

University Bridge, LLC, FL

- 1 Capital Trust Agency, Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Series 2018A, \$218,745,000, Dated: September 25, 2018
- 2 Capital Trust Agency, Student Housing Revenue Bonds (University Bridge, LLC Student Housing Project), Taxable Series 2018B, \$8,895,000, Dated: September 25, 2018

Series 2018A,B

Certificate from the Borrower that the Borrower is in compliance with the Debt Service Coverage

The Borrower did not meet the debt service coverage requirements for 2021. This is a direct result of the COVID-19 pandemic. 2021 included seven months (January-July) of the 2020-2021 school year (August 2020 - July 2021) in which the FIU campus was shut down and classes were required to be online. As a result, 2021 bad debt expense of \$1.25MM was significantly higher due to many no shows and non-paying residents. For the 2021-2022 school year (August 2021 - July 2022), there continued to be much uncertainty during the pre-lease season on when the FIU campus would be open for in-person classes. As a result, rental rates were increased little/none but concessions were increased significantly to incentivize students to sign leases. The net result of COVID on 2021 was a DSCR = 0.87; however, 2021 required debt service of \$13.9MM was fully delivered through Operating Cash Flows and funds residing in the Surplus Fund. The Debt Service Reserves and Operating and Maintenance Reserve continued to be fully funded through 2021.

The 2022 Annual Budget projects DSCR at 1.05 and Q1'22 unaudited results show EBITDA at 98% of Budget. Additionally, for the 2022-2023 school year, pre-leasing through 4/25/22 is at 69% (+33% pts ahead of same time last year), rental rates are up +14% from prior school year and projected concessions are down ~\$185,000 from the Rate Plan which fed the 2022 Budget.

We are currently discussing the applicability of COVID-19 as defined in the Trust Indenture agreement

Series 2018A,B

Annual Budget for the current fiscal year

Fiscal Year Ended December 31, 2022

Please see separate PDF document attached.

Series 2018A,B

Management discussion and analysis providing commentary concerning the Annual Budget

The 2022 Annual Budget projects DSCR at 1.05. Based on current year to date activity we have been able to increase rental revenue by removing concessions more aggressively than anticipated and expect 2022 DSCR to be more favorable than originally budgeted.

Series 2018A,B

Additional historical financial information

Fiscal Year Ended December 31, 2021

Student housing was hit particularly hard by the COVID-19 pandemic most significantly by virtual classes and the eviction moratoriums in place by the federal government. Additionally, since Florida International University has such a large international student population revenue collections were even further negatively impacted by COVID-19 during 2020 and 2021. In many cases tenants did not take ownership of units and we were restricted from processing evictions on these units. The Student Housing agreement requires that this property be operated exclusively as a residential living-learning facility for full-time undergraduate and graduate students enrolled at the University.

Series 2018A,B

Occupancy

Fiscal Year Ended December 31, 2021

Average Physical Occupancy was 98.1% for 2021.
Average Economic Occupancy was 87.1% 2021.

Series 2018A,B

Student Housing Facility

Fiscal Year Ended December 31, 2021

<u>Unit Mix</u>	<u># Units</u>	<u># Beds</u>	<u>Square Feet</u>	<u>Rent Per Bed</u>
The Alhambra - 1x1	186	186	380	1,444
The Alton 1 - 1x1	106	106	364	1,494
The Alton 2 - 1x1	14	14	446	1,486
The Alton 3 - 1x1	10	10	380	1,456
The Alton 4 - 1x1	11	11	365	1,466
The Alton 5 - 1x1	5	5	404	1,480
The Alton 6 - 1x1	5	5	412	1,450
The Alton 7 - 1x1	5	5	507	1,500
The Biscayne 1 - 2x2	14	28	729	1,132
The Biscayne 2 - 2x2	5	10	706	1,130
The Biscayne 3 - 2x2	14	28	772	1,141
The Brickell 1 - 2x2	145	290	660	1,160
The Brickell 2 - 2x2	6	12	620	1,170
The Brickell 3 - 2x2	7	14	626	1,266
The Brickell 4 - 2x2	7	14	627	1,094
The Collins - 3x3	19	57	1,003	1,098
The Coral - 3x3	19	57	988	1,110
The District 1 -4x4	6	24	1,100	1,065
The District 2 -4x4	17	68	1,146	1,083
The Palm - 4x4 Townhome	1	4	1,634	1,060
The Pinecrest - 3x3 Townhome	6	18	1,053	1,169
The Wynwood 1 - Studio	222	222	317	1,326
The Wynwood 2 - Studio	28	28	330	1,405
The Wynwood 3 - Studio	28	28	330	1,378
Total	886	1,244	478	\$ 1,271

Series 2018A,B

Narrative explanation, if necessary to avoid misunderstanding, regarding the presentation of financial and operating data concerning the Borrower and the financial and operating condition of the Borrower

Fiscal Year Ended December 31, 2021

Due to 2021 DSCR = 0.87 per the audited financials, this constitutes an Event of Default under Section 8.01(e) of the Trust Indenture. The Borrower has communicated this result to the Trustee and is awaiting response. The issuance of the 2021 audited financial statements is pending response from the Trustee in order for the appropriate disclosures to be incorporated.

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**FORM OF RELEASE CERTIFICATE
 for the Period Ended December 31, 2021**

\$227,640,000
 Capital Trust Agency
 Student Housing Revenue Bonds
 (University Bridge, LLC Student Housing Project)
 Consisting of:
 \$218,745,000 Series 2018A
 \$8,895,000 Taxable Series 2018B

I, Michael Nguyen, an authorized representative of the Borrower for the above described Bonds (the "Bonds"), do hereby certify that (a): (i) the Borrower has **not** satisfied the Coverage Test (as shown in a report by a Certified Public Accountant delivered by the Borrower to the Trustee pursuant to Section 6.7(a) of the Loan Agreement) for the Fiscal Year ending on such Annual Evaluation Date, (b) **an** Event of Default or Potential Default of which the Borrower has knowledge has occurred or is continuing, (c) the Debt Service Reserve Requirement and the required Repair and Replacement Fund and Operations and Maintenance Reserve Fund deposits have been fully funded and (d) the Net Income Available for Debt Service and Debt Service Coverage Ratio calculations for the twelve months ending 12/31/21, as set forth below, are true and correct. Terms used herein as defined terms have the meanings provided in the Trust Indenture dated as of September 1, 2018 with regard to the Bonds.

Net Income Available for Debt Service	<u>\$ 12,027,502.00</u>
Divided by: Annual Debt Service:	<u>\$ 13,903,475.00</u>
Debt Service Coverage Ratio:	<u>0.87</u>

UNIVERSITY BRIDGE, LLC, a Florida
 limited liability company

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

By: _____
 Name: Michael N. Nguyen
 Title: President & CEO

The undersigned _____, certifies that (a) it has reviewed the audited financial of the Borrower for the period ending **December 31, 2021**, (b) the foregoing calculations of the Debt Service Coverage Ratio is correct, and (c) the Net Income Available for Debt Service as of the last day of such Fiscal Year was _____.

M GROUP, L.L.P.
 CERTIFIED PUBLIC ACCOUNTANTS

Please include the appropriate signature

By: _____
 Name: Michael Martin
 Title: Managing Partner

Dated: _____