notice may be given.

The Authority authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay Debt Service Payments on the Bonds as the same become due and payable and to make said funds so withdrawn available to the paying agent or agents, if any, for the purpose of paying said Debt Service Payments, which authorizations and directions the Trustee accepts.

If on any Bond Payment Date there are insufficient funds in the Bond Fund and the Redemption Fund available therefor to pay Debt Service Payments on the Bonds then due, the Trustee shall transfer to the Bond Fund an amount equal to such insufficiency from the following funds in the following order of priority: first, the Cash Trap Fund; second, the Surplus Fund; third, the Operations Contingency Fund; fourth, the Debt Service Reserve Fund; and fifth, the Repair and Replacement Fund.

Redemption Fund

There shall be deposited into the Redemption Fund all moneys required to be transferred thereto or deposited therein pursuant to “Construction Fund” referenced below, the Loan Agreement, and the Leasehold Deed of Trust. Except as otherwise provided in this Section and in the Indenture, moneys in the Redemption Fund shall be used only to pay the principal of Bonds or that portion of the Redemption Price of Bonds corresponding to principal in the manner specified in this Section, below under “Construction Fund,” in the Loan Agreement, and in the Leasehold Deed of Trust. Not later than 1:00 p.m. on any date principal or Redemption Price of any Bond is due, the Trustee shall withdraw moneys from the Redemption Fund sufficient to make such payment and shall make such payment to the Owner of such Bond entitled thereto.

The Trustee shall establish a separate Account within the Redemption Fund (i) with respect to each Series of Bonds; and (ii) if more than one Subseries of Bonds shall be issued on the same date, with respect to each such Subseries of Bonds. Subject to the provisions of this Section, but notwithstanding anything else contained in the Indenture to the contrary, any amounts required to be deposited in the Redemption Fund for the redemption of a particular Series or Subseries of Bonds in accordance with any of the Bond Documents shall be deposited in the applicable Account or Accounts thereof, and, prior to the occurrence of an Event of Default (to the Trustee’s actual knowledge) under the Indenture, any amounts in an Account of the Redemption Fund may be used only to make payments on the Subseries of Bonds in respect of which such Account was established.

All amounts transferred to the Redemption Fund from the Capitalized Interest Account or the Construction Fund, as referenced below, to redeem Bonds shall be used to redeem only the principal portion thereof.

When (i) the amount of the remaining Debt Service Payments on the Outstanding Bonds shall be equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, the balance of the Debt Service Reserve Fund and the balance of the Repair and Replacement Fund; (ii) the amount of the remaining Debt Service Payments on any Outstanding Additional Bonds that are Taxable Bonds shall be equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, and the balance of the Repair and Replacement Fund; and (iii) all other amounts owed under the Loan Agreement and the Indenture shall have been paid, moneys held in the Redemption Fund may, with the consent of the College, be deposited into the Bond Fund and credited against payments of Loan

Payments required under the Loan Agreement or may be used in such other manner for which a Favorable Opinion of Bond Counsel shall have been obtained.

Upon the occurrence of an Event of Default under the Indenture, the Trustee may use moneys in the Redemption Fund to pay the fees and expenses of the Trustee prior to the making of any payments to the Bondholders.

The Authority authorizes and directs the Trustee to withdraw sufficient funds from the Redemption Fund to pay the principal of Bonds or that portion of the Redemption Price of Bonds corresponding to principal in the manner specified in this Section, below under “Construction Fund,” in the Loan Agreement, and in the Leasehold Deed of Trust and to make said funds so withdrawn available to the paying agent or agents, if any, for the purpose of paying said principal or portion of said Redemption Price, which authorizations and directions accepted by the Trustee.

Issuance Cost Fund

The Issuance Cost Fund shall be used only to pay the Corporation Acquisition Fee and Issuance Costs. Within the Issuance Cost Fund, there is a separate Account to be designated the “2019 Account.” There shall be deposited into the 2019 Account of the Issuance Cost Fund the amounts specified in the Indenture. Moneys in the Issuance Cost Fund shall be disbursed upon receipt of a requisition for payment (on which the Trustee may conclusively rely), executed by the Authorized Borrower Representative, and the Trustee is authorized and directed to so disburse funds upon receipt of such a requisition. If any funds remain in the 2019 Account of the Issuance Cost Fund on the earlier of the receipt by the Trustee of a certificate of the Borrower stating that all Issuance Costs relating to the Series 2019 Bonds have been paid or the first anniversary of the Closing Date, the Trustee shall transfer any funds remaining in the 2019 Account of the Issuance Cost Fund to the 2019 Account of the Construction Fund.

Construction Fund

The Construction Fund shall be used solely for the purposes set forth in this Section. Within the Construction Fund, there is an Account to be designated the “2019 Account.” There shall be deposited into the 2019 Account of the Construction Fund the amounts specified in the Indenture. The Trustee shall deposit into the Construction Fund as and when received by the Trustee any moneys paid to the Trustee under the Loan Agreement or the Indenture for credit or transfer to the Construction Fund. Moneys in the Construction Fund shall be expended to pay the Costs of the Project in accordance with the provisions of the Loan Agreement. Moneys in the Construction Fund shall be disbursed upon receipt of a requisition for payment (on which the Trustee may conclusively rely), executed by the Authorized Borrower Representative, in the case of Construction Costs (other than Construction Costs related to the Monitoring Well), approved by the Authorized Developer Representative and the Independent Architect/Engineer; in the case of non-Construction Costs, approved by the Authorized Developer Representative and the Authorized College Representative. The Trustee is authorized and directed to so disburse funds upon receipt of such a requisition. The Trustee is authorized and directed to issue its checks or transfer by wire transfer in accordance with written instructions for each disbursement required by the aforesaid provisions of the Loan Agreement.

The Trustee shall establish a separate Account within the Construction Fund with respect to each Series or, if applicable, Subseries of Additional Bonds issued under the Indenture.

All proceeds of the Series 2019 Bonds and investment earnings thereon remaining in the Construction Fund on the Substantial Completion Date, less amounts retained or set aside to meet costs not then due and payable or that are being contested, shall be used for other capital expenditures unrelated to

the Series 2019 Project that constitute “public capital improvements” under the Act approved in writing by the College with the written consent of the Borrower; provided, however, that, a Favorable Opinion of Bond Counsel with respect to such expenditures shall have been delivered to the Trustee. If there are no such additional capital expenditures or insufficient capital expenditures to exhaust the excess amounts in the 2019 Account of the Construction Fund such excess shall be transferred (i) to the Bond Fund and used for the payment of principal of the Series 2019 Bonds provided the Borrower shall deliver to the Trustee a Favorable Opinion of Bond Counsel; or (ii) if the Borrower shall fail to deliver such an opinion, to the Redemption Fund by the Trustee and used to redeem Series 2019 Bonds in accordance with the provisions of the Indenture on the first date that the Series 2019 Bonds may be redeemed at a Redemption Price equal to 100% of the principal amount thereof being redeemed plus interest accrued to the redemption date.

Debt Service Reserve Fund

The Debt Service Reserve Fund shall be used solely for the purposes set forth in the Indenture as described below.

There shall be deposited into the Debt Service Reserve Fund from the sale of the Series 2019 Bonds pursuant to the Indenture cash in an amount equal to the Debt Service Reserve Requirement for the Series 2019 Bonds on and as of the Closing Date. The Trustee shall deposit in the Debt Service Reserve Fund any funds paid to the Trustee in accordance with the provisions of the Loan Agreement or the Indenture for credit or transfer to the Debt Service Reserve Fund. If the Borrower shall have exercised its option or shall have become obligated to prepay the Loan in whole and not in part pursuant to the terms of the Loan Agreement and shall have paid the sums as provided therein, all of the funds then in the Debt Service Reserve Fund, subject to the provisions of paragraph (g) below, shall be deposited into the Bond Fund to be used to pay principal of the Issue of Bonds to which such proceeds relate. The Trustee shall give written notice to the Authority and the Borrower of (i) any withdrawals from the Debt Service Reserve Fund, (ii) any diminution in Value as of any Valuation Date, or (iii) net losses from the investment of funds in the Debt Service Reserve Fund as of any Valuation Date that reduce the Value of the cash and investments deposited therein or credited thereto to less than the Debt Service Reserve Requirement for the Bonds.

The Authority authorizes and directs the Trustee to withdraw funds from the Debt Service Reserve Fund to pay the Debt Service Payments then due on the Series 2019 Bonds and on any Additional Bonds to the extent that there are insufficient funds for said purposes in the Cash Trap Fund, the Bond Fund, the Redemption Fund, the Surplus Fund, and the Operations Contingency Fund available therefor on the date such Debt Service Payments are due, which authorization and direction are accepted by the Trustee.

When (i) the remaining amount of Debt Service Payments on the Outstanding Bonds shall be equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, the balance of the Debt Service Reserve Fund, and the balance of the Repair and Replacement Fund; and (ii) all other amounts owed under the Loan Agreement and the Indenture shall have been paid, moneys held in the Debt Service Reserve Fund may, with the consent of the College, be deposited into the Bond Fund and, subject to the provisions of paragraph (f) below, credited against payments of Loan Payments required under the Loan Agreement or may be used in such other manner for which a Favorable Opinion of Bond Counsel shall have been obtained.

Subject to the provisions of paragraph (g) below, on the final maturity date of the Bonds any moneys in the Debt Service Reserve Fund may be used upon receipt of written instruction from the Borrower to pay the Debt Service Payments on the Bonds on such final maturity date. In the event of the redemption of the Bonds in whole, any moneys in the Debt Service Reserve Fund shall be transferred upon receipt of written instruction from the Borrower to the Bond Fund and applied to the payment of the principal of and premium, if any, on the Bonds.

If, as a result of the valuation of the investments held in the Debt Service Reserve Fund as of any Valuation Date pursuant to “Investment of Funds and Accounts” below, the balance of the Debt Service Reserve Fund shall be greater than the Debt Service Reserve Requirement for the Bonds, all amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement for the Bonds shall be transferred pro rata to the Accounts of the Bond Fund corresponding to the Series 2019 Bonds (to the extent Outstanding) and to any Outstanding Subseries of Additional Bonds; provided, however, if (i) on any date on which all or any portion of a Series or Subseries of Bonds shall be defeased, in accordance with the provisions of “Discharge; Release of Indenture” below, the balance of the Debt Service Reserve Fund shall be no less than the Debt Service Reserve Requirement (after such defeasance); and (ii) the Borrower shall give written instructions to the Trustee, all amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement (after such defeasance) may be used to pay the principal of or premium on the defeased Bonds or, if the Borrower shall provide the Authority and the Trustee with a Favorable Opinion of Bond Counsel, in such other manner as shall be directed by the Borrower.

Amounts on deposit in the Debt Service Reserve Fund shall not be used to pay the Debt Service Payments on any Additional Bonds that are not Tax-Exempt Bonds

Repair and Replacement Fund

The Repair and Replacement Fund shall, except as provided in the final paragraph of this Section and in the Indenture, be used solely for the purposes set forth in this Section. The Trustee shall deposit into the Repair and Replacement Fund as and when received by the Trustee any moneys paid to the Authority under the Loan Agreement, or the Indenture for credit or transfer to the Repair and Replacement Fund.

The Authority authorizes and directs the Trustee to withdraw funds from the Repair and Replacement Fund to pay (i) the maintenance and repair costs related to the Housing Facility that the Borrower incurs as described in the Loan Agreement or, to the extent that the Net Proceeds shall be insufficient for such purposes, to the costs of restoration or replacement of the Housing Facility (or any portion thereof) pursuant to the Loan Agreement; and (ii) the Debt Service Payments on the Bonds to the extent there are insufficient funds in the Cash Trap Fund, the Bond Fund, the Redemption Fund, the Surplus Fund, the Operations Contingency Fund, and the Debt Service Reserve Fund available therefor on the date such Debt Service Payments are due, which authorization and direction accepted by the Trustee.

Moneys in the Repair and Replacement Fund to be used for the purpose described in clause (i) of the preceding paragraph shall be disbursed upon receipt of a requisition for payment (on which the Trustee may conclusively rely), executed by the Authorized Borrower Representative, however, upon the occurrence of an Event of Default under the Indenture or a failure by the Borrower to pay Basic Loan Payments required by the Loan Agreement, the Trustee shall not be obligated to disburse funds from the Repair and Replacement Fund for such purposes. The Trustee is authorized and directed to withdraw funds from the Repair and Replacement Fund for the purpose described in clause (ii) of the preceding paragraph automatically, without any requisition from the Borrower.

When (i) the remaining amount of the Debt Service Payments on the Outstanding Bonds shall be equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, the balance of the Debt Service Reserve Fund, and the balance of the Repair and Replacement Fund; (ii) the remaining amount of the Debt Service Payments on any Outstanding Additional Bonds that are not Tax-Exempt Bonds shall be equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, the balance of the Taxable Debt Service Fund and the balance of the Repair and Replacement Fund; and (iii) all other amounts owed under the Loan Agreement and the Indenture shall have been paid, moneys held in the Repair and Replacement Fund may, with the consent of the College, be

deposited into the Bond Fund and credited against payments of Loan Payments required under the Loan Agreement.

Upon the occurrence of an Event of Default under the Indenture, the Trustee may use moneys in the Repair and Replacement Fund to pay the fees and expenses of the Trustee prior to the making of any other payments required or authorized by this Section.

Insurance and Condemnation Funds

Reference is made to the Loan Agreement under which it is provided that under certain circumstances the Net Proceeds of insurance and condemnation awards are to be paid to the Trustee and deposited into the Insurance Fund and the Condemnation Fund, respectively, and are to be disbursed and paid out as therein provided. The Trustee accepts and agrees to perform the duties and obligations specified in the Indenture. There is a trust fund to be designated the "Insurance Fund" and a trust fund to be designated the "Condemnation Fund," and, within each of such Funds, a separate Account to be designated the "2019 Account," all of which shall be opened only if funds are required to be deposited therein as provided in the Loan Agreement. The Trustee shall also establish a separate Account within the Insurance Fund and within the Condemnation Fund with respect to each Series of Additional Bonds issued under the Indenture. Funds held in the Insurance Fund or in the Condemnation Fund shall be disbursed in accordance with the Loan Agreement upon receipt of a requisition for payment (on which the Trustee may conclusively rely), executed by the Authorized Borrower Representative, and the Trustee is authorized and directed to issue its checks or transfer by wire transfer in accordance with written instructions for each disbursement upon receipt of such a requisition. Notwithstanding anything contained in the Indenture to the contrary, any amounts required to be deposited in the Insurance Fund or in the Condemnation Fund in accordance with the Loan Agreement shall be deposited in the applicable Account thereof, and, prior to the occurrence of an Event of Default (to the Trustee's actual knowledge) under the Indenture, any amounts in an Account of the Insurance Fund or the Condemnation Fund may be used only to restore that portion of the Project in respect of which such Account was established, to acquire land and/or improvements in substitution for that portion of the Project in respect of which such Account was established, or to make payments on the Series of Bonds in respect of which such Account was established.

The Trustee will also establish a separate Account within the Insurance Fund and within the Condemnation Fund with respect to each Series of Additional Bonds issued under the Indenture. Any amounts required to be deposited in the Insurance Fund or in the Condemnation Fund in accordance with the Loan Agreement will be deposited in the applicable Account thereof, and, prior to the occurrence of an Event of Default under the Indenture, any amounts in an Account of the Insurance Fund or the Condemnation Fund may be used only to restore that portion of the Project in respect of which such Account was established, to acquire land and/or improvements in substitution for that portion of the Project in respect of which such Account was established, or to make payments on the Series of Bonds in respect of which such Account was established.

Cash Trap Fund

The Cash Trap Fund shall contain moneys transferred from the Surplus Fund in accordance with provisions below under "Surplus Fund."

Moneys in the Cash Trap Fund may be used to pay Expenses of, or to make capital expenditures in respect of, the Housing Facility and to make Debt Service Payments on the Bonds and shall be disbursed upon receipt of a requisition for payment (on which the Trustee may conclusively rely), executed by the Authorized Borrower Representative, and the Trustee is authorized and directed to issue its checks or

transfer by wire transfer in accordance with written instructions for each disbursement upon receipt of such a requisition.

Moneys in the Cash Trap Fund may also be used to make the transfers and deposits required above under “Revenue Fund,” and the Authority authorizes and directs the Trustee to withdraw funds from the Cash Trap Fund to make such transfers and deposits to the extent that there are insufficient funds in the Revenue Fund available therefor, which authorization and direction is accepted by the Trustee.

If amounts are required to be transferred to the Cash Trap Fund for three (3) consecutive years from the Surplus Fund as described below under “Surplus Fund,” then the Trustee shall apply amounts on deposit in the Cash Trap Fund at any time to redeem Bonds pursuant to the Indenture upon receipt of a written direction from a Majority of the Bondholders which specifies the amount to be applied for such redemption.

All amounts remaining in the Cash Trap Fund after the Fixed Charges Coverage Ratio for the prior Annual Period is at least 1.20 as shown by the Borrower’s calculation of the Fixed Charges Coverage Ratio provided to the Trustee in accordance with the Loan Agreement shall be transferred to the Surplus Fund.

Operations Contingency Fund

The Operations Contingency Fund shall receive moneys transferred from the Revenue Fund after disbursements described above under “Revenue Fund” provided no Event of Default (to the Trustee’s actual knowledge) shall have occurred and then be continuing under the Indenture.

Moneys in the Operations Contingency Fund may be used to pay Expenses of, or to make capital expenditures in respect of, the Housing Facility and shall be disbursed upon receipt of a requisition for payment (on which the Trustee may conclusively rely), executed by the Authorized Borrower Representative and approved by the College, and the Trustee is authorized and directed to issue its checks or transfer by wire transfer in accordance with written instructions for each disbursement upon receipt of such a requisition.

Moneys in the Operations Contingency Fund may also be used to make the transfers and deposits required below under “Revenue Fund,” and the Authority authorizes and directs the Trustee to withdraw funds from the Operations Contingency Fund to make such transfers and deposits to the extent that there are insufficient funds in the Revenue Fund, the Cash Trap Fund, the Bond Fund, the Redemption Fund, and the Surplus Fund (in such order of priority) available therefor, which authorization and direction is accepted by the Trustee.

All amounts remaining in the Operations Contingency Fund at the close of business on the last day of each Annual Period shall be transferred to the Surplus Fund; provided however that the Borrower may direct the Trustee to retain an amount in the Operations Contingency Fund as a reserve for payment of operating expenses of the Housing Facility in an amount not to exceed three months of budgeted operating expenses for the next Annual Period.

Surplus Fund

There is created by the Authority and established with the Trustee a trust fund to be designated the “Surplus Fund.”

Provided (i) no Event of Default shall have occurred and then be continuing under the Indenture; (ii) all amounts withdrawn from the Repair and Replacement Fund to pay Debt Service Payments on the Bonds, in accordance with “Repair and Replacement Fund” above, shall have been reimbursed in full; and

(iii) all amounts withdrawn from the Debt Service Reserve Fund to pay Debt Service Payments on the Bonds, in accordance with “Debt Service Reserve Fund” above, shall have been reimbursed in full, the Trustee shall pay to the Manager from moneys on deposit in the Surplus Fund all unpaid Subordinated Management Fees, as specified in writing by the Manager and the Borrower to the Trustee, which writing shall also certify compliance with clauses (i), (ii) and (iii) set forth above.

After any payments pursuant to paragraph (b) of this Section shall have been made, if the annual financial statements, Audit Report, and accompanying calculation described in such paragraph (b) indicate a Fixed Charges Coverage Ratio of at least 1.20 as set forth in an officer’s certificate provided to the Trustee by the Borrower, the Trustee shall transfer all amounts in the Surplus Fund to the College as payment for lease payments under the Ground Lease and to reimburse the College for any of its fees and expenses related to the Housing Facility.

If the Borrower’s calculation of the Fixed Charges Coverage Ratio provided to the Trustee in accordance with the Loan Agreement indicate a Fixed Charges Coverage Ratio of less than 1.20 or an Event of Default (to the Trustee’s actual knowledge) shall have occurred and then be continuing under the Indenture, the Trustee shall transfer all amounts in the Surplus Fund after payments for the unpaid Subordinated Management Fees to the Cash Trap Fund.

Moneys in the Surplus Fund may also be used to make the transfers and deposits required above under “Revenue Fund,” and the Authority authorizes and directs the Trustee to withdraw funds from the Surplus Fund to make such transfers and deposits to the extent that there are insufficient funds in the Revenue Fund, the Bond Fund, and the Redemption Fund available therefor on such date, which authorization and direction is accepted by the Trustee.

Non-presentment of Bonds

In the event any Bonds shall not be presented for payment when the principal thereof shall become due, either at maturity, at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay such Bonds shall have been made available to the Trustee for the benefit of the Owner or Owners thereof, all liability of the Authority and the Borrower to the Owner or Owners thereof for the payment of such Bonds shall forthwith cease, determine, and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner or Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his, her, or their part under the Indenture or on, or with respect to, said Bonds.

Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds, if any, within two years after the date on which the same shall have become due (or such earlier date as immediately precedes the date on which such funds would be required to escheat or be payable to the State or any other governmental unit under any laws governing unclaimed funds) shall, upon the written request of the Borrower, be paid by the Trustee to the College at such times and in such amounts as shall be set forth in a written invoice approved by the College and the Borrower, and thereafter Bondholders shall be entitled to look only to the College for payment, and then only to the extent of the amount so repaid, and neither the Authority, the Borrower, nor the College shall be liable for any interest thereon and shall not be regarded as a trustee of such money. If the Borrower shall fail to make the aforementioned written request, the Trustee shall apply such moneys in accordance with applicable laws governing unclaimed funds.

Amounts Remaining in Funds and Accounts

Subject to the provisions of the Indenture, any amounts remaining in the Revenue Fund, the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund, the Debt Service Reserve

Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Cash Trap Fund, the Operations Contingency Fund, the Surplus Fund, or any other Fund, Account, or reserve created under the Indenture, with the exception of the Rebate Fund, after payment in full of the Debt Service Payments on the Bonds (or provision for payment thereof as provided in the Indenture), the fees, charges, and expenses of the Trustee, any paying agents, and the Authority, the amounts required to be paid to the United States pursuant to the Loan Agreement, and all other amounts required to be paid under the Indenture, shall be promptly paid to the College as set forth in a written invoice by the College and the Borrower.

Rebate Fund

The Rebate Fund shall be for the sole benefit of the United States of America and shall not be subject to the claim of any other Person, including, without limitation, the Owners. The Rebate Fund is established for the purpose of complying with § 148 of the Code and the Regulations promulgated thereunder. The money deposited in the Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section. The Rebate Fund is not a portion of the Trust Estate and is not subject to the lien of the Indenture. Amounts in the Rebate Fund shall not be used to make Debt Service Payments.

There shall be deposited in each Account of the Rebate Fund as and when received (i) moneys required to be paid by the Borrower pursuant to the Loan Agreement; (ii) moneys transferred from the Cash Trap Fund, the Surplus Fund, the Operations Contingency Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund, the Issuance Cost Fund, the Construction Fund, and/or the Bond Fund pursuant to the provisions of this Section; and (iii) all other moneys received by the Trustee when accompanied by directions not inconsistent with the Loan Agreement or the Indenture that such moneys are to be paid into the Account of the Rebate Fund designated therein.

With respect to each Issue of Tax-Exempt Bonds, promptly after each Calculation Date, and not later than 30 days after all Bonds of such Issue shall have been Discharged, the Borrower shall engage, and furnish information to, the Rebate Analyst and cause the Rebate Analyst to calculate the Rebate Amount with respect to such Issue of Tax-Exempt Bonds. The Borrower shall provide, or cause the Rebate Analyst to provide, to the Authority and the Trustee a copy of the report of the Rebate Analyst. The Trustee shall determine if the amount in the applicable Account(s) of the Rebate Fund is then equal to the calculated Rebate Amount. If the amount in such Account(s) of the Rebate Fund shall be in excess of the amount required to be therein in accordance with the report of the Rebate Analyst, then such excess shall be transferred to the Bond Fund. If the amount in such Account(s) of the Rebate Fund shall be less than the amount required to be deposited therein, the Trustee shall transfer to such Account(s) of the Rebate Fund such amounts as shall be necessary to reserve for the anticipated Rebate Amount payment to the United States Treasury from the Revenue Fund in accordance with "Revenue Fund" below.

If at any time the Borrower shall be required to retain the Rebate Analyst, but shall fail to do so, then the Authority shall retain a Rebate Analyst, at the expense of the Borrower, to calculate the Rebate Amount. If the Authority shall be required to retain or to pay the Rebate Analyst, then the Authority, after delivering to the Borrower a demand for payment of an amount sufficient to pay the Rebate Analyst, shall direct the Trustee to withdraw such amount as may be needed to pay the Rebate Analyst from the following funds in the following order of priority: first, the Revenue Fund; second, the Cash Trap Fund; third, the Surplus Fund; fourth, the Operations Contingency Fund; fifth, the Debt Service Reserve Fund; sixth, the Repair and Replacement Fund; seventh, the Issuance Cost Fund; eighth, the Construction Fund; and ninth, the Bond Fund.

The Trustee shall have the right, but shall not be obligated, to seek written instructions from any Rebate Analyst as it shall deem necessary, concerning any payments to be made by it from the Rebate Fund and shall be free from any liability for acting in accordance with such reasonable instructions.

The Trustee, on behalf of the Authority, is directed to pay to the United States Treasury from time to time the amounts as required by the report of the Rebate Analyst, provided that the Trustee shall pay over to the United States Treasury: (i) at least once each five years after the Closing Date of an Issue of Tax-Exempt Bonds within 60 days of the date as of which the Rebate Amount shall have been calculated, an amount equal to 90% of the Rebate Amount allocable to that Issue of Tax-Exempt Bonds as of such date (and not theretofore paid to the United States Treasury); and (ii) not later than 60 days after the last bond of an Issue of Tax-Exempt Bonds shall have been Discharged, 100% of the Rebate Amount allocable to such Issue of Tax-Exempt Bonds.

If, at any time when the Trustee shall be required to withdraw money from any Account(s) of the Rebate Fund, the amount on deposit in such Account(s) of the Rebate Fund shall be insufficient for the purposes thereof, notwithstanding any investment of moneys requirements in the Indenture, the Trustee, after first delivering a demand for such deficiency to the Borrower and no money for such purpose having been provided by the Borrower, shall transfer moneys to such Account(s) of the Rebate Fund from the following funds in the following order of priority: first, the Revenue Fund; second, the Cash Trap Fund; third, the Surplus Fund; fourth, the Operations Contingency Fund; fifth, the Debt Service Reserve Fund; sixth, the Repair and Replacement Fund; seventh, the Issuance Cost Fund; eighth, the Construction Fund; and ninth, the Bond Fund.

The Trustee shall comply with the instructions contained in the Indenture provided that computations and payments may be made on other bases, at other times, and in other amounts, or omitted altogether, all as shall be set forth in a Favorable Opinion of Bond Counsel (the "Subsequent Rebate Instructions"), even if such Subsequent Rebate Instructions shall be different from or inconsistent with this Section. The Trustee shall be entitled to rely conclusively on the calculations made pursuant to this Section and any Subsequent Rebate Instructions and shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in reliance upon those calculations.

Within 60 days after each Calculation Date, the Trustee shall deliver a certificate to the Authority stating (i) whether or not it has received the required annual arbitrage rebate calculations of the Rebate Analyst and the certificate of the Borrower required by the Loan Agreement, respectively; and (ii) that payment of the Rebate Amount, if any, has been made in accordance with instructions received from the Rebate Analyst.

The provisions of this Section shall supersede the provisions of all other Sections of the Indenture, to the end that the excludability from gross income for the purposes of federal income taxation of interest on Series of Tax-Exempt Bonds shall not be adversely affected as a result of the inadequacy at any time of the Rebate Fund, unless the total amount held by the Trustee under all Funds established under the Indenture shall be insufficient.

The Trustee shall retain records of the determination of the amount required to be deposited in the Rebate Fund, of the proceeds of any investments of money in the Rebate Fund, and of the amounts paid to the United States Treasury until the date six years after all of the Bonds shall have been Discharged, or for such longer period as required by the Trustee's policies and procedures.

Investment of Funds and Accounts

Subject to the Indenture, any moneys held as part of the Revenue Fund, the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Cash Trap Fund, the Operations Contingency Fund, the Surplus Fund, the Rebate Fund, reserves in connection with contested liens, other special trust funds created under the Indenture, or other Funds or Accounts held by the Trustee shall be invested and reinvested by the Trustee, at the written direction of, and as specified by, the Authorized Borrower Representative in accordance with the provisions of the Loan Agreement. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Revenue Fund, the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Cash Trap Fund, the Operations Contingency Fund, the Surplus Fund, the Rebate Fund, reserves in connection with contested liens, other special trust funds, or other Funds or Accounts held by the Trustee, as the case may be, the interest accruing thereon and any profit realized from such investments shall be credited as set forth below under "Allocation of Income from Investments," and any loss resulting from such investments shall be charged to such Fund. The Trustee is directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in any Fund or Account shall be insufficient for the uses prescribed for moneys held in such Fund or Account. The Trustee may transfer investments from any Fund or Account to any other Fund or Account in lieu of cash when required or permitted by the provisions of the Indenture. The Trustee shall value the investments held in the Debt Service Reserve Fund as of the close of business on each Valuation Date and shall promptly deliver copies of such valuation to the Authority and the Borrower. For the purpose of valuing Permitted Investments held in any account held by the Trustee under the Indenture, the Trustee shall value all investments at market. In determining market value of Permitted Investments, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it. In computing the assets of any Fund or Account, investments and accrued interest thereon shall be deemed a part thereof. The Trustee shall not be liable for any depreciation in the Value of any obligations in which moneys of Funds or Accounts shall be invested, as aforesaid, or for any loss arising from any investment. Such investments shall be made only as follows:

(i) moneys in the Revenue Fund, the Issuance Cost Fund, the Construction Fund, the Repair and Replacement Fund, the Operations Contingency Fund, the Surplus Fund, the Rebate Fund, and any other Funds or Accounts (other than as described in clauses (ii) through (v) below), only in Permitted Investments maturing or redeemable at the option of the holder in such amounts and on such dates as may be necessary to provide moneys to meet the payments from each such respective Fund or Account as may be specified by the Authorized Borrower Representative;

(ii) moneys in the Bond Fund, only in Permitted Investments of the type described in clauses (a) and (b) of the definition thereof maturing or redeemable at the option of the holder not later than the immediately succeeding Bond Payment Date;

(iii) moneys in the Redemption Fund and the Cash Trap Fund, only in Permitted Investments of the type described in clauses (a) through (h) of the definition thereof maturing or redeemable at the option of the holder not later than the immediately succeeding Bond Payment Date and (A) in obligations the interest on which is excluded from the gross income of the owners thereof for federal income tax purposes; or (B) with respect to the Redemption Fund at a yield that is not greater than the yield on the Tax-Exempt Bonds for the redemption of which such moneys shall have been deposited therein and, with respect to the Cash Trap Fund, at a yield that is not greater than the yield on the Outstanding Tax-Exempt Bonds;

(iv) moneys in the Insurance Fund and the Condemnation Fund, only in Permitted Investments maturing or redeemable at the option of the holder in such amounts and on such dates as may be necessary to provide moneys to meet the payments from each such respective Fund and (A) in obligations the interest on which is excluded from the gross income of the owners thereof for federal income tax purposes; or (B) at a yield that is not greater than the yield on the Tax-Exempt Bonds the proceeds of which were used to finance or refinance the portion of the Project relating to such insurance or condemnation proceeds; and

(v) moneys in the Debt Service Reserve Fund, only in Permitted Investments maturing or redeemable at the option of the holder not later than two years from the date of purchase thereof; provided, however, if moneys in the Debt Service Reserve Fund shall be invested in a Permitted Investment of a type that permits the Borrower to withdraw amounts invested thereunder at any time without penalty, such Permitted Investment may have a term of up to 10 years.

The Trustee may conclusively rely upon the Authorized Borrower Representative's written instructions to make the directed investments, including as to the suitability and legality of the directed investments. To the extent that the Trustee shall not have received written directions from the Authorized Borrower Representative regarding investment of moneys, the Trustee shall, until such written directions are received, invest such moneys pursuant to standing written instructions delivered to the Trustee by the Authorized Borrower Representative upon the original issuance of the Series 2019 Bonds as such written instructions may be amended from time to time; provided, however, if no such written standing instructions shall be received by the Trustee upon the original issuance of the Series 2019 Bonds, then the Trustee shall solicit written instructions from the Authorized Borrower Representative regarding investment of moneys, but if no such instructions shall then be received, the Trustee shall not be responsible or liable for keeping the moneys held by it under the Indenture invested.

Notwithstanding any provision of the Indenture to the contrary, the Trustee shall not be liable or responsible for any calculation or determination that may be required in connection with or for the purpose of complying with the provisions of §148 of the Code or any applicable Regulations, including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of §148 of the Code and applicable Regulations and the fair market value of any investments made under the Indenture (except as provided in the Indenture with respect to the calculation of amounts on deposit in the Debt Service Reserve Fund), and the sole obligation of the Trustee with respect to the investment of funds under the Indenture shall be to invest the moneys received by the Trustee in accordance with the written instructions of the Authorized Borrower Representative and the further provisions of the Indenture. The Trustee shall have no responsibility for determining whether or not the investments made pursuant to the direction of the Authorized Borrower Representative comply with the requirements of the Loan Agreement.

The Trustee shall be entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment that at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter.

Allocation of Income from Investments

All interest accruing from investments of moneys in the following Funds and Accounts and any profit realized therefrom shall be allocated as follows:

(i) interest and profits from the investments of moneys in the Revenue Fund shall be retained in the Revenue Fund;

(ii) interest and profits from the investments of moneys in the Bond Fund and in the Account(s) and subaccount(s) therein, including the Capitalized Interest Account, shall be retained in the Bond Fund and in such Account(s) and subaccount(s), respectively;

(iii) interest and profits from the investments of moneys in the Redemption Fund and any Account(s) therein shall be deposited into the Bond Fund;

(iv) interest and profits from the investments of moneys in the Accounts of the Issuance Cost Fund shall be deposited into the corresponding (by Series and Subseries) Accounts of the Construction Fund;

(v) interest and profits from the investment of moneys in the Construction Fund and the Accounts therein shall be retained in the Construction Fund and in such Accounts, respectively;

(vi) interest and profits from the investment of moneys in the Debt Service Reserve Fund shall be retained in the Debt Service Reserve Fund to the extent the deposit therein is less than the Debt Service Reserve Requirement, and otherwise shall be transferred first, to the Capitalized Interest Account through the period of time for which interest is capitalized, and second, to the Revenue Fund;

(vii) interest and profits from the investment of moneys in the Repair and Replacement Fund shall be retained in the Repair and Replacement Fund;

(viii) interest and profits from the investment of moneys in the Insurance Fund and the Account(s) therein shall be retained in the Insurance Fund and in such Account(s), respectively;

(x) interest and profits from the investment of moneys in the Condemnation Fund and the Account(s) therein shall be retained in the Condemnation Fund and in such Account(s), respectively;

(xi) interest and profits from the investment of moneys in the Operations Contingency Fund shall be retained in the Operations Contingency Fund;

(xii) interest and profits from the investment of moneys in the Cash Trap Fund shall be retained in the Cash Trap Fund until such time as the Value of the cash and investments therein shall equal \$1,000,000 and thereafter deposited in the Revenue Fund;

(xiii) interest and profits from the investment of moneys in the Surplus Fund shall be retained in the Surplus Fund;

(xiv) interest and profits from the investment of moneys in the Rebate Fund shall be retained in the Rebate Fund; and

(xv) interest and profits from the investment of moneys in any other Funds or Accounts shall, at the written direction of the Authorized Borrower Representative, be retained in the respective Funds or Accounts or deposited into the Bond Fund.

Notwithstanding the foregoing provisions of this Section, any interest or other gain from any Fund or Account shall be transferred to the Rebate Fund to the extent required on behalf of the Borrower as described under "Rebate Fund," except that no such transfer shall be made from any Fund or Account if

such transfer would cause the amount then on deposit in such Fund or Account to be less than required by the provisions, if any, of the Indenture.

Discharge of Lien

When:

(i) if the Bonds or a Series or Subseries of Bonds shall have become due and payable in accordance with the terms thereof or otherwise as provided in the Indenture, the whole amount of the Debt Service Payments so due and payable on all such Bonds shall be paid; or

(ii) if the Bonds or a Series or Subseries of Bonds shall not have become due and payable in accordance with the terms thereof, but:

(A) the Trustee shall hold cash and/or Defeasance Obligations, the principal of and the interest on which, when due and payable, will, together with such cash, provide sufficient money to pay the Debt Service Payments on all such Bonds then Outstanding to the maturity date or dates of such Bonds or to the date or dates specified for the redemption thereof and the Authority shall cause to be delivered to the Trustee a verification or other appropriate report to such effect issued by an Accountant; and

(B) if such Bonds are to be called for redemption, irrevocable written instructions to call such Bonds for redemption shall have been given by the Authority to the Trustee;

and in either of such event sufficient funds shall also have been provided or provision shall have been made for paying all other obligations payable under the Bond Documents with respect thereto, including any Rebate Amount,

then and in that case, the Bonds or such Series or Subseries of Bonds shall no longer be, or considered to be, Outstanding and the right, title, and interest of the Trustee in the Funds and Accounts, if any, established with respect to the Bonds or such Series or Subseries of Bonds shall then cease, determine, and become void and, on demand of the Authority and upon being furnished with an Opinion of Counsel, in form and substance satisfactory to the Trustee, to the effect that all conditions precedent to the release of the Indenture or that portion, if any, of the Trust Estate relating to such Series or Subseries of Bonds shall have been satisfied, the Trustee shall release the Indenture or that portion, if any, of the Trust Estate relating to such Series or Subseries of Bonds, shall execute such documents to evidence such release as may be reasonably required by the Authority, and shall transfer any surplus in, and all balances remaining in, all such Funds and Accounts pursuant to the Indenture.

If Defeasance Obligations shall be deposited with and held by the Trustee as provided above, (i) in addition to the requirements set forth in the Indenture but not as a condition to defeasance, the Trustee, within 30 days after such cash and/or Defeasance Obligations shall have been deposited with it, shall cause a notice to be mailed, postage prepaid, to all Owners of Bonds to be paid or redeemed, setting forth (A) the date or dates, if any, designated for the redemption of such Bonds; (B) a description of the Defeasance Obligations so held by it; and (C) that the Indenture or that portion, if any, of the Trust Estate relating to such Series or Subseries of Bonds has been released in accordance with the provisions of this Section; and (ii) the Trustee shall nevertheless retain such rights, powers, and privileges under the Indenture as may be necessary and convenient in respect of such Bonds (A) for the payment of the Debt Service Payments for

which such Defeasance Obligations shall have been deposited; and (B) for the registration, transfer, and exchange of such Bonds.

All cash and Defeasance Obligations held by the Trustee under this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith.

Notwithstanding anything contained in the Indenture to the contrary, provision shall not be made for the payment of any Bonds if such provision would constitute an “advance refunding” under the Code, unless simultaneously with such provision for payment, the Borrower shall deliver to the Authority and the Trustee a Favorable Opinion of Bond Counsel in form and substance satisfactory to the Authority and the Trustee.

Anything in the Indenture to the contrary notwithstanding, if such cash and/or Defeasance Obligations shall have been deposited or set aside with the Trustee pursuant to the Indenture for the payment of the Debt Service Payments on the Bonds or a Series or Subseries of Bonds shall not have in fact been actually paid in full, no amendment to the provisions of the Indenture shall be made without the consent of the Owner of each Bond affected thereby.

Additional Bonds

So long as no Event of Default under the Indenture shall then be existing, Additional Bonds may, in the Authority’s sole discretion, be issued by the Authority upon the request of the Borrower to provide funds to pay any one or more of the following: (i) the costs of completing a portion of the Project; (ii) the costs of making such Additions or Alterations as the Borrower may deem necessary or desirable and as will not impair the nature of the Housing Facility as a student housing facility and as will be located on the Property; (iii) the costs of refunding any Bonds; and (iv) in each such case, the costs of the issuance and sale of the Additional Bonds and capitalized or funded interest for such period and such other costs reasonably related to the financing as shall be agreed upon by the Borrower and the Authority. Such Additional Bonds shall be issued on a parity with the Series 2019 Bonds and any Additional Bonds theretofore or thereafter issued, shall be secured by the lien and security interests granted by the Leasehold Deed of Trust and the Security Agreement, equally and ratably with the Series 2019 Bonds and any Additional Bonds theretofore or thereafter issued, and shall be payable from the Bond Fund and the Redemption Fund. An amount equal to any increase of the Debt Service Reserve Requirement attributable to such Additional Bonds shall be deposited into the Debt Service Reserve Fund.

Prior to the issuance of any Additional Bonds to finance the cost of completing a portion of the Project or making Additions or Alterations to the Housing Facility, there shall be prepared and filed with the Trustee a certificate of the Borrower approved by an Independent Architect/Engineer setting forth the estimated costs of the proposed completion or the proposed Additions or Alterations to the Housing Facility, including an allowance for contingencies, the estimated date on which the completed Project or such Additions or Alterations will be placed in service or completed, and the amount, if any, provided or to be provided by the Borrower from other sources toward payment of the costs of such completion or such Additions or Alterations to the Project or such additional Housing Facility and the manner in which such funds will be provided.

Prior to the issuance of any Additional Bonds to finance the costs of completing a portion of the Project or making Additions or Alterations to the Housing Facility, the Borrower shall furnish to the Trustee a written certificate of a Financial Consultant stating that (giving effect to the issuance or incurrence of such Additional Bonds) (i) the expected Fixed Charges Coverage Ratio for each of the three Annual Periods immediately following the Annual Period in which the completed Project is expected to be placed in operation is not less than 1.20; and (ii) the expected Revenue Available for Fixed Charges for each Annual

Period until the completed Project is expected to be placed in operation plus any capitalized or funded interest is sufficient to pay the Fixed Charges, including the Fixed Charges that relate to the proposed Additional Bonds, for each Annual Period until the completed Project is expected to be placed in operation.

Prior to the issuance of any Additional Bonds to finance the cost of Additions or Alterations to the Housing Facility, there shall be prepared and filed with the Trustee:

the prior written consent of a Majority of the Bondholders; or

a certificate of an Authorized Borrower Representative stating that such Additions or Alterations were ordered by a governmental body or required by the College and amounts then available for such purpose in the Repair and Replacement Fund are insufficient therefor.

Prior to the issuance of any Additional Bonds to refund any Bonds that results in the refunding of less than all of the then Outstanding Bonds, there shall be prepared and filed with the Trustee a written certificate of an Accountant stating that the debt service requirements on all Bonds (assuming no more Bonds are issued after the proposed refunding) for any Annual Period subsequent to the refunding to and including the Annual Period of the final maturity of Bonds outstanding prior to the refunding will not, as a result of such refunding, exceed the debt service requirements for any such Annual Period had such refunding not occurred.

Any Additional Bonds shall be secured by the lien and security interests granted by the Leasehold Deed of Trust and the Security Agreement and shall, subject to the provisions of the Indenture, be equal, without preference or priority, to the lien and security interest provided for the Series 2019 Bonds.

Such Additional Bonds shall be issued in such Series, Subseries, and principal amounts, shall be dated, shall bear interest at such rate or rates, shall be subject to redemption at such times and prices, and shall mature in such years as the indenture supplemental hereto authorizing the issuance thereof shall fix and determine and shall be deposited with the Trustee for authentication and delivery.

No Additional Bonds may be issued pursuant to the Indenture unless and until there shall be furnished to the Trustee written confirmation from each Rating Agency that the issuance of such Additional Bonds will not result in a reduction, suspension, or withdrawal of any rating of any Series or Subseries of Bonds.

Notwithstanding the foregoing provisions of this Section, any Series of Additional Bonds the proceeds of which will be used to pay, discharge, or defease in accordance with the provisions of the Indenture all Outstanding Bonds may be issued in the Authority's sole discretion and with the consent of the College without complying with the foregoing terms and provisions of this Section.

Delivery of Additional Bonds

Upon the execution and delivery in each instance of an appropriate indenture supplemental to the Indenture, the Authority 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 Authority, as provided below.

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 providing for the inclusion within the Housing Facility 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, providing for an increase in the Basic Loan Payment obligations of the Borrower, which shall be evidenced by Additional Notes, and providing any other changes required by the issuance of Additional Bonds;

(b) a valid and effective supplemental indenture providing for the issuance of such new Series of Additional Bonds and subjecting to the lien and security interest of the Indenture, the amendments to the Loan Agreement, the Leasehold Deed of Trust, the Security Agreement, and the Assignment of Contracts and Agreements (if any);

(c) a valid and effective amendment to the Leasehold Deed of Trust (A) subjecting to the lien of the Leasehold Deed of Trust the Borrower's interest in and to any real estate and/or interests therein acquired by purchase or construction with the proceeds of the Additional Bonds; and (B) assigning and pledging to the Trustee the Borrower's interest in and to the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits thereof and therefrom;

(d) a valid and effective amendment to the Security Agreement, granting a security interest to the Trustee in the Borrower's interest in (A) any Equipment and/or Inventory acquired by purchase or construction with the proceeds of the Additional Bonds; (B) any buildings, structures, facilities, and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds; and (C) any accounts, documents, chattel paper, instruments, general intangibles (including payment intangibles), supporting obligations, investment property, and deposit accounts arising in any manner from the Borrower's ownership and/or operation of any property acquired by purchase or construction with the proceeds of the Additional Bonds;

(e) a valid and effective amendment to the Assignment of Contracts and Agreements, granting a security interest to the Trustee in the Borrower's interest in any contract documents and/or agreements entered into in connection with the use of proceeds of such Additional Bonds and assigning and pledging to the Trustee the Borrower's interest, rights, and benefits thereof and therefrom;

(f) a copy, duly certified by an Authorized Signatory, of a resolution of the Authority theretofore adopted and approved authorizing the execution and delivery of such supplemental indenture and such amendment to the Loan Agreement, and such promissory notes, and the issuance of such Additional Bonds;

(g) a request and authorization to the Trustee on behalf of the Authority, signed by the Chair or an Authorized Signatory, to authenticate and deliver such Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee, for the account of the Authority, of a specified sum plus any accrued interest; the proceeds of such 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;

(h) a certificate signed by an officer of the Borrower to the effect that no Event of Default under this Indenture or the Loan Agreement is then existing or will result from the issuance of such Additional Bonds;

(i) a Favorable Opinion of Bond Counsel and an Opinion of Counsel to the effect that the Additional Bonds are of equal lien and dignity to the Bonds and that the Additional Bonds have been legally issued;

(j) an endorsement of the mortgagee's title insurance policy required by the Loan Agreement, which endorsement increases the face amount of the policy to an amount equal to the Outstanding principal amount of the Series 2019 Bonds, if any, and the Additional Bonds, a new policy in the amount of the Series 2019 Bonds Outstanding, if any, and the Additional Bonds, or a separate policy in the amount of the Additional Bonds; and

(k) such other documents as the Trustee (who has no duty to require any additional documents) or the applicable underwriter(s) for the Additional Bonds may require.

Events of Default

Each of the following events is declared an Event of Default under the Indenture:

(a) payment of any installment of interest on any Bond shall not be made by or on behalf of the Authority when the same shall become due and payable; or

(b) payment of the principal of or the redemption premium, if any, on any Bond shall not be made by or on behalf of the Authority when the same shall become due and payable, whether at maturity or by proceedings for redemption or pursuant to a Mandatory Sinking Fund Redemption Requirement or otherwise; or

(c) the failure by the Authority to perform in a punctual manner any other of the covenants, conditions, agreements, or provisions contained in the Indenture or any agreement supplemental to the Indenture and the continuation of such failure for 30 days after receipt by the Authority of a written notice from the Trustee specifying such failure and requiring the same to be remedied; provided, however, that if such performance requires work to be done, action to be taken, or conditions to be remedied that by their nature cannot reasonably be done, taken, or remedied, as the case may be, within such 30-day period, no Event of Default shall be deemed to have occurred or to exist under the Indenture if, and so long as, the Authority shall begin such performance within such period and shall diligently and continuously prosecute the same to completion within one hundred eighty (180) days of the delivery date of the default notice; or

(d) an "Event of Default" shall have occurred under any of the other Bond Documents other than the Continuing Disclosure Agreement.

Acceleration of Maturities

On the happening and continuance of any Event of Default under the Indenture, the Trustee may, and, on the written request of the Requisite Number of Bondholders, shall, by notice in writing to the Authority, the Borrower, and, if the Trustee is not the Dissemination Agent, the Dissemination Agent, declare the principal of all Bonds then Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration, the same shall become and be immediately due and payable. In such event, there shall be due and payable on the Bonds an amount equal to the total principal of all Outstanding Bonds plus interest accrued thereon to the date of payment thereof. If at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action, or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under the Indenture, money shall have

accumulated in the Bond Fund sufficient to pay the principal of all matured Bonds and all arrearages of interest, if any, on all Bonds then Outstanding (except the principal of any Bonds not then due and payable by their terms and the interest accrued on such Bonds since the last Interest Payment Date), and the charges, compensations, expenses, disbursements, advances, and liabilities of the Trustee and all other amounts then payable by the Authority under the Indenture shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other failure known to the Trustee in the observance or performance of any covenant, condition, or agreement contained in the Bonds, in the Indenture (other than a failure to pay the principal of such Bonds then due only because of a declaration under this Section), and in the other Bond Documents (other than the Continuing Disclosure Agreement) shall have been remedied to the satisfaction of the Trustee, then and in every such case, the Trustee may, and on the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds not then due and payable by their terms (Bonds then due and payable only because of a declaration under this Section will not be deemed to be due and payable by their terms) shall, by written notice to the Authority, the Borrower, the Owners of the Bonds, each Rating Agency, and, if the Trustee is not the Dissemination Agent, the Dissemination Agent, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default under the Indenture or impair any right consequent thereon. Upon any declaration of acceleration under the Indenture, the Trustee shall immediately proceed to exercise such rights as it may have under the Loan Agreement to declare all payments thereunder to be immediately due and payable.

Trustee May Bring Suit

Upon the happening and continuance of any Event of Default under the Indenture, then and in every such case, the Trustee may, and on the written request of the Requisite Number of Bondholders shall, proceed, subject to the provisions of the Indenture, to protect and enforce its rights and the rights of the Owners under the laws of the State and under the Indenture, the other Security Documents, and the Notes by such suits, actions, or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant, condition, or agreement contained herein or in the other Security Documents or the Notes or in aid or execution of any power granted in the Indenture or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. Nothing in the Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Bondholder thereof, or to authorize the Trustee to vote in respect of the claim of any Bondholder in any such proceeding without the approval of the Bondholders so affected.

Application of Funds

All money received by the Trustee pursuant to any right given or action taken under the Indenture (other than amounts held in the Rebate Fund) shall, after payment of the costs and expenses (including legal fees and expenses) of the proceedings resulting in the collection of such money and the fees and expenses of the Trustee, be deposited in the Bond Fund and applied to the payment of the Debt Service Payments on the Bonds then due and unpaid in accordance with the provisions of the Indenture. Anything in the Indenture to the contrary notwithstanding, if at any time the money in the Bond Fund shall not be sufficient to pay the interest on or the principal of the Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of "Acceleration of Maturities" above), such money, together with any money then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in the Indenture or otherwise, shall be applied as follows:

(i) if the principal of all Bonds shall not have become, or shall not have been declared, due and payable, all such money shall be applied as follows:

FIRST, to the payment to the Persons entitled thereto of all installments of interest on Bonds then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds;

SECOND, to the payment to the Persons entitled thereto of the unpaid principal of any Bonds that shall have become due and payable (other than Bonds deemed to have been paid under the Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Bonds due and payable on any particular date, then to the payment ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD, to the payment of the interest on and the principal of Bonds, to the purchase and retirement of Bonds, and to the redemption of Bonds, all in accordance with the Indenture;

(ii) if the principal of all Bonds shall have become, or shall have been declared, due and payable, all such money shall be applied to the payment of principal and interest then due on the Bonds, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference; and

(iii) if the principal of all Bonds shall have been declared due and payable and if such declaration thereafter shall have been rescinded and annulled above under "Acceleration of Maturities," then, subject to clause (ii) of this Section, if the principal of all Bonds shall later become due and payable or shall be declared due and payable, the money then remaining in and thereafter accruing to the Bond Fund shall be applied in accordance with clause (i) of this Section.

Whenever money is to be applied by the Trustee under this Section, the Trustee shall apply such money at such times and from time to time, as the Trustee in its sole discretion determines, having due regard for the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future; the setting aside of such money, in trust for the proper purpose, constitutes proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Authority, the Borrower, and any Owner or to any other Person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of the Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it shall set the date (which must be an Interest Payment Date unless the Trustee deems another date more suitable) on which such application is to be made. The Trustee shall give notice by first-class mail, postage prepaid, to all Owners of the setting of any such date, and shall not be required to make payment to the Owner of any Bonds until such Bonds are surrendered to the Trustee for cancellation if fully paid.

Effect of Discontinuance of Proceedings

If any proceeding taken by the Trustee or the Owners on account of any Event of Default under the Indenture shall have been discontinued or abandoned for any reason, then, and in every such case, the Authority, the Trustee, and the Owners shall be restored to their former positions and rights under the Indenture and under the other Security Documents, respectively, and all rights, remedies, powers, and duties of the Trustee shall continue as though no proceeding had been taken.

Control of Proceedings by a Majority of the Bondholders

Anything else in the Indenture to the contrary notwithstanding, a Majority of the Bondholders shall have the right, subject to the Indenture, by an instrument or concurrent instruments in writing executed and delivered to the Trustee and upon the Trustee's receipt of indemnity satisfactory to it, (a) to direct the time, method, and place of conducting all remedial proceedings to be taken by the Trustee under the Indenture or under any other Security Document, whether before or after the occurrence of an Event of Default under the Indenture, if such direction shall be in accordance with law and the Indenture; and (b) to approve any consent, approval, or waiver requested to be given by the Trustee under the Indenture.

Restrictions Upon Actions by Individual Owners

Except as provided in the Indenture, no Owner shall have any right to institute any suit, action, or proceeding in equity or at law on any Bond or for the execution of any trust under the Indenture or for any other remedy under the Indenture unless the Authority or the Requisite Number of Bondholders previously shall have given to the Trustee written notice of the Event of Default under the Indenture on account of which such suit, action, or proceeding is to be instituted, and unless also the Authority or the Owners shall have made a written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit, or proceedings in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request, and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Indenture or to any other remedy under the Indenture. Notwithstanding the foregoing provisions of this Section and without complying therewith, the Requisite Number of Bondholders may institute any such suit, action, or proceeding in their own names for the benefit of all Owners under the Indenture. It is understood and intended that, except as otherwise above provided, no one or more Owners shall have any right in any manner whatsoever by his, her, its, or their action to affect, disturb, or prejudice the security of the Indenture, or to enforce any right under the Indenture except in the manner provided, that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the benefit of all Owners and that any individual rights of action or other right given to one or more of such Owners by law shall be restricted by the Indenture to the rights and remedies provided in the Indenture.

Appointment of Receiver

Upon the occurrence of an Event of Default under the Indenture and on the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the amounts payable under the Loan Agreement and the Notes as assigned to the Trustee under the Indenture, pending such proceedings, with such powers as the court making such appointments shall confer,

whether or not any such amounts shall be sufficient ultimately to satisfy the Bonds then Outstanding under the Indenture.

Enforcement of Rights of Action

All rights of action (including the right to file proof of claim) under the Indenture or under any Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee must be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners secured by the Indenture, and any recovery of judgment shall be for the equal benefit of the Owners.

No Remedy Exclusive

No remedy in the Indenture conferred on or reserved to the Trustee or the Owners is intended to be exclusive of any other remedy or remedies provided in the Indenture, and each and every such remedy shall be cumulative and in addition to every other remedy given under the Indenture or now or hereafter existing at law or in equity.

Waivers

No delay or omission by the Trustee or any Owner in the exercise of any right or power accruing on any Event of Default under the Indenture shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or any acquiescence therein, and every power or remedy given by the Indenture to the Trustee and the Owners may be exercised from time to time and as often as may be deemed expedient.

No Enforcement Obligation of the Authority

Notwithstanding anything to the contrary in the Indenture, the Authority shall have no obligation to, and instead the Trustee may, without further direction from the Authority, take any and all steps, actions, and proceedings to enforce any or all rights of the Authority (other than those specifically relating to the Unassigned Rights) under the Indenture or the Loan Agreement, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Corporation under the Loan Agreement.

Acceptance of the Trusts

The Trustee accepts the trusts and obligations imposed upon it by the Indenture and by the other Security Documents, represents and covenants that it is fully empowered under applicable laws and regulations to accept said trusts and obligations, and agrees to perform said trusts and obligations, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into the Indenture or any of the other Bond Documents against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default under the Indenture and after the waiving or curing of all Events of Default that may have occurred under the Indenture, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture and in the other Bond Documents. In case an Event of Default under the Indenture of which the Trustee shall have been notified or of which it is deemed to have knowledge shall have occurred (that shall not have been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by the Indenture and by the other Bond Documents, and use the same degree of care and skill in their exercise, as a prudent corporate trustee would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Trustee may execute any of the trusts or powers of the Indenture and of the other Bond Documents and perform any of its duties by or through attorneys, accountants, agents, receivers, or employees, and shall not be responsible for the acts of any attorneys, accountants, agents, or receivers appointed by it in good faith and without negligence, and shall be entitled to advice of counsel concerning all matters of trusts of the Indenture and the other Bond Documents and the duties under the Indenture and may in all cases pay such reasonable compensation, subject to reimbursement, to all such attorneys, accountants, agents, receivers and employees as may be reasonably employed in connection with the trusts of the Indenture. As to matters of law, the Trustee may act upon the opinion or advice of any attorneys (who may be the attorney or attorneys for the Authority or the Borrower) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.

(c) The Trustee may rely and shall be protected in acting in good faith upon any notice, request, resolution, consent, certificate, order, affidavit, letter, telegram, facsimile transmission, electronic mail, or other paper or electronic document or any oral communication or direction reasonably believed to be genuine and correct and to have been signed or sent or given by the proper Person or Persons in accordance with the provisions of any of the Bond Documents. Any action taken by the Trustee pursuant to the Indenture or any of the other Bond Documents 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 shall be conclusive and binding upon all future Owners of the same Bond and of any Bond or Bonds issued in exchange therefor or upon transfer of or in place thereof.

(d) The Trustee shall not be required to take notice or be deemed to have notice of any failure on the part of the Authority to comply with the terms of the Indenture or any other Authority Document or the Borrower to comply with the terms of the Loan Agreement or any other Borrower Document except:

(i) failure by the Authority to cause to be made any of the payments to the Trustee required to be made by the Indenture; and

(ii) failure by the Borrower to make any of the Loan Payments to the Trustee required to be made by the Loan Agreement,

unless the Trustee shall be specifically notified in writing of such failure by the Authority or by the Requisite Number of Bondholders. All notices or other instruments required by the Indenture to be delivered to the Trustee must, in order to be effective, be delivered to a Responsible Officer at the Office of the Trustee, and in the absence of such notice so delivered the Trustee, may conclusively assume there is no such failure to comply except as aforesaid. Notwithstanding any other provision of the Indenture, no right of the Trustee to indemnification shall relieve the Trustee from responsibility for making Debt Service Payments on the Bonds when due from money available to it or accelerating the Bonds as required pursuant to "Acceleration of Maturities" above.

Fees, Charges, and Expenses of the Trustee

The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for Ordinary Services of the Trustee rendered under the Indenture or under any of the other Bond Documents, and all advances, attorneys' fees, and other Ordinary Expenses of the Trustee reasonably made or incurred by the Trustee in connection with such Ordinary Services of the Trustee, and in the event that the Trustee performs Extraordinary Services of the Trustee, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable Extraordinary Expenses of the Trustee in connection therewith; provided, that if such Extraordinary Services of the Trustee or Extraordinary Expenses of the Trustee shall be the result of the negligence or willful misconduct of the Trustee, it shall not be entitled to compensation or

reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as bond registrar and paying agent for the Bonds. Notwithstanding any other provision of the Indenture or of the Loan Agreement to the contrary, at all times while any Bonds shall be Outstanding, payments to the Trustee for services under the Indenture shall be superior to the payment of Debt Service Payments on the Bonds, and the Trustee shall have a first and prior lien on the Trust Estate for payment of its fees and expenses.

Notice if Payment Default Occurs

If a failure to comply shall occur of which the Trustee is required to take notice or if notice of a failure to comply shall be given under the Indenture, provided the Trustee shall give such notice to the Authority as specified in the Indenture and such notice to the Borrower as is specified in the Loan Agreement, and shall give written notice thereof by first-class mail, within 15 days (unless such failure to comply shall have been cured or waived), to all Bondholders; provided that, except in the case of a failure to make due and punctual payment of the Debt Service Payments on the Bonds, the Trustee may withhold such notice to the Bondholders if and so long as the board of directors, the executive committee, or a trust committee of directors or Responsible Officers of the Trustee in good faith shall determine that the withholding of such notice is in the interests of the Bondholders.

Resignation by the Trustee

The Trustee and any successor Trustee may at any time resign from the trusts created by the Indenture by giving 30 days' written notice to the Authority, to the Borrower, to each Rating Agency, and, by first-class mail, to each Bondholder, and such resignation shall take effect at the appointment of a successor Trustee pursuant to the provisions under "Appointment of Successor Trustee; Temporary Trustee," below and acceptance by the successor Trustee of such trusts. If no successor Trustee shall have been so appointed by the Authorized Borrower Representative or the Bondholders pursuant to "Appointment of Successor Trustee; Temporary Trustee" below within 30 days after delivery of such notices, a temporary Trustee may be appointed by the Authority pursuant to "Appointment of Successor Trustee; Temporary Trustee" below. In the event that no successor Trustee shall have been appointed and shall have accepted appointment within 30 days of the giving of written notice by the resigning Trustee as aforesaid, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Removal of the Trustee

The Trustee may be removed at any time upon 30 days' written notice (i) by the Authority for any breach of the trusts set forth herein or for any failure or refusal to act as Trustee; (ii) by an instrument or concurrent instruments in writing delivered to the Trustee and to the Authority and signed by a Majority of the Bondholders; or (iii) by an instrument in writing delivered to the Trustee and to the Authority signed by the Authorized Borrower Representative, provided no Event of Default under the Indenture or the Loan Agreement shall have occurred and be continuing. Removal of the Trustee shall not be effective until a successor or temporary Trustee shall have been appointed pursuant to "Appointment of Successor Trustee; Temporary Trustee" below and the Trustee shall have been paid for all Ordinary Services and Extraordinary Services of the Trustee rendered under the Indenture and for all Ordinary Expenses and Extraordinary Expenses of the Trustee incurred under the Indenture. The Authority or the Borrower, on behalf of the Authority, shall give written notice of removal of the Trustee to each Rating Agency.

Appointment of Successor Trustee; Temporary Trustee

In case the Trustee shall (i) resign or be removed; or (ii) be dissolved or shall be in the course of dissolution or liquidation, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court or otherwise become incapable of acting under the Indenture, a successor may be appointed by an instrument executed and signed by the Chair or an Authorized Signatory under seal and executed by the Authorized Borrower Representative; provided, that if a successor Trustee shall not be so appointed within 10 days after notice of resignation shall have been mailed or an instrument of removal shall have been delivered as provided above under “Resignation by the Trustee” and “Removal of the Trustee,” respectively, or within 10 days of the Authority’s knowledge of any of the events specified in clause (ii) hereinabove, then a Majority of the Bondholders, by an instrument or concurrent instruments in writing signed by or on behalf of such Owners, delivered personally or sent by certified or registered mail to the Authority and the Borrower, may designate a successor Trustee. Until a successor Trustee shall be appointed by the Bondholders in the manner above provided, the Authority, by resolution and upon written notice to the Borrower, shall appoint a temporary Trustee to fill such vacancy, and any such temporary Trustee so appointed by the Authority shall immediately and without further act be superseded by the successor Trustee so appointed by the Bondholders. Notice of the appointment of a successor Trustee shall be given in the same manner as provided above by “Resignation by the Trustee” with respect to the resignation of the Trustee. Every such successor Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof that is in good standing within or outside the State; shall be eligible to serve as trustee, bond registrar, and paying agent under applicable law; shall be duly authorized to exercise trust powers and subject to examination by federal or state authority; shall have a reported combined capital, surplus, and undivided profits of not less than \$75,000,000; and shall be an institution willing, qualified, and able to accept the trusteeship upon the terms and conditions of the Indenture.

In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of the Indenture prior to the date specified in the notice of resignation as the date when such resignation shall take effect, the Owner of any Bond or the resigning Trustee 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, appoint a successor Trustee.

Indemnification of Trustee

Before taking any action under the Indenture at the direction or request of the Bondholders or in connection with a default or Event of Default, the Trustee may require that a reasonably satisfactory indemnity bond be furnished for reimbursement of all expenses it may incur and to protect it against all liabilities, except for liability that is adjudicated to have resulted from the negligence or willful misconduct of the Trustee by reason of any action so taken.

Borrower’s Financial Statements

Upon the written request of any Owner, the Trustee, at the expense of such Owner, shall deliver to such Owner a copy of any of the financial statements of the Borrower that shall be delivered to the Trustee by the Borrower pursuant to the Loan Agreement. The Trustee shall have no duty to review, verify or analyze such financial statements (or any accompanying documentation) and shall hold such financial statements solely as a repository for the benefit of the Bondholders. The Trustee shall not be deemed to

have notice of any information contained therein, or default or Event of Default which may be disclosed therein in any manner.”

Amendments to Indenture and Supplemental Indentures Not Requiring Consent of the Bondholders

The Authority and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into an amendment to the Indenture or an indenture supplemental to the Indenture for any one or more of the following purposes:

- (i) to cure any error, ambiguity, or formal defect or omission in, or to correct or supplement any defective provision of, the Indenture;
- (ii) to add to the covenants and agreements of, and the limitations and restrictions upon, the Authority in the Indenture other covenants, agreements, limitations, and/or restrictions to be observed by the Authority for the protection of the Bondholders or to surrender or limit any right or power reserved or conferred upon the Authority;
- (iii) to evidence the appointment of a separate trustee or a co-trustee, or the succession of a new Trustee or the appointment of a new or additional paying agent or bond registrar;
- (iv) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, benefits, security, liabilities, duties or authority that may lawfully be granted to or conferred or imposed upon the Bondholders or the Trustee or either of them;
- (v) to subject to the lien and security interest of the Indenture or any of the other Security Documents additional revenues, properties, or collateral;
- (vi) to modify, amend or supplement the Indenture or any indenture supplemental to the Indenture in such manner as to permit the qualification of the Indenture and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of any Bonds for sale under the securities laws of any state, and, if they so determine, to add to the Indenture or any indenture supplemental to the Indenture such other terms, conditions, and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or any similar federal statute;
- (vii) to modify, amend or supplement the Indenture in such manner as to assure the continued exclusion of the interest on any Tax-Exempt Bonds from the gross income of the Owners thereof for federal income tax purposes;
- (viii) to modify, amend or supplement the Indenture in such a manner as shall be necessary in connection with the appointment of a successor Securities Depository under the Indenture;
- (ix) to modify, amend or supplement the Indenture for the purpose of obtaining or retaining a rating on the Bonds or a Series or Subseries of Bonds from a Rating Agency;
- (x) to modify, amend or supplement the Indenture in such a manner as shall be necessary to provide for the issuance of Additional Bonds;

(xi) to comply with any provisions of the Securities Act, the Exchange Act, or any rules or regulations promulgated thereunder;

(xii) to reflect a revision to the “Schedule of Payments to the Repair and Replacement Fund” in accordance with the provisions of the Loan Agreement;

(xiii) to reflect a change in applicable law provided that the Trustee shall determine that such amendment or supplemental indenture does not materially adversely affect the Bondholders;

(xiv) in connection with the issuance of Additional Bonds in accordance with the provisions of the Indenture, to make any other change herein as to which the Borrower and the College shall have given their prior written consent; and

(xv) to make any change herein that, in the judgment of the Trustee, does not prejudice the Trustee or, as evidenced by an Opinion of Counsel, does not materially adversely affect the Bondholders.

The Authority and the Trustee shall, without the consent of, or notice to, any of the Bondholders, enter into an amendment to the Indenture or an indenture supplemental to the Indenture (i) in connection with the issuance of any Additional Bonds in accordance with the Indenture and the inclusion of additional Security in connection therewith; (ii) to the extent necessary with respect to the land and interests in land, buildings, furnishings, machinery, equipment, and all other real and personal property that may form a part of the Project, so as to identify the same more precisely or to substitute or add additional land or interests in land, buildings, furnishings, machinery, equipment, or real or personal property as Security; or (iii) with respect to any changes required to be made in the description of the Security in order to conform with similar changes made in the Loan Agreement as permitted below under “Amendments to Other Bond Documents Not Requiring Consent of the Bondholders.”

In executing any amendment or supplemental indenture under this Section, the Trustee may, as to matters of law, conclusively rely on an Opinion of Counsel to the effect that such amendment or supplemental indenture is authorized or permitted under the Indenture and complies with the provisions of the Indenture.

Amendments to Indenture and Supplemental Indentures Requiring Consent of the Bondholders

Exclusive of amendments and indentures supplemental to the Indenture governed by “Amendments to Indenture and Supplemental Indentures Not Requiring Consent of the Bondholders” above and subject to the terms and provisions contained in this Section and not otherwise, a Majority of the Bondholders shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of an amendment to the Indenture or such indenture supplemental to the Indenture as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Indenture, in any amendment to the Indenture, or in any supplemental indenture; provided, however, that nothing contained in this Section shall permit, or be construed as permitting:

(i) an extension of the stated maturity or reduction in the principal amount of, or a reduction in the rate (other than a change in a variable rate as provided in the Indenture) or an extension of the time of payment of interest on, or a reduction of any premium payable on the redemption of, any Bonds, without the consent of the Owners of all of such Bonds; or

(ii) the creation of any lien or security interest (other than any Permitted Encumbrances) prior to or on a parity with the lien and security interests of the Indenture, without the consent of the Owners of all of the Bonds at the time Outstanding; or

(iii) a reduction in the amount, or an extension of the time of any payment, required by the mandatory sinking fund redemption provisions of the Indenture, without the consent of the Owners of all of the Bonds at the time Outstanding that would be affected by the action to be taken; or

(iv) a reduction in the aforesaid aggregate principal amount of Bonds the Owners of which are required to consent to any such amendment or supplemental indenture, without the consent of the Owners of all of the Bonds at the time Outstanding; or

(v) the modification of the trusts, powers, obligations, remedies, privileges, rights, duties, or immunities of the Trustee, without the written consent of the Trustee; or

(vi) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, without the consent of the Owners of all of the Bonds at the time Outstanding; or

(vii) the release of the Indenture or requirements for the release of the Indenture, without the consent of the Owners of all of the Bonds at the time Outstanding.

If at any time the Authority shall request the Trustee to enter into any such amendment or supplemental indenture for any of the purposes allowed by this Section, the Trustee shall, upon being reasonably indemnified with respect to expenses, cause notice of the proposed execution of such amendment or supplemental indenture to be given in substantially the manner provided in the Indenture with respect to redemption of Bonds. Such notice shall briefly set forth the nature of the proposed amendment or supplemental indenture and shall state that copies thereof are on file at the Office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be reasonably prescribed by the Authority following the giving of such notice, the Bondholders required by the provisions of this subsection shall have consented thereto and approved the execution thereof as provided in the Indenture, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein or to the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment or supplemental indenture as in this Section permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an Opinion of Counsel as conclusive evidence that execution and delivery of an amendment or supplemental indenture shall have been effected in compliance with the provisions of this Section.

Anything in the Indenture to the contrary notwithstanding, if the Borrower shall not be in default under the Loan Agreement at such time, an amendment to the Indenture or supplemental indenture under the Indenture that affects any rights or obligations of the Borrower or that changes the priority or use of moneys under the Indenture shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such amendment or supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such amendment or supplemental indenture, together with a copy of such amendment or supplemental indenture, to be mailed by certified or registered mail or personally delivered to the Borrower at least 15 days prior to the proposed date of execution and delivery of any such amendment or supplemental indenture. Under such circumstances, the Borrower shall be deemed to have consented to the execution and delivery of any such amendment or supplemental indenture if the Trustee shall not have received a letter of protest or objection thereto signed

by or on behalf of the Borrower on or before 4:30 p.m., local time of the Trustee, on the fifteenth day after the mailing of such notice and a copy of the proposed amendment or supplemental indenture.

The Trustee shall not be obligated to sign any amendment or supplement to the Indenture or the Bonds as authorized by the Indenture if such amendment or supplement, in the judgment of the Trustee, might adversely affect the rights, duties, liabilities, protections, indemnities or immunities of the Trustee.

Notice to Rating Agencies

The Trustee shall, prior to execution, give written notice of, and, after execution, copies of any amendment to the Indenture or to any indenture supplemental to the Indenture to each Rating Agency.

Amendments to Other Bond Documents Not Requiring Consent of the Bondholders

The Authority and the Trustee may, without the consent of, or notice to, the Bondholders, consent to any amendment, change, or modification of the Bond Documents other than the Indenture for any one or more of the following purposes: (i) as may be required by the provisions of the Loan Agreement or the Indenture; (ii) to provide for the issuance of Additional Bonds as provided in the Indenture; (iii) to cure any error, ambiguity, or formal defect or omission therein, or to correct or supplement any defective provision thereof; (iv) to add to the covenants and agreements of, and the limitations and restrictions upon, the Borrower therein other covenants, agreements, limitations, and/or restrictions to be observed by the Borrower for the protection of the Bondholders or to surrender or limit any right or power herein reserved or conferred upon the Borrower; (v) in connection with the land and interests in land, buildings, machinery, equipment, and other real or personal property described in the Loan Agreement, the Leasehold Deed of Trust, and/or the Security Agreement so as to identify more precisely the same or to substitute or add additional land or interests in land, buildings, machinery, equipment, or other real or personal property; (vi) to reflect a revision to the “Schedule of Payments to the Repair and Replacement Fund” in accordance with the provisions of the Loan Agreement; (vii) to reflect a change in applicable law provided that such amendment, change, or modification does not materially adversely affect the Bondholders as evidenced by an Opinion of Counsel delivered to the Trustee; (viii) to amend, change, or modify such Bond Documents in such manner as to assure the continued exclusion of the interest on any Tax-Exempt Bonds from the gross income of the Owners thereof for federal income tax purposes; (ix) to modify, amend, or change such Bond Documents in such a manner as shall be necessary in connection with the appointment of a successor Securities Depository under the Indenture; (x) to modify, amend, or change such Bond Documents for the purpose of obtaining or retaining a rating on the Bonds or a Series or Subseries of Bonds from a Rating Agency; (xi) to modify, amend, or change such Bond Documents in such a manner as shall be necessary to provide for the issuance of Additional Bonds; (xii) to substitute a new “Borrower” under the Loan Agreement as provided therein; (xiii) to comply with any provisions of the Securities Act, the Exchange Act, or any rules or regulations promulgated thereunder; (xiv) in connection with the issuance of Additional Bonds in accordance with the provisions of the Indenture, to make any change herein as to which the Borrower and the College shall have given their prior written consent; or (xv) to make any other change therein that, in the judgment of the Trustee, does not prejudice the Trustee or, as evidenced by an Opinion of Counsel, does not materially adversely affect the Bondholders.

In executing any amendment under the Indenture, the Trustee may, as to matters of law, conclusively rely on an Opinion of Counsel to the effect that such amendment is authorized or permitted under the Indenture and complies with the terms of the Indenture.

Amendments to Other Bond Documents Requiring Consent of the Bondholders

Except for the amendments, changes, or modifications as provided above under “Amendments to Other Bond Documents Not Requiring Consent of the Bondholders,” neither the Authority nor the Trustee shall consent to any other amendment, change, or modification of the Bond Documents or any of them other than the Indenture without giving notice to, and obtaining the written approval or consent of, a Majority of the Bondholders given and procured as in this Section provided; provided, however, that nothing in this Section or above under “Amendments to Other Bond Documents Not Requiring Consent of the Bondholders” shall permit or be construed as permitting, (i) an extension of the time for payment of any amounts payable under the Loan Agreement or a reduction in the amount of any payment or in the total amount due under the Loan Agreement, without the consent of the Owners of all of the Bonds at the time Outstanding; or (ii) a reduction in the aforesaid aggregate principal amount of Bonds the Owners of which are required to consent to any such amendment, change, or modification of such other Bond Documents, without the consent of the Owners of all of the Bonds at the time Outstanding. If at any time the Authority and the Borrower shall request the consent of the Trustee to any such proposed amendment, change, or modification of such other Bond Documents, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided above under “Amendments to Indenture and Supplemental Indentures Requiring Consent of the Bondholders” with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the Office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Authority following the giving of such notice, the Trustee and the Bondholders required by the provisions of this subsection shall have consented thereto and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein or to the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee from consenting to the execution thereof or to enjoin or restrain the Authority or the Borrower from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment, change, or modification as in this Section permitted and provided, such other Bond Documents shall be and be deemed to be modified, changed, and amended in accordance therewith. The Trustee may rely upon an Opinion of Counsel as conclusive evidence that execution and delivery of an amendment, change, or modification has been effected in compliance with the provisions of this Section.

The Trustee shall not be obligated to sign any amendment or supplement to the Bond Documents if such amendment or supplement, in the judgment of the Trustee, might adversely affect the rights, duties, liabilities, protections, indemnities, or immunities of the Trustee.

Notwithstanding anything contained in the Section to the contrary, no consent of any Bondholder or the Trustee shall be required (i) in connection with any amendment or modification of the Tax Certificate as shall be necessary, in the opinion of Bond Counsel, to preserve the exclusion of interest on any Tax-Exempt Bonds from the gross income of the Owners thereof for federal income tax purposes; (ii) in connection with any amendment or modification of the Development Agreement or the General Construction Contract if such amendment or modification shall not affect the obligation of the Developer or the General Contractor to pay liquidated damages thereunder (including, without limitation, a delay of the commencement date or a decrease in the amount thereof); (iii) in connection with any amendment or modification of the Development Agreement or the General Construction Contract that either shall not increase the Cost of the Project or, to the extent that the Cost of the Project shall be increased by such modification or amendment, the Authorized Developer Representative shall have certified in writing to the Trustee that such increase is not in excess of the amount deposited into the Construction Fund in connection with such amendment or modification; (iv) in connection with any amendment or modification of the Housing Services Agreement that shall not decrease the payment obligations of the College thereunder; or

(v) in connection with any amendment or modification of the Management Agreement that shall not increase the management fee or the percentage of the management fee that is not subordinated to the payment of Annual Debt Service.

Notice to Rating Agencies

The Trustee shall, prior to execution, give written notice of, and, after execution, copies of any amendment, change, or modification of the Bond Documents other than the Indenture to each Rating Agency.

CONSTRUCTION LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS AND SUBLEASES, AND FIXTURE FILING

Introduction

The Leasehold Deed of Trust will provide security for the Borrower's obligations under the Loan Agreement and any loan, financing, or similar agreement between the Authority and the Borrower relating to Additional Bonds.

Security

To secure the Borrower's obligations to the Authority under Loan Agreement and any loan, financing, or similar agreement between the Authority and the Borrower relating to Additional Bonds, the Borrower will execute and deliver to the Deed of Trust Trustee for the benefit of the Trustee the Leasehold Deed of Trust pursuant to which the Borrower will, subject to Permitted Encumbrances, convey to the Deed of Trust Trustee for the benefit of the Trustee a first deed of trust lien on its interest in the Series 2019 Project and the Property and all leases of all or part of the Series 2019 Project and will grant to the Deed of Trust Trustee for the benefit of the Trustee a security interest in all rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits of and from the Series 2019 Project and from and in connection with its ownership, occupancy, use, or enjoyment of the Series 2019 Project, subject to Permitted Encumbrances.

Remedies

Upon the occurrence and continuation of an Event of Default under the Indenture or the Loan Agreement, the Trustee will be entitled to exercise the remedies provided by the Leasehold Deed of Trust which will permit the Trustee (i) to declare the outstanding principal amount of the Series 2019 Bonds, the interest accrued thereon, and all other amounts payable with respect thereto to be due and payable immediately, and upon such declaration, such amounts shall immediately become and be due and payable, (ii) by itself, or by such officers or agents as it may appoint, to enter and take possession of the Series 2019 Project and to exclude the Borrower and their respective agents and employees wholly therefrom, (iii) to demand, collect, and sue for, in its own name, or in the name of the Borrower all of the rents, issues, profits, revenues, royalties, earnings, income, and benefits derived from the Series 2019 Project as they become due and payable, including those past due and unpaid and to apply such rents, issues, profits, revenues, royalties, earnings, income, and benefits to the payment of the Series 2019 Bonds, and (iv) with or without entry or taking possession, to proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy (a) to enforce payment of the Series 2019 Bonds or the performance of any term of the Loan Agreement, the Leasehold Deed of Trust, or any of the other Bond Documents or any other right; (b) to foreclose the Leasehold Deed of Trust and to sell, as an entirety or in separate lots or parcels, the Project, under the judgment or decree of a court or courts of competent jurisdiction; and (c) to pursue any other remedy available to it. All proceeds from the exercise of the remedies provided by the Leasehold Deed of Trust will be applied as provided in the Indenture.

THE SECURITY AGREEMENT

Introduction

The Security Agreement will provide security for the Borrower's obligations under the Loan Agreement.

Security

To secure the Borrower's obligations to the Authority under Loan Agreement, the Borrower will execute and deliver to the Trustee the Security Agreement pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in the following (the "**Collateral**"): (a) the Pledged Revenues, (b) all accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's ownership and/or operation of the Project, (c) the Equipment, (d) the Inventory, (e) all accounts, books, records, and other property relating or referring to any of the foregoing, and (f) all proceeds of any of the foregoing.

Remedies

Upon the occurrence and continuation of an Event of Default under the Indenture or the Loan Agreement, the Trustee will be permitted to exercise in respect of the Collateral, in addition to other rights and remedies provided for in the Security Agreement or otherwise available to it, all rights and remedies permitted under the Loan Agreement or otherwise permitted in law or in equity, to protect and dispose of the Collateral and to protect its rights to payment under the Loan Agreement, and all the rights and remedies of a secured party on default under the California Uniform Commercial Code (the "**UCC**") (whether or not the UCC applies to the affected Collateral) and also may (i) require the Borrower to, and the Borrower will agree that it will at its own expense, gather or assemble all or part of the Collateral not in the possession of the Trustee as directed by the Trustee and make it available to the Trustee at a place to be designated by the Trustee that is reasonably convenient to both parties and (ii) without notice, except as specified below, sell the Collateral, or any part thereof, in one or more parcels at public or private sale, at any of the Trustee's offices or elsewhere, for cash, or credit, or for future delivery, and at such price or prices and upon such other terms as the Trustee may deem commercially reasonable. Any cash held by the Trustee as collateral and all cash proceeds received by the Trustee in respect of any sale of, collection from, or other realization upon all or any part of the collateral subject to the Security Agreement will be applied as provided in the Indenture.

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APPENDIX E

BOOK-ENTRY SYSTEM

The following description of the procedures and record-keeping with respect to beneficial ownership interests in the Series 2019 Bonds, payment of principal, interest and other payments on the Series 2019 Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in such Series 2019 Bonds, other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2019 Bonds (the “Securities”). The Securities 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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 has a Standard & Poor’s rating of 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, provided that nothing contained in such website is incorporated into this Limited Offering Memorandum.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Bond Documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 shall be sent to DTC. If less than all of the Securities 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 Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities 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 Authority or the Trustee, on payable 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 securities 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 Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority 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 Securities at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borrower believes to be reliable, but none of the Authority, the Borrower, the Corporation or the College takes any responsibility for the accuracy thereof.

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Series 2019 Bonds, Orrick, Herrington & Sutcliffe, LLP, Bond Counsel, proposes to render its final approving opinion with respect to the Series 2019 Bonds in substantially the following form:

[Closing Date], 2019

California Statewide Communities Development Authority
Sacramento, California

California Statewide Communities Development Authority
College Housing Revenue Bonds
(NCCD – Hooper Street LLC - California College of the Arts Project)
Series 2019

(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the California Statewide Communities Development Authority (the “Issuer”) in connection with the issuance by the Issuer of \$[Principal Amount] aggregate principal amount of California Statewide Communities Development Authority College Housing Revenue Bonds (NCCD – Hooper Street LLC - California College of the Arts Project) Series 2019 (the “Bonds”). The Bonds are issued pursuant to a Trust Indenture (the “Indenture”), dated as of January 1, 2019, between the Issuer and Wilmington Trust, National Association, as trustee (the “Trustee”). The Indenture provides that the Bonds are issued for the stated purpose of making a loan of the proceeds thereof to NCCD – Hooper Street LLC (the “Borrower”), a limited liability company whose sole member is the National Campus and Community Development Corporation, a Texas nonprofit corporation, pursuant to a Loan Agreement (the “Loan Agreement”), dated as of January 1, 2019, between the Issuer and the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Loan Agreement, the Tax Certificate dated the date hereof, among the Issuer, California College of the Arts (the “College”), the Borrower and National Campus and Community Development Corporation, opinions of counsel to the Issuer, the College, the Trustee and the Borrower, certificates of the Issuer, the College, the Trustee, the Borrower and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have relied on the opinion of Waller Lansden Dortch & Davis, LLP, counsel to the Borrower, and Adler & Colvin, counsel to College, regarding, among other matters, the current qualification of National Campus and Community Development Corporation and the College, respectively, as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) and certain uses of the facilities financed or refinanced with the proceeds of the Bonds in activities that are not considered unrelated trade or business activities of National Campus and Community Development Corporation or the College, respectively, within the meaning of Section 513 of the Code. We note that such opinions are subject to a number of qualifications and limitations. Failure of either National Campus and Community Development Corporation or the College to be organized and operated in accordance with the Internal Revenue Service’s requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or use of the bond-financed facilities in activities that are considered unrelated trade or business activities of National Campus and Community Development Corporation or the College within the meaning of Section 513 of the Code, may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Bonds.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second and third paragraphs hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Loan Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Loan Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against joint powers agencies in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we

express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or as subject to the lien of the Indenture or the Loan Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Issuer.
2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Trust Estate and any other amounts held by the Trustee in any fund or account established pursuant to the Indenture, except the Rebate Fund, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
3. The Loan Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Issuer.
4. The Bonds are not a lien or charge upon the funds or property of the Issuer except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California, and said State is not liable for the payment thereof.
5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

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APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this “Disclosure Agreement”), dated as of January 1, 2019, is by and between NCCD—HOOPER STREET LLC, a single member limited liability company organized and existing under the laws of the State of California (the “Borrower”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as dissemination agent (the “Dissemination Agent”).

WITNESSETH:

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) has issued \$89,800,000 aggregate principal amount of its California Statewide Communities Development Authority College Housing Revenue Bonds (NCCD—Hooper Street LLC—California College of the Arts Project) Series 2019 (the “Series 2019 Bonds”), pursuant to the Trust Indenture, dated as of January 1, 2019 (the “Indenture”), by and between the Authority and Wilmington Trust, National Association, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

WHEREAS, the Authority and the Borrower have entered into the Loan Agreement, dated as of January 1, 2019 (the “Loan Agreement”), specifying the terms and conditions of the loan by the Authority to the Borrower of the proceeds of the Series 2019 Bonds and the payment by the Borrower to the Authority of amounts sufficient for the payment of the principal of, premium, if any, and interest on the Series 2019 Bonds, and costs incidental thereto, as and when due and payable; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the owners and beneficial owners of the Series 2019 Bonds and in order to assist the underwriters of the Series 2019 Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 2. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Agreement have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

“Annual Report” means any Annual Report provided by the Borrower pursuant to, and as described in, Sections 2 and 3 hereof.

“Annual Report Date” means the date in each year that is the first day of the month following the ninth month after the end of the Borrower’s Fiscal Year, which date, as of the date of this Disclosure Agreement, is April 1.

“Authority” means the California Statewide Communities Development Authority, a joint powers authority organized and existing under the laws of the State of California (the “State”) that is separate and distinct from, and independent of, the State and its political subdivisions, and its successors and assigns.

“Borrower” means NCCD—Hooper Street LLC, a single member limited liability company organized and existing under the laws of the State, and its successors and assigns, the sole member of which is the Corporation.

“College” means California College of the Arts, and its successors and assigns

“Corporation” means National Campus and Community Development Corporation, a nonprofit corporation duly organized and existing under the laws of the State of Texas and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and its successors and assigns.

“Disclosure Representative” means the President of the Borrower, or his or her designee, or such other person as the Borrower shall designate in writing to the Trustee from time to time.

“Dissemination Agent” means the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

“Fiscal Year” means any period of 12 consecutive months adopted by Borrower as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year (other than the first fiscal year which shall begin on the date of the Borrower’s formation) and ending on June 30 of the same calendar year; provided, however, that the first Fiscal Year shall begin on the date that the Borrower’s articles of organization (or equivalent document) were filed with the Texas Secretary of State and end on June 30, 2019.

“Indenture” means the Trust Indenture, dated as of January 1, 2019 by and between the Authority and the Trustee, as originally executed and as it may be amended or supplemented from time to time in accordance with its terms.

“Loan Agreement” means the Loan Agreement, dated as of January 1, 2019, by and between the Authority and the Borrower, as originally executed and as it may be amended, supplemented or otherwise modified from time to time in accordance with its terms and the terms of the Indenture.

“Listed Events” means any of the events listed in subsection (a) or subsection (b) of Section 4 hereof.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” means any of the original underwriters of the Series 2019 Bonds required to comply with the Rule in connection with the offering of the Series 2019 Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Student Housing Facility” shall have the meanings ascribed thereto in the Loan Agreement.

“Trustee” means Wilmington Trust, National Association, as trustee under the Indenture, or any successor thereto as Trustee thereunder, substituted in its place as provided therein.

Section 3. Provision of Annual Reports and Periodic Reports. (a) The Borrower shall, or shall cause the Dissemination Agent to, provide to the MSRB an Annual Report that is consistent with the requirements of Section 3 hereof under the caption “*Annual Financial Information*,” not later than the Annual Report Date, commencing with the report for Fiscal Year 2018-19 (which Fiscal Year, as of the date of this Disclosure Agreement, ends on June 30, 2019). The Annual Report may include by reference other information as provided in Section 3 hereof under the caption “*Annual Financial Information*”; provided, however, that the audited financial statements of the Borrower, if any, may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Borrower's Fiscal Year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB.

The Borrower shall, or shall cause the Dissemination Agent to, provide to the MSRB that periodic financial disclosure that is consistent with the requirements of Section 3 hereof under the caption “*Periodic Information Disclosure*,” on the dates and in substantially the form specified under such caption.

(a) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the Borrower shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the Borrower and the Dissemination Agent to determine if the Borrower is in compliance with the first sentence of this subsection (b). The Trustee and the Dissemination Agent shall have no duty to review, verify or analyze such Annual Report and the Trustee shall hold such financial statements solely as a repository for the benefit of the Bondholders. The Trustee shall not be deemed to have notice of any information contained therein, or default or Event of Default which may be disclosed therein in any manner.

(b) If the Trustee is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a) of this Section, the Trustee shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) provide each Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the Borrower and (if the Dissemination Agent is not the Trustee) the Trustee certifying that such Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided to the MSRB.

Section 4. Content of Annual Reports and Periodic Reports. The Borrower's Annual Reports and Periodic Reports, respectively, shall contain or incorporate by reference the following:

Annual Financial Information. The Borrower's Annual Report shall contain or incorporate by reference the following:

(a) The Borrower's audited financial statements, if any, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Borrower's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements, in a format similar to that used for the Borrower's audited financial statements, and the

audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the Borrower, the following information:

(i) The principal amount of Series 2019 Bonds Outstanding as of the December 31 next preceding the Annual Report Date;

(ii) The principal amount of any Additional Bonds Outstanding as of the December 31 next preceding the Annual Report Date;

(iii) The balance in the Debt Service Reserve Fund, and a statement of the Debt Service Reserve Requirement, as of the December 31 next preceding the Annual Report Date;

(iv) The Annual Budget for the current Fiscal Year;

(v) An unaudited profit and loss statement showing the results of Project operations for such applicable period prepared in accordance with generally accepted accounting principles;

(vi) A statement of revenue, expenses and changes in fund balance (deficit);

(vii) A statement of cash flow for the year ended in comparative form for the preceding year; and

(viii) The description of any a material change in the dimensions, character, quality or location of any part of the Student Housing Facility.

(c) To the extent provided to the Borrower by the College, the following information related to the College:

(i) Admissions data for the current academic year reflecting applications, acceptances and matriculation undergraduate and graduate headcount and FTE, as well as headcount for enrolled freshman, sophomore and transfer students.

(ii) Number of bachelors and master's degrees conferred in the prior academic year;

(iii) Full time undergraduate tuition and fees, as well as room charges for the current academic year;

(iv) Retention rate of undergraduate students returning in the fall of the current academic year following their first year of enrollment; and

(v) Percentage of degree-seeking undergraduate students who completed a degree within six years of matriculation for the prior academic year.

(d) In addition to any of the information expressly required to be provided under the preceding paragraphs (a), (b) and (c), the Borrower shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Periodic Information Disclosure. The Borrower's periodic posted information shall contain or incorporate by reference the following:

(a) no later than November 30, 2019, and thereafter, on or prior to the last day of each calendar month until the Substantial Completion Date, (a) a calculation of the cumulative percentage of completion of the Student Housing Facility as of the end of the prior month, (b) the monthly report of the Independent Architect/Engineer to the Borrower as to (1) the status of the construction of the Student Housing Facility in accordance with the Plans and Specifications and the requirements of the Design-Build Agreement and the Student Housing Facility schedule as of the end of such prior month and (2) any variances from the Plans and Specifications or the Student Housing Facility schedule, and (c) to the extent there are variances from the Student Housing Facility schedule, a schedule recovery plan of the Developer to the Borrower; and

(b) no later than March 31, 2020, and thereafter, on or prior to the last day of each calendar month until the Substantial Completion Date, a calculation of the number of beds in the Student Housing Facility as to which leases shall have been entered into with residents as of the end of the prior month;

(c) no later than November 1, 2020, and thereafter, on no later than each March 1 and November 1 until the Series 2019 Bonds shall have been paid in full, a calculation of the percent of beds in the Student Housing Facility that were occupied as of the immediately preceding February 1 or October 1, as applicable;

(d) no later than November 1, 2020, and thereafter, on no later than November 1 until the Series 2019 Bonds shall have been paid in full, the then current unit mix, occupancy, and applicable rents for the Student Housing Facility as of the end of the prior month;

(e) within sixty (60) days after each December 31 and June 30 until the Series 2019 Bonds shall have been paid in full, unaudited financial statements of the Borrower for the six (6) months ended December 31 and the year ended June 30, respectively, prepared by the Borrower in accordance with generally accepted accounting principles for non-profit corporations consistently applied, and such other accounting principles approved by an Accountant; and

(f) within one hundred eighty (180) days after the end of each fiscal year of the Borrower, commencing December 31, 2021, until the Series 2019 Bonds shall have been paid in full, a copy of the Borrower's financial statements for such fiscal year, including its balance sheet, statement of revenue, expenses, and changes in fund balance (deficit), and statement of cash flow, for such fiscal year in comparative form for the preceding fiscal year, which financial statements shall be prepared in accordance with generally accepted accounting principles for non-profit corporations consistently applied, and such other accounting principles approved by an Accountant and accompanied by an audit report.

(g) Confirmation of filings of all UCCs within five business days of receipt of such confirmations.

(h) Written notices of the Developer explaining any schedule extensions and/or changes to the Guaranteed Maximum Price under the Design-Build Agreement.

Any or all of the items listed above may be included by specific reference to other documents, including Limited Offering Memorandums of debt issues of the Borrower or related public entities that have been made available to the public on the MSRB's website. The Borrower shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events. (a) Pursuant to the provisions of this Section, the Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2019 Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies.
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (iv) Substitution of credit or liquidity providers, or their failure to perform.
- (v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).
- (vi) Tender offers.
- (vii) Defeasances.
- (viii) Rating changes.
- (ix) Bankruptcy, insolvency, receivership or similar event of the Borrower.

For purposes of the event identified in paragraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower 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 Borrower, or if such jurisdiction has been assumed by leaving the existing governmental 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 Borrower.

(b) Pursuant to the provisions of this Section, the Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2019 Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

- (i) Unless described in paragraph (v) of subsection (a) of this Section, material notices or determinations by the Internal Revenue Service with respect to the tax

status of the Series 2019 Bonds or other material events affecting the tax status of the Series 2019 Bonds.

- (ii) Modifications to rights of holders of the Series 2019 Bonds.
- (iii) Optional, unscheduled or contingent Series 2019 Bond calls.
- (iv) Release, substitution, or sale of property securing repayment of the Series 2019 Bonds.
- (v) Non-payment related defaults.
- (vi) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower 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.
- (vii) Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The Trustee shall, within one business day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative and inform such person of the event. The Trustee shall have no responsibility for determining the materiality of any such Listed Event or whether unscheduled draws reflect financial difficulties.

(d) Whenever the Borrower obtains knowledge of the occurrence of a Listed Event described in subsection (b) of this Section, the Borrower (including with the advice of counsel and/or upon consultation with the College) shall determine if such event would be material under applicable Federal securities law.

(e) Whenever the Borrower obtains knowledge of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that knowledge of a Listed Event described in subsection (b) of this Section would be material under applicable Federal securities law, the Borrower shall, or shall cause the Dissemination Agent to, file a notice of the occurrence of such Listed Event with the MSRB, within ten business days of such occurrence.

(f) Notwithstanding the foregoing, notice of Listed Events described in paragraph (iii) of subsection (b) of this Section need not be given any earlier than the notice (if any) of the underlying event is given to holders of affected Series 2019 Bonds pursuant to the Indenture.

Section 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Borrower's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2019 Bonds. If such termination occurs prior to the final maturity of the Series 2019 Bonds, the Borrower shall give, or cause to be given, notice of such termination in a filing with the MSRB.

Section 8. Dissemination Agent. The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the Borrower. If at any time there is not any other designated Dissemination Agent, the Borrower shall be the Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Borrower, so long as such amendment does not adversely affect the rights or increase the obligations of the Trustee), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsection (a) or (b) of Section 4 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2019 Bonds, or the type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Series 2019 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Series 2019 Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Owners or Beneficial Owners of the Series 2019 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Borrower shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice 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 or notice of occurrence of a Listed Event or any other event required to be reported.

Section 11. Default. In the event of a failure of the Borrower, the Trustee or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the written direction of any Participating Underwriter or the Owners of at least 25% of the aggregate principal amount

of Outstanding Series 2019 Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee), or any Owner or Beneficial Owner of the Series 2019 Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower, the Trustee or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article XI of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall not be liable except for its negligence or willful misconduct hereunder. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. Neither the Trustee nor the Dissemination Agent shall be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement and shall be reimbursed for its reasonable expenses (including attorneys' fees and expenses) incurred by it in the exercise or performance of its powers and duties hereunder. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent permitted by law, the Borrower agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities incurred by it in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees and expenses) of defending against any claim of liability, and which are not due to its negligence or its willful misconduct. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and the termination of this Disclosure Agreement. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with the MSRB shall be prepared and provided to it by the Borrower. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the Borrower has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the Borrower's duty to comply with its continuing disclosure requirements hereunder. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Borrower shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the Borrower. The Dissemination Agent shall have the same rights and protections hereunder as accorded to it as Trustee under the Indenture; provided, however, the Dissemination Agent shall not be liable except for its negligence or willful misconduct hereunder.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Borrower, the Trustee, the Dissemination Agent, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Series 2019 Bonds, and shall create no rights in any other person or entity.

Section 14. Governing Laws. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 15. 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.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

NCCD—HOOPER STREET LLC

By: _____
Charles G. Eden
President

WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: California Statewide Communities Development Authority
Name of Obligated Person: NCCD—Hooper Street LLC
Name of Issue: California Statewide Communities Development Authority College
Housing Revenue Bonds (NCCD—Hooper Street LLC—California
College of the Arts Project) Series 2019
Date of Issuance: January 30, 2019

NOTICE IS HEREBY GIVEN that NCCD—Hooper Street LLC (the “Borrower”) has not provided an Annual Report with respect to the above-named bonds as required by the Continuing Disclosure Agreement, dated as of January 1, 2019, by and between the Borrower and Wilmington Trust, National Association, as dissemination agent. [The Borrower anticipates that such Annual Report will be filed by _____.]

Dated: _____

WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee, on behalf of
NCCD—Hooper Street LLC

cc: NCCD—Hooper Street Properties LLC
California Statewide Communities Development Authority

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APPENDIX H

SUMMARY OF HOUSING LICENSE AGREEMENT

The proposed Housing License Agreement will grant a limited license to a tenant to access and make personal residential use of one assigned Bed in a Unit, together with its standard installed fixtures, plus shared use (or individual use, if a Unit that is single occupancy) of accompanying common areas, furnishings, fixtures and appliances in the assigned Unit, at the Student Housing Facility. As provided in the Ground Lease, the Borrower, and its successors and assigns (including the Manager), shall, without the consent or approval of the College, have the right, in the ordinary course of business, to enter into a Housing License Agreement in accordance with the criteria set forth in the Housing Services Agreement and the Management Agreement. None of the Indenture, the Loan Agreement, the Housing Services Agreement or the Management Agreement specify particular terms of a proposed Housing License Agreement. The initial form of proposed Housing License Agreement for students of the College during an academic year is expected to include terms substantially similar to the following:

Housing License Agreement

The signature of the student on the Housing License Agreement, completion of the electronic application, payment of the Housing Application Fee, Damage and Cleaning Deposit, or the student's acceptance of an assigned space or room key, signifies the student's agreement to and acceptance of all of the terms of the Housing License Agreement. Applicants are required to be an enrolled, half time student of the College (6 or more units per semester for undergraduate students and 5 units or more for graduate students) in order to be eligible for and maintain a campus housing assignment.

The Housing License Agreement is not transferable, nor can it be assigned to another student. The student shall not license or sublicense any space assigned under the Housing License Agreement. The student shall not permit any other person to occupy any space assigned under the Housing License Agreement.

Subject to the student's compliance with the terms and conditions set forth in the Housing License Agreement, the Borrower agrees to provide an assigned space in the Student Housing Facility to such student. The Housing License Agreement is for residential use of an assigned space in a room, suite, or apartment in the building identified as 188 Hooper Street, San Francisco (the "***Building***"). The license given does not provide the student with exclusive possession of any space in the Building, but only the opportunity to occupy space in a manner that is designated by the College or its third-party property manager and for a period of time as provided in the License Period stated therein.

Standards of Conduct

By signing the Housing License Agreement, and/or by the acceptance of the benefits of residing in the Building, the student agrees to abide by the Standards of Conduct described below and to all other policies and procedures of the College. The student shall comply with the rules of conduct of the College as detailed in the Student Handbook, which are consistent with the College's educational objectives. In addition, the student shall comply with the Residential Community Standards & Policies, and Operations and Procedures as outlined by the Office of Housing + Residential Life. These are enforced in addition to the rules of conduct for all students, and apply to behavior occurring within or adjacent to residential facilities and at all Housing + Residential Life -sponsored activities held elsewhere.

License Period

For the applicable academic year, the scheduled period of occupancy consists of the fall and spring semesters, or any remaining balance thereof at the time of signature and submission of the Housing License Agreement (the “*License Period*”). The License Period cannot be changed from these dates unless approved in writing by the Office of Housing + Residential Life.

Semester Break Closure

The Building is closed for the Winter Break, and all residents of those halls must vacate the halls no later than the commencement of Winter Break. The student shall not enter or occupy the Building during the Winter Break. The student may leave personal belongings in an assigned space during the Winter Break at their own risk.

Occupancy and Usage

Use. The student alone may occupy his/her/their assigned space only during the License Period and only for residential purposes. The student shall not conduct any commercial activities in or from the Building. The student is not, and does not have the rights or obligations of, a tenant of the College. The Housing License Agreement does not promise or guarantee an assignment to any particular room, suite, or apartment, or hall, or with a specific roommate.

Assignment and Relocation. (A) The College or its third party manager may assign rooms, suites, and apartments to make the most effective use of available space, and may relocate students as deemed necessary by the reasonable discretion of the College at any time during the License Period.

(B) Students residing in a room with special modifications or accessibility for persons with disabilities, and who do not require such modifications or accessibility, may be transferred to another room should a need arise for the modified room.

(C) Any vacant space in the room, suite or apartment may be filled by the College without prior notice to the Tenant. The Tenant shall not interfere with any new occupant’s use or enjoyment of the space.

(D) Residents who contract communicable diseases may be required to leave until they are no longer contagious.

Room Transfers. Students may not change assigned rooms without the express written approval of the Office of Housing + Residential Life. Students who wish to transfer from one room or suite to another may submit a room transfer request in writing to the Office of Housing + Residential Life. Upon written approval from the Office of Housing + Residential Life, transfers shall be made on a space available basis.

Failure to Move. If the student does not vacate the Building by the designated move out date and time, or by any other date and time as noticed by the College, the student shall pay a \$150 improper move fee, as well the prorated per day license fee until the space is vacated.

Utilities. The College shall provide utilities including gas, electricity, water, waste disposal and elevator service, but cannot and does not assume responsibility or liability for disruption of these services.

Room Access

A Housing + Residential Life Staff member and/or her/his designee may enter the student's room at any time, including, but not limited to: to ensure compliance with health and safety regulations, to make repairs or improvements, in the event that the room has been abandoned by either student, or in the event of an emergency. Except in cases of emergency, abandonment or where impractical in the judgement of the staff member, college personnel will attempt to give prior notice to the student(s) and enter the student's room during regular business hours.

Residential Fees and Costs

For the accommodations assigned, students agree to pay to the Borrower the amounts listed as follows:

Application Fee. An Application Fee payable at the Office of Housing + Residential Life at the time of application. This fee is non-refundable and is used to support the administrative costs associated with processing the application.

Housing Damage and Cleaning Deposit. A housing damage and cleaning deposit payable at the Office of Housing + Residential Life at the time the student signs a Housing License Agreement. No housing assignment will be made unless the deposit has been paid. The deposit will be held as a refundable cleaning and damage deposit to be returned to the student, less the amount of any damage or cleaning charges, at the conclusion of the License Period, as determined by the sole judgment of the College.

Room Rates. The student shall pay to the Borrower, in care of the College, as agent, in advance of occupancy a license fee determined by the student's building and room assignment.

Damages and Cleaning. The student shall reimburse the Borrower, through deduction from the deposit and any additional payments, if needed, for the cost of repairs to or excessive cleaning of the premises beyond what is necessary as a result of ordinary usage of the premises, as determined by the sole judgment of the College or the third party property manager.

Care of Facilities

Condition of Premises. The student agrees to keep the premises clean, sanitary and in good repair, and immediately notify a Housing + Residential Life staff member of any defects or dangerous conditions on or about the premises of which the student becomes aware. The student shall not make any repairs or alterations to the premises without prior written consent of a Housing + Residential Life staff member. At the end of the License Period, or upon vacating the room for any other reason, student shall restore the premises and furniture to the same condition and location they were in at the time of occupancy. Reasonable wear and tear is expected. The student shall pay the Borrower upon demand the cost of repairing any damage caused by the student beyond reasonable wear and tear and the Borrower may offset such cost against the student's deposit.

Damages and Cleaning. The student and any other persons assigned to the room shall be jointly responsible for cleaning and maintaining any kitchens, bathrooms, or other common areas. All residents shall be jointly liable for loss or damage to their room or common areas, unless individual responsibility is determined in writing prior to any assigned student's departure from the residence hall. Within 30 days of the date the student vacates the room, the College shall furnish an itemized written statement of the reasons for and amounts of any damage or cleaning charges.

Room Condition Reports. Upon occupancy, residents will be provided electronic documentation of the assessed condition of their room, suite or apartment at the time of occupancy, and are responsible for reporting discrepancies, if any, within three days of occupancy. If exceptions are not submitted within this time, it will be assumed that the room, suite or apartment and its contents are in the condition originally reported by the College.

Keys and Locks. The student shall not alter, re-key or install any locks to the premises. The student agrees to utilize all security measures provided by the College.

Disposal of Personal Property. Student agrees that the College may promptly dispose of any personal property left in a room or common area after the end of the License Period.

Personal Property. The student agrees to accept financial responsibility for any loss or damage to personal property due to theft, fire or any other cause; the College and the Borrower shall not be liable for any such loss.

Uninhabitable Space. The College and the Borrower shall not be held responsible or liable for the student's accommodation if an assigned space is rendered uninhabitable due to circumstances beyond the reasonable control of the College, including acts of nature, e.g., flood, earthquake, and unusual weather conditions. The College and the Borrower also reserve the right to revise room assignments to accommodate these conditions.

Cancellation of License

Fall Voluntary Cancellation. Students who have submitted a Housing License Agreement, and subsequently submit a Housing Cancellation Form to the Office of Housing + Residential Life on or before August 15 will:

- lose their room assignment,
- be released from their Housing License Agreement,
- be charged a Cancellation Fee.

Students who have submitted a Housing License Agreement, and subsequently submit a Housing Cancellation Form to the Office of Housing + Residential Life after August 15 but before taking occupancy will:

- lose their room assignment,
- be released from their Housing License Agreement,
- be charged a Contract Breakage Fee.

Taking occupancy is defined as picking up the keys to an assigned room. Students who do not take occupancy or set up arrangements with the Office of Housing + Residential Life to do so by the date Fall term courses begin will:

- lose their room assignment,
- be released from their Housing License Agreement,
- be charged a Contract Breakage fee,
- incur a housing fee to equal the pro rata amount for their assigned space from the start date of the License Agreement through the date that Fall term courses begin.

Students who wish to cancel their housing assignment after taking occupancy will refer to the Refunds and Credits page of the College's student handbook .

License Cancellation - By the College or the Borrower. The College or its third party manager may, upon at least 30 days' prior notice but without cause, require the student to vacate the premises before expiration of the License Period. If the student vacates the premises by the date set forth in such notice, the Borrower will provide the student with a pro rata refund of fees previously paid to the Borrower under the Housing License Agreement based on the duration of the License Period remaining after the date on which the student is required to vacate the premises.

The student shall, immediately upon notice from the College vacate the premises in the event of any of the following:

1. If the student ceases, either by action of the student or action of the College, to be an enrolled at least half--time student as defined by the College's Student Records Office.
2. If, in the judgment of the College, the student has violated the terms of the Housing License Agreement or the provisions of the Residential Community Standards, Policies, and Procedures.
3. If, in the judgement of the College, the student is guilty of misconduct.
4. If, in the judgement of the College, the student's presence poses an unacceptable risk of harm to the College or its community members.

The student must vacate the premises upon such notice. The student shall not be eligible for refund or cancellation of the residential fees for the period of planned occupancy thereafter unless such notice is provided on the basis that in the judgment of the College the student's presence poses an unacceptable risk of harm to the College or its community members. If such notice is provided on this basis, the Borrower will provide the student with a pro rata refund of fees previously paid to the Borrower under the Housing License Agreement based on the duration of the License Period remaining after the date on which the student is required to vacate the premises.

Failure to Pay

If the student fails to pay amounts when due under the Housing License Agreement when due, the College may, in addition to other legal remedies unless and until such time as the amounts due are paid in full:

1. refuse to permit the student to enroll in classes.
2. withhold the transfer of credits of the student to other degree-granting institutions.
3. for a graduating student, withhold such student's diploma and refuse to release the final academic records.

Vehicles and Parking

Parking is not provided. The student waives any claim against the College or the Borrower for any damage or loss to a student's motor vehicle, whether owned, rented or borrowed.

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APPENDIX I

FORM OF INVESTOR LETTER

Each initial purchaser will be required to deliver an Investor Letter substantially in the form of set forth below.

California Statewide Communities
Development Authority
Walnut Creek, CA 94596

\$89,800,000

**California Statewide Communities Development Authority
College Housing Revenue Bonds
(NCCD—Hooper Street LLC—California College of the Arts Project) Series 2019**

Ladies and Gentlemen:

The undersigned (the “Purchaser”), being an initial purchaser of the above-referenced bonds (the “Bonds”), does hereby certify, represent and warrant for the benefit of the California Statewide Communities Development Authority (the “Authority”) as follows. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Trust Indenture, dated as of January 1, 2019, between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”).

(a) The Purchaser is a “Qualified Institutional Buyer” or an “Institutional Accredited Investor” (each as defined in the Indenture and as set forth on Exhibit A hereto).

(b) The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, to evaluate the merits and risks of its investment in the Bonds, and has evaluated such risks and merits to its satisfaction. The Purchaser is able to bear the economic risk of, and an entire loss of, its investment in the Bonds.

(c) The Purchaser is acquiring the Bonds solely for its own account for investment purposes, and does not presently intend to make a public distribution of, or to resell or transfer, all or any part of the Bonds. Nevertheless, the Purchaser may sell the Bonds of any time, at the Purchaser’s sole discretion, subject to and in accordance with the terms and conditions of the Bonds, including but not limited to the transfer restrictions described in this letter. The Purchaser understands that the Bonds will be issued in minimum denominations \$100,000 or any integral multiple of \$5,000 in excess thereof.

(d) The Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the “Act”) or under any state securities laws. Without limiting the Trustee's or the Underwriter's respective obligations to comply with any applicable state and federal securities laws then in effect with respect to the sale or disposition of the Bonds, the Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Bonds by it, and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

(e) Based on the Purchaser’s knowledge and experience, the information set forth in the Preliminary Limited Offering Memorandum dated December 20, 2018, as supplemented by the Supplement

Dated January 11, 2019 and the Second Supplement Dated January 14, 2019, relating to the Bonds (as supplemented, the “PLOM”), and the Purchaser’s own internal due diligence, the Purchaser is familiar with the conditions, financial and otherwise, of the Borrower and the security and other material factors affecting the security and payment of the Bonds. Further, the Purchaser understands that the Bonds involve a degree of risk. The Purchaser understands it will receive the final Limited Offering Memorandum relating to the Bonds at or prior to the time of closing of the Bonds. The Purchaser has also received the documents to be executed in conjunction with the issuance of the Bonds, including, without limitation, the Indenture and the Loan Agreement. Based upon its review of the aforementioned information, the Purchaser has made an informed investment decision.

(f) The Purchaser has the authority 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. The undersigned is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

(g) The Purchaser acknowledges that neither the Authority nor George K. Baum & Company (the “Underwriter”) is issuing any legal opinion with respect to the Bonds. In entering into this transaction, the Purchaser has not relied upon any representations or opinions of the Authority or the Underwriter relating to the legal consequences of its investment in the Bonds, nor has it looked to, nor expected, the Authority to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Series 2019 Project (including the financing or management thereof) or any other matter pertaining to the merits or risks of the transactions contemplated by the Loan Agreement and the Indenture, or the adequacy of the funds pledged to the Trustee to secure repayment of the Bonds (collectively, a “Credit Investigation and Due Diligence Review”). While the Underwriter has undertaken its own such Credit Investigation and Due Diligence Review, the Purchaser also has conducted its own such Credit Investigation and Due Diligence Review and is not solely relying upon the Underwriter’s Credit Investigation and Due Diligence Review.

(h) The Purchaser understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Authority (which has no taxing power), the State of California or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the Authority, the State or California or any political subdivision thereof; that no right will exist to have taxes levied by the State of California or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the Authority with respect to the Bonds is limited to payments received by the Trustee from the Borrower under the Loan Agreement and is subject to further limitations as set forth in the Bonds and the Indenture. The Purchaser understands that the College will not have any obligation, express or implied, with respect to the payment of the principal of, premium, if any, or interest on the Bonds.

(i) The Purchaser acknowledges that, for such period of time as the Bonds have an unenhanced rating of less than “Baa3,” “BBB-” or “BBB-,” respectively, by Moody’s Investors Service (“Moody’s”), S&P Global Ratings (“S&P”), or Fitch Ratings Service (“Fitch”) or do not carry an unenhanced rating, the Bonds may not be transferred by the registered owner thereof to any person other than to a “Qualified Institutional Buyer” or an “Institutional Accredited Investor” (each as defined in the Indenture and as set forth on Exhibit A hereto). The Purchaser further acknowledges that, at such point, if any, the Bonds carry an unenhanced (unless any credit enhancement extends the maturity of the Bonds) rating of at least “Baa3,” “BBB-” or “BBB-,” respectively, by Moody’s, S&P or Fitch, the foregoing restrictions on transfer shall not apply and the Bonds may be reissued in denominations of \$5,000 and integral multiples of \$5,000. The Purchaser agrees to indemnify the Authority for any liabilities or costs incurred by the Authority (including attorney fees) in connection with any sale, transfer or other disposition of the Bonds by the Purchaser in violation of such restrictions or laws.

(j) None of the Trustee, the Authority, the Underwriter or Bond Counsel, or any of their respective members, governing bodies, or employees, counsel or agents will have any responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from the Borrower or its agents (other than, in the case of the Underwriter, information provided by the Underwriter, and in the case of Bond Counsel, information provided by Bond Counsel) regarding the Borrower or its financial condition or regarding the Bonds, the provision for payment thereof, or the sufficiency of any security therefor. No written information has been provided by the Authority to the Purchaser with respect to the Bonds except as set forth in the Limited Offering Memorandum under the Sections “THE AUTHORITY” and “ABSENCE OF MATERIAL LITIGATION—The Authority .” The Purchaser acknowledges that, as between the Purchaser and all of such parties, the Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the Bonds. Notwithstanding anything to the contrary contained herein, (i) the Purchaser may rely on the final opinion furnished by Bond Counsel as set forth in Appendix F to the Limited Offering Memorandum, and (ii) the Purchaser is not waiving any rights it may have against the Underwriter under applicable anti-fraud provisions of the United States or any state securities laws. Without limiting the foregoing, the Purchaser specifically agrees that, with respect to any information provided to the Purchaser from or through the website of California College of the Arts, the Purchaser has reviewed and accepted, and hereby acknowledges, the disclaimers set forth therein.

(k) The Purchaser acknowledges that it has made its own inquiry and analysis with respect to the Bonds and security therefor, that it has received the documents executed or adopted by the Authority in connection with the Bonds and other documents it has requested, and that it has either been supplied with or been given access to information, including financial statements and other financial information and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower and the Bonds and the security therefor so that the Purchaser has been able to make its decision to purchase the Bonds. The Purchaser acknowledges that it has not relied upon the Authority for any information, in connection with the Purchaser’s decision to purchase the Bonds.

The Purchaser acknowledges that the sale of the Bonds to the Purchaser is made in reliance upon the certifications, representations and warranties herein.

[PURCHASER]

By _____
Name _____
Title _____

cc: George K. Baum & Company
("Underwriter")

Orrick, Herrington & Sutcliffe, LLP
("Bond Counsel")

Wilmington Trust, National Association
("Trustee")

SUMMARY OF INVESTMENT

Principal Amount: \$ _____

CUSIP Number: _____

EXHIBIT A TO INVESTOR LETTER

“*Qualified Institutional Buyer*” means an institution which meets at least one of the following criteria:

(a) Any of the following entities, acting for its own account or the accounts of other Qualified Institutional Buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the entity:

(i) Any insurance company as defined in Section 2(13) of the Securities Act of 1933, as amended;

NOTE: A purchase by an insurance company for one or more of its separate accounts, as defined by Section 2(a)(37) of the Investment Company Act of 1940 (the “*Investment Company Act*”), which are neither registered under Section 8 of the Investment Company Act nor required to be so registered, shall be deemed to be a purchase for the account of such insurance company.

(ii) Any investment company registered under the Investment Company Act or any business development company as defined in Section 2(a)(48) of that Act;

(iii) Any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

(iv) Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;

(v) Any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974;

(vi) Any trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in paragraph (1)(D) or (E) of this section, except trust funds that include as participants individual retirement accounts or H.R. 10 plans;

(vii) Any business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

(viii) Any organization described in Section 501(c)(3) of the Code, corporation (other than a bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended, or a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the Securities Act of 1933, as amended, or a foreign bank or savings and loan association or equivalent institution), partnership, or Massachusetts or similar business trust; and

(ix) Any investment adviser registered under the Investment Advisers Act.

(b) Any dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended, acting for its own account or the accounts of other Qualified Institutional Buyers, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided, that securities constituting the

whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer.

(c) Any dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended, acting in a riskless principal transaction on behalf of a Qualified Institutional Buyer.

NOTE: A registered dealer may act as agent, on a non-discretionary basis, in a transaction with a Qualified Institutional Buyer without itself having to be a Qualified Institutional Buyer.

(d) Any investment company registered under the Investment Company Act, acting for its own account or for the accounts of other Qualified Institutional Buyers, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies. "Family of investment companies" means any two or more investment companies registered under the Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided, that, for purposes of this section:

(i) Each series of a series company (as defined in Rule 18f-2 under the Investment Company Act [17 CFR 270.18f-2]) shall be deemed to be a separate investment company; and

(ii) Investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor).

(e) Any entity, all of the equity owners of which are Qualified Institutional Buyers, acting for its own account or the accounts of other Qualified Institutional Buyers.

(f) Any bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Securities Act of 1933, as amended, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other Qualified Institutional Buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million as demonstrated in its latest annual financial statements, as of a date not more than 16 months preceding the date of sale under Rule 144A of the Securities Act of 1933 in the case of a U.S. bank or savings and loan association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution.

"Institutional Accredited Investor" means any entity meeting the definition set forth in 17 CFR 230.501 (a)(1), (2), (3), or (7), or any entity meeting the definition set forth in 17 CFR 230.501 (a)(8), as further defined and restricted below, as follows:

(g) Any bank; any savings and loan association, whether acting in its individual or fiduciary capacity; any registered broker or dealer; any insurance company; any investment

company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that act; any Small Business Investment Company licensed by the US Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of \$5 million; or any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 where investment decisions are made by a plan fiduciary that is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5 million or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors.

(h) Any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

(i) Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5 million.

(j) Any trust, with total assets in excess of \$5 million, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D under the Securities Act of 1933 (17 CFR 230.506(b)(2)(ii)).

(k) Any entity in which all of the equity owners are accredited investors; provided, however, that (a) if any such accredited investor is a natural person, that natural person's individual net worth, or joint net worth with that person's spouse, must exceed \$5,000,000, exclusive of that natural person's primary residence, and irrespective of any lower amount stated in 17 CFR 230.501(a)(8); and (b) such entity must be represented and advised by an independent and duly registered investment adviser under the Investment Advisers Act of 1940 [15 U.S.C. 80b-1 et seq.], owing a fiduciary duty to the entity and all of its equity owners, including a duty to determine that the Bonds are suitable investments for such entity.

In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published. In the latter event, the securities may be valued at market for purposes of this section.

In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under the direction of the entity, except that, unless the entity is a reporting company under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

For purposes of this section, "riskless principal transaction" means a transaction in which a dealer buys a security from any person and makes a simultaneous offsetting sale of such security to a Qualified

Institutional Buyer or an Institutional Accredited Investor, including another dealer acting as riskless principal for a Qualified Institutional Buyer or an Institutional Accredited Investor.