



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

October 24, 2022

Salt Lake Community College – Nontraditional Arrangement

[Board Policy R712, Nontraditional Arrangements for Development of Facilities on Campuses](#), requires the Board to approve development projects by outside entities on institutional land. On January 14, 2021, Salt Lake Community College (SLCC) requested authorization to contract with a private developer to develop and operate student housing on the Taylorsville-Redwood Campus. The project was presented as self-funding. The Finance and Facilities Committee recommended the project be approved subject to approval as to form on the legal documents by the Attorney General’s Office. The Board approved the project through its consent calendar on January 15, 2021.

Due to disruption in the financial markets in the wake of Covid-19, the project was put on hold until financial conditions improved.

SLCC is now seeking to move forward on the project through a Ground Lease and Cooperation Agreement with non-profit NCCD – Taylorsville Properties. The project will be developed, designed, and constructed by Servitas, and the underwriter will be CitiGroup. SLCC hopes to close on this transaction by October 31, 2022.

The project currently has some significant terms of which the Board should be aware:

1. While the majority of the project is self-funded, Ground Lease Section 4(b) requires SLCC to deposit with the Trustee the sum of \$2,500,000 *“to be held and disbursed in accordance with the indenture to pay certain costs of the Project as provided herein.”*
2. The Cooperation Agreement Section 7(a) states that appropriations may be used to fund the anticipated \$400,000 average annual cost for additional UHP security for a term of up to 17 years, if necessary.

The Board’s General Counsel, SLCC’s General Counsel, and Assistant Attorney General Kevin Olsen reviewed all documents associated with the arrangement.

Because the language in Board Policy R712 is slightly vague, it is unclear whether section 4 or subsection 5 applies here. Thus, the Office of the Commissioner of Higher Education (OCHE) reviewed agreements relevant to the arrangement against both policy sections. Subject to the Attorney General's advice which will be submitted separately by letter, OCHE finds that the project meets Board Policy R712-4 and the conditions outlined in R712-5. Based on the account information provided by SLCC, OCHE finds that the project is financially feasible in that it has sufficient uncommitted project funds to cover the \$2.5 million deposit and sufficient operations and maintenance appropriations to cover annual security costs.

Commissioner's Recommendation

The Commissioner finds that the arrangement conforms with Board Policy R712. If the Board approves the proposal, it should be subject to approval as to form by the Attorney General's Office. If the Board approves the arrangement, the Commissioner recommends that the Board require SLCC to return for further approval if there are material changes to the agreement or the agreement is not finalized within three months.



October 13, 2022

Utah Board of Higher Education
c/o Commissioner Dave R. Woolstenhulme
60 South 400 West
Salt Lake City, UT 84101

RE: Salt Lake Community College Student Housing P3 Project

Commissioner Wolstenhulme:

During the January 15, 2021, meeting of the Utah Board of Higher Education, in accordance with *Board Policy R712, Non-Traditional Arrangements for Development of Facilities on Campuses*, the Board approved SLCC to partner with a selected developer to develop and operate student housing, as presented, contingent on continued communication and review by the Attorney General's Office.

The College has worked since Board approval to successfully launch this student housing as presented to the Board in January 2021. The College selected Servitas Development and Property Management, developing a relevant and robust apartment style student housing project. The project will be located on the Northwest corner of the Taylorsville Redwood Campus and house 430 students.

This project is centered on students. Student who live on campus have higher levels of retention and completion. This project, like many of the initiatives at SLCC at its core is about access. This project will bring access to safe and affordable housing to our students, with average rents of \$900 all inclusive of utilities, internet, etc.

In February 2022, with the project design and all legal and contractual elements in place, the project went to market to secure financing. Unfortunately, due to the volatility created by the invasion of Ukraine the financing offerings were limited and not favorable to the project. The College, with our developer, Servitas, made the decision to update our market demand study and consider additional financial enhancements to better position the project to meet the current demands of the market and attract quality investors to the project.

Since this project was first approved by the Board of Higher Education in January 2021, the following financial enhancements have been made by the College:

- Providing a \$2,500,000 capital investment in the project, using institutional funds.
- Providing security for the project for up to 20 years.

These enhancements have allowed the project to show significant commitment by the College in the success of the project.

Attached are the current pro-forma cash flows for the project. The projected cash flows to the College during the first 40 years of the project are in excess of \$71,000,000. These cash flows will more than return the initial \$2,500,000 capital contribution and security costs provided to the project.

The \$2,500,000 capital investment and support for project security were approved by the SLCC Board of Trustees at the August 2022 meeting.

The College is at a critical juncture to move the project forward and ensure the project is in place to meet the needs of students beginning in Fall 2025.

Servitas, the College's developer has been successful at holding the contractor pricing until October 31, 2022. Likewise, the College, working with the Citi, the project underwriter, believes we have built in adequate hedge against continuing increases in cost of capital and market vulnerability. However, the market continues to have significant volatility and the desire by the College is to market this project as soon as possible.

Upon the direction of the Attorney General, the College is presenting this project with a request for Board review and approval.

Respectfully Submitted,



Chris A. Martin
Vice President for Finance and Administration, CFO

Attachments:

9/28/22 Project Pro-Forma

January 15, 2021, Board Tab



October 4, 2022

Utah Board of Higher Education
c/o Commissioner David R. Woolstenhulme
60 South 400 West
Salt Lake City, UT 84101

Re: Salt Lake Community College Student Housing Project

Dear Commissioner Woolstenhulme:

This letter is in follow-up to Salt Lake Community College's September 29th letter to you. Following submission of SLCC's letter, USHE's General Counsel requested that the College provide additional information to the Executive Committee to meet the requirements of R712-5-4 and 5. This letter provides this supplemental information. Copies of the draft "near final" Ground Lease and Cooperation Agreement are attached.

A. This is a Financially Feasible Project to the College-R712-5-4.1

This \$45 million student housing construction project will be financially feasible to the institution.¹ The College will contribute \$2.5 million to the construction of this student housing facility. The remainder of the construction costs will be financed by private bonds purchased by investors. Payment of these bonds will not be an obligation of SLCC; however, they will be paid from rent collected during this 40-year lease. *Ground Lease Section 4(b)*.

During this lease's 40-year term, SLCC will pay an approximate \$400,000 Utah Highway Patrol ("UHP") annual security cost. This obligation will be for up to the first 20 years of this lease agreement. Since SLCC currently receives a legislative appropriation for UHP services on its campuses, this additional amount will be added to its legislative request. *Cooperation Agreement Section 7 (a)*.

B. The Ground Lease and Cooperation Agreement Adequately Protect the College-R712-5-4.2

Under the proposed *Ground Lease Section 2(a)*, SLCC will lease these premises to NCCD – Taylorsville Properties, LLC, a Utah Limited Liability Company, ("Lessee") for a 40-year term. During this term, Servitas, LLC, a Texas Limited Liability Company, ("Developer"), and the Lessee will construct a 430-bed student housing facility at the northeast corner on SLCC's Taylorsville Campus adjacent to Redwood Road. *R712-5-4-2.1*.

This construction project will begin on or about October 31, 2022 and will be completed by August 1, 2024. *Ground Lease Section 10 (q)*. It is the parties' agreement that SLCC students can occupy this student housing facility when the Fall 2024 semester commences in August 2024. *R712-5-4-2.2*.

Under *Ground Lease Section 10(e)*, the College has the right to approve the proposed Plans and Specifications, thus it has the right to control the appearance of the facility, landscaping, and parking areas. In addition, during the 40-year lease term, Section 15 (c), the Lessor shall have the right to approve the Lessee's line

¹ While the cost to construct the student housing will be approximately \$45 million, the total par amount of the bond ("debt") for this project will be approximately \$54,545,000, with the difference covering bond issuance costs and funding required reserves.



item operating and capital budget as it relates to facility appearance, remodeling, additions, landscaping, and exterior graphics. Therefore, effectively, SLCC has institutional control over the appearance of the facility, external remodeling, additions, level of building, landscape maintenance, parking rights, and exterior graphics. *R712-5-4-2.3*. Furthermore, *Ground Lease Section 22* provides the College access to the leased premises to make such necessary repairs, additions, improvements, changes, or alterations to the premises. *R712-5-4-2.3*. Likewise, *Ground Lease Exhibits B, C, and D* will identify access, utility, and construction easements. Also, attached are recent graphics depicting the building exterior and aerial site plan of the premises.

Finally, at the end of this 40-year lease, *Ground Lease Section 25(a)* provides that the leased premises and all personal property shall become the absolute property of the College. *R712-5-4-2.4*.

C. The Ground Lease and Cooperation Agreement Adequately Protect The College Regarding Construction Design, Quality and Cost. R712-5-5

Ground Lease Section 10(m) requires Servitas, as Developer, and the General Contractor to use Utah licensed architects, engineers, contractors, subcontractors, specialists, and consultants engaged in connection with the design, acquisition, construction, furnishing and equipping of the project. In addition, *sections 10(g) and (n)* require that the project be constructed according to the approved plans and in compliance with applicable building codes. Furthermore, *Ground Lease section 10(e) and (f)* allow the College to approve the Plans and Specifications as well as change orders. *R712-5-5.1 and 5.2*.

Finally, as evidenced by the attached pro forma document, this agreement provides that the cost of design, construction, operation, and maintenance over the term of the 40- year lease have been taken into account. *R712-5-5.3*

I trust this additional information is sufficient to comply with USHE's request and R712-5's requirements.

Respectfully Submitted,

A handwritten signature in black ink that reads "Chris A. Martin" followed by a stylized initial "CAL" in a larger, cursive font.

Chris A. Martin
Vice President for Finance & Administration,
CFO

Student Housing at SLCC

Non-Traditional Arrangement for the Development of Facilities

Utah System of Higher Education

October 24, 2022

Student Housing at SLCC



430 Bed Apartment Style On-Campus Student Housing at Taylorsville Redwood Campus

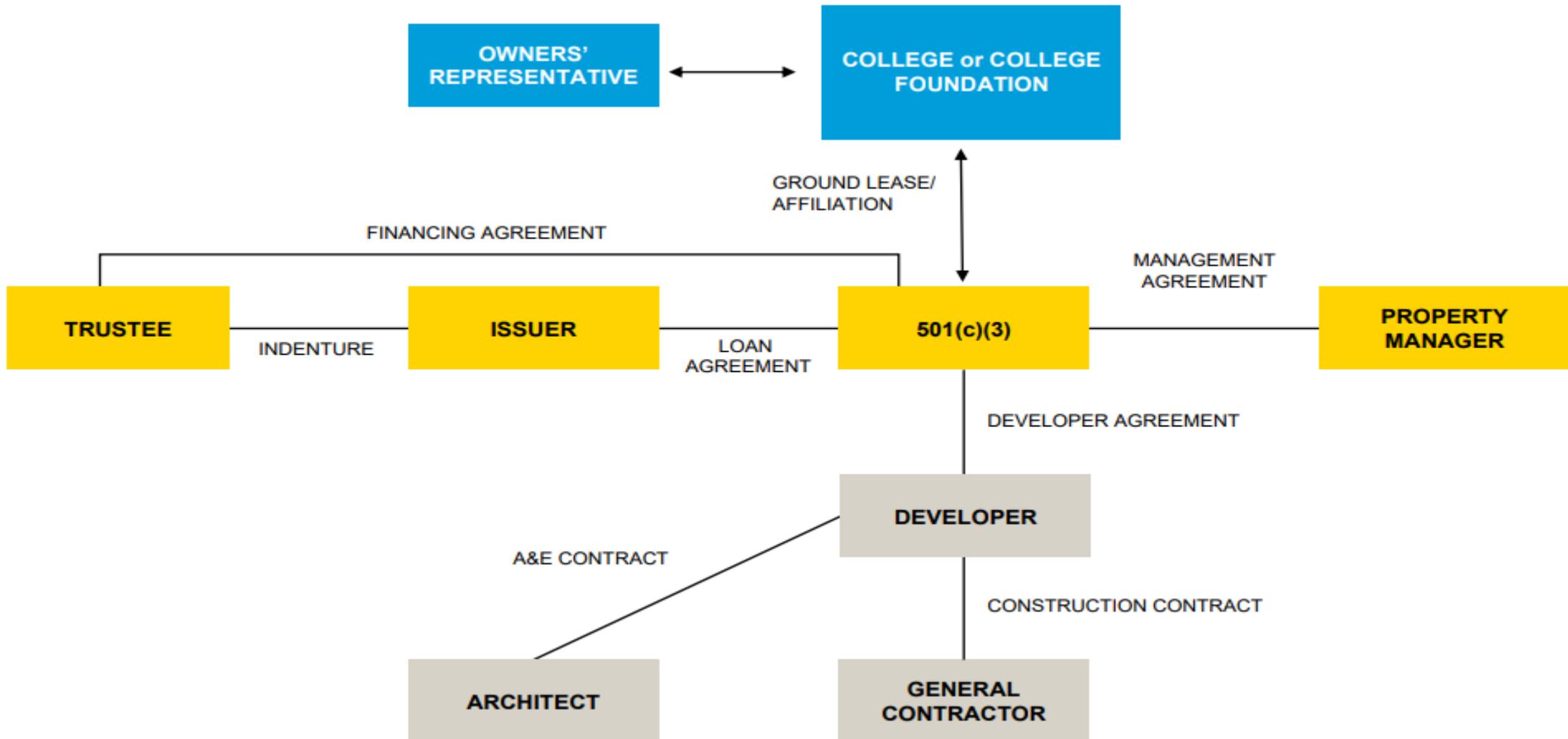
Why Housing?

- Increased Retention
- Increased Completion
- Increased Enrollment
- Provide Affordable, Safe, On-Campus Housing

Why a P3 Non-Traditional Model?

- Creates On-Campus Student Housing with Minimal Investment
- Provides for Private Investment into Public Land & Facilities
- Allows for 3rd Party Management of Housing Operations
- Provides Cashflow and Revenue Return to the College Annually
- 40 Year Ground Lease results in College-Owned Facility
- Limits Risk to SLCC

The P3 Model



Dedicated Partners

Borrower:

National Campus and Community Development Corp (NCCCD)

Developer & Manager:

Servitas Student Housing Development and Property Management

General Contractor:

Jacobsen Construction

Financing:

Citigroup Global Markets

Trustee:

Zions Bancorporation

Expert Advisory Support

Stifel Public Finance; Kelly Murdock
Scion Group Advisory Services; Ted Richer
Volz Company Advisory Group; Ann Volz

October 2021 Market Study; Brailsford & Dunlavey
July 2022 Market Study Update; MGT Consulting

Financing Structure

NCCD ground leases land from SLCC.

NCCD borrows the funds to construct the student housing facility and owns the facility.

NCCD enters into Development Agreement with Servitas to develop the facility. Development Agreement is assigned to the Trustee (Zions Bancorporation).

Servitas contracts with Jacobsen as the contractor. The construction contract is assigned to Zions.

Financing Structure – cont.

Facility Revenues are collected by the Manager (Servitas) and sent to the Revenue Fund held by Zions.

Operating expenses are distributed monthly by Zions to the Servitas according to the approved annual budget.

History of SLCC P3 Project

January 2021: USHE Board Presentation and Approval

January 2021- December 2021: Project Development

January 2022- February 2022: Project Financing & Marketing

March 2022: Project Pause due to Market Volatility

May 2022 – August 2022: Project Reframe; Updated Market Study

August 2022: SLCC Board of Trustees Approval for new capital contribution

October 2022: SLCC BOT Bond Resolution Approved

October 2022: Board of Higher Education Presentation for Approval

Current State of SLCC P3

P3 Project has been re-framed for current financial climate:
\$2.5M upfront contribution from SLCC
Annual Security Costs paid by SLCC for up to 20 Years

Project is in compliance with Board Policy R712

Project Privately Rated
Ready for Market – Pending USHE Board Approval
October 31st locked dates for construction costs
November Close
Late Fall Construction Start
Opening August 2024

SLCC P3 Project

\$48.3M Bond Offering

Projected True Interest Cost 6.49%

Projected Coupon Rates between 5.75% and 6.50%

Projected Project Surplus Cashflows to SLCC over the life of the project will exceed \$71M

Questions?

Thank you for your support of our students –

Access

Retention

Timely Completion

Affordable Housing

GROUND LEASE AGREEMENT

by and between

SALT LAKE COMMUNITY COLLEGE,
as Lessor

and

NCCD – TAYLORSVILLE PROPERTIES LLC,
as Lessee

Dated as of [MONTH] 1, 2022

Table of Contents

	Page
Section 1.	Definitions..... 2
Section 2.	Term..... 9
Section 3.	Rent..... 9
Section 4.	Financing of the Project..... 10
Section 5.	Taxes and Assessments..... 10
Section 6.	Utility Services..... 11
Section 7.	Payments for the Lessee by the Lessor..... 11
Section 8.	Compliance by the Lessee with Laws and Ordinances..... 11
Section 9.	Quiet Enjoyment..... 12
Section 10.	Construction of Improvements..... 12
Section 11.	Operation of the Project..... 19
Section 12.	Security Interest..... 19
Section 13.	Assignment of Lease..... 21
Section 14.	Maintenance of Property..... 21
Section 15.	[Reserved]..... 22
Section 16.	Indemnification Agreement..... 23
Section 17.	Insurance..... 24
Section 18.	Police Services..... 27
Section 19.	Damage and Destruction..... 27
Section 20.	Condemnation..... 29
Section 21.	Estoppel Certificates..... 30
Section 22.	Access to Premises..... 31
Section 23.	Property Subject to Zoning..... 31
Section 24.	Events of Default and Remedies..... 31
Section 25.	Expiration or Termination..... 33
Section 26.	Mortgaging of the Leasehold..... 34
Section 27.	Option To Purchase..... 37
Section 28.	Notices..... 38
Section 29.	Submission of Matters to the Lessor for Approval..... 39
Section 30.	Holding Over by the Lessee..... 39
Section 31.	Membership Fees; Corporation Not Liable..... 39
Section 32.	Required Transfer of the Project..... 40
Section 33.	Property Condition..... 41
Section 34.	Addition of Additional Parcels; Release of Portions of the Property..... 42
Section 35.	Miscellaneous..... 42
EXHIBIT A	LEGAL DESCRIPTION OF THE PROPERTY
EXHIBIT B	ACCESS EASEMENT AREAS
EXHIBIT C	CONSTRUCTION EASEMENT AREAS

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (as the same may be amended and/or supplemented from time to time in accordance with the provisions hereof, this “Ground Lease”), made and entered into as of [Month] 1, 2022, is between **SALT LAKE COMMUNITY COLLEGE**, an entity of the State of Utah (the “Lessor”), and **NCCD – TAYLORSVILLE PROPERTIES LLC** (the “Lessee”), a single member limited liability company organized and existing under the laws of the State of Utah (the “State”).

WITNESSETH:

WHEREAS, the Lessor is the owner of certain property (the “Property”) located on the campus of the Lessor as more particularly described in Exhibit A attached hereto, incorporated in and by reference made a part hereof; and

WHEREAS, the Lessor and the Lessee (each a “Party” and, together, the “Parties”) desire for the Lessee to develop and construct an approximately [430]-bed student housing facility (together with associated site development and various related amenities and improvements, the “Project”) on the Property; and

WHEREAS, the Public Finance Authority (the “Authority”) has determined to issue its Student Housing Revenue Bonds (collectively, the “Bonds”) under and pursuant to the terms of a Trust Indenture of even date herewith between the Authority and Zions Bancorporation, National Association d/b/a Zions Bank, as Trustee and to lend the proceeds of the Bonds to the Lessee for the purpose, inter alia, of paying the costs of acquiring, constructing, furnishing, and equipping the Project under and pursuant to the terms of a Loan Agreement of even date herewith between the Authority and the Lessee,

NOW, THEREFORE, in consideration of the premises, the rental to be paid hereunder, the mutual covenants and agreements herein set forth by each Party to be kept and performed, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby expressly acknowledged by each Party, the Parties do hereby mutually covenant and agree as follows:

The Lessor does hereby let the Property unto the Lessee, subject only to Permitted Encumbrances (as defined herein), and the Lessee does hereby take and hire the Property from the Lessor, subject to Permitted Encumbrances.

TOGETHER WITH all appurtenances, rights, privileges, and easements benefiting, belonging, or pertaining thereto, and together with the buildings, structures, and improvements erected or to be erected thereon.

TO HAVE AND TO HOLD the Property for a term of years set forth herein unless this Ground Lease shall be sooner terminated as hereinafter provided.

This Ground Lease and all rights of the Parties hereunder are expressly subject to the provisions as hereinafter set forth, all of which the Parties respectively agree to keep, abide by, and perform during the Term.

Section 1. Definitions. The following terms as used in this Ground Lease, shall have the following meanings, unless the context indicates otherwise:

“*Additional Bonds*” means any additional bonds, or other instruments issued and secured under the Indenture, other than the Series 2022A Bonds and the Series 2022B Bonds.

“*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.

“*Architect*” means FFKR Architects/Planners II, a corporation organized and existing under the laws of the State, and its successors and assigns.

“*Architect’s Agreement*” means that certain Agreement for Design Services of even date herewith between the Developer and the Architect pursuant to which the Architect has agreed to provide certain architectural and engineering services in connection with the construction of the Project, and any amendments thereof and/or supplements thereto.

“*Assigned Agreements*” means, collectively, the Construction Documents and the Management Agreement.

“*Assignment of Contracts and Agreements*” means the Assignment of Contracts and Agreements of even date herewith by the Lessee in favor of the Trustee, as the same may be amended and/or supplemented from time to time as permitted by the Indenture.

“*Authority*” means the Public Finance Authority, and its successors and assigns.

“*Bond*” or “*Bonds*” means any or all of the Series 2022A Bonds and the Series 2022B Bonds, and any Additional Bonds, to the extent the same are issued and Outstanding.

“*Bond Documents*” means, collectively, the Indenture, the Loan Agreement, the Trustee Mortgage, the Assignment of Contracts and Agreements, and all other instruments or agreements executed by the Authority and/or the Lessee in connection with the issuance and delivery of the Bonds (each, a “Bond Document”).

“*Business Day*” means any day other than a Saturday, a Sunday, or a day on which banking institutions in the State are authorized or obligated by law to close.

“*Campus*” means the campus of the Lessor in the City and the County.

“*City*” means the City of Taylorsville, Utah.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Commencement Date*” means [Closing Date], 2022.

“*Construction Contracts*” means that certain Construction Contract of even date herewith between the Developer and the General Contractor pursuant to which the General Contractor has agreed to construct the Project, and any amendments thereof and/or supplements thereto.

“*Construction Documents*” means, collectively, the Development Agreement, the Construction Contract, the Architect’s Agreement, and all those other contracts and/or agreements between the Lessee, the Developer, or the General Contractor and any person or firm rendering services or supplying material in connection with the design, acquisition, construction, furnishing, equipping, and operation of the Project (each, a “Construction Document”).

“*Consumer Price Index*” means the Consumer Price Index for the County published by the Bureau of Labor Statistics of the U.S. Department of Labor.

“*Cooperation Agreement*” means the Cooperation Agreement of even date herewith by the Lessor and the Lessee, 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 non-profit corporation duly organized and existing under the laws of the State of Texas, and its successors and assigns.

“*County*” means Salt Lake County, Utah.

“*Debt Service Coverage Ratio*” shall have the meaning ascribed to such term in Section 101 of the Indenture.

“*Developer*” means Servitas, LLC, a limited liability company organized and licensed under the laws of the State of Texas and authorized to do business in the State, and its successors and assigns.

“*Development Agreement*” means the Development Agreement of even date herewith by and between the Lessee and Developer.

“*Electronic Means*” means facsimile transmission, e-mail transmission, or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

“*Eligible Institutions*” means institutions of higher learning in the State with which the Lessor or the Lessee has established an affiliation or other cooperative or coordination agreement or arrangement that (a) is and, and for so long as its students reside in the Project, remains an organization that is described in § 511(a)(2)(B) or §§ 501(c)(3) and 170(b)(1)(A)(ii) of the Code; (b) is not a private foundation within the meaning of § 509 of the Code; and (c) becomes a member of the Corporation and remains such a member for so long as its students reside in the Project (each, an “Eligible Institution”).

“*Eligible Residents*” means, in the order of acceptance priority set forth in the Cooperation Agreement, (a) students registered in an academic program of the Lessor with nine or more credits in the current academic term; (b) students registered in an academic program of the Lessor with six or more credits in the current academic term; (c) regular full time faculty, visiting faculty, and staff of the Lessor who are pre-approved by the Lessor in writing; (d) students registered in an academic program of any other Eligible Institution who are pre-approved by the Lessor in writing; (e) groups participating in any activity, conference, or other program sponsored by the Lessor or

who are pre-approved by the Lessor in writing; (f) any member of the household that is a spouse or dependent of any of the foregoing; and (g) any other person pre-approved by the Lessor and the Lessee in writing (each, an “Eligible Resident”).

“*Event of Default*” means each of the events specified in Section 24 hereof.

“*Expenses*” shall have the meaning ascribed to such term in Section 101 of the Indenture.

“*Final Completion*” means and shall be deemed to occur when:

(a) the Improvements shall have been completed in all respects in a good and workmanlike manner and in accordance with the Plans and Specifications, including all punchlist items;

(b) all building equipment and services, including utilities, heating and air conditioning systems, voice systems, data systems and video systems have been completed, are operating properly and are available for use by the Lessee and the residents of the Project;

(c) a certificate of occupancy or temporary certificate of occupancy has been issued permitting legal occupancy of the Project by the residents;

(d) all necessary approvals by Governmental Authorities have been given;

(e) all furnishings and fixtures of the Improvements have been obtained and installed (or in the event not all furnishings have been obtained, reasonably equivalent temporary furnishings have been provided by the Lessee and all steps have been taken by the Lessee to obtain the agreed upon furnishings); and

(f) the Lessee may enjoy beneficial use or occupancy of the Improvements and may legally use, operate, and maintain the Improvements in all respects, for their intended purpose, including use by the Eligible Residents in accordance with the terms of the Occupancy Agreements.

“*GAAP*” means (a) with respect to the Lessee, 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; (b) with respect to the Lessor, those principles of accounting set forth in pronouncements of the Governmental Accounting Standards Board and its predecessors; or (c) 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 Contractor*” means Jacobsen Construction Company, Inc., a corporation organized, existing, and licensed in the State, and its successors and assigns.

“*Governmental Authorities*” means, collectively, all political subdivisions of the State; all State, County, City, and federal officers and officials; all State, County, City, and federal agencies, authorities, boards, bureaus, commissions, departments, and instrumentalities, and all State,

County, City, and federal courts, tribunals, and arbitrators having jurisdiction over the Property or the design, acquisition, construction, furnishing, equipping, and/or operation of the Project (each, a “Governmental Authority”).

“*Ground Lease*” means this Ground Lease Agreement, as the same may be amended and/or supplemented from time to time in accordance with the provisions hereof and of the Indenture.

“*Improvements*” means all improvements on the Property to be constructed under the terms of this Ground Lease and any replacements, reconstruction, or restorations thereof during the Term.

“*Indenture*” means the Trust Indenture of even date herewith 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 Counsel*” means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state of the United States and not in full-time employment of the Lessee, the Lessor, or the Transferee.

“*Leasehold Estate*” shall have the meaning ascribed to such term in Section 2(a) hereof.

“*Leasehold Mortgage*” means, collectively, the Trustee Mortgage, any Refinanced Trustee Mortgage, and any other encumbrance of the Lessee’s interest in this Ground Lease, subject to approval of the Lessor, as security for any indebtedness of the Lessee or the Lessee’s successors and assigns may incur, whether by deed to secure debt, mortgage, deed of trust, or other security instrument.

“*Leasehold Mortgagee*” means the holder of the indebtedness secured by any Leasehold Mortgage or any agent or fiduciary therefor and any designee thereof for the purpose of taking title to the Lessee’s interests in this Ground Lease or entering into a Mortgage Lease.

“*Lease Year*” means each 12-month period commencing on the first day of July of a calendar year and ending on the last day of June of the immediately succeeding calendar year; provided the first Lease Year shall commence on the Commencement Date and end on **June 30, [2024]**.

“*Lessee*” means NCCD – Taylorsville Properties LLC, a single member limited liability company organized under the laws of the State whose sole member is the Corporation, and its successors and assigns.

“*Lessee Documents*” means, collectively, the Loan Agreement, the Leasehold Mortgage, the Assignment of Contracts and Agreements, and any other instruments or agreements executed by the Lessee in connection with the issuance and delivery of the Bonds (each, a “Lessee Document”).

“*Lessor*” means Salt Lake Community College, an entity of the State.

“*Lessor Contribution*” shall have the meaning ascribed to such term in Section 4(b) hereof.

“*Lessor Representative*” means the Person or Persons designated by the Lessor to serve as the Lessor’s representatives in connection with the design, acquisition, construction, furnishing, equipping, and operation of the Project.

“*Loan Agreement*” means the Loan Agreement of even date herewith between the Authority and the Lessee, as the same may be amended and/or supplemented from time to time in accordance with the provisions of the Indenture.

“*Management Agreement*” means, collectively, (a) the Property Management Agreement of even date herewith by and between the Lessee and the Manager, as the same may be amended and/or supplemented from time to time in accordance with the provisions of the Indenture; and (b) any management or similar agreement between the Lessee and any successor Manager relating to the management of the Property, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

“*Manager*” means initially, Servitas Management Group, LLC, a limited liability company organized and licensed under the laws of the State of Texas and authorized to do business in the State, and its successors and assigns, and thereafter, any other management company employed by the Lessee to manage the Project.

“*Maximum Annual Debt Service*” shall have the meaning ascribed thereto in Section 101 of the Indenture.

“*Mortgagee Lease*” means a lease of the Premises entered into between a Permitted Leasehold Mortgagee, as lessee, and the Lessor, as lessor, as a result of a termination hereof by reason of any Event of Default for the remainder of the Term effective as of the date of termination hereof, at the same Rent and upon the same terms, provisions, covenants, and agreements as contained in this Ground Lease and subject to no additional exceptions or encumbrances other than Permitted Encumbrances and to the rights, if any, of the parties then in possession (actual or constructive) of any part of the Premises.

“*Net Available Cash Flow*,” with respect to each Lease Year, means the amount available to be distributed to the Lessor with respect to such Lease Year in accordance with the provisions of Section 512(b) and (c) of the Indenture.

“*Occupancy Agreements*” means, collectively, the leases, rental agreements, license agreements, or other similar agreements of no more than 12 months in duration with residents of the Project (each, an “Occupancy Agreement”).

“*Operating Account*” shall have the meaning ascribed thereto in Section 101 of 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 Lessee, the Lessor, or the Transferee.

“*Outstanding*” shall have the meaning ascribed thereto in Section 101 the Indenture.

“*Permitted Encumbrances*” shall have the meaning ascribed to such term in Section 101 of the Indenture.

“*Permitted Leasehold Mortgages*” means, collectively, the holders of the indebtedness secured by the Permitted Leasehold Mortgages or any agent or fiduciary therefor and any designee thereof for the purpose of taking title to the Lessee’s interests in this Ground Lease or entering into a Mortgage Lease (each, a “Permitted Leasehold Mortgage”).

“*Permitted Leasehold Mortgages*” means, collectively, the Trustee Mortgage, any Refinanced Trustee Mortgages, and all other encumbrances on the Lessee’s interest in this Ground Lease approved by the Lessor permitted by the provisions of Section 26 hereof executed and delivered as security for any indebtedness that the Lessee may incur, whether by deed to secure debt, mortgage, deed of trust, or other security instrument (each, a “Permitted Leasehold Mortgage”).

“*Personalty*” means all machinery, equipment, fixtures, appliances, furniture, and any other personal property of any kind or description owned by the Lessee and used in connection with the Project.

“*Plans and Specifications*” means the detailed plans and specifications for the construction thereof fully identifying and describing all mechanical, electrical, and plumbing systems, materials, signage, design, colors of exterior paints, and other finishes prepared by the Architect or by architects and engineers acceptable to the Architect, as approved or deemed approved by the Lessor in accordance with the provisions of Section 10(e) hereof and as amended from time to time by the Lessee with the consent of the Lessor, a copy of which is or will be on file with the Lessor.

“*Premises*” means the Project and the Property.

“*Project*” means, collectively, the approximately [430]-bed student housing facility comprised of a single building (together with all Personalty and all associated site development and various related amenities and Improvements to be acquired, constructed, and installed with the proceeds of the Bonds.

“*Property*” means the land located on the Campus as more particularly described in Exhibit A attached hereto, incorporated in and by reference made a part hereof.

“*Refinanced Trustee Mortgage*” means any encumbrance of the Lessee’s interest in this Ground Lease resulting from the refinancing of the Bonds.

“*Rent*” means the rental payable by the Lessee to the Lessor in accordance with Section 3 hereof.

“*Repair and Replacement Fund*” shall have the meaning ascribed thereto in Section 101 of the Indenture.

“*Revenues*” shall have the meaning ascribed to such term in Section 101 of the Indenture.

“*Schedule of Performance*” means the construction schedule set forth in the Construction Contract.

“*Series 2022A Bond*” or “*Series 2022A Bonds*” means any or all of the \$[Amount of A Bonds] Public Finance Authority Student Housing Revenue Bonds (NCCD – Taylorsville Properties LLC - Salt Lake Community College Project) Series 2022A issued under the Indenture.

“*Series 2022B Bond*” or “*Series 2022B Bonds*” means any or all of the \$[Amount of B Bonds] Public Finance Authority Subordinate Student Housing Revenue Bonds (NCCD – Taylorsville Properties LLC – Salt Lake Community College Project) Series 2022B issued under the Indenture.

“*State*” means the State of Utah.

“*Substantial Completion,*” with respect to the Project, means:

(a) the Improvements constituting the same, including all life safety systems, shall have been substantially completed in accordance with the Plans and Specifications therefor and applicable laws and as required by the Construction Contracts; and

(b) all required occupancy permits therefor shall have been issued and the same shall be reasonably capable of being occupied for its intended purposes; and

(c) a punch list of any unfinished items relating thereto shall have been prepared by the Developer, Architect and/or the General Contractor and shall have been provided to the Lessee and the Lessor; and

(d) all Governmental Authorities shall have given any necessary approval to occupancy thereof on a temporary basis pending the occurrence of final completion thereof.

“*Substantial Completion Date*” shall have the meaning ascribed to such term in Section 10(q) hereof.

“*Surplus Fund*” means the fund of that name created in accordance with the provisions of the Indenture.

“*Term*” shall have the meaning ascribed to such term in Section 2(a) hereof.

“*Termination Date*” means the date on which the Term ends by termination or expiration hereof.

“*Transferee*” shall have the meaning ascribed to such term in Section 32(a) hereof.

“*Trustee*” means Zions Bancorporation, National Association d/b/a Zions Bank, as Trustee under the Indenture, and its successors and assigns in such capacity.

“*Trustee Mortgage*” means the Leasehold Deed of Trust and Assignment of Rents and Subleases of even date herewith by the Lessee 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 of the Indenture.

“*Trustee Security Interests*” shall have the meaning ascribed to such term in Section 12(a) hereof.

Section 2. Term.

(a) The term of the leasehold estate of the Lessee in the Property created hereunder (the “Leasehold Estate”) shall commence on the Commencement Date and shall expire at 12:00 midnight on the earlier of (i) the date that is the last day of the full month following the fortieth (40th) year anniversary of the Commencement Date or (ii) the date on which the Bonds shall have been paid in full and the Indenture shall no longer be in effect, unless sooner terminated in accordance with the provisions hereof or by operation of law (the “Term”). If the Commencement Date is not the first (or the Termination Date is not the last) day of a Lease Year, then from the Commencement Date through the day before the first Lease Year (or from the day after the last Lease Year through the Termination Date), the parties shall have all the same rights and obligations under this Lease (including regarding Rent) that they do during the first (or the last, as applicable) full Lease Year, all prorated daily. In the event of any delays or interruptions in the operation of the Project, which result in a balance of the Bonds remaining unpaid at the conclusion of the Term and subject to complying with Utah Code §53B-21-108(2) or any other applicable law; the Lessor will consider entering into an extension of the Ground Lease either through the novation and restatement of this Ground Lease or by the execution of a new ground lease. This provision is not intended to obligate the Lessor to enter into any such extension.

(b) The Lessor and the Lessee, within 30 days after request of the other, shall confirm the then current Termination Date in writing, and if so requested, by an instrument in recordable form.

(c) Except as otherwise provided in this Ground Lease, on the Termination Date, the Lessee shall be released from, and relieved of, all of its obligations hereunder and under any other agreements relating to the Project to which the Lessor and the Lessee are then a party without any further action on the part of the Lessor or the Lessee.

Section 3. Rent.

(a) The Lessee covenants and agrees to pay to the Lessor throughout the Term as Rent on each date on which amounts become available to be distributed to the Lessor with respect to such Lease Year in accordance with the provisions of Section 512(b) and (c) of the Indenture, an amount equal to the Net Available Cash Flow.

(b) The Rent shall be payable in respect of each Lease Year within 30 days of receipt by the Lessee and the Trustee of the annual financial statements and audit report for the corresponding Annual Period of the Lessee provided to the Trustee in accordance with the provisions of the Loan Agreement and the satisfaction of any additional conditions

precedent to the distribution of the Net Available Cash Flow as provided in Section 512(b) and (c) of the Indenture.

(c) If the Net Available Cash Flow for a Lease Year shall be zero or a negative amount, no Rent shall be paid to the Lessor hereunder for such Lease Year, and it is understood that the Lessor is under no obligation, express or implied, to contribute or to pay the Lessee for any such deficit in Net Available Cash Flow.

(d) For purposes hereof, the Lessor agrees that the Lessee may, in each Lease Year, charge Rent for the units comprising the Project sufficient to comply with all of the covenants and agreements of the Lessee contained in the Bond Documents.

(e) Payment of all Rent and all other sums due to the Lessor under this Ground Lease shall be made payable to the Lessor and delivered to the Lessor at the address shown in Section 28 hereof or at such other place as the Lessor may notify the Lessee in writing from time to time.

(f) In no event may the rental paid to the Lessor be less than the fair rental value of the Property pursuant to Utah Code Section 53B-21-108(14). The Parties acknowledge and agree that the expected Rent (over the entire Term), together with other non-monetary benefits, including, but not limited to, improved educational opportunities and an enhanced campus environment will sufficiently constitute fair rental value of the Property.

Section 4. Financing of the Project.

(a) The Lessee shall, at its own cost and expense except as provided in Section 4(b) below, obtain all financing required for the design, acquisition, construction, furnishing, equipping, and operation of the Project, including the issuance of the Bonds. The term of the Indenture may not exceed the final date of the Term. The Lessee agrees to provide the Lessor with copies of all material information and documentation relating to any form of proposed financing. The Lessee agrees that except for the financing contemplated by the Bond Documents, all financing relating to the design, acquisition, construction, furnishing, equipping, and operation of the Project, or any amendment, renewal, refinancing, or refunding of same during the Term shall be subject to the prior approval of the Lessor, which approval shall not be unreasonably withheld.

(b) On the Commencement Date, Lessor shall deposit with Trustee the amount of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) ("Lessor Contribution"), to be disbursed by Trustee to pay certain costs of issuance of the Bonds and costs of the Project. It is agreed that (i) pursuant to Utah Code Section 53B-21-108(8) the Lessor Contribution shall not be used to pay the amortization of the acquisition cost of the Project or any interest on the unpaid part of the acquisition costs of the Project, and (ii) pursuant to Utah Code Section 53B-21-108(9) the costs of the Project, the Lessor Contribution and any other amounts that may be required to be paid by the Lessor under this Ground Lease shall not be obligations of the State, and the College shall pay or discharge such costs or obligations from all funds legally available to the College which shall not include either ad valorem tax receipts or State appropriations. The College anticipates that over the Term,

amounts received by it as Rent hereunder will be sufficient to satisfy all of its payment obligations hereunder.

Section 5. Taxes and Assessments.

(a) It is hereby determined and declared by the Lessor and the Lessee that nothing contained in this Ground Lease is intended to change the degree to which the interest or estate of the Lessee created by this Ground Lease is subject to ad valorem property taxes; however, to the extent assessed, the Lessee shall bear and pay to the public officer charged with the collection thereof, before the same shall become delinquent, and shall indemnify, save, and hold harmless the Lessor from the payment of, any and all taxes, assessments, license fees, excises, imposts, fees, and charges of every sort, nature and kind (collectively, "Taxes" and each, a "Tax") that during the Term are or might be levied, assessed, charged, or imposed upon or against the Premises or the interest or estate of the Lessee or the Lessor in and to the Property. If the transfer of fee simple title to the Premises alone results in the levy, assessment, charge, or imposition of ad valorem taxes against the Premises or causes the Property to become subject to such levy, assessment, charge, or imposition, the successor Lessor shall be responsible for the payment of such Taxes, and the Lessee shall have no liability therefor. The Lessor agrees, upon Lessee's written request, to use its best efforts to assist the Lessee in attempting to secure an exemption from ad valorem property taxation with respect to the Premises.

(b) If the imposition of any Tax shall be deemed by the Lessee or the Lessor to be improper, illegal, or excessive, the Lessee may, in its own name, dispute and contest the same and, in such event and to the extent permitted by law, any such Tax need not be paid until adjudged to be valid; provided, however, the Lessee shall first notify the Lessor in writing of such dispute and contest and shall comply with the requirements of the Bond Documents or any other Permitted Leasehold Mortgage and related documents concerning the contest of Taxes. Unless so contested, any Tax shall be paid by the Lessee within the time provided by law, and if contested, any such Tax shall be paid before the imposition of a lien on the Premises with respect thereto.

Section 6. Utility Services. The Lessee shall make application, obtain and pay, and be solely responsible, for all utilities required, used, or consumed on the Premises, including, but not limited to gas, water (including water for domestic uses and for fire protection), telephone, electricity, cable TV, internet, sewer service, garbage collection services, or any similar service (collectively, the "Utility Services" and each, a "Utility Service"). In the event that any charge for any Utility Service supplied to the Premises shall not be paid by the Lessee to the applicable Utility Service supplier when due, then the Lessor shall be permitted, 10 days after written notice to the Lessee, but shall not be required to, pay such charge for and on behalf of the Lessee, with any such amount paid by the Lessor being repaid by the Lessee to the Lessor within 35 days after demand therefor by the Lessor.

Section 7. Payments for the Lessee by the Lessor. If the Lessee shall fail to procure the insurance required to be procured by the Lessee under this Ground Lease or shall fail to pay any premium of insurance, Tax, or any other sum in this Ground Lease required to be paid by the Lessee (other than Rent), the Lessor may, after expiration of the applicable cure period and after

notifying the Lessee and the Trustee, at the Lessor's option, elect to follow one of the options provided in Section 24(b) hereof or may, without declaring an Event of Default, procure on behalf of the Lessee any such insurance, and pay on behalf of the Lessee any such payment or payments as may be necessary. Any sum(s) so paid or expended by the Lessor on behalf of the Lessee shall immediately be reimbursed and paid by the Lessee to the Lessor within 35 days after demand therefor by the Lessor.

Section 8. Compliance by the Lessee with Laws and Ordinances. At all times during the Term, the Lessee shall conform to, obey, and comply in all material respects with all present and future laws, ordinances, and regulations of all legally constituted Governmental Authorities existing at the commencement of the Term or at any time during the continuance of the Term that in any way are applicable to this Ground Lease or the use of the Premises or any repair, replacement, demolition, renovation, construction, restoration, or excavation being done on or to the Premises. The Lessee, in its own name and at its sole cost and expense, shall have the right to contest the validity of any law, ordinance, rule, regulation, or requirement contemplated under this Section. The Lessee shall use its best efforts not to use the Premises or any part thereof, or to suffer or to permit the Premises or any part thereof to be used, in any manner that would constitute a legal nuisance or an unreasonable annoyance to any student, employee, or visitor to the Campus or for any hazardous purpose. In the event, at any time during the Term, or thereafter, as the result of the Lessee's acts or omissions to act during the Term, any addition, alteration, change, or repair or other work of any nature, structural or otherwise, shall be lawfully required or ordered by an applicable Governmental Authority or become necessary on account of any law, ordinance, or regulation of any Governmental Authority then in effect, or on account of any other reason with respect to the Premises, the entire expense thereof, regardless of when the same shall be incurred or become due, shall be paid by the Lessee and, in no event, shall the Lessor be called upon to contribute thereto or do or pay for any work of any nature whatsoever on or relating to the Premises.

Section 9. Quiet Enjoyment. The Lessor represents and warrants that it owns fee simple, marketable title to the Property subject to no restrictions, liens, or other encumbrances other than Permitted Encumbrances. The Lessor further covenants and agrees that, throughout the Term, the Lessee may peaceably and quietly enjoy the Property subject, however, to zoning and land use restrictions, Permitted Encumbrances, and the Lessee's fulfillment of the covenants and agreements contained herein.

Section 10. Construction of Improvements.

(a) ***Obligation To Construct Improvements.*** The Lessee shall, at its sole cost and expense, design and construct, or cause to be designed and constructed, the Improvements upon the Property in accordance with the Schedule of Performance. The Lessee shall enter into the Development Agreement which shall contemplate the Developer's entering into the Construction Contract and the Architect's Agreement. The Lessor hereby approves the Construction Documents and acknowledges receipt of copies of the final forms thereof for the Lessor's approval.

(b) ***Lessee's Security for Performance.*** As security for the Lessee's performance hereunder as it relates to the design and construction of the Project, the Lessee

grants to the Lessor a security interest in the Construction Documents as provided in, and subject to the provisions of, Section 12(a) hereof.

(c) ***Default in Construction.*** In the event the Developer, the General Contractor, or the Architect, if any, shall fail to perform in accordance with the provisions of any of the Construction Documents to which it is a party in connection with the design, acquisition, construction, furnishing, and/or equipping of the Project, the Lessee shall exercise all of the rights and remedies available to the Lessee in each such Construction Document(s) in consultation with the Lessor. If an Event of Default shall occur and be continuing or if the Lessee shall default under, the Development Agreement beyond applicable notice and cure periods, the Lessor may, subject to the rights of the Trustee, assert the rights of the Lessee under the terms of the Development Agreement, the Construction Contract, and the Architect's Agreement, if any.

(d) ***Commencement of Construction.*** The Lessee shall commence and pursue to completion the design, acquisition, construction, furnishing, and equipping of the Project on the Property and associated site development on the Campus outside the boundaries of the Property, in accordance with the Construction Documents and in accordance with the Schedule of Performance.

(e) ***Construction Approvals by the Lessor.*** Prior to commencing any excavation, construction, paving, or any other work associated with the Property or the Project, the Lessee shall deliver to the Lessor for its approval three sets of the proposed Plans and Specifications. The right of approval of the Lessor with respect to the Plans and Specifications shall include, but not be limited to, the compatibility of the exterior appearance of any Improvement with the public activities of the Lessor on adjacent portions of the Campus. The Lessor shall have a period of 15 Business Days after receipt to approve or reject such proposed Plans and Specifications, with any rejection being accompanied with a description of measures to be taken by the Lessee that will result in approval upon resubmission (or why resubmission of any similar proposal would be rejected). Failure to approve or reject any proposed Plans and Specifications within such 15-day period shall be deemed approved by the Lessor. The Lessor agrees not to withhold unreasonably the approval required by this subsection. Approval of submissions or resubmissions by the Lessor shall not relieve the Lessee from the obligation to obtain all other necessary approvals and permits required by all Governmental Authorities or from complying in all material respects with the Plans and Specifications, the Construction Documents, and all applicable building codes and ordinances. The Lessee expressly agrees that the Lessor shall not be liable or bound in any matter by any oral or written statements, representations, or information pertaining to the Premises furnished by any person, unless the same are expressly and specifically set forth in this Ground Lease. The Lessor shall not be responsible to the Lessee for unknown surface and subsurface conditions in or on the Property.

(f) ***Change Orders.*** Once the Plans and Specifications shall have been submitted to and approved by the Lessor or the proposed Plans and Specifications shall have been deemed approved in accordance with Section 10(e) hereof, the Lessee may, with the written consent or approval of the Lessor and subject to the further provisions of this

subsection, order, authorize, or perform any change or substitute work or materials in prosecuting the construction of the Improvements (a “Change Order”). The Lessor agrees not to withhold unreasonably its consent or approval to a Change Order. The Lessor shall have a period of five Business Days after receipt to approve or reject any such Change Order. Any such Change Order that is not approved or rejected within such five Business Day period shall be deemed to be approved by the Lessor. Notwithstanding the foregoing, the Lessee shall not be obligated to obtain the Lessor’s consent or approval of a Change Order if such Change Order shall relate to minor, non-structural, non-elevation changes to the Project so long as such Change Order (each, a “Minor Change Order”) shall not delay the Substantial Completion Date or increase the cost of construction of the Project (as evidenced by the content of such Minor Change Order). The Lessor shall be provided notice of any Minor Change Order by submission of a copy of the same to the Lessor Representative within five Business Days of its execution.

(g) ***Construction According to Approved Plans.*** To the extent reasonably possible, the acquisition, construction, furnishing, and equipping of the Project shall be done so as to minimize disruption of the Lessor’s operations. All construction activities must be coordinated with the appropriate departments of the Lessor. A mandatory pre-construction meeting shall be conducted by the Lessee prior to the start of any construction activities for the purpose of reviewing security procedures, utility coordination, access to the Property, and construction coordination issues. The meeting shall be attended, at a minimum, by the Lessor Representative, the Lessee, the Developer, and the General Contractor’s project manager and superintendent. All building materials for the Project must be new and of good quality in accordance with the Construction Documents and the Plans and Specifications. The Lessor reserves the right, at the Lessor’s sole cost and expense, to monitor the Lessee’s construction of the Project from its inception to its completion, including participation in all construction meetings contemplated by the Construction Documents; provided that the failure of the Lessor Representative to attend any such construction meeting of which he or she shall have been notified shall not cause a delay in the holding thereof on the scheduled date thereof. At a minimum, the following restrictions must be placed upon construction activities, and the Lessee shall provide for the incorporation of these restrictions in the Construction Documents:

- (i) access to the construction site shall be limited to those involved with the work;
- (ii) for construction activities requiring access to the Lessor’s drives and parking areas, access shall be restricted to those times approved by the Lessor, which approval will not be unreasonably withheld;
- (iii) construction activities shall not unreasonably interfere with entry or exit to the Campus, Campus parking or drives, or pedestrian circulation paths or walks without prior written consent from the Lessor;
- (iv) the Lessee shall notify the Lessor in writing at least 72 hours in advance when coordination meetings requiring the Lessor’s participation shall be required;

(v) the Lessee shall provide an eight-foot-high chain link security fence (which may not contain razor or barbed wire) with lockable gates at the perimeter of the construction site and staging area;

(vi) the Lessee, throughout the construction period, shall be responsible for the enforcement of discipline and good order among the workers on the site;

(vii) Campus toilet facilities, parking areas, and student dining facilities shall not be used by construction personnel;

(viii) signage, which shall be subject to the Lessor's prior approval, shall be provided and maintained at all entrances to the Campus to direct deliveries, construction personnel, etc. to the construction site; and

(ix) the Lessee and the Lessee's contractors shall not bury or burn or otherwise dispose of construction debris on the Property, in any of Lessor's trash dumpsters or bins, or on any other portion of the Campus.

(h) ***Non-Exclusive Easements.***

(i) the Lessor agrees and does hereby grant to the Lessee and its successors, assigns, successors-in-title, invitees, employees, and sublessees, a non-exclusive easement on, over, across, and through the portion of the Campus, as depicted on Exhibit B attached hereto and made a part hereof by this reference, for all forms of pedestrian and vehicular ingress, egress, and access between the Property and the public streets and roadways abutting the Campus in accordance with a traffic control plan approved by the Lessor. Such non-exclusive easement herein granted shall expire automatically on the Termination Date.

(ii) the Lessor agrees and does hereby grant to the Lessee and its employees and contractors a non-exclusive, temporary easement on, over, across, and through the portion of the Campus, as depicted on Exhibit C, for vehicular ingress and egress for construction activities in connection with the Project. Such construction easements shall expire automatically upon the earlier to occur of (A) the Termination Date, or (B) the Final Completion of the Project.

(i) ***Payment of Bills for Construction.*** The Lessee covenants and agrees to pay or cause to be paid, currently as they become due and payable in accordance with the terms of the Construction Documents and the Bond Documents, all bills for labor, materials, insurance, and bonds, and all fees of architects, engineers, contractors, and subcontractors and all other costs and expenses incident to any construction in or on the Premises; provided, however, that the Lessee may, in good faith, in its own name, dispute and contest any such bill, fee, cost, or expense, and in such event, any such item need not be paid until adjudged to be valid. Unless so contested by the Lessee, all such items shall be paid by the Lessee within the time provided by law, and if contested, any such item shall be paid before the issuance of an execution on a final judgment with respect thereto. If requested by the Lessor, the Lessee shall provide the Lessor with copies of each Application for Payment submitted by the General Contractor, each Certificate of Payment

issued by the Architect prior to payment thereof, and evidence of payment of each such Application for Payment.

(j) ***All Liens and Rights Are Subordinate to the Lessor.*** Except for the rights of the Trustee and/or another Permitted Leasehold Mortgagee, including, without limitation, their respective rights referenced in Sections 10(b), 12(a), 26, and 34(i) hereof, the Lessee's rights, as well as the rights of anyone else, including, but not limited to, any mortgagee, architect, independent contractor, assignee, sublessee, subcontractor, prime or general contractor, mechanic, laborer, materialman, or other lien or claim holder, shall always be and remain subordinate, inferior, and junior to the Lessor's title, interest, and estate in the Property. The Lessee shall not create or permit to be created or to remain, and shall discharge, any lien, encumbrance, or charge levied on account of any mechanic's, laborer's, or materialman's lien, or any security agreement, conditional bill of sale, title retention agreement, chattel mortgage, or otherwise (a "Lien") that might or does constitute a lien, encumbrance, or charge upon the Premises, or any part thereof, or the income therefrom, having a priority or preference over or ranking on a parity with the estate, rights, or interest of the Lessor in the Premises or any part thereof, or the income therefrom. Nothing in this Ground Lease shall be deemed or construed in any way as constituting the consent or request of the Lessor, express or implied, by inference or otherwise, to the filing of any Lien against the Premises by any contractor, subcontractor, laborer, materialman, architect, engineer, or other Person for the performance of any labor or the furnishing of any materials or services for or in connection with the Premises or any part thereof.

(k) ***Completion of Construction by the Lessor.*** The Lessor acknowledges that the Lessee shall assign to the Trustee all of the Lessee's right, title, interest, and remedies in and to the Construction Documents pursuant to an Assignment of Contracts and Agreements. The Lessee covenants and agrees that in the event (i) the Lessee shall abandon or fail to complete the construction of Improvements undertaken by the Lessee in accordance with all material requirements hereof; (ii) such failure shall not be solely the result of the occurrence of an Event of Default; and (iii) the Trustee shall not elect to complete construction of such Improvements pursuant to the terms of the Assignment of Contracts and Agreements, the Lessor may, at its option (but without any obligation so to do and without prejudice to any other rights the Lessor may have under this Ground Lease) complete the acquisition, construction, furnishing, and equipping of the Project as an expense of the Project and, as nearly as practicable and proper, according to the Plans and Specifications previously approved by the Lessor.

(l) ***Title to the Improvements.*** The title to all Improvements now or hereafter located on the Property including those to be constructed in accordance with the Plans and Specifications and the Construction Documents shall be vested in the Lessee until the Termination Date, at which time all title to and ownership of said Improvements shall automatically and immediately vest (without the necessity of any further action being taken by the Lessee or the Lessor or any instrument being executed and delivered by the Lessee to the Lessor) in the Lessor.

(m) ***Architects, Engineers, Contractors, Specialists and Consultants.*** The Lessee shall require, or cause the Developer or the General Contractor to require, all

architects, engineers, contractors, subcontractors, specialists, and consultants engaged in connection with the design, acquisition, construction, furnishing, and equipping of the Project to perform their respective obligations under the terms of the Construction Documents to be licensed in accordance with Utah law and to obtain and maintain for a period of six years after the Substantial Completion of the Project errors and omissions insurance pursuant to Section 17(g) hereof and payment and performance bonds pursuant to Section 10(p) hereof.

(n) **Permits, Laws and Ordinances.** The Lessee shall as a construction expense, comply and cause its contractors and subcontractors to comply in all material respects with all building codes, ordinances, rules, regulations, orders, directives, and statutes of all Governmental Authorities that may now or hereafter, from time to time, be established and that are or shall be applicable to the Lessee as they relate to the Project, including without limitation, the Americans With Disabilities Act of 1990, and shall take, as otherwise provided herein, all action necessary to cause the Project to comply in all material respects with all provisions of the Construction Documents, the Loan Agreement, and this Ground Lease applicable to the Lessee.

(o) **Construction Site.** The Lessee shall confine its operations to the Property and shall not store any material or equipment on property of the Lessor outside the boundaries of the Property, except as approved in writing and subject to such conditions as may be specified and approved by the Lessor. The Lessee shall protect all work and shall at all times keep and cause its contractors to keep the construction site reasonably clean and free from waste materials and rubbish.

(p) **Payment and Performance Bonds.** The Lessee shall provide or cause to be provided to the Lessor payment and performance bonds for the Project in a form and from a surety approved by the Lessor, in accordance with the Construction Documents, to include requiring the contractor and appropriate subcontractors to provide payment and performance bonds. The bonds shall be dual obligee surety bonds payable in favor of the Trustee, as primary obligee, and in favor of the Lessee and the Lessor as additional obligees.

(q) **Reports and Information.** The Lessee shall provide the Lessor with copies of all material documents and correspondence provided to or generated by the Lessee in connection with the performance of the Construction Documents including those related to the satisfaction of the items in the Schedule of Performance and shall provide the Lessor with monthly progress reports in a form reasonably satisfactory to the Lessor demonstrating compliance with the construction requirements of the Plans and Specifications and the Construction Documents and this Ground Lease for the previous month. In addition, the Schedule of Performance must be updated at least monthly to assure the Lessor that construction of the Project will be complete in sufficient time to allow for occupancy thereof on or before [August 1, 2023] (the "Substantial Completion Date"). The Lessee shall deliver or cause to be delivered to the Lessor copies of all soil reports, surveys, hazardous wastes or toxic materials reports, feasibility studies, and other similar written materials prepared for the Lessee pursuant to the Construction Documents

or the Bond Documents with respect to the Property or the Project within 10 days after receipt by the Lessee.

(r) ***Substantial Completion of Improvements.*** The Lessee agrees that Substantial Completion of the Improvements, in accordance with the Plans and Specifications, for occupancy by Eligible Residents shall occur on or before the Substantial Completion Date, and thereafter the Lessee shall promptly and with diligence complete any remaining construction and furnishing of the Improvements in accordance with all provisions of the Plans and Specifications and this Ground Lease.

(s) ***Final Completion of Improvements.*** The Lessee shall, to the extent such work is not already completed, promptly and with diligence (and in any event not later than 60 days following Substantial Completion) complete the remaining grading, landscaping, debris removal, and removal of surplus building material from the Premises. All rubbish shall be removed within 30 days. The Lessee shall also promptly and with diligence (and in any event not later than 60 days following Substantial Completion) achieve Final Completion. During such 60-day period, the Lessee shall perform all work in a manner that does not interfere with or disturb the residents occupying the Project. The Lessee shall keep the Lessor regularly informed and updated (but in no event less frequently than on a weekly basis) regarding the status of all work, and shall coordinate with the Lessor in connection with the Final Completion thereof. As soon as practicable (however, in no event to exceed four calendar months) after the Substantial Completion of the Project, the Lessee shall furnish to the Lessor:

(i) one complete set of final “as-built” plans and specifications of the completed Improvements in auto-CAD format;

(ii) a current, accurate, properly labeled, and certified (by the hereafter stated surveyor or engineer), “as built” plat of survey prepared by a Utah registered land surveyor or professional engineer depicting to scale the location of the completed Improvements, as the same have been constructed; and

(iii) one complete set of operations and maintenance manuals for all systems, equipment, furniture, and fixtures.

(t) ***Failure To Provide Project on Schedule.*** If the Lessee shall not deliver the number of student rooms contemplated in the Construction Documents for the Project in accordance with the Schedule of Performance, the Lessee shall be responsible for procuring, coordinating, managing and paying the incremental costs of providing housing for students who shall have executed Occupancy Agreements to occupy residential units within the Project, but who shall not be permitted to occupy such units on or before the Substantial Completion Date (collectively, the “Affected Residents” and each, an “Affected Resident”). Incremental costs means the sum of:

(i) the cost of alternative housing for each Affected Student within a radius of no greater than 10 miles from the Campus of the quality at least equivalent to a limited service hotel, with comparable kitchen facilities;

(ii) the cost of reasonable transportation for each Affected Student between the alternative housing and the Campus;

(iii) the cost of any necessary and reasonable storage facilities for possessions of each Affected Resident;

(iv) any necessary and reasonable moving services for each Affected Resident from such housing to the Campus; and

(v) to the extent that Affected Residents shall not have purchased or procured any meal plan from the Lessor and the temporary housing shall not contain reasonably equivalent kitchen facilities to those to be contained in their respective units, a reasonable meal allowance for such Affected Residents not to exceed \$50 per day, which amount shall be paid to the Affected Residents on a monthly basis; or

(vi) as an alternative to (i) through (iv), and at the election of the Affected Students, a daily amount equal to their daily rent under their respective lease, sublease, license, rental, or other similar agreement, which amount shall be paid to the Affected Residents on a monthly basis.

In the event that student rooms shall not be delivered for occupancy on time as described above, the Lessor and the Lessee shall nevertheless proceed with the execution of Occupancy Agreements with the intent that revenues therefrom will be paid by Affected Students and then paid to the Trustee for the Bonds under the provisions of the Loan Agreement as if the Project had been completed on time and with the Lessee providing payment of the actual costs of alternative housing and transportation as described above.

(u) ***Construction Meetings and Reporting.*** The Lessor's Representative shall be included on all distributed communications relating to the construction of the Project and Substantial Completion thereof, including without limitation, a monthly update regarding any changes in costs, changes in Plans and Specifications, requests, Change Orders, submittals, and the punch list. The Lessee shall conduct construction meetings no less frequently than weekly (and shall provide the Lessor's Representative with reasonable opportunity to attend and participate in such meetings) and shall hold additional construction meetings if reasonably requested by the Lessor, and shall provide frequent and regular updates (but in no event less frequently than monthly) to the Lessor regarding the status of construction milestones, anticipated date of Substantial Completion, any anticipated delays in timely achieving Substantial Completion, and any efforts being implemented by the Lessee to avoid or mitigate any such delays. The Lessor shall have the opportunity to attend the punch list walk. The Lessee's onsite construction professionals and the Lessee's representatives shall work cooperatively to ensure that the Lessor is kept apprised of the progress of construction of the Project.

Section 11. Operation of the Project.

(a) ***Lessee's Obligation To Operate.*** Upon completion of construction of the Project, the Lessee shall operate the same as a student housing facility to serve Eligible Residents and shall enter into the Management Agreement.

(b) ***Management of Improvements.*** The Lessee shall not amend, modify, cancel, or renew the Management Agreement or enter into any other management agreement relating to the Project without the Lessor's consent, which consent shall not be unreasonably withheld.

(c) ***Lessor's Commitment.*** It is the intention of the Parties that if the Lessor sponsors or builds additional student housing projects, those projects will be treated at all times as part of the Lessor's student housing program on an equal basis with the Project, whether or not the Project or any part thereof shall be owned and/or operated by the Lessor.

Section 12. Security Interest.

(a) ***Pledge, Assignment, and Grant of Security.*** As security for the Lessee's performance of its obligations hereunder and subject to the rights of the Trustee, the Lessee hereby assigns and pledges to the Lessor, and hereby grants to the Lessor a security interest in, all of the Lessee's right, title, and interest in and to the Assigned Agreements, including, without limitation: (i) all rights of the Lessee to receive moneys due and to become due under or pursuant to the Assigned Agreements; (ii) all rights of the Lessee to receive proceeds of any insurance, indemnity, warranty, or guaranty with respect to the Assigned Agreements; (iii) claims of the Lessee for damages arising out of or for breach of or default under the Assigned Agreements; and (iv) the right of the Lessee to terminate the Assigned Agreements, to perform thereunder, and to compel performance and otherwise exercise all remedies thereunder. The Lessor acknowledges that, pursuant to the Assignment of Contracts and Agreements, the Lessee will grant to the Trustee security interests in various items of collateral including, but not limited to, the Assigned Agreements and certain rights and remedies with respect thereto (collectively, the "Trustee Security Interests"). Any and all security interests granted to the Lessor by the Lessee pursuant to this Ground Lease (including, but not limited to, the security interest granted in this Section) shall be subject to the provisions of Section 35(i) hereof and subordinate in all respects to the Trustee Security Interests and the interest of any Permitted Leasehold Mortgagee including, without limitation, the Trustee.

(b) ***Further Action and Documents.*** The Lessee agrees that from time to time, at the expense of the Lessee, the Lessee will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Lessor may reasonably request, in order to perfect and protect any pledge, assignment, or security interest granted or purported to be granted hereby or to enable the Lessor to exercise and enforce its rights and remedies hereunder with respect to any Assigned Agreements.

(c) **Financing Statements.** The Lessee hereby authorizes the Lessor to file one or more financing and/or continuation statements, and amendments thereto, relating to all or any part of the Assigned Agreements without the signature of the Lessee where permitted by law. A photocopy or other reproduction of any financing statement covering the Assigned Agreements or any part thereof shall be sufficient as a financing statement where permitted by law.

(d) **Lessor Appointed Attorney-in-Fact.** The Lessee hereby irrevocably appoints the Lessor the Lessee's attorney in fact, with full authority in the place and stead of the Lessee and in the name of the Lessee or otherwise, if an Event of Default shall have occurred and be continuing, to take any action and to execute any instrument that the Lessor may deem necessary or advisable to accomplish the purposes of this Agreement, subject in all cases to the rights of the Trustee, including, without limitation:

(i) to obtain insurance required to be paid to the Lessor pursuant to Section 17 hereof in the event the Lessee shall fail to obtain such insurance;

(ii) to ask, demand, collect, sue for, recover, compromise, receive, and give acquittance and receipts for moneys due and to become due under or in connection with the Assigned Agreements; and

(iii) to file any claims or take any action or institute any proceedings that the Lessor may deem necessary or desirable to enforce compliance with the terms and conditions of any Assigned Agreement or the rights of the Lessor with respect to any of the Assigned Agreements.

(e) **Lessor May Perform.** If the Lessee shall fail to perform any agreement contained herein, the Lessor may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Lessor incurred in connection therewith shall be payable by the Lessee to the Lessor within 35 days after demand therefor by the Lessor.

(f) **Lessor's Duties.** The powers conferred on the Lessor hereunder are solely to protect its interest in the Assigned Agreements and shall not impose any duty upon it to exercise any such powers. The Lessor shall have no duty to take any necessary steps to preserve rights against prior parties or any other rights pertaining to any Assigned Agreements.

Section 13. Assignment of Lease.

(a) **Written Consent.** Except as otherwise provided in this Ground Lease (including, without limitation, Section 26 hereof), the Lessee, and its successors and assigns, shall not have the right to assign or transfer this Ground Lease or any interest herein or any right or privilege appurtenant hereto or to sublease the Premises or any portion thereof, unless the written consent of the Lessor shall first be had and obtained, which consent shall not be unreasonably withheld. Any assignment or transfer for which consent is required but which is nevertheless made without such written consent shall be void ab initio.

(b) **Occupancy Agreements.** Any other provisions hereof to the contrary notwithstanding, the Lessee, and its successors and assigns, shall, without the consent or approval of the Lessor, have the right, in the ordinary course of business, to enter into Occupancy Agreements in a form approved by the Lessor in accordance with the criteria set forth in the Management Agreement.

(c) **Assignment to Permitted Leasehold Mortgagee.** Any other provisions hereof to the contrary notwithstanding, the Lessee, and its successors and assigns, shall have the right without the consent or approval of the Lessor to assign or transfer its leasehold state created by this Ground Lease or any interest herein or any right or privilege appurtenant hereto that the Lessee desires to assign or transfer to a Permitted Leasehold Mortgagee. The Lessor agrees to recognize any assignee or transferee of an assignment or transfer for which the Lessor's consent shall not be required as lessee for the performance of all duties and obligations arising by reason of the interest hereof being so assigned or transferred; provided, however, it is hereby agreed and acknowledged by the Lessor and the Lessee that the Lessee, its successors and assigns, shall not be relieved of its liability for the performance of such duties or obligations by any such assignment or transfer.

Section 14. Maintenance of Property. The Lessee shall, at all times during the Term, at the Lessee's sole cost and expense, keep and maintain the Premises and all adjoining areas out to the perimeter pavement, and appurtenances and every part thereof, and any and all buildings, other structures or Improvements that may exist on, in, or be made a part of the Premises, in good order and condition, ordinary wear and tear excepted, and make all necessary repairs thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, and foreseen and unforeseen. In the event the Lessee shall fail to perform any of its obligations as required hereunder, after notice and right to cure pursuant to the terms and provisions of Section 24(a) hereof, the Lessor may (but shall not be required to) perform and satisfy same, and the Lessee hereby agrees to reimburse the Lessor for the reasonable cost thereof promptly upon demand. The Parties agree that it shall be the Lessee's sole responsibility at all times during the Term to maintain the Premises consistent with the maintenance standards for the other premises located on the Campus. All required maintenance and repair during the Term shall be complete when the Premises shall be surrendered to the Lessor.

Section 15. [Reserved].

Section 16. Indemnification Agreement. The Lessee hereby releases and agrees to indemnify and hold harmless the Lessor and all of its trustees, officers, employees, directors, agents, and consultants (hereinafter collectively referred to as the "Indemnitees") of and from any and all claims, demands, liabilities, losses, costs, or expenses for any loss including but not limited to bodily injury (including death), personal injury, property damage, expenses, and reasonable attorneys' fees to the extent due to any negligent act or omission on the part of the Lessee, its agents, employees, or others (other than the agents and employees of the Lessor, if any) working at the direction of the Lessee or on its behalf, or due to the application of any pertinent federal, State, or local law, rule, or regulation or the violation of by the Lessee, its agents, employees, or others (other than the agents and employees of the Lessor, if any) working at the direction of the Lessee of any such federal, State, or local law, rule, or regulation. This indemnification extends to the successors and assigns of the Lessee, and this indemnification survives the expiration or

termination of this Ground Lease and the dissolution or, to the extent allowed by law, the bankruptcy of the Lessee. This indemnification does not extend beyond the scope of this Ground Lease and the Construction Documents and the work undertaken thereunder.

Section 17. Insurance. [Under review by the Insurance Consultant.]

(a) **General.** It is the intent of the Parties that all risk of loss relating to the Project be shifted to insurance to the maximum extent practicable. Accordingly, unless the Lessor shall otherwise agree in its sole discretion, the Lessee shall maintain, or cause to be maintained, insurance covering the risks enumerated below subject to the additional requirements set forth in the Bond Documents which, if such requirements include additional insurance coverage, shall govern any inconsistency herewith. Such insurance shall be written on an occurrence basis unless the Lessor shall otherwise consent in writing, which consent shall not be unreasonably withheld or delayed, but for errors and omissions insurance issued on a claims-made basis, the Lessor may condition such consent on the purchase of a five-year tail policy with such limits as the Lessor may reasonably determine appropriate. The policy shall provide that such insurance shall be primary coverage without reduction or right of offset or contribution on account of any insurance provided by the Lessor to itself or its officers, officials, or employees, that such insurance shall not be altered or cancelled without 30 days' written notice to the Lessor and that, with respect to the insurance described in Sections 17(a), (c), (e), (f) and (h), such insurance shall contain an endorsement that names the Lessor as an additional insured. The insurance policies purchased by the Lessee must be issued by a company authorized to conduct business in the State or by a company acceptable to the Lessor and that has a Best Policyholders Rating of "A-" or better and with a financial size rating of Class VIII or larger. Notwithstanding anything else herein contained, the rights of the Lessor to any insurance policies covering the Premises or the Project (or any portion thereof) and any and all proceeds paid or payable thereunder shall be in all respects junior and subordinate to the rights of the Trustee under the Bond Documents and any other Permitted Leasehold Mortgage.

(b) **Workers' Compensation, Employer's Liability.** Commencing on the date the first employee of the Lessee is hired, workers' compensation coverage or other similar coverage covering all of the Lessee'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 Lessee shall require all subcontractors performing work on the Project to provide an insurance certificate showing proof of workers' compensation insurance).

(c) **Property/Business Interruption.** The Lessee shall maintain, or cause its contractors to maintain:

(i) during the construction period for the Project, 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 Project on an "all risk of loss or damage basis," currently referred to as "special

form,” including coverage for soft costs (in an amount equal to or greater than the anticipated excess debt coverage anticipated for the first full year of operations) and lost rents (in an amount equal to or greater than the anticipated net rental revenue for the first full year of operations) 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, earth movement, (including, but not limited to, earthquake, landslide, subsidence, and volcanic eruption), flood, windstorm (including tornados), hail, 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 Project with a deductible provision not to exceed \$25,000 per occurrence, except in the event of a named windstorm, earthquake, 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; and

(ii) from and after Substantial Completion of the Project, 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) thereof (with deductible provisions not to exceed \$25,000 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); and

(iii) from and after Substantial Completion of the Project, business interruption insurance (also referred to as “business income” or “loss of rents” insurance) covering loss of revenues and other income by the Lessee by reason of total or partial suspension of, or interruption in, the operation thereof caused by covered damage to or destruction of the Project 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.

(d) **Fidelity Bonds.** From and after Substantial Completion of the Project, the Lessee shall maintain fidelity bonds or employee dishonesty insurance in the amount of \$100,000 for all officers, agents, and employees of the Lessee with the responsibility of handling any revenues generated from the operation thereof.

(e) **Public Liability.** The Lessee shall maintain, or cause to be maintained comprehensive general liability insurance providing insurance (with deductible provisions not to exceed \$25,000 per occurrence) covering all claims for bodily injury and property damage, including not less than \$1,000,000 per occurrence and \$2,000,000 in the

aggregate, to include personal and advertising injury, general aggregate, products and completed operations aggregate insurance beginning at the completion of any discrete portion of the Project. Coverage shall be specific for this Project or, upon approval of the Lessor, covered under umbrella or pooled policies. The policy or policies must be on an “occurrence” basis unless waived by the Lessor and shall include contractual liability coverage

(f) **Automobile.** Commencing on the date any vehicle is acquired or hired by the Lessee for use with respect to the Project, automobile liability insurance providing insurance (with deductible provisions not to exceed \$25,000 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 Lessee-owned 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.

(g) **Errors and Omissions.** The Lessee shall cause to be obtained and maintained Professional Errors and Omissions Insurance covering all architects, engineers, specialists, and consultants in an amount and with coverage subject to the reasonable approval of the Lessor. Coverages shall be specific for this project and not aggregated with insurance for other undertakings of the insureds.

(h) **Umbrella.** The Lessee shall obtain and maintain an additional umbrella or excess liability coverage in an amount of \$10,000,000 in the aggregate, which shall include all insured coverages required by Sections 17(b), (e) and (f).

(i) **Loss Payable Clauses.** The contracts of insurance required by this Section shall contain standard loss payable clauses in favor of any Permitted Leasehold Mortgagee, the Lessor, and the Lessee as their respective interests may appear.

(j) **Delivery of Insurance Certificates.** Upon the commencement hereof and at each policy renewal date, the Lessee shall furnish to the Lessor at the address set forth in Section 28 hereof an insurance certificate or renewal certificate evidencing all insurance required to be carried by the Lessee in accordance with this Ground Lease, listing the Lessor as the certificate holder and as an additional insured. The insurance certificate must document that the liability insurance coverage purchased by the Lessee includes contractual liability coverage to insure the indemnity agreement as stated.

(k) **Evidence of Payment of Premiums.** The Lessee shall, within 20 days of payment, furnish to the Lessor duplicate receipts or satisfactory evidence of the payment of all premiums on any and all insurance required to be carried by the Lessee in accordance with this Ground Lease.

(l) **Retail Space.** The Project includes an approximately 900 square foot retail area (the “Retail Space”) that is to be dedicated to the College, for which the College shall not pay rent. The Retail Space shall be constructed as part of the initial construction of the Project and, with the exception of any equipment or machinery installed in the area, shall be maintained as a common area of the Project. The College shall require that any vendor

or operator that is used for the Retail Space provide adequate insurance, as required by this Ground Lease.

Section 18. Police Services. The Premises shall be subject, at all times during the Term, to the jurisdiction of the Lessor's Campus security force, the cost of which will be paid in accordance with the Cooperation Agreement.

Section 19. Damage and Destruction.

(a) ***Repair of Damaged Improvements.*** Should any building or other structures or Improvements constructed and located by the Lessee on or within the Property be damaged or destroyed by fire or any other casualty whatsoever during the Term, the Lessee, except as hereafter provided in this subsection, shall, within 180 days from the date of such damage or destruction, commence the work of repair, reconstruction, restoration, or replacement and shall prosecute the same with all reasonable dispatch, such buildings, other structures, or Improvements shall have been repaired, reconstructed, or restored as nearly as practicable to the same condition as prior to such damage or destruction. Anything in this Ground Lease to the contrary notwithstanding, the period of time within which the Lessee shall be hereinabove obligated to complete the repair, reconstruction, restoration, or replacement of any buildings or other structures or Improvements so damaged or destroyed shall be extended for the period of any delay in said completion not within the reasonable control of the Lessee. The Lessor and the Lessee specifically agree that, except as otherwise provided in this Ground Lease, damage to or destruction of any building or other structures or Improvements on or within the Property at any time during the Term, by fire or any other casualty whatsoever, shall not work a termination hereof or authorize the Lessee or those claiming by, through or under the Lessee to quit or surrender possession of the Property or any part thereof, and shall not release the Lessee in any way from its liability to pay the Lessor the Rent herein provided for, or from any of the provisions hereof. However, if any building or other structures or Improvements constructed and located by the Lessee on or within the Property shall be damaged or destroyed at any time after payment in full of any debt secured by the Lessee's interest under this Ground Lease, the Lessee shall be relieved of any obligation to repair, reconstruct, restore, or replace the said damaged or destroyed buildings, other structures or Improvements upon payment by the Lessee to the Lessor, in a single total payment, of the net proceeds received by the Lessee from the insurance company or companies insuring the same. The Lessee shall also be relieved of any such obligation in the event a Permitted Leasehold Mortgagee shall elect to apply insurance proceeds to the reduction of the Lessee's outstanding indebtedness as permitted pursuant to Section 19(c). The release of the Lessee from the Lessee's obligation to repair, reconstruct, restore, or replace the said damaged or destroyed building or other structures or Improvements shall be conditioned, in addition to the payment by the Lessee of the sums herein enumerated, upon delivery by the Lessee to the Lessor of an instrument releasing, demising, conveying, and transferring to the Lessor all of the Lessee's rights, title, and interest in and to the Premises. Notwithstanding the above, the Parties recognize that the Loan Agreement contains provisions governing the actions of the Lessee upon damage or destruction of all or part of the Premises and agree that so long as the Loan Agreement shall be in effect, (i) the compliance by the Lessee with the provisions thereof regarding damage or destruction shall

constitute compliance by the Lessee hereunder; and (ii) this Ground Lease shall be interpreted in a manner consistent with the provisions of the Loan Agreement.

(b) ***Damages for Failure To Comply with Repair Obligation.*** Subject and subordinate to the rights of the Permitted Leasehold Mortgagees, if the repair, reconstruction, restoration, or replacement of damaged or destroyed buildings, other structures or Improvements is not substantially completed in accordance with paragraph (a) hereof within a reasonable time after the date of such damage or destruction (if such completion date is prior to the end of the Term and if the Lessee is under the affirmative requirement of such paragraph (a) to commence the repair, reconstruction, restoration, or replacement), the Lessor may terminate this Ground Lease immediately upon written notice thereof to the Lessee and, in such event, the Lessor shall receive the proceeds of all insurance obtained in accordance with Section 17 hereof to the extent such proceeds shall not have been expended on or committed to such repairs.

(c) ***Use of Proceeds of Insurance.*** Except as otherwise provided herein or in the Bond Documents, the proceeds of all insurance obtained in accordance with Section 17 hereof shall be used for the repair, reconstruction, restoration, or replacement of any building or other structure or Improvement located on or within the Property unless the Lessee shall be relieved of the Lessee's obligation to so repair, reconstruct, restore, or replace such damaged or destroyed building or other structure or Improvement pursuant to Section 19(a). Except as set forth in the Loan Agreement, the proceeds of such insurance shall be deposited in an account held by the Trustee under the Indenture. Notwithstanding anything to the contrary contained herein, a Permitted Leasehold Mortgagee shall have the right to apply insurance proceeds to any outstanding indebtedness owed to it by the Lessee and secured by a Permitted Leasehold Mortgage if there shall exist any default by the Lessee in the performance of any of the terms or provisions of such Permitted Leasehold Mortgage on the Lessee's part to be performed.

(d) ***Termination Prior to Completion of Repair.*** Subject and subordinate to the rights of the Permitted Leasehold Mortgagees, in the event of the termination hereof before the expenditure of the full amount of such insurance proceeds in the repair, reconstruction, restoration, or replacement of such damaged or destroyed buildings, other structures or Improvements, any unexpended balance thereof, including any interest previously earned by such balance, shall inure to and become the sole property of the Lessor.

(e) ***Subordination to Bond Documents.*** Notwithstanding anything else herein contained, the provisions of the Bond Documents shall control in all respects the receipt, handling, and application of any and all insurance proceeds, it being acknowledged and agreed that the Trustee and any other Permitted Leasehold Mortgagee, as their respective interests may appear, shall have a first and prior security interest therein.

Section 20. Condemnation.

(a) ***General.*** The term "condemnation" as used in this Ground Lease means the taking or appropriation of property, or any interest therein, in exercise of the power or

right of eminent domain or such taking for public or quasi-public use or any state of facts relating to the taking or appropriation of property that, without an actual taking or appropriation, shall result in direct or consequential damages to the Project or to the Property or the leasehold interest therein. Such term shall also be deemed to include to the extent not otherwise defined in this paragraph, a temporary taking of the Property and/or the Project or any part thereof or the Improvements thereon for a period of one year or more, and the taking of the leasehold interest created therein.

(b) **Total Condemnation.** If all of the Project and the Property (or such substantial portion thereof as shall, in the Lessor's sole discretion, make it economically unfeasible to continue to operate the remaining portion for the purpose herein) on which the Project is located shall be condemned, this Ground Lease shall terminate with respect to the Project on the date title to such Property shall vest in the condemnor; provided, however, that such termination shall be without prejudice to the rights of the Lessor to recover just and adequate compensation from any such condemnor. If this Ground Lease shall be terminated as provided in this subsection, the Lessee shall pay the Rent for the year in which such Property shall have been taken, up to the date of such termination. The Rent shall be payable within 60 days after the date this Ground Lease shall be terminated.

(c) **Division of Award - Total Condemnation.** Subject to the controlling provisions of the Bond Documents, if all of the Project and the Property on which the Project is located shall be condemned as provided in paragraph (b) above, the condemnation proceeds shall be paid as follows:

(i) the Lessee first shall be entitled to receive such portion of the condemnation proceeds as shall equal the principal balance of all indebtedness relating thereto secured by any Permitted Leasehold Mortgage then in effect, plus any premium payable upon the prepayment or redemption of such indebtedness, plus all interest accrued or to accrue on such sums through the date of payment or redemption of such indebtedness, plus any other expenses incurred by the Lessee in connection with the condemnation not paid from the Operating Account which shall be directly paid to the such Permitted Leasehold Mortgagee; and

(ii) the Lessor shall then be entitled to receive the balance of the condemnation proceeds.

(d) **Partial Condemnation.** In the event of a taking of less than all of the Project and the Property on which the Project is located as provided in paragraph (b) above, this Ground Lease shall terminate as to the condemned portion of the Property on the date title to the condemned portion of the Property shall vest in the condemnor; provided, however, that such termination shall be without prejudice to the rights of the Lessor to recover just and adequate compensation from any such condemnor. The provisions hereof shall remain in full force and effect as to the portion of the Property not condemned.

(e) **Division of Award - Partial Condemnation.** Subject to the controlling provisions of the Bond Documents, if less than all of the Project and the Property on which

the Project is located shall be condemned as provided in paragraph (d) above, the condemnation proceeds shall be paid as follows:

(i) the Lessee first shall be entitled to receive such portion of the condemnation proceeds as shall equal the principal balance of all indebtedness relating to the Project and secured by any Permitted Leasehold Mortgage then in effect, plus any premium payable upon the prepayment or redemption of such indebtedness, plus all interest accrued or to accrue on such sums through the date of payment or redemption of such indebtedness, plus any other expenses incurred by the Lessee in connection with the condemnation not paid from the Operating Account which shall be directly paid to such Permitted Leasehold Mortgagee; and

(ii) the Lessor shall then be entitled to receive the balance of the Condemnation Proceeds.

Section 21. Estoppel Certificates.

(a) The Lessor and the Lessee shall execute, acknowledge, and deliver to the other promptly upon request, in a form reasonably satisfactory to the requesting party, a certificate certifying as to the following:

(i) Validity of Lease: that this Ground Lease is unmodified and in full force and effect (or, if there have been modifications, that this Ground Lease is in full force and effect, as modified, and stating the modifications);

(ii) Payment of Rent: the dates through which the Rent under this Ground Lease shall have been paid;

(iii) Amount of Rent Due: the amount of any Rent then payable; and

(iv) Defaults by the Lessee: that no notice has been given by the Lessor to the Lessee of any failure to comply under this Ground Lease that has not been cured and to the best of its knowledge and belief no Event of Default exists (or, if there has been any notice given or an Event of Default exists, describing the same).

(b) Certificates from the Lessor and the Lessee pertaining to the same matters may be relied upon by any prospective Permitted Leasehold Mortgagee or by any prospective assignee of an interest under this Ground Lease or by any prospective sublessee as to all or any portion of the Property.

Section 22. Access to Premises. The Lessor and its authorized representatives, agents, employees, and attorneys may, but shall be under no duty to, enter the Premises at reasonable times and hours, subject to the rights of tenants in possession, if any, to inspect the Property in order to determine whether the Lessee is complying with its undertakings, duties, and obligations under this Ground Lease, to make such necessary repairs, additions, improvements, changes, or alterations to the Premises as the Lessor may elect to make in accordance with the terms and provisions hereof (the Lessor agreeing to provide five Business Days' prior written notice of its intent to make such necessary repairs, additions, improvements, changes, or alterations to the

Premises, except in the case of an emergency where no such prior notice shall be required), and to exhibit the same to prospective purchasers, operators, mortgagees, or tenants of the Premises. Such entry, inspection and repairs, additions, improvements, changes, or alterations as the Lessor may make of the Premises shall not constitute an eviction of the Lessee in whole or in part, and the Rent shall in no way abate by reason of loss or interruption of the business of the Lessee or otherwise while such work is being done. The Lessor agrees to employ its reasonable efforts to minimize any interruption to the business operations of the Lessee resulting from the Lessor's (or its designated representatives') work in or on the Premises. Nothing herein contained, however, shall be deemed or construed to impose upon the Lessor any obligation or liability whatsoever for care, supervision, repair, improvement, additions, change, or alteration to the Premises other than as herein expressly provided. Further, nothing in this Section shall be construed to permit the Lessor to make any material changes, improvements, and/or alterations to the Premises, including, without limitation, any demolition or removal thereof if such action would violate any restrictions imposed upon the Lessee with respect to the same under any Bond Document.

Section 23. Property Subject to Zoning. The Lessee takes the Property subject to all zoning regulations and ordinances now or hereafter in force including, but not limited to, those as to building line and setback.

Section 24. Events of Default and Remedies.

(a) ***Events of Default Defined.*** The following shall be "Events of Default" under this Ground Lease, and the term "Event of Default" means, whenever it is used herein, any one or more of the following events:

(i) The Lessee shall fail to pay the Rent at the times specified herein.

(ii) The Lessee shall fail to perform or cause to be performed any other term, covenant, condition, or provision hereof, other than as referred to in paragraph (i) above and to correct such failure within 30 days after written notice specifying such shall have been given to the Lessee by the Lessor. 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 Lessor, it shall not constitute an Event of Default if corrective action shall be instituted by the Lessee within the applicable period and diligently pursued until the failure shall be corrected in accordance with and subject to any reasonable directions or limitations of time established in writing by the Lessor.

(iii) The Lessee shall be adjudicated a bankrupt.

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

(v) The Lessee 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 Lessor to the Lessee to obtain such dismissal.

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

(vii) Any of the Lessee's interest in the Premises under this Ground Lease shall be levied upon or attached under process against the Lessee, and the same shall not be satisfied or dissolved within 90 days after notice from the Lessor to the Lessee to obtain satisfaction or dissolution thereof.

(b) **Remedies.** Subject to the provisions of Section 26 and 34(i) hereof, upon the occurrence of an Event of Default, the Lessor may pursue one of the following remedies:

(i) terminate this Ground Lease immediately upon written notice thereof to the Lessee, and thereafter, without legal process, enter upon and take possession and control of the Premises to the complete exclusion of the Lessee. The Lessor may also demand, collect, and retain all rents due from tenants occupying the Premises, and the Lessor may otherwise treat and occupy the Premises as if this Ground Lease had expired of its own limitation. The failure of the Lessor to exercise such rights after one or more Events of Default shall not be a waiver of the rights of the Lessor upon the occurrence of any subsequent Event of Default; or

(ii) as the Lessee's legal representative, without terminating this Ground Lease, relet the Premises upon obtaining the written consent of each Permitted Leasehold Mortgagee. Such reletting may be accomplished without advertisement and by private negotiations for such term or terms and at such rental or rentals as the Lessor in its sole discretion may deem proper and advisable, with the right to make alterations and repairs to the Premises. Upon each such reletting:

(A) the Lessee shall be immediately liable to pay to the Lessor, in addition to any sums due hereunder, the reasonable cost and expenses of such reletting and of such alterations and repairs incurred by the Lessor; and

(B) subject to applicable law, rents received by the Lessor from such reletting shall be deposited, while the Bonds are outstanding, in the Revenue Fund held under the Indenture or, if the Bonds have been paid in full, applied: First, to the payment of any costs and expenses of such reletting and of such alteration and repair; Second, to the payment of Rent due and unpaid under this Ground Lease; and Third, the residue, if any, shall be held by the Lessor, in escrow, and (1) applied to the payment of the Rent as the same shall become due under this Ground Lease; and (2) if any balance shall then remain, paid to the Lessee at the termination hereof. The Lessor shall in no event be liable to the Lessee for any interest on said residue.

Section 25. Expiration or Termination.

(a) ***Extinguishment of the Lessee's Rights.*** Upon the termination or expiration hereof from any cause, all rights and interests of the Lessee, and all persons whomsoever claiming by, through or under the Lessee (with the exception of the rights of Permitted Leasehold Mortgagees and residents under Occupancy Agreements), shall immediately cease and terminate, and the Premises, including all buildings, Improvements, engines, machinery, dynamos, generators, boilers, furnaces, elevators, fire escapes, and all lifting, lighting, heating, cooling, refrigerating, air conditioning, ventilating, gas, electric and plumbing apparatus, appliances and fixtures, as well as other fixtures attached to or within the Premises, and all personal property (other than that which is owned by tenants of the Project) located thereon, shall thence forward constitute and belong to and be the absolute property of the Lessor or the Lessor's successors and assigns, without further act or conveyance, and without liability to make such compensation to the Lessee or to anyone whomsoever, and free and discharged from all and every lien, encumbrance, claim, and charge of any character created or attempted to be created by the Lessee at any time. The Lessee agrees, at the expiration or termination hereof, to surrender unto the Lessor, all and singular the Premises with then existing buildings, other structures and Improvements constructed and located thereon and therein, in the same condition as when the construction of such buildings, other structures, and Improvements was completed, only natural and normal wear and tear excepted, unless the Lessee shall be relieved of the Lessee's obligation to repair, reconstruct, restore, or replace damaged or destroyed buildings, other structures or Improvements pursuant to Section 19(a) hereof.

(b) ***Prepaid Items Assigned.*** Upon the expiration of the Term, or upon the prior termination hereof from any cause, all expense items prepaid by the Lessee with respect to constructing, operating, maintaining, and protecting the Premises, including, but not limited to, prepaid insurance premiums, any tax and utility deposits, shall inure to the benefit of and become the property of the Lessor and to this extent the Lessee does hereby transfer, assign, and convey any such prepaid expense items to the Lessor.

(c) ***Amounts Remaining in Funds and Accounts.*** Upon the expiration of the Term, or upon the prior termination hereof from any cause, and subject, in the event of termination before the end of the Term, to the rights and interest of the Trustee and/or any Permitted Leasehold Mortgagee, any amounts remaining in any fund, account, or reserve created in connection with the maintenance of the Property, or the management of the Project shall inure to the benefit of and become the property of the Lessor, and to this extent, the Lessee does hereby transfer, assign, and convey any such funds to the Lessor.

Section 26. Mortgaging of the Leasehold. The Lessee, and every successor and assign of the Lessee, shall have the right in addition to any other rights granted in this Ground Lease to encumber its interest in this Ground Lease with the Lessor's consent, which consent shall not be unreasonably withheld, under any one or more Permitted Leasehold Mortgages, upon the condition that all rights acquired under any such Permitted Leasehold Mortgage shall be subject to each of the provisions set forth in this Ground Lease and to all rights and interests of the Lessor therein. In accordance with the foregoing, the Lessor hereby consents to the Lessee's encumbrance of its interest in this Ground Lease pursuant to the Trustee Mortgage which shall secure the Bonds. The

Lessor further consents to any Refinanced Trustee Mortgage. If, from time to time, the Lessee or the Lessee's successors and assigns shall encumber this Ground Lease with a Permitted Leasehold Mortgage, and if the holder thereof shall deliver to the Lessor an executed counterpart of such Permitted Leasehold Mortgage, 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 Permitted Leasehold Mortgage, the Lessor agrees that, anything in this Ground Lease to the contrary notwithstanding, from and after the date of receipt by the Lessor of such notice and for the term (duration) of such Permitted Leasehold Mortgage, the following provisions shall apply:

(a) ***Consent to Amendment.*** There shall be no cancellation, surrender, or modification hereof by the Lessor or the Lessee without the prior written consent of any Permitted Leasehold Mortgagee. Notwithstanding the foregoing (but, in any event, subject to each Permitted Leasehold Mortgagee's curative rights set forth in Sections 26(c) and (d) hereof), nothing herein shall be deemed to prohibit the Lessor from terminating this Ground Lease in accordance with its terms or exercising its option to purchase as provided for in this Ground Lease. Except for a refinancing pursuant to this Section or in connection with the Trustee Mortgage, there shall be no material modification of any Permitted Leasehold Mortgage or related documentation without the Lessor's prior written consent.

(b) ***Notices to Permitted Leasehold Mortgagees.*** The Lessor, upon serving the Lessee with any notice of an Event of Default, failure to comply, or termination, shall simultaneously serve a copy of such notice on all Permitted Leasehold Mortgagees. In the event the Lessor shall serve the Lessee with a notice of a failure to comply with any term, covenant, condition, or provision hereof, each Permitted Leasehold Mortgagee shall then have the same period after service of the notice on it as is given to the Lessee hereunder to remedy or cause to be remedied such failure, and the Lessor shall accept performances by or at the instigation of any Permitted Leasehold Mortgagee as if it had been done by the Lessee. Any notice required to be given to any Permitted Leasehold Mortgagee shall be posted in the United States mail, postage prepaid, certified, return receipt requested (and transmitted by Electronic Means) and addressed to the Permitted Leasehold Mortgagee at the address and to the attention of the person designated to the Lessor by such Permitted Leasehold Mortgagee to receive copies of such notices and shall be deemed to have been served as of the date the said notice is received or refused by such Permitted Leasehold Mortgagee.

(c) ***Curative Rights of Permitted Leasehold Mortgagees.*** In addition to the rights granted to any Permitted Leasehold Mortgagee under Section 26(b), a Permitted Leasehold Mortgagee shall have an additional period of 120 days to remedy or cause to be remedied any Event of Default of which it shall have received notice; provided, however, in no event shall the Trustee, its successors, assigns, nominee, or any purchaser be required to cure the following Events of Default: (a) any bankruptcy of Lessee; (b) Lessee's insolvency; and (c) the failure of Lessee to provide financial statements or perform other financial covenants contained in this Ground Lease that are personal to Lessee.

(d) ***Limitation Upon Termination Rights of the Lessor.*** If the Lessor shall elect to terminate this Ground Lease upon the occurrence of an Event of Default, each

Permitted Leasehold Mortgagee shall also have the right to postpone and extend the Termination Date as fixed by the provisions hereof for a period of not more than six months from the expiration of the 120-day period specified in Section 26(c) hereof; provided that such Permitted Leasehold Mortgagee shall pay the Rent and other charges required to be paid under this Ground Lease during such period; and provided further, that such Permitted Leasehold Mortgagee shall forthwith take steps necessary to acquire the Lessee's interest and estate in this Ground Lease by foreclosure of its Permitted Leasehold Mortgage, or otherwise, and shall prosecute such action to completion with due diligence. If at the end of the six-month period, such Permitted Leasehold Mortgagee shall be taking steps to acquire or sell the Lessee's interest in this Ground Lease, the time for such Permitted Leasehold Mortgagee to comply with the provisions of this subsection shall be extended for such period as shall be reasonably necessary to complete these steps with reasonable diligence and continuity.

(e) **Assignment.** The Lessor agrees that in the event of any foreclosure under any Permitted Leasehold Mortgage, either by judicial proceedings or under power of sale contained therein all right, title, and interest encumbered by such Permitted Leasehold Mortgage may, without the consent of the Lessor, be assigned to and vested in the purchaser at such foreclosure sale subject and subordinate, however, to the rights, title, and interests of the Lessor; and, notwithstanding that the Lessor's consent to said 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 Permitted Leasehold Mortgage as though the Lessor had consented thereto.

(f) **Mortgagee Leases.** The Lessor agrees that in the event of a termination hereof by reason of the occurrence of any Event of Default, and subject to the rights herein granted to the Permitted Leasehold Mortgagees, a Permitted Leasehold Mortgagee shall have the option, but not the obligation, to enter into a Mortgagee Lease; provided:

(i) Such Permitted Leasehold Mortgagee shall enter into a Mortgagee Lease within the six (6)-month period specified in Section 26(d), or such longer period of time as is necessary for the Leasehold Mortgagee to acquire the Lessee's interest and estate in this Ground Lease by foreclosure of its Leasehold Mortgage, or otherwise.

(ii) Such Permitted Leasehold Mortgagee shall perform and observe all covenants contained in the Mortgagee Lease on the Lessee'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 said Mortgagee Lease; provided, however, that if an Event of Default occurs that gives the Lessor the right to terminate the Mortgagee Lease, as a condition to the exercise of such right of termination, the Lessor shall either (A) pay to such Permitted Leasehold Mortgagee the outstanding amount payable by the Lessee under the Bond Documents that shall in any event be sufficient to pay the Bonds in full in accordance with the provisions of the Indenture; or (B) assume in writing the Lessee's obligations under the Bond Documents and grant to such Permitted Leasehold Mortgagee a perfected, first

priority security interest in the gross revenues generated by the operation of the Project for the purpose of securing such obligations.

(iii) Such Permitted Leasehold Mortgagee, as lessee under the applicable 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 Lessee had under this Ground Lease.

Notwithstanding anything else contained herein, if (x) an Event of Default occurs that gives the Lessor the right to terminate this Ground Lease; and (y) the Leasehold Mortgagee shall not elect to enter into a Mortgagee Lease, then, as a condition to the Lessor's right to terminate this Ground Lease, the Lessor shall either (1) pay to the Leasehold Mortgagee the outstanding amount payable by the Lessee under the Bond Documents that shall in any event be sufficient to pay the Bonds in full in accordance with the provisions of the Indenture; or (2) assume in writing the Lessee's obligations under the Bond Documents and grant to the Leasehold Mortgagee a perfected, first priority security interest in the gross revenues generated by the operation of the Project for the purpose of securing such obligations.

(g) ***Agreement Between the Lessor and the Permitted Leasehold Mortgagees.*** The Lessor, upon request, shall execute, acknowledge, and deliver to each Permitted Leasehold Mortgagee an agreement, in form reasonably satisfactory to such Permitted Leasehold Mortgagee and the Lessor, by and among the Lessor, the Lessee, and such Permitted Leasehold Mortgagee (provided the same has been previously executed by the Lessee and such Permitted Leasehold Mortgagee) agreeing to all of the provisions of this Section.

(h) ***Limitation on Liability of the Permitted Leasehold Mortgagees.*** Notwithstanding any other provision hereof, the Lessor agrees that any Permitted Leasehold Mortgagee permitted under this Ground Lease shall in no manner or respect whatsoever be (i) liable or responsible for any of the Lessee's obligations or covenants under this Ground Lease (nor shall any rights of such Permitted Leasehold Mortgagee be contingent on the satisfaction of such obligations or covenants); or (ii) required to cure any Event of Default, provided; however, that if such Permitted Leasehold Mortgagee shall become the owner of the Leasehold Estate or shall become the lessee under a Mortgagee Lease, then such Permitted Leasehold Mortgagee shall be responsible and liable for all obligations and covenants accruing during such Permitted Leasehold Mortgagee's tenure as owner of the Leasehold Estate or as lessee under a Mortgagee Lease. Notwithstanding the foregoing, the liability of a Permitted Leasehold Mortgagee with respect to its obligations under this Ground Lease or any Mortgagee Lease shall be "non-recourse" and, accordingly, the Lessor's source of satisfaction of such obligations shall be limited to the Net Available Cash Flow and to the Lessee's interest in the Project, and the Lessor shall not seek to obtain payment through any judicial process or otherwise from any person or entity comprising such Permitted Leasehold Mortgagee or from any assets of such Permitted Leasehold Mortgagee other than the Net Available Cash Flow and the Lessee's interest in the Project.

(i) **Right to Appear and Participate.** Any Permitted Leasehold Mortgagee shall be given no less than sixty (60) days' prior written notice of any appraisal, litigation, arbitration, or other dispute resolution proceeding affecting this Ground Lease. Each Permitted Leasehold Mortgagee shall have the right to participate in such proceedings on Lessee's behalf or exercise any or all of Lessee's rights in such proceedings. Any settlement shall not be effective without the prior written consent of the Leasehold Mortgagee.

(j) **Bankruptcy.** If either Lessee or Lessor files for bankruptcy protection:

(i) If this Ground Lease is rejected by Lessee or Lessee's trustee in a bankruptcy proceeding, as between Lessor and any Permitted Leasehold Mortgagee (in order of priority, if there is more than one Permitted Leasehold Mortgagee), such rejection shall be deemed an assignment of the Ground Lease to such Permitted Leasehold Mortgagee unless the Permitted Leasehold Mortgagee shall reject such deemed assignment in a notice sent to Lessor within thirty (30) days after the later to occur of: (i) the rejection or deemed rejection of the Ground Lease by Lessee or Lessee's trustee; and (ii) the approval of such rejection by the bankruptcy court.

(ii) If this Ground Lease is rejected by Lessor or Lessor's trustee in a bankruptcy proceeding, this Ground Lease shall not be terminated without the written consent of the Permitted Leasehold Mortgagee. If Lessor or Lessor's trustee proposes to sell the Property free and clear of the interest of Lessee under this Ground Lease, Lessee and the Permitted Leasehold Mortgagee shall be entitled to notice of any such sale of the Property by Lessor or Lessor's trustee. Lessee and the Permitted Leasehold Mortgagee shall also have the right to contest such sale and to sue for adequate protection of its respective interests hereunder.

Section 27. Option To Purchase. Throughout the Term, the Lessor shall have the right and option to purchase the Lessee's right, title, and interest in and to the Project, this Ground Lease, and the Occupancy Agreements (collectively, the "Optioned Property").

(a) **Exercise Notice.** The Lessor may exercise such option to purchase the Lessee's right, title and interest in and to the Optioned Property by delivering written notice (the "Exercise Notice") of such exercise to the Lessee.

(b) **Purchase Price.** If the option to purchase shall be exercised, the purchase price (the "Option Price") of the Lessee's right, title, and interest in and to the Optioned Property shall be equal to (i) the principal balance of all indebtedness relating to the Project secured by any Permitted 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 Lessee's loans relating to the 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) any unpaid fees and/or other compensation due to the Lessee hereunder; plus (vii) all other expenses

incurred by the Lessee in connection with the Closing (as defined herein), including without limitation, reasonable attorneys' fees, not paid from the Operating Account; plus (viii) any costs of defeasing the Bonds, if applicable; less (ix) amounts then on deposit with the Trustee under the Indenture that are available for prepayment or redemption of the Bonds. Alternatively, the Lessor may exercise its right to purchase by assuming in writing the Lessee's obligations under the Bond Documents and granting to the Leasehold Mortgagee a perfected, first-priority security interest in the gross revenues generated by the operation of the Project for the purpose of securing such obligations. This provision for the Lessor's option shall not be in derogation of the Lessor's power of eminent domain.

(c) **Closing.** The closing of the transfer of the Lessee's right, title and interest in and to the Optioned Property (the "Closing") shall be held on or before the date that is 90 days after the date of the Exercise Notice, on such date and at such time and place as the Lessor and the Lessee shall agree. At Closing, upon payment of the Option Price, title to the Project shall be conveyed by a limited warranty deed in recordable form executed by the Lessee, title to the Personalty shall be conveyed by a bill of sale containing limited warranties of title, this Ground Lease shall terminate as to the Optioned Property, and the Lessee's interest in the Occupancy Agreements shall be conveyed by an assignment thereof containing limited warranties of title. If the Optioned Property shall be less than the entire Premises, then the Lessor and the Lessee shall execute an amendment to this Ground Lease at such closing amending the definition of the Premises.

(d) **Title.** The Optioned Property shall be conveyed free and clear of all loans, and shall be subject only to the Occupancy Agreements, to Permitted Encumbrances, and to all matters occurring subsequent to the date hereof that would be disclosed by an accurate survey, title search, and inspection of the Premises.

(e) **Release of Lessee.** Upon the transfer of all of the Lessee's interest in the Optioned Property pursuant to this Section, the Lessee shall be released from, and relieved of, all of its obligations hereunder without any further action on the part of the Lessor or the Lessee.

Section 28. Notices.

(a) All notices, certificates, demands, requests, or other communications hereunder shall be sufficiently given and shall be deemed given when delivered personally or when mailed by certified mail, postage prepaid, return receipt requested, or dispatched by Electronic Means or by guaranteed overnight air courier addressed as follows:

to the Lessee: NCCD – Taylorsville Properties LLC
Suite 213
2630 Exposition Boulevard
Austin, TX 78703
Attention: President
Telephone: (512) 322-9650
E-Mail: geden@nccdevelopment.org

to the Lessor: Salt Lake Community College
4600 South Redwood Road
Salt Lake City, UT 84123
Attention: Vice President for Finance and Administration
Telephone: (801) 957-4219
E-Mail: Chris.Martin@slcc.edu

to the Trustee: Zions Bank
12th Floor
One South Main Street
Salt Lake City, UT 84133
Attention: Corporate Trust
Telephone: (801) 844-7517
Facsimile: (855) 547-5637
E-Mail: carrie.sandoval@zionsbank.com

(b) Receipt of notices, certificates, or other communications hereunder shall occur upon actual delivery (whether by mail, Electronic Means, messenger, courier service, or otherwise) to any Person at any location where such Person may be found, or to an officer, agent, or employee of such Person at the address of such Person set forth above, subject to change as provided hereinabove. An attempted delivery in accordance with the foregoing, acceptance of which shall be refused or rejected, shall be deemed to be and shall constitute receipt; and an attempted delivery in accordance with the foregoing by mail, Electronic Means, messenger, or courier service (whichever shall be chosen by the sender) that is not completed because of changed address of which no notice shall have been received by the sender in accordance with this provision prior to the sending of the notice, certificate, or other communication shall also be deemed to be and constitute receipt. Any Person named in this Section may, by notice given to each of the others, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent.

Section 29. Submission of Matters to the Lessor for Approval. Except to the extent provided for herein to the contrary, any matter that is required to be submitted to and/or consented to or approved in writing by the Lessor or any matter that is required to be submitted to the Lessor that may become effective if not denied, rejected, or disapproved by the Lessor, as required under this Ground Lease, shall be submitted to the Lessor by hand or mailed by United States certified or registered mail return receipt requested, or sent by nationally-recognized overnight courier to the address of the Lessor designated for the giving of notice to the Lessor under Section 28 hereof and shall either be accepted, affirmed, or approved or denied, rejected, or disapproved by the Lessor within 60 days after receipt unless a shorter period of time is expressly stated elsewhere herein. If the Lessor shall fail so to accept, affirm, or approve or deny, reject, or disapprove within such 60-day or other such shorter period as provided for herein, the Lessor's approval shall be assumed to have been unconditionally granted and the Lessee shall have the right to proceed on such matter so submitted. The Lessor shall inform the Lessee in writing of its acceptance, affirmation, or approval or denial, rejection, or disapproval of such submitted matter by United States certified or registered mail, return receipt requested, or sent by nationally-recognized overnight courier to the address of the Lessee designated for the giving of notice to the Lessee in

Section 28 hereof. Any review by the Lessor of any matter submitted to the Lessor is for the Lessor's own convenience and purpose only. By undertaking such review, the Lessor shall not have any liability to the Lessee or any other person, including, without limitation, the insurers and lenders of the Lessee.

Section 30. Holding Over by the Lessee. The Lessee shall not use or remain in possession of the Premises after the termination hereof. Any holding over, or continued use or occupancy by the Lessee after the termination hereof, without the written consent of the Lessor, shall not constitute a tenant at will interest in behalf of the Lessee, but the Lessee shall become a tenant at sufferance and liable for Rent and all other expenses, obligations, and payments in effect for the immediately preceding year of the Term. There shall be no renewal whatsoever hereof by operation of law.

Section 31. Membership Fees; Corporation Not Liable.

(a) In recognition of the assistance to be provided by the Lessee and the Corporation to the Lessor to provide needed housing for the Eligible Residents and to otherwise assist the Lessor in furthering its educational mission, the Lessor acknowledges and agrees that upon the execution hereof, the Lessor shall become a member of the Corporation and that it shall remain such a member until the termination hereof or the transfer of the Project in accordance with Section 32 hereof.

(b) The Lessor warrants, represents, and agrees that (i) it has the power and authority to execute and deliver this Ground Lease and to carry out the terms hereof; (ii) this Ground Lease has been duly authorized by the appropriate governing body of the Lessor; (iii) this Ground Lease is a valid and binding obligation of the Lessor specifically including Section 31(a); and (iv) at all times during the Term, that it shall be and remain an organization that is described in either § 511(a)(2)(B) of the Code or § 501(c)(3) and § 170(b)(1)(A)(ii) of the Code and that is not a "private foundation," within the meaning of § 509 of the Code.

(c) In consideration for entering into this Ground Lease and the Lessor's membership in the Corporation, the Lessor agrees to cause the Corporation to be paid the following amounts:

(i) an acquisition fee (the "Corporation Acquisition Fee") in the amount of \$_____, which will be payable out of the proceeds of the Series 2022B Bonds; and

(ii) an annual membership fee (the "Corporation Membership Fee") initially equal to \$_____ and increasing by 2% annually, which shall be paid in 12 monthly installments commencing on _____ 1, 2022, with installments, if any, paid during the construction period to be paid out of the proceeds of the Series 2022B Bonds and, after the construction period, out of the Revenues.

(d) Notwithstanding anything herein or in the Corporation's bylaws to the contrary, the Lessor shall not in any event be liable for the obligations of the Corporation

or have any other obligations as a result of the Lessor's being a member of the Corporation other than those explicitly imposed by this Section or the Corporation's bylaws.

Section 32. Required Transfer of the Project.

(a) Subject to the provisions of Section 32(c), on or after the fifth anniversary of the date of Substantial Completion of the Project, the Lessor may, after giving notice to, and obtaining the written approval of a Majority of the Bondholders, require the Lessee to sell or transfer to an entity designated in writing by the Lessor (the "Transferee") all of the Lessee's right, title, and interest in and to the following (collectively, the "Transferred Assets"): (i) the Project; (ii) 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 (iii) without duplication, any and all amounts on deposit (A) in the Operating Account on the date of such sale or transfer; and (B) in all funds and accounts created under, or in accordance with, Article V of the Indenture on the date of such sale or transfer. If so directed in writing by the Lessor, the Lessee shall after giving notice to, and obtaining the written approval of a Majority of the Bondholders, exercise the option contained in Section 8.03(c) (or any successor provision) of the Loan Agreement to so sell or transfer the Transferred Assets and agrees that the total consideration to be paid to the Lessee with respect to such sale or transfer shall be the assumption by the Transferee of all of the prior, existing, outstanding, contingent, and/or future obligations of the Lessee under the Lessee Documents and all of the Expenses that the Lessee is obligated to pay, notwithstanding whether incurred prior to or after the date of the sale or transfer of the Transferred Assets and the release of the Lessee from all of its obligations hereunder and the other Lessee Documents. If the Lessor shall direct the Lessee to sell or transfer the Transferred Assets, the Lessee shall also assign its interest in the Occupancy Agreements to the Transferee by an assignment containing limited warranties of title.

(b) Subject to the provisions of Section 32(c) hereof, if (i) the Lessor shall direct the Lessee to sell or transfer the Transferred Assets in accordance with Section 32(a); (ii) the Transferee shall comply with the requirements of Section 8.03(c)(ii) (or any successor provision) of the Loan Agreement; and (iii) the Transferee shall assume in writing all of the obligations of the Lessee hereunder and under the other Lessee Documents, then from and after the date of such sale or transfer, the Lessee shall be released from, and relieved of, all of its obligations hereunder without any further action on the part of the Lessor or the Lessee, and the Transferee shall become the Lessee hereunder without any further action on the part of the Lessor, the Lessee, or the Transferee.

(c) If the Lessee shall provide the Lessor with an Opinion of Counsel addressed to the Lessor and the Transferee to the effect that the transfer of the Transferred Assets by the Lessee to the Transferee would jeopardize or adversely impact the Corporation's exemption from United States federal income taxation under § 501(a) of the Code, as more particularly described in § 501(c)(3) of the Code, the Lessee shall not be required to transfer the Transferred Assets to the Transferee.

(d) The Lessor or the Transferee shall pay all recording fees for satisfaction of the Lessee's loans, all transfer taxes in connection with the sale or transfer of the

Transferred Assets, all recording fees in connection with recording of any deed and assignment and all other expenses incurred by Lessee in connection with sale or transfer of the Transferred Assets, including, without limitation, reasonable attorneys' fees, as well as any fees or other sums due and owing to Lessee hereunder, including but not limited to those specified in Section 31(c) hereof. Any amounts payable to the Lessee under this subsection shall be paid to the Lessee or to such party as directed by the Lessee in immediately available funds at such time as the transfer of the Transferred Assets shall be effectuated.

Section 33. Property Condition. EXCEPT AS MAY BE SET FORTH OR PROVIDED FOR IN THIS GROUND LEASE, THE LESSOR AND THE LESSEE ACKNOWLEDGE AND AGREE THAT, EXCEPT AS CONTAINED IN SECTION 10 HEREOF, NEITHER THE LESSOR NOR ANY OF ITS TRUSTEES, OFFICERS, AGENTS, EMPLOYEES, OR REPRESENTATIVES MAKES OR HAS MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF, THE PROPERTY'S PHYSICAL CONDITION, INCOME TO BE DERIVED OR EXPENSES TO BE INCURRED WITH RESPECT TO THE PROPERTY, THE PROPERTY'S FITNESS OR SUITABILITY FOR ANY PARTICULAR USE, OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE SAME, AND THERE ARE NO ORAL AGREEMENTS, WARRANTIES, OR REPRESENTATIONS COLLATERAL TO OR AFFECTING THE PROPERTY OR ANY PORTION THEREOF, EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THIS GROUND LEASE, AND THE AT THE LESSEE HAS INSPECTED THE PROPERTY AND LEASES THE PROPERTY "AS IS. WHERE IS."

Section 34. Addition of Additional Parcels; Release of Portions of the Property.

(a) The Parties agree that all or any of the [Additional Parcels – not defined?] may, from time to time, be made subject to the terms of this Ground Lease with necessary and appropriate adjustments (i) to the amount of Rent (as defined herein) to be payable by the Lessee hereunder; (ii) to the length of the Term; (iii) to the required delivery date; and/or (iv) to the other representations, warranties, covenants, and agreements of the Parties contained herein and that this Ground Lease may be amended, modified, supplemented, and or restated in whole or in part to reflect the foregoing without the approval of any agency, authority, board, bureau, commission, department, instrumentality, or regulatory body of the State.

(b) The Parties also agree that any portion of the Property may, from time to time, upon the written agreement of the Parties, be released from the terms of this Ground Lease without the approval of any agency, authority, board, bureau, commission, department, instrumentality, or regulatory body of the State, but only to the extent that all indebtedness issued to pay the costs of acquiring, constructing, furnishing, and equipping such portion of the Property shall no longer be deemed to be Outstanding.

Section 35. Miscellaneous.

(a) ***No Waiver of Rights by the Lessor.*** No failure of the Lessor to exercise any power given the Lessor hereunder or to insist upon strict compliance by the Lessee with its undertakings, duties and obligations hereunder, and no custom or practice of the Parties at variance with the provisions hereof shall constitute a waiver of the Lessor's right to demand exact compliance with the provisions contained in this Ground Lease.

(b) ***Rights Are Cumulative.*** All rights, powers, and privileges conferred herein upon both Parties shall be cumulative.

(c) ***Provisions Are Binding Upon Assigns and Are Real Covenants.*** It is mutually covenanted, understood and agreed by and between the Parties, that each of the provisions hereof shall apply to, extend to, be binding upon and inure to the benefit or detriment of not only the Parties, but also the respective legal representatives, successors and assigns of the Parties, and shall be deemed and treated as real covenants running with the Property during the Term. The Parties further acknowledge and agree that the Trustee and all Permitted Leasehold Mortgagees and their respective successors and assigns shall be deemed third party beneficiaries hereunder. Whenever a reference to either of the Parties is made, such reference shall be deemed to include the legal representatives, successors and assigns of said Party, the same as if in each case expressed.

(d) ***Applicable Law; Venue.*** This Ground Lease has been prepared and entered into by the Parties with the intention that the law of the State, exclusive of such state's rules governing choice of law, shall govern its construction. By executing and delivering this Ground Lease, each Party irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of any state or federal court of competent jurisdiction located in the County; (ii) waives any defense of *forum non conveniens*; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Lessor of any prior notice or procedural requirements applicable to actions or claims against or involving political subdivisions of the State that may exist at the time of and in connection with such matter.

(e) ***All Genders and Numbers Included.*** Whenever the singular or plural number, or masculine, feminine, or neuter gender is used in this Ground Lease, it shall equally apply to, extend to, and include the other.

(f) ***Invalidity of Provision or Part Thereof.*** In the event any provision, or any portion of any provision hereof shall be held invalid, the other provisions hereof and the remaining portion of said provision, shall not be affected thereby and shall continue in full force and effect.

(g) ***Time Is of the Essence.*** All time limits stated in this Ground Lease are of the essence hereof.

(h) **Section Captions Are To Be Disregarded.** The captions of the numbered sections hereof are for purposes of identification and convenience only and are to be completely disregarded in construing this Ground Lease.

(i) **Subordination.** Notwithstanding anything else contained herein, the Lessor agrees that the financing of the design, acquisition, construction, furnishing, and equipping of the Project will directly benefit the Lessor's operations and the Lessor agrees that its interest in and to the rents, revenues, issues and profits relating to the operation of the Project, 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, acquisition, construction, equipping, installation, and operation of the Project, including, without limitation, all Assigned Agreements shall be junior and subordinate to the interest of the Trustee and/or any other Permitted Leasehold Mortgagee in any such Assigned Agreements as granted or provided in any of the Bond Documents (collectively, the "Bond Collateral"). So long as any of the indebtedness created, evidenced, or secured by any of the Bond Documents shall remain outstanding and unpaid, the Lessor shall not exercise any rights or remedies with respect to the Bond Collateral without obtaining in each instance the prior written consent of the Trustee and any other Permitted Leasehold Mortgagees. Notwithstanding the foregoing, the Lessor reserves its right to terminate this Ground Lease or exercise other remedies available to the Lessor under this Ground Lease other than foreclosure on the Project, upon the occurrence of an Event of Default, subject, however, to the limitations set forth herein, including particularly, Sections 26 hereof.

(j) **Entire Agreement Contained Herein.** The making, execution and delivery hereof by the Lessee has not been induced by any representations, statements, covenants or warranties by the Lessor except for those contained in this Ground Lease. This Ground Lease constitutes the full, complete and entire agreement between the Parties; no agent, employee, officer, representative or attorney of the Parties has authority to make, or has made, any statement, agreement, representation or contemporaneous agreement, oral or written, in connection herewith modifying, adding to or changing the provisions hereof. No amendment hereof shall be binding unless such amendment shall be in writing, signed by both Parties and approved by all Permitted Leasehold Mortgagees and attached to, incorporated in and by reference made a part hereof.

(k) **No Partnership or Agency.** Nothing in this Ground Lease is intended, or shall in any way be construed, so as to create any form of partnership or agency relationship between the Parties. The Parties hereby expressly disclaim any intention of any kind to create any partnership or agency relationship between themselves. Nothing in this Ground Lease shall be construed to make either Party liable for any of the indebtedness of the other, except as specifically provided herein.

(l) **Limitation of Liability.** Notwithstanding anything herein to the contrary, the liability of the Lessee hereunder (including, but not limited to its indemnity obligations) shall be limited to the Lessee's interest in the Property, the Project, the rents, issues and surplus related thereto, any insurance proceeds arising therefrom; and, with respect to its obligations under Section 10(t) hereof, from amounts received by the Lessee as liquidated

damages under and pursuant to a Construction Document, and, accordingly, the Lessor's sole source of satisfaction of such obligations shall be limited to such assets, and the Lessor shall not seek to obtain payment from any person or entity comprising the Lessee or from any assets of the Lessee other than those described herein, notwithstanding the survival of any obligation of the Lessee beyond the Term.

(m) **Recordation of Memorandum of Lease.** The Lessor and the Lessee agree that the Parties shall execute, seal, acknowledge, and deliver simultaneously with the execution hereof, in recordable form, a memorandum of lease setting forth the basic terms hereof.

(n) **Counterparts.** This Ground Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed original and all of which, when taken together, shall constitute one in the same document. The signature of any Party to any counterpart shall be deemed a signature too, and may be appended to, any other counterpart.

(o) **Preservation of Tax Exemption.** The Lessor shall not take any action with respect to the Project that would adversely affect the exemption, if any, of interest on any Bonds from gross income for federal income tax purposes or would otherwise result in a breach of any representations, conditions, or covenants of the Lessee as set forth in the Bond Documents.

(p) **Language Construction.** The language in all parts hereof shall be construed, in all cases, according to its fair meaning, and not for or against either Party. The Parties acknowledge that each Party and its counsel have reviewed and revised this Ground Lease and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation hereof.

(q) **Independent Legal Counsel.** The Parties mutually acknowledge that they each have had the opportunity to be represented by independent legal counsel in negotiations leading up to and in executing this Ground Lease.

(r) **Electronic Signatures.** The Parties agree that the electronic signature of a Party hereto shall be as valid as an original signature of such Party and shall be effective to bind such Party. The Parties further agree that any electronically signed document (including this Ground Lease) shall be deemed (i) to be "written" or "in writing"; (ii) to have been signed; and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, shall be admissible as between the Parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither Party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by electronic

means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e mail message; and “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

(s) ***Lessor’s Failure To Perform.*** If the Lessor shall fail to perform, or cause to be performed, any term, covenant, condition, or provision imposed upon it hereunder, and to correct such failure within 10 days after written notice specifying such is given to the Lessor by the Lessee or any Permitted Leasehold Mortgagee, the Lessee and any Permitted Leasehold Mortgagee shall have the right to perform such term, covenant, condition, or provision on behalf of the Lessor.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this GROUND LEASE AGREEMENT to be duly executed in duplicate counterparts each of which shall be deemed to be an original, the day and year first above written.

LESSOR:

[SEAL]

SALT LAKE COMMUNITY COLLEGE

By _____
Denece G. Huftalin, PhD, President

and By _____
Christopher A. Martin, Vice President for
Finance & Administration/Chief Financial Officer

APPROVED AS TO FORM AND LEGALITY:

By _____
Kevin V. Olsen, Assistant Attorney General

[SEAL]

LESSEE:

NCCD – TAYLORSVILLE PROPERTIES
LLC

By _____
Charles G. Eden, President

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE BASIS OF BEARING FOR THIS DESCRIPTION IS SOUTH $00^{\circ}11'38''$ WEST 2639.60 FEET MEASURED BETWEEN THE CENTER CORNER OF SECTION 3 AND THE SOUTH QUARTER CORNER OF SECTION 3, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN.

BEGINNING AT A POINT ON THE WESTERLY RIGHT OF WAY LINE OF REDWOOD ROAD, SAID POINT BEING $S00^{\circ}11'38''W$ 447.60 FEET AND $N89^{\circ}48'22''W$ 53.00 FEET FROM THE FOUND CENTER CORNER OF SECTION 3 TO THE POINT OF BEGINNING; THENCE $S00^{\circ}11'38''W$ ALONG SAID WESTERLY RIGHT OF WAY LINE OF 365.00 FEET; THENCE $N89^{\circ}48'22''W$ 12.00 FEET; THENCE $S00^{\circ}11'38''W$ 12.48 FEET; THENCE $N89^{\circ}52'19''W$ 265.80 FEET; THENCE ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 10.00 FEET, THROUGH A CENTRAL ANGLE OF $89^{\circ}29'02''$ (CHORD BEARING AND DISTANCE OF $N45^{\circ}07'48''W$ FOR 14.08 FEET) FOR AN ARC LENGTH OF 15.62 FEET; THENCE $N00^{\circ}23'16''W$ 161.89 FEET; THENCE $N02^{\circ}38'29''W$ 11.41 FEET; THENCE ALONG A CURVE TO THE LEFT WITH A RADIUS OF 20.00 FEET, THROUGH A CENTRAL ANGLE OF $28^{\circ}11'32''$ (CHORD BEARING AND DISTANCE OF $N16^{\circ}44'15''W$ FOR 9.74 FEET) FOR AN ARC LENGTH OF 9.84 FEET; THENCE $N30^{\circ}50'01''W$ 30.85 FEET; THENCE ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF $12^{\circ}21'34''$ (CHORD BEARING AND DISTANCE OF $N24^{\circ}39'14''W$ FOR 10.76 FEET) FOR AN ARC LENGTH OF 10.79 FEET; THENCE $N18^{\circ}28'27''W$ 20.83 FEET; THENCE WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 100.00 FEET, THROUGH A CENTRAL ANGLE OF $18^{\circ}47'22''W$ (CHORD BEARING AND DISTANCE OF $N09^{\circ}04'46''W$ FOR 32.65 FEET) FOR AN ARC LENGTH OF 32.79 FEET; THENCE $N00^{\circ}18'55''E$ 62.16 FEET; THENCE $N01^{\circ}21'36''E$ 55.50 FEET; THENCE $N03^{\circ}15'43''E$ 9.98 FEET; THENCE $S75^{\circ}57'30''E$ 16.60 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 900.00 FEET, THROUGH A CENTRAL ANGLE OF $13^{\circ}37'56''$ (CHORD BEARING AND DISTANCE OF $S82^{\circ}46'28''E$ FOR 213.63 FEET) FOR AN ARC LENGTH OF 214.14 FEET; THENCE $S89^{\circ}35'26''E$ 95.28 FEET TO THE POINT OF BEGINNING CONTAINING 117,039 SQUARE FEET OR 2.69 ACRES

EXHIBIT B

ACCESS EASEMENT AREAS

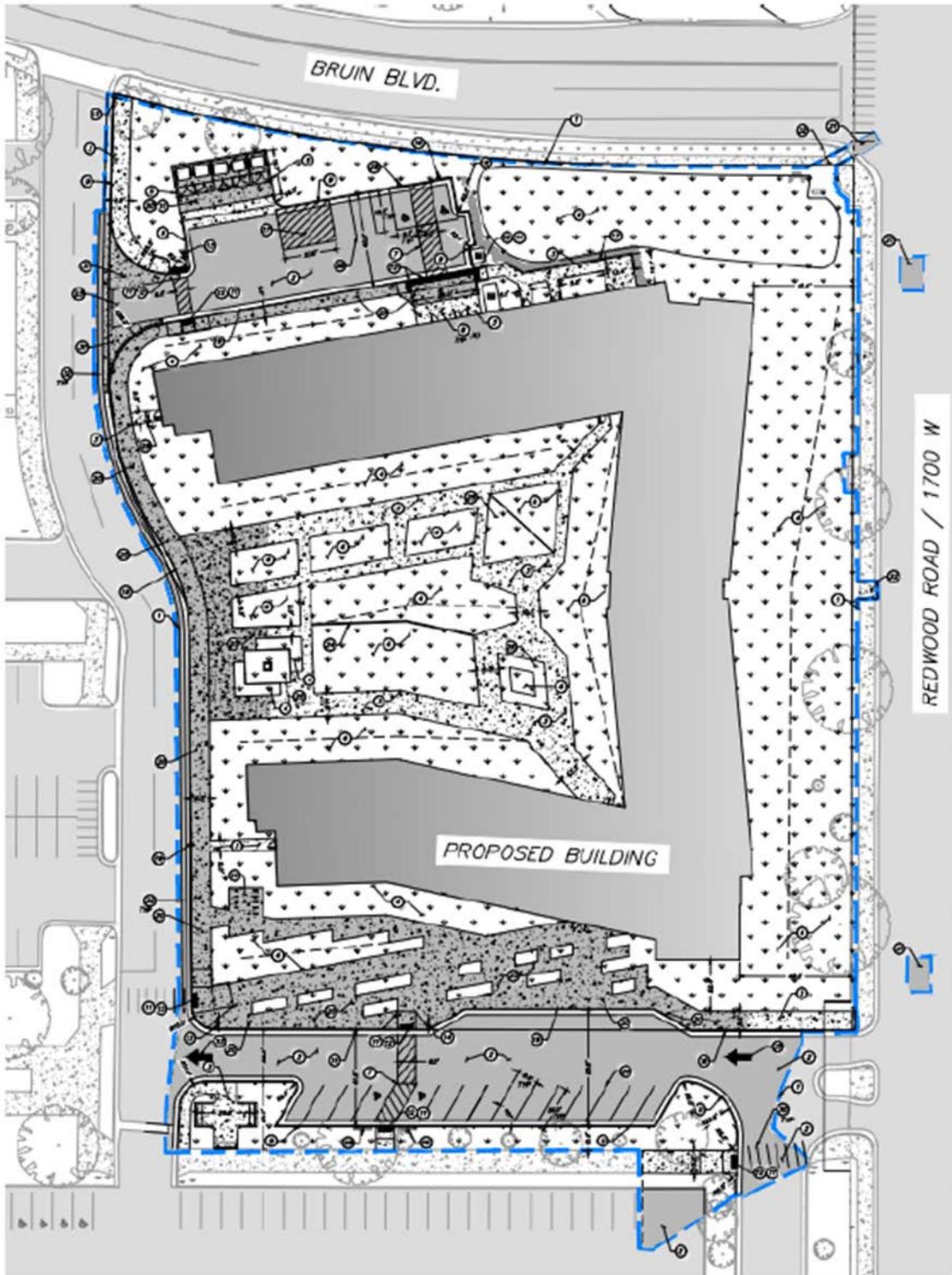
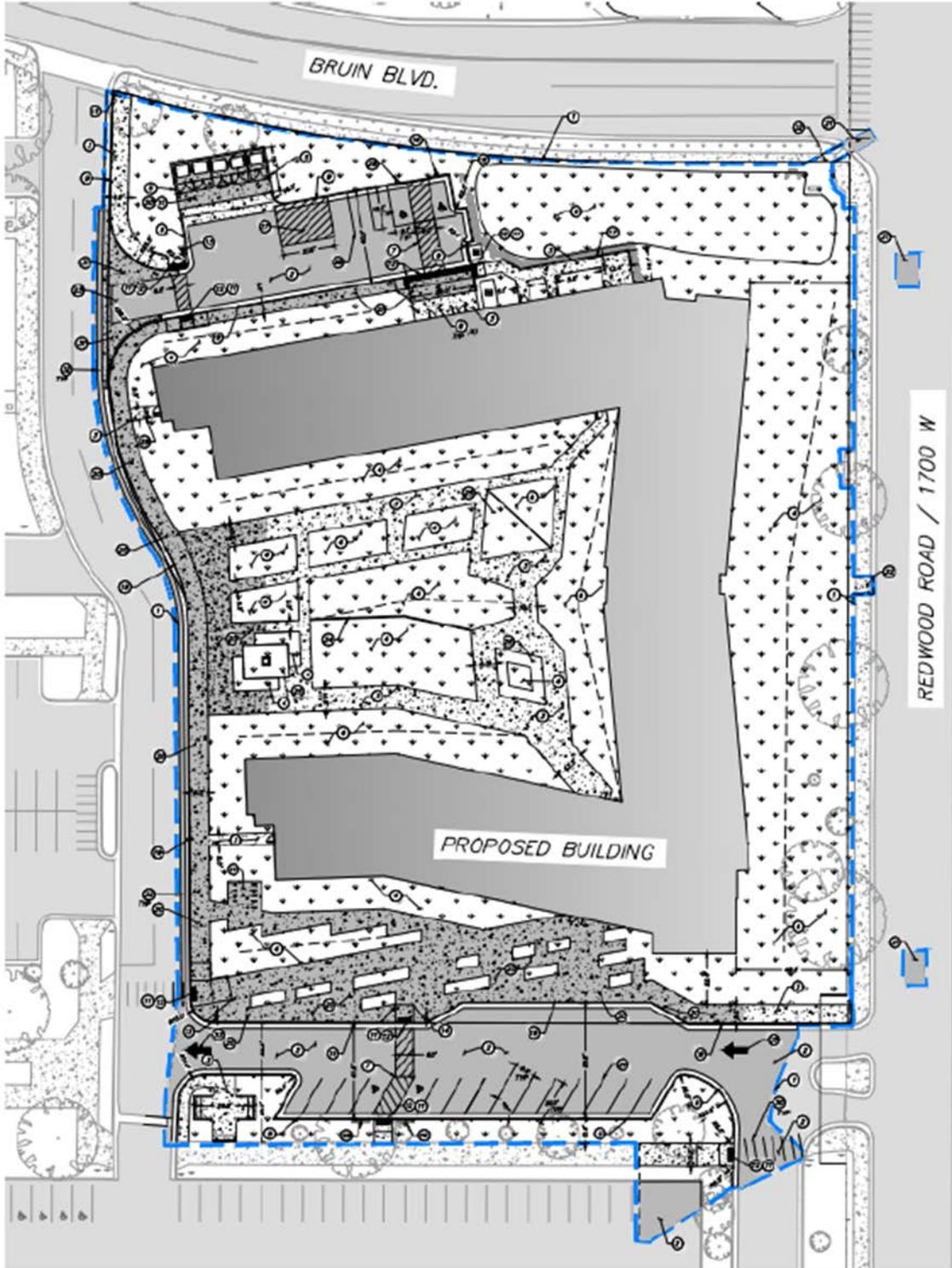


EXHIBIT C

CONSTRUCTION EASEMENT AREAS



COOPERATION AGREEMENT

by and between

SALT LAKE COMMUNITY COLLEGE

and

NCCD – TAYLORSVILLE PROPERTIES LLC

Dated as of [MONTH] 1, 2022

Table of Contents

	Page
Section 1.	Development of the Series 2022 Project..... 2
Section 2.	Operation of the Series 2022 Project 3
Section 3.	Staffing of the Series 2022 Project; Staff Housing..... 4
Section 4.	Marketing; Use of Name..... 4
Section 5.	Occupancy Agreements 5
Section 6.	Maintenance and Repair 6
Section 7.	Security 7
Section 8.	Annual Budget 8
Section 9.	Financial Reporting..... 9
Section 10.	Insurance 10
Section 11.	Additional Student Housing..... 10
Section 12.	Addresses for Notices, etc..... 11
Section 13.	Borrower’s Liability..... 11
Section 14.	Preservation of Tax Exemption 12
Section 15.	Third-Party Beneficiary 12
Section 16.	Assignment 12
Section 17.	Partial Invalidity/Severability 12
Section 18.	Execution of Counterparts 12
Section 19.	Disputes; Law Governing Construction of this Cooperation Agreement..... 13
Section 20.	Language Construction 13
Section 21.	Independent Legal Counsel..... 13
Section 22.	Table of Contents; Headings..... 13
Section 23.	Successors and Assigns..... 13
Section 24.	Relationship of the Parties 13
Section 25.	Entire Agreement 13
Section 26.	Term, Amendments, Change, Modifications, etc 13
Section 27.	Subordination to Indenture and Loan Agreement..... 14
Section 28.	College’s Obligations Are Not Obligations of the State..... 15

EXHIBIT A DESCRIPTION OF THE LAND

COOPERATION AGREEMENT

THIS COOPERATION AGREEMENT (as the same may be amended and/or supplemented from time to time in accordance with the provisions hereof, this “Cooperation Agreement”), made and entered into as of [Month] 1, 2022, is by and between **SALT LAKE COMMUNITY COLLEGE** (the “College”), an entity of the State of Utah (the “State”), and located in the City of Taylorsville, Utah and in Salt Lake County, Utah, and **NCCD – TAYLORSVILLE PROPERTIES LLC** (together with its successors and assigns, the “Borrower”), a single member limited liability company organized and existing under the laws of the State whose sole member is National Campus and Community Development Corporation (the “Corporation”), a non-profit corporation organized and existing under the laws of the State of Texas.

WITNESSETH:

WHEREAS, the College has determined that it is in the best interests of the College to cooperate with and support the Borrower’s providing a purpose-built student housing facility containing approximately [430] beds (including the buildings, furniture, fixtures, and equipment therefor and together with associated site development and various related amenities and improvements, the “Series 2022 Project”) on its campus (the “Campus”); and

WHEREAS, the Public Finance Authority (together with its successors and assigns, the “Authority”), a joint powers commission and a unit of government and body corporate and politic created under the laws of the State of Wisconsin, has issued (a) its Public Finance Authority Student Housing Revenue Bonds (NCCD – Taylorsville Properties LLC – Salt Lake Community College Project) Series 2022A in the principal amount of \$[Amount of A Bonds] (the “Series 2022A Bonds”) and its Public Finance Authority Subordinate Student Housing Revenue Bonds (NCCD – Taylorsville Properties LLC – Salt Lake Community College Project) Series 2022B in the principal amount of \$[Amount of B Bonds] (the “Series 2022B Bonds” and, together with the Series 2022A Bonds, the “Series 2022 Bonds”) for the purpose, inter alia, of providing funds to pay certain of the costs of acquisition, construction, furnishing, and equipping of the Series 2022 Project and to pay certain costs incurred in connection with the issuance of the Series 2022 Bonds; and

WHEREAS, the Series 2022 Bonds are being issued under and are secured by a Trust Indenture (as now or hereafter, amended, supplemented, modified, and/or restated, the “Indenture”) of even date herewith by and between the Authority and Zions Bancorporation, National Association d/b/a Zions Bank, as Trustee (the “Trustee”), and the proceeds of the Series 2022 Bonds are being lent to the Borrower by the Authority pursuant to a Loan Agreement (as now or hereafter, amended, supplemented, modified, and/or restated, the “Loan Agreement”) of even date herewith by and between the Authority and the Borrower; and

WHEREAS, the land on which the Series 2022 Project will be constructed and which is described in Exhibit A attached hereto and made a part hereof (the “Land”) is being leased to the Borrower pursuant to a Ground Lease Agreement (the “Ground Lease”) of even date herewith between the College, as ground lessor, and the Borrower, as ground lessee; and

WHEREAS, the Authority has sold the Series 2022 Bonds to Citigroup Global Markets Inc. (the “Underwriter”) pursuant to the terms of a Bond Purchase Agreement (the “Bond Purchase Agreement”) dated [Date of BPA], 2022, by and among the Authority, the Borrower and the Corporation, and the Underwriter; and

WHEREAS, under the Bond Purchase Agreement, the execution and delivery of this Cooperation Agreement by the College is a condition precedent to the obligation of the Underwriter to buy the Series 2022 Bonds from the Authority; and

WHEREAS, the Borrower has entered into a Development Agreement (the “Development Agreement”) of even date herewith with Servitas, LLC (the “Developer”) for the development of the Series 2022 Project under which the Developer is obligated to complete the Series 2022 Project in accordance with plans and specifications therefor; and

WHEREAS, the Borrower has entered into a Property Management Agreement (the “Management Agreement”) with Servitas Management Group, LLC (the “Manager”) to manage the operations of the Series 2022 Project;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the College (each a “Party” and collectively, the “Parties”) hereby agree as follows:

Section 1. Development of the Series 2022 Project.

(a) The Borrower agrees to cause the Series 2022 Project to be designed, acquired, constructed, furnished, and equipped to serve primarily as residential housing for “Eligible Residents” which, for purposes of this Cooperation Agreement, shall mean, in order of acceptance priority, (i) students registered in an academic program of the College with nine or more credits in the current academic term; (ii) students registered in an academic program of the College with six or more credits in the current academic term; (iii) regular full time faculty, visiting faculty, and staff of the College who are pre-approved by the College in writing; (iv) students registered in an academic program of any other Eligible Institution; (v) groups participating in any activity, conference, or other program sponsored by the College who are pre-approved by the College in writing; (vi) any member of the household that is a spouse or dependent of any of the foregoing; and (vii) any other person pre-approved by the College and the Borrower in writing.

(b) For purposes of this Cooperation Agreement, the term “Eligible Institutions” means institutions of higher learning in the State with which the College or the Borrower has established an affiliation or other cooperative or coordination agreement or arrangement that (i) is and, and for so long as its students reside in the Series 2022 Project, remains an organization that is described in § 511(a)(2)(B) or §§ 501(c)(3) and 170(b)(1)(A)(ii) of the Internal Revenue Code of 1986, as amended (the “Code”); (ii) is not a private foundation within the meaning of § 509 of the Code; and (iii) becomes a member of the Corporation and remains such a member for so long as its students reside in the Series 2022 Project (each, an “Eligible Institution”).

(c) The Series 2022 Project shall be designed, acquired, constructed, furnished, and equipped consistent with the Plans and Specifications identified in the Development Agreement.

Section 2. Operation of the Series 2022 Project.

(a) The Borrower agrees to cause the Series 2022 Project to be operated and maintained in a manner consistent with the goals of the College's Residence Life Program, as adopted by the College from time-to-time. The Borrower will require the Manager to adhere strictly to all policies, procedures, and regulations of the College while on the site of the Series 2022 Project, including, but not limited to, parking, smoking, security, and drug and alcohol policies. The College acknowledges that it is familiar with the terms and provisions of the Management Agreement and with the rights granted to it and the duties and obligations imposed upon it thereby and thereunder and agrees to perform the duties described in the Management Agreement to be performed by it thereunder with respect to the Series 2022 Project in a timely fashion.

(b) The College acknowledges that under the Loan Agreement, the Borrower has agreed: (i) to exercise skill and diligence in the operation of the Series 2022 Project such that the Debt Service Coverage Ratio in each "Annual Period," as defined in the Loan Agreement, will be not less than (x) 1.20 for the Senior Bonds (covering only Debt Service Payments for Senior Bonds) and 1.05 (covering Debt Service Payments for both Senior Bonds and Subordinate Bonds) and (y) 1.05 for the Subordinate Bonds (covering Debt Service Payments for both Senior Bonds and Subordinate Bonds); and (ii) that in the event that for any Annual Period the "Debt Service Coverage Ratios," as defined in the Loan Agreement are less than 1.20 and 1.05, as applicable, the Borrower will engage a "Financial Consultant," as defined in the Loan Agreement, to review the operations of the Series 2022 Project and make recommendations concerning changes that will enable the Borrower to achieve Debt Service Coverage Ratios of 1.20 and 1.05, as applicable.

(c) The College agrees that it will take no action, and will not assist others in taking any action on its behalf, that materially adversely affects the marketability of the Series 2022 Project or the Series 2022 Project's ability to maintain a Debt Service Coverage Ratio of at least (x) 1.20 for the Senior Bonds (covering only Debt Service Payments for Senior Bonds) and 1.05 (covering Debt Service Payments for both Senior Bonds and Subordinate Bonds) and (y) 1.05 for the Subordinate Bonds (covering Debt Service Payments for both Senior Bonds and Subordinate Bonds). This covenant shall not be construed to 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, subject to the conditions in Section 11 of this Cooperation Agreement.

(d) Without limiting the generality of the provisions of Section 2(c), the College agrees that, until the Series 2022 Bonds shall no longer be "Outstanding," as defined in the Indenture and the Loan Agreement, it will not give, grant, or permit any preference or priority to be given to any student housing facility that is owned, operated, managed, or leased by or to the College (or any affiliated entity) or that is owned, operated, managed, or leased by or to any third party with whom the College (or any affiliated entity)

shall have entered into any lease or any affiliation, support, resident assignment, marketing, cooperation or other similar agreement over the Series 2022 Project with respect to the assignment of, or direction to, students or persons attending meetings, conferences, and/or other similar events at the College. The provisions of this paragraph (d) shall not apply with respect to any students who, in accordance with the College's written rules, policies, and or procedures, shall not be permitted to reside in the Series 2022 Project.

(e) Operational details consistent with this Cooperation Agreement are set forth in the responsibility matrix contained in Exhibit ____ attached to the Management Agreement and incorporated by reference herein.

(f) Prior to delivery of the Series 2022 Project and on a rolling basis afterward and throughout the term of this Cooperation Agreement, the Borrower and the College may enter into agreements to provide services to one another. Either party may terminate these agreements to provide services at its discretion and in accordance with the rights and conditions contained in the agreements.

Section 3. Staffing of the Series 2022 Project; Staff Housing. The Borrower shall, or shall cause the Manager to, employ staff consistent with on-campus student housing industry standards at the Series 2022 Project. This includes residential life staff and specific staff as described below. All matters pertaining to the employment, supervision, promotion, and discharge of employees of the Borrower or the Manager shall be the responsibility of the Borrower or the Manager, as applicable.

(a) ***Assistant Community Manager; Community Manager.*** The Borrower will cause the Manager to retain and assign to the Series 2022 Project an assistant community manager (the "Assistant Community Manager"). The Assistant Community Manager will be selected by the Manager and must be approved by the College. The Borrower, at the Borrower's expense, shall also engage a community manager who shall be responsible for coordinating with the Borrower and the Manager with respect to the Series 2022 Project hereunder. In addition, the Borrower shall provide a single, two-bedroom unit for the Assistant Community Manager or other live-on housing staff member at no cost to the College.

(b) ***College Units.*** The Borrower shall provide up to two dwelling units (the "College Units") at the Series 2022 Project at the expense of the College for occupancy by employees of the College.

(c) ***Furnished Units.*** Each of the College Units and the live-on housing staff member unit shall be furnished and include a kitchen. No dwelling unit or bed within a dwelling unit, other than those specifically identified in this Cooperation Agreement, will be furnished without charge to any other person.

Section 4. Marketing; Use of Name.

(a) The College shall promote the Series 2022 Project and support the marketing efforts of the Borrower and/or the Manager in connection therewith and agrees, without limitation, (i) to include the Series 2022 Project in all information and marketing

materials regarding student housing that it provides to its current and prospective students, including, but not limited to, incorporating the Series 2022 Project in any prospective student campus tours and including Series 2022 Project information in student acceptance/orientation packages or its equivalent; (ii) to include a prominent and permanent link on the College's web site to the Series 2022 Project's website; (iii) to include references and/or links to the Series 2022 Project's website in any housing related communications to students, whether current or prospective; (iv) to distribute marketing materials prepared by or on behalf of the Borrower and approved by the College at events for current or prospective students; (v) to cooperate with the Manager to identify the College's student recruitment events and facilitate marketing and promotion of the Series 2022 Project as student housing; (vi) to permit the Borrower and/or the Manager to advertise the availability of the Series 2022 Project on the College's campus and to post advertising literature on bulletin boards that are available for public announcements in the College's facilities; (vii) to the extent possible, to provide to students residing at the Series 2022 Project the same services and access it provides to its other students, including, without limitation, access to the College's computer network; and (viii) implement procedures to assist students in applying for residence at the Series 2022 Project.

(b) The Borrower shall provide information regarding the Series 2022 Project appropriate to assist the College in carrying out its undertakings pursuant to this Section and shall require the Manager to implement appropriate procedures to facilitate the College's undertakings pursuant to this Section.

(c) In connection with, among other things, the naming of the Series 2022 Project and the dissemination by the Borrower of any and all marketing or promotional materials to residents or prospective residents thereof, the College hereby grants to the Borrower an unlimited, non-exclusive, royalty-free, worldwide, and perpetual right to use the name of the College or a portion thereof in all fields of use in connection with, or arising out of, the use, promotion, or operation of the Series 2022 Project.

Section 5. Occupancy Agreements.

(a) ***Contract Process.*** The Borrower shall have full responsibility for leasing or licensing the residential units in the Series 2022 Project. Each Eligible Resident occupying the Series 2022 Project shall enter into a lease, residence, license agreement, or similar agreement (an "Occupancy Agreement") in the name of the Borrower and in a form mutually acceptable to the Borrower and the College. On a monthly basis, the Borrower shall provide the College a written report identifying the Eligible Residents residing in the Series 2022 Project.

(b) ***Collection of Rents; Collection Assistance.*** The Borrower shall make provisions for an agent (the "Agent") (who may be the Manager) to collect all rent, additional rent, and any and all fees and payments receivable in connection with the occupancy of the Series 2022 Project (collectively, "Housing Charges"). The College shall coordinate and assist in the billing and collection of Housing Charges and facilitate the use of financial aid provided to students to pay eligible Housing Charges. To the extent that the College, itself or through agents of the College, shall collect any Housing Charges

receivable on the Borrower's behalf in connection with the occupancy of the Series 2022 Project, the College shall deposit such amounts in the Rental Revenue Account (as defined below) in the form of a single payment by wire transfer in an amount equal to such receipts collected on the Borrower's behalf. The Rental Revenue Account (the "Rental Revenue Account") shall be an account established by the Borrower as a custodial account at the same bank or trust company that is serving as Trustee for the Series 2022 Bonds. The custodial agreement between the Borrower and the Trustee with respect to the Rental Revenue Account shall provide that (a) the Trustee shall have the sole power of withdrawal over the Rental Revenue Account, and (b) the Trustee shall transfer all funds in the Rental Revenue Account not less frequently than weekly to the Revenue Fund created under the Indenture in the custody of the Trustee to enable the Borrower to comply with its covenant under Section 5.03 of the Loan Agreement. In the event that a resident of the Series 2022 Project shall fail to pay any such Housing Charges, the College shall, subject to the laws of the State, take one or more of the following actions in accordance with the College's written policies and procedures: withhold the release of a transcript, not permit the student to register for any further course work, and not permit the student to graduate. The College agrees to hold all amounts attributable to any Eligible Resident's Housing Charges receivable by the Borrower, whether delivered by residents of the Series 2022 Project or by third-party providers of loans or other financial assistance to residents of the Series 2022 Project in escrow pending disbursement to the Borrower under each applicable Occupancy Agreement and, with respect to Housing Charges delivered by third-party providers of loans or other financial assistance to residents of the Series 2022 Project, to pay all amounts due under the applicable Occupancy Agreement upon presentation to the College by the Borrower of an appropriate invoice. THE COLLEGE AGREES THAT ANY PORTION OF THE HOUSING CHARGES THAT MAY COLLECTED BY THE COLLEGE FROM RESIDENTS OF THE SERIES 2022 PROJECT SHALL, PENDING TRANSFER TO THE BORROWER OR TO THE TRUSTEE ON BEHALF OF THE BORROWER, BE HELD BY THE COLLEGE IN TRUST FOR, AND AS AGENT OF, THE BORROWER AND SHALL NOT CONSTITUTE PROPERTY OF THE COLLEGE.

(c) **Termination.** The College may, by delivering written notice to the Borrower, direct the Borrower to terminate any Occupancy Agreement when, in its judgment, sufficient cause exists (including, but not limited to, failure to maintain status as an Eligible Resident). Attorneys' fees and other reasonable, customary and necessary costs incurred in connection with enforcement actions shall be paid out of the "Operating Account," as defined in the Indenture, as an Operating Expense of the Series 2022 Project.

(d) **Periodic Information.** To enable the Borrower to comply with its continuing disclosure obligations with respect to the Series 2022 Bonds, the College agrees to provide to the Borrower within 75 days after the first day of each enrollment period until the Series 2022 Bonds shall have been paid in full a comparison of the College's then current years' full time, part time and total enrollment, respectively, as compared to the previous year, and shall also provide any other information about the College or its students that may reasonably be requested by the Borrower, provided that the information (i) does not breach any privacy policies to which the College is subject, or has adopted; (ii) does not amount to proprietary trade or business information; and (iii) is of a type and nature

that is not inconsistent with industry custom for disclosure requests, as determined by the Borrower.

Section 6. Maintenance and Repair. The Borrower shall use, or cause the Manager to use, commercially reasonable efforts to maintain the Series 2022 Project in good order, condition, and repair, including, but not limited to, cleaning, painting, decorating, plumbing, carpentry, and such other maintenance and repair work as may be necessary in order to maintain the Series 2022 Project properly. The Borrower shall cause the Manager's on-site maintenance employees to respond in a timely manner to any complaint made by an Eligible Resident with respect to any facility problem. Provision is to be made in the Annual Budget (as defined below) for repairs of, and capital improvements to, the Series 2022 Project. The Borrower shall provide, or cause the Manager to provide, advance written notification to the College of any proposed capital improvements at or to the Series 2022 Project as far in advance of the work as possible, and the Borrower will coordinate, or cause the Manager to coordinate, with the College to assure the minimum disruption to the College and its employees and students. The written notification shall consist of a general description of the work, when it will occur, and its location by building. The Borrower shall cooperate with College personnel to provide any other pertinent information they may request with regard to the work.

Section 7. Security.

(a) The College currently engages Utah Highway Patrol to provide certain security services to the Campus, but reserves the right to change security providers at any time. The College shall engage Utah Highway Patrol or such other security provider to provide security to the Series 2022 Project to the same extent and in the same manner security is provided to portions of the Campus. Notwithstanding the foregoing, the College will not be responsible for matters occurring at the Series 2022 Project that elevate to those involving law enforcement or those involving the adjudication of local governmental law. Until the [fourteenth (14th)]¹ anniversary of the date hereof, the College shall pay the annual cost of providing such security to the Series 2022 Project. After the [fourteenth (14th)] anniversary of the date hereof, the Borrower shall pay, as an Expense of the Series 2022 Project, the annual cost of providing such security to the Series 2022 Project. The Manager, on behalf of the Borrower, shall also be responsible for the administration of unit access, front desk operations, and mail and package delivery at the Series 2022 Project. Enforcement of the College's Code of Student Rights and Responsibilities at the Series 2022 Project shall be under the control of the College.

(b) The Manager, as the agent of the Borrower, shall (i) have final authority over control and accountability of all keys and electronic passes for the Series 2022 Project; (ii) maintain the key control responsibility for all resident room spaces and any common areas agreed to, such as the community kitchen, TV room, fitness room, and study room; (iii) control all keys for access doors and the mechanical and electrical rooms; and (iv) issue the keys for the management office and any associated living space and any retail space and related office and storage area to the appropriate person supervising those areas.

¹ Note that the bracketed number will be finalized based upon the final pro forma at bond pricing, and may be up to year 20.

Key control will include the logging of all keys and issuance and retrieval from the issued user.

(c) The Borrower shall provide, or cause the Manager to provide, information sufficient for the College to meet its obligations with respect to reporting on security, including, but not limited to, reporting required under The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act at 20 U.S.C. §1092(f).

Section 8. Annual Budget.

(a) The Borrower shall develop in good faith, in its discretion and after consultation with the College or a designated representative of the College, a cash basis line-item operating and capital budget for the Project for each Annual Period (collectively, the “Annual Budgets” and each, an “Annual Budget”) and for each month within such Annual Period. The Annual Budget shall set forth among other matters, those items usually contained in budgets of similar nature:

(i) the categories of anticipated “Revenues,” as defined in the Indenture, relating to the Series 2022 Project and the projected amounts of each category of such Revenues;

(ii) the amounts to be deposited to the Repair and Replacement Fund (as defined in the Indenture) and any other reserve fund established under the Indenture during such Annual Period and the amounts contained therein as of the first day of such Annual Period;

(iii) all anticipated capital expenditures;

(iv) projected amounts of all “Expenses,” as defined in the Indenture;

(v) sufficient information to explain the basis for the budgeted Revenues, capital expenditures, and Expenses; and

(vi) the amount of projected Revenues sufficient to comply with any applicable covenants contained in the Bond Documents.

(b) The Annual Budget shall reflect all anticipated Expenses paid, incurred, or accrued or to be paid, incurred, or accrued by the Borrower or on behalf of the Borrower by another Person, such as (by way of example) the Manager under the Management Agreement. The Borrower shall manage anticipated Expenses in order for the projected Debt Service Coverage Ratio to be at least (x) 1.20 for the Senior Bonds (covering only Debt Service Payments for Senior Bonds) and 1.05 (covering Debt Service Payments for both Senior Bonds and Subordinate Bonds) and (y) 1.05 for the Subordinate Bonds (covering Debt Service Payments for both Senior and Subordinate Bonds) for such Annual Period.

(c) The Borrower shall submit to the College for its approval a proposed Annual Budget not later than 90 days prior to the commencement of each Annual Period.

The College shall give the Borrower notice of its approval of the Annual Budget as submitted or of its disapproval of one or more of the matters contained therein not later than 60 days prior to the commencement of such Annual Period. If the College shall fail to give notice of approval or disapproval in a timely manner, then the Annual Budget as submitted shall be deemed approved by the College. In the event that the College shall give notice of its disapproval, the Borrower and the College promptly, in good faith, shall develop an Annual Budget on which they both may agree. In the event that the Borrower and the College shall fail to reach agreement not later than 30 days prior to the commencement of an Annual Period, the Annual Budget for the prior Annual Period shall be carried forward to the current Annual Period with the Expenses (other than salaries and payroll expenses which shall not be permitted to be increased) being permitted to be increased by the lesser of (i) the increase, if any, in the Consumer Price Index for the County; or (ii) 3%.

(d) From time to time during or in respect of an Annual Period, the Borrower shall have the right to amend the Annual Budget, which amendment shall be subject to the College's consent unless: (i) the amendment shall be to reflect additional Revenues or the receipt of insurance or condemnation proceeds; (ii) the amendment shall modify two or more line items of the Annual Budget in a fashion that, when combined, do not increase the original amount of total Expenses approved by the College; or (iii) the amendment shall be necessary to preserve life or property. Notwithstanding the foregoing, any amendment that has the effect of increasing the amount of the Corporation Membership Fee over the amount set forth in the Ground Lease shall be effective only upon the execution or approval of such amendment in writing by the College and the provision of such amendment or approval to the Trustee by the Borrower. An Annual Budget for an Annual Period, as so amended, shall, after such amendment, be the Annual Budget for such Annual Period.

(e) The Borrower shall provide a copy of each Annual Budget to the Trustee in accordance with the provisions of the Loan Agreement and shall operate the Project and make expenditures in connection with the Project in accordance with such Annual Budget.

(f) For each month within an Annual Period, the Borrower shall submit to the College not later than 15 days after the end of such month, a Budget Reconciliation Statement.

(g) The College acknowledges that there may be certain periods (e.g., the summer months) when the Revenues may be inadequate to pay all of the Expenses (collectively, the "Shortfall Periods" and each, a "Shortfall Period") and agrees that provision should be made for the funding of any such liquidity shortfalls (collectively, the "Shortfalls" and each, a "Shortfall") from revenues received during the periods when the Revenues are more than adequate to pay all of the Expenses (collectively, the "Surplus Periods" and each, a "Surplus Period"). The College therefore authorizes the Borrower to make provision for such Shortfalls by arranging to have amounts deposited in the Operating Account (as defined in the Indenture) during Surplus Periods to be in excess of that which is required to pay Expenses during such Surplus Periods with such excesses to be in the amounts of the anticipated Shortfalls. The College also acknowledges that the funding for a Shortfall Period in one Annual Period may be made during a Surplus Period occurring in

the immediately preceding Annual Period. The Borrower agrees that any such funding for a Shortfall Period shall be clearly and completely identified in the Annual Budget submitted to and approved by the College. For the avoidance of doubt, under no circumstances shall the College be responsible for the funding of any Shortfall.

Section 9. Financial Reporting.

(a) The Borrower shall keep, or cause the Manager to keep, accurate books and records of the Series 2022 Project in accordance with generally accepted accounting principles consistently applied (“GAAP”).

(b) Within 30 days after the end of each calendar month, the Borrower shall provide, or shall cause the Manager to provide, to the College and the Trustee unaudited, cash basis financial reports for the Series 2022 Project for such month. Such monthly financial reports shall include or be accompanied by (i) an income and loss statement, and a statement of cash flows, all in sufficient detail to indicate the financial condition of the Series 2022 Project; (ii) monthly marketing and leasing reports; (iii) budget comparison and variance analysis reports; (iv) a rent roll report; (v) an accounts receivable and aging schedule; (vi) an accounts payable schedule; (vii) a bank reconciliation report; (viii) a security deposit audit report; and (ix) a voucher distribution register.

(c) Within 90 days of the end of each Annual Period commencing with the Annual Period ending June 30, [2024], the Borrower shall provide, or shall cause the Manager to provide, to the College draft, unaudited cash basis financial statements (balance sheet, income and loss statement, statement of cash flows, and footnotes). In addition, within 180 days of the end of each Annual Period, commencing with the Annual Period ending June 30, [2024], the Borrower shall provide, or shall cause the Manager to provide, to the College, an audited annual financial report for the Series 2022 Project containing a balance sheet, an income statement, and statement of cash flows prepared in accordance with generally accepted accounting principles consistently applied (“GAAP”).

(d) The College shall cooperate with and will supply to the Borrower and its auditors, any required information to enable the Borrower, or its auditors, to prepare the year-end financial statements and the audit report related thereto, all as required by the Loan Agreement. Compensation for the preparer’s services will be paid out of the Operating Account as an Operating Expense of the Series 2022 Project.

Section 10. Insurance. The Borrower shall maintain or cause to be maintained insurance for the Series 2022 Project in accordance with Sections 4.01 and 6.04 of the Loan Agreement and Section 17 of the Ground Lease. The premiums and deductibles associated with the provision of insurance shall be an Operating Expense of the Series 2022 Project.

Section 11. Additional Student Housing. In the event the College shall determine to construct, acquire, operate, or lease, or to permit or enter into agreements with (whether acting for itself or through an agency or entity affiliated with or hired by the College) a third party relating to the construction, acquisition, marketing, support, operation, or leasing of additional new student housing facilities that increase the bed capacity of housing facilities serving students at the Campus

(including off-campus facilities) (“Additional New Beds”) and the Borrower is then operating the Series 2022 Project in accordance with the provisions, if any, of the Ground Lease and has remaining obligations under the Loan Agreement with respect to the payment of the debt service on the Series 2022 Bonds, the College agrees that such Additional New Beds shall be undertaken only if (a) there shall be prepared and filed with the Trustee (i) the certificates or schedules regarding the Debt Service Coverage Ratio required by the Loan Agreement evidencing that for each of the two Annual Periods immediately preceding the construction or acquisition of the proposed Additional New Beds, the Debt Service Coverage Ratio was greater than or equal to (x) 1.25 for the Senior Bonds (covering only Debt Service Payments for Senior Bonds) and 1.10 (covering Debt Service Payments for both Senior Bonds and Subordinate Bonds) and (y) 1.10 for the Subordinate Bonds (covering Debt Service Payments for both Senior and Subordinate Bonds); and (ii) a written report of a Consultant showing that (after giving effect to the construction or acquisition of such Additional New Beds) the expected Debt Service Coverage Ratio for each of the three Annual Periods immediately following the Annual Period in which such Additional New Beds are expected to be placed in operation is not less than (x) 1.25 for the Senior Bonds (covering only Debt Service Payments for Senior Bonds) and 1.10 (covering Debt Service Payments for both Senior Bonds and Subordinate Bonds) and (y) 1.10 for the Subordinate Bonds (covering Debt Service Payments for both Senior and Subordinate Bonds); or (b) the College shall agree to take off-line from existing student residence halls or student housing facilities on or adjacent to the Campus (other than the Series 2022 Project) on or before the date such Additional New Beds are made available to students a number of beds at least equal to the Additional New Beds.

Section 12. Addresses for Notices, etc. Any notice, report, demand, or other instrument authorized or required to be given or furnished under this Cooperation Agreement to the Borrower or to the College shall be deemed given or furnished when mailed by certified mail, postage prepaid, return receipt requested, when transmitted electronically, or when personally delivered as follows:

to the Borrower: NCCD - Taylorsville Properties LLC
c/o National Campus and Community Development Corporation
Suite 213
2630 Exposition Boulevard
Austin, TX 78703
Attention: President
Telephone: (512) 322-9650
E-Mail: geden@nccdevelopment.org

to the College: Salt Lake Community College
4600 South Redwood Road
Salt Lake City, UT 84123
Attention: Vice President for Finance and Administration
Telephone: (801) 957-4219
E-Mail: Chris.Martin@slcc.edu

Receipt of notices, certificates, or other communications hereunder shall occur upon actual delivery (whether by mail, facsimile transmission, messenger, courier service, or otherwise) to any person who is an officer of the Borrower or the College at any location where such person may be

found, or to an officer, agent or employee of the Borrower, the College, or other party, if any, at the address of any such party set forth above, subject to change as provided hereinabove. An attempted delivery in accordance with the foregoing, acceptance of which is refused or rejected, shall be deemed to be and shall constitute receipt; and an attempted delivery in accordance with the foregoing by mail, messenger, or courier service (whichever is chosen by the sender) which is not completed because of changed address of which no notice was received by the sender in accordance with this provision prior to the sending of the notice, certificate, or other communication shall also be deemed to be and constitute receipt. A duplicate copy of each notice, certificate, or other communication given hereunder shall also be given to the Trustee at the address specified in Section 1404 of the Indenture. Any party named in this Section may, by notice given to each of the others, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent.

Section 13. Borrower's Liability. Notwithstanding anything to the contrary herein contained, any claim based on or in respect of any liability of the Borrower for (a) any payment hereunder; or (b) the performance of any other covenant, agreement, term or condition contained herein shall be paid solely out of, and enforced only against, the Revenues, if any, to the extent available to the Borrower pursuant to the Indenture and, in either case, not from or against any other assets, properties, or funds of the Borrower or against any assets, properties, or funds of any member, director, official, officer, employee, successor, assign or agent of the Borrower. The College agrees not to seek to obtain a money judgment against the Borrower or against any officer, member, official, director, employee or agent of the Borrower or against any of their respective heirs, administrators, executors, personal representatives, successors or assigns. No obligation or agreement of the Borrower hereunder shall be construed to constitute an obligation of the State or any political subdivision or public body thereof or a debt of the State or any political subdivision or public body thereof, or as a pledge of the general credit, full faith or taxing power of the State or any political subdivision or public body thereof. The provisions hereof shall be a limitation on all of the Borrower's payment and performance obligations set forth herein and shall be deemed incorporated into each section of this Cooperation Agreement that provides for the Borrower to make a payment of any type whatsoever or carry out or perform any obligations or to cause any third party to carry out or perform any obligations and shall supersede any provision to the contrary set forth herein.

Section 14. Preservation of Tax Exemption. The Borrower and the College shall not take any action with respect to the Series 2022 Project, and this Cooperation Agreement shall not be amended, in either case in a manner that would adversely affect the tax-exempt status of the Corporation or the Bonds or that would otherwise result in a breach of any representation, condition, or covenant of the Borrower as set forth in the Bond Documents. In the event that any of the terms hereof would violate Rev. Proc. 2017-13 and/or any subsequent guidance from the Internal Revenue Service or would otherwise adversely affect the tax-exempt status of the Bonds, the parties hereto shall amend this Cooperation Agreement in such manner as is necessary to avoid such inconsistency or such adverse impact.

Section 15. Third-Party Beneficiary. The Trustee shall be and is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any right, remedy, or claim conferred, given, or granted hereunder to the Borrower.

Section 16. Assignment. The Borrower has, contemporaneously herewith, assigned its rights under this Cooperation Agreement to the Trustee as security for the Series 2022 Bonds. Otherwise, neither Party shall assign or transfer this Cooperation Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party.

Section 17. Partial Invalidity/Severability. If any term, provision, covenant, or condition of this Cooperation Agreement shall be deemed invalid or unenforceable in any jurisdiction, the remainder of this Cooperation Agreement shall not be affected thereby, and each remaining term, provision, covenant, or condition shall, as to such jurisdiction, be valid and enforced to the fullest extent permitted by law.

Section 18. Execution of Counterparts. This Cooperation Agreement may be executed in several counterparts, each of which shall be an original and all of which, when taken together, shall constitute but one and the same instrument.

Section 19. Disputes; Law Governing Construction of this Cooperation Agreement. If a dispute arises out of or relates to this Cooperation Agreement, or the breach thereof, and if said dispute cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute in an amicable manner by non-binding mediation administered by the American Arbitration Association under its then existing Commercial Mediation Rules before resorting to litigation. This Cooperation Agreement has been prepared and entered into by the Parties with the intention that the law of the State, exclusive of such state's rules governing choice of law, shall govern its construction.

Section 20. Language Construction. The language in all parts of this Cooperation Agreement shall be construed, in all cases, according to its fair meaning, and not for or against either Party. The Parties acknowledge that each Party and its counsel have reviewed and revised this Cooperation Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Cooperation Agreement.

Section 21. Independent Legal Counsel. The Parties mutually acknowledge that they each have had the opportunity to be represented by independent legal counsel in negotiations leading up to and in executing this Cooperation Agreement.

Section 22. Table of Contents; Headings. The table of contents and the headings of the sections of this Cooperation Agreement are solely for convenience of reference, are not a part of this Cooperation Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 23. Successors and Assigns. All covenants, promises, and agreements contained in this Cooperation Agreement by or on behalf of or for the benefit of the Borrower or the College shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 24. Relationship of the Parties. Nothing contained in this Cooperation Agreement shall be construed to place the Parties in the relationship of partners, principal and agent, employer and employee, or joint venturers.

Section 25. Entire Agreement. This Cooperation Agreement and the documents expressly referred to herein embody the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersede and cancel all prior negotiations, arrangements, agreements, and understandings, if any, with respect to the subject matter hereof, and none thereof shall be used to interpret or construe this Cooperation Agreement. All negotiations and oral agreements acceptable to both Parties with respect to the subject matter hereof have been merged into and are included herein, and there are no other representations or warranties between the Parties and all reliance with respect to representations or warranties is solely upon the representations, warranties, and agreements contained herein.

Section 26. Term, Amendments, Change, Modifications, etc. This Cooperation Agreement shall be coterminous with the Ground Lease. This Cooperation Agreement may be amended, changed, or modified only in accordance with the provisions of Article XIII of the Indenture. Neither this Cooperation Agreement nor any term hereof may be amended, changed, modified, waived, discharged, or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the Party against which enforcement of the amendment, change, modification, waiver, discharge, or termination shall be sought.

Section 27. Subordination to Indenture and Loan Agreement. To the extent that any term or provision contained herein shall conflict with any term or provision contained in the Indenture and/or the Loan Agreement, the term or provision contained in the Indenture and/or the Loan Agreement shall control.

Section 28. College's Obligations Are Not Obligations of the State.

(a) The College's obligations under this Cooperation Agreement are not obligations of the State, and the College shall pay or discharge the amounts that are required to be paid under this Cooperation Agreement from all funds legally available to the College which shall not include either ad valorem tax receipts or State appropriations. The College anticipates that over the term of the Ground Lease, amounts received by it as rent thereunder will be sufficient to satisfy all of its payment obligations hereunder.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this COOPERATION AGREEMENT to be executed in their names and on their behalves by their duly authorized officers as of the day and year first above written.

[SEAL]

SALT LAKE COMMUNITY COLLEGE

By _____
Denece G. Huftalin, PhD, President

and By _____
Christopher A. Martin, Vice President for Finance
& Administration/Chief Financial Officer

APPROVED AS TO FORM AND LEGALITY:

By _____
Kevin V. Olsen, Assistant Attorney General

NCCD – TAYLORSVILLE PROPERTIES
LLC

By _____
Charles G. Eden, President

EXHIBIT A
DESCRIPTION OF THE LAND



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB A

January 14, 2021

Salt Lake Community College – Non-Traditional Arrangement

Board Policy R712, *Non-Traditional Arrangements for Development of Facilities on Campuses*, requires the Board to approve development projects by outside entities on institutional land. Salt Lake Community College requests authorization to contract with a private developer to develop and operate student housing on the Taylorsville-Redwood Campus. In working with an outside consultant, the college finds demand for affordable student housing in the Taylorsville area and that a public-private partnership will provide the best option for the construction and operation of the facilities. The project will be presented to the SLCC Board of Trustees in the January 13, 2021, meeting. Additional information about the project is provided in the attached letter and presentation materials.

Commissioner's Recommendation

The Commissioner recommends the Board authorize Salt Lake Community College to partner with a selected private developer to develop and operate student housing as presented, contingent on continued communication and review by the Attorney General's Office.

Attachments:



30 December 2020

Board of Higher Education
c/o Commissioner David R. Woolstenhulme
Two Gateway; 60 South 400 West
Salt Lake City, UT 84101-1284

RE: Student Housing at Salt Lake Community College

Commissioner:

In accordance with policy R712, *Nontraditional Arrangements for Development of Facilities on Campuses*, SLCC is requesting permission to pursue a student housing project on the Taylorsville-Redwood Campus. Specifically, the College would like to explore an arrangement for construction and operation of a housing initiative in accordance with Section 5 of the policy referred to above, that is: *Facilities Developed and Owned by an Outside Party on Leased Institutional Land*.

The College has engaged the Scion Group, which is a consulting company with expertise in student housing initiatives. Scion has conducted both a demand analysis and a financial analysis of placing student housing on the Taylorsville-Redwood Campus and found that such a project is not only needed and financially feasible, but would also advance the strategic goals of Salt Lake Community College. Based on the unique opportunity and challenge such a project presents, the College is of the opinion that pursuing a Public-Private Partnership (P3) arrangement would be the most prudent model under which to structure this initiative, thus the desire to discuss with the Board the requirements set forth in R712-5, as referred to previously. The College believes that a P3 arrangement offers the following advantages:

- Preserves College capital and borrowing capacity
- Transfers development risk to a 3rd party and operational risk to a not-for-profit entity who owns the improvements during the term of the ground lease
- Leverages private sector resources for College use
- Provides residual cash flow to the College, assuming sufficient project performance

The College has followed a thoughtful and deliberate process to date in considering the impact student housing might have on our campus. This process has included extensive discussions internally with executive administration, and externally with our financial advisors, counselors, and consultants – as well as Commissioner’s Office staff. Even though pursuing this “nontraditional arrangement” takes us down a new path not previously trodden by SLCC or other institutions of higher education in the State, SLCC feels the time is right to consider and pursue these types of partnerships – for the overall benefit of our students and their success.

Thank you for your consideration and support of this request. We look forward to discussing this further with the Finance & Facilities Committee and with the Board of Higher Education as a whole. Let me know if there is anything else you need regarding this agenda item.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Jeffrey J. West', with a long horizontal line extending to the right.

Jeffrey J. West

Vice President for Finance & Administration/CFO



1

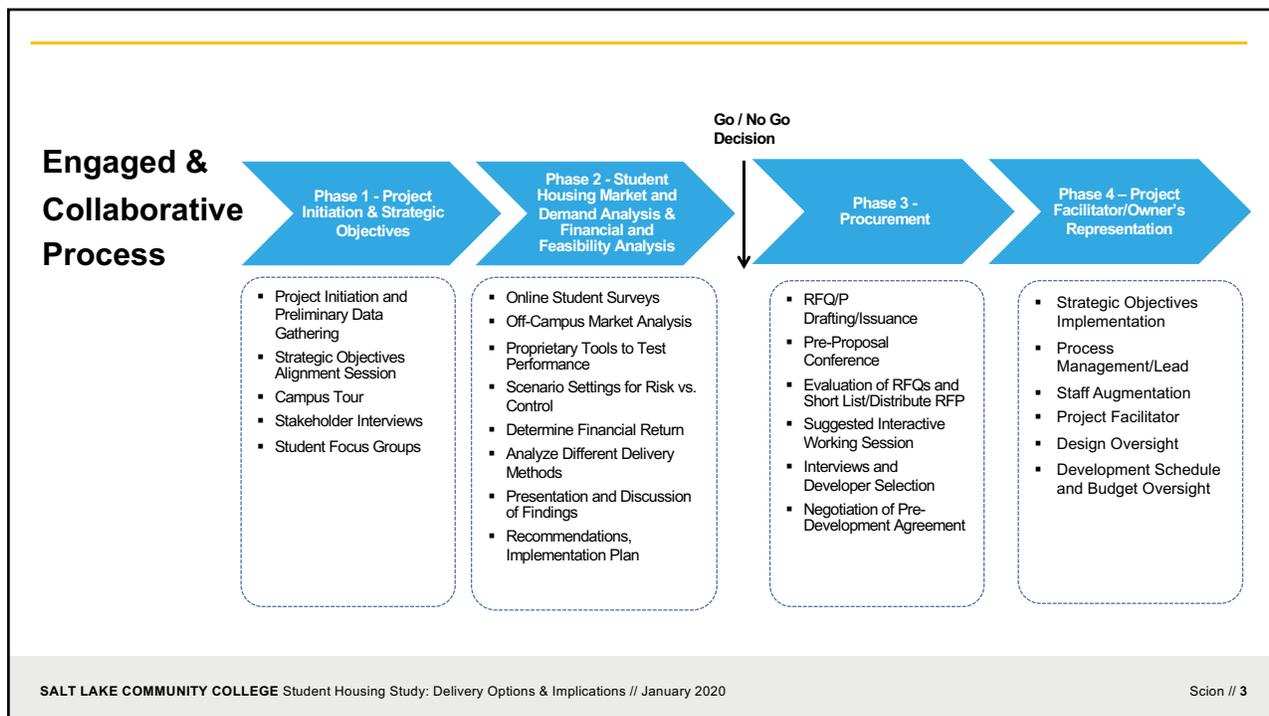
Agenda

- 1 Market & Demand Analysis Findings**
- 2 Delivery Method Comparison & P3 Overview**
- 3 Financial Analysis Findings**
- 4 Next Steps to Advance On-Campus Housing**

SALT LAKE COMMUNITY COLLEGE Student Housing Study: Delivery Options & Implications // January 2020

Scion // 2

2



3



4

Market & Demand Analysis Summary



Student housing would advance identified strategic objectives: *Affordability, Student Recruitment and Completion.*



Strong demand for housing for single students (518 – 643 beds) and students with families (607 – 679 units), with both cohorts preferring apartment-style housing.¹



94% of students believe offering housing will be important for attracting future students and 89% believe it will be important for retaining future students.



College Leadership generally favors the advancement of student housing to support the needs of SLCC students.

¹ Calculation of demand based on Fall 2019 enrollment and does not include demand for students enrolled in 0.5 to 5.5 units. Demand range based on survey-tested rates at the low end and then increase in demand if discounted rates were available. Rates for by-the-bed housing were decreased by 13%-17%, while rates for by-the-unit housing were discounted 5%-10%.

5

The Scion Group

- Campus housing – **only focus** since 1999
- Worked with **250+ campus markets, 30+ at community colleges** throughout North America; including several at various stages of P3 implementation (Centennial College, Orange Coast Community College, Tacoma Community College and Santa Rosa Junior College)
- Multidisciplinary advisors with combined **100+ years** of on-campus housing experience and **50+ years** in finance and economics, planning, research and owner's representation
- **\$5 billion+** of new/renovated student housing facilities supported by our work
- **Stand-alone** advisory services practice, within the largest privately held portfolio in the country – **58,000 student housing beds**
- Scion is **not a developer**
- Offices in Chicago ♦ Dallas ♦ Irvine ♦ Washington, D.C. ♦ Toronto



6



7

Implementation Strategy

College Owned Traditional Model

- College owns and controls 100% of the community.
- College retains 100% of economic benefit and risk.
- College issues tax-exempt bonds on its own or through a public conduit.
- Repayment of debt is a College obligation and new liability is reflected for balance sheet and credit purposes.
- Becomes an item of the College's debt profile and therefore, credit rating.
- College or third party manages project.

Nonprofit/Foundation Owned Tax-Exempt Model (P3)

8

Implementation Strategy

College Owned Traditional Model

Nonprofit/Foundation Owned Tax-Exempt Model (P3)

- Potential College credit enhancement structures:
- Expense subordination
 - Direct revenue support
 - Contingent master leasing
 - Master leasing for certain residents (athletes, foreign, etc.)
 - Direct leasing of administrative/support space in building
 - Additional reserve capitalization through project cash flow

- Nonprofit corporation owns community and issues tax-exempt bonds secured by project revenue.
- College credit enhancement is sometimes required to achieve optimal pricing on bonds.
- Developer earns development fee but maintains no on-going ownership interest or claim on community's annual net revenue.
- College or third party manages the community.
- College limits risk and debt capacity impact, but also realizes economic benefit from residual cash flow and maintains control over major project decisions.
- Project/improvements revert to the College once the outstanding debt is retired.

Control vs. Risk

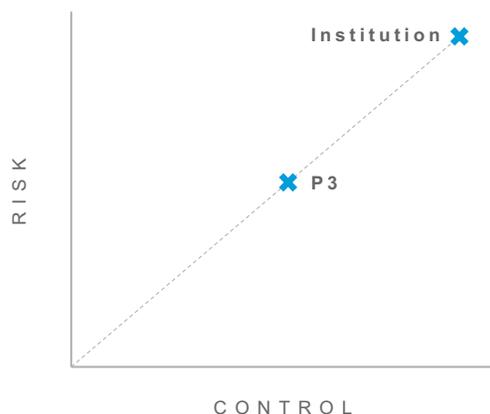
Balancing to Achieve Goals

Sample Control Items:

- Mission Alignment
- Program Design
- Construction Standards
- Schedule
- Operations – Program & Cash Flow

Sample Risk Items:

- Cost Impact – Upfront & Ongoing
- Credit Impact
- Reputation Impact

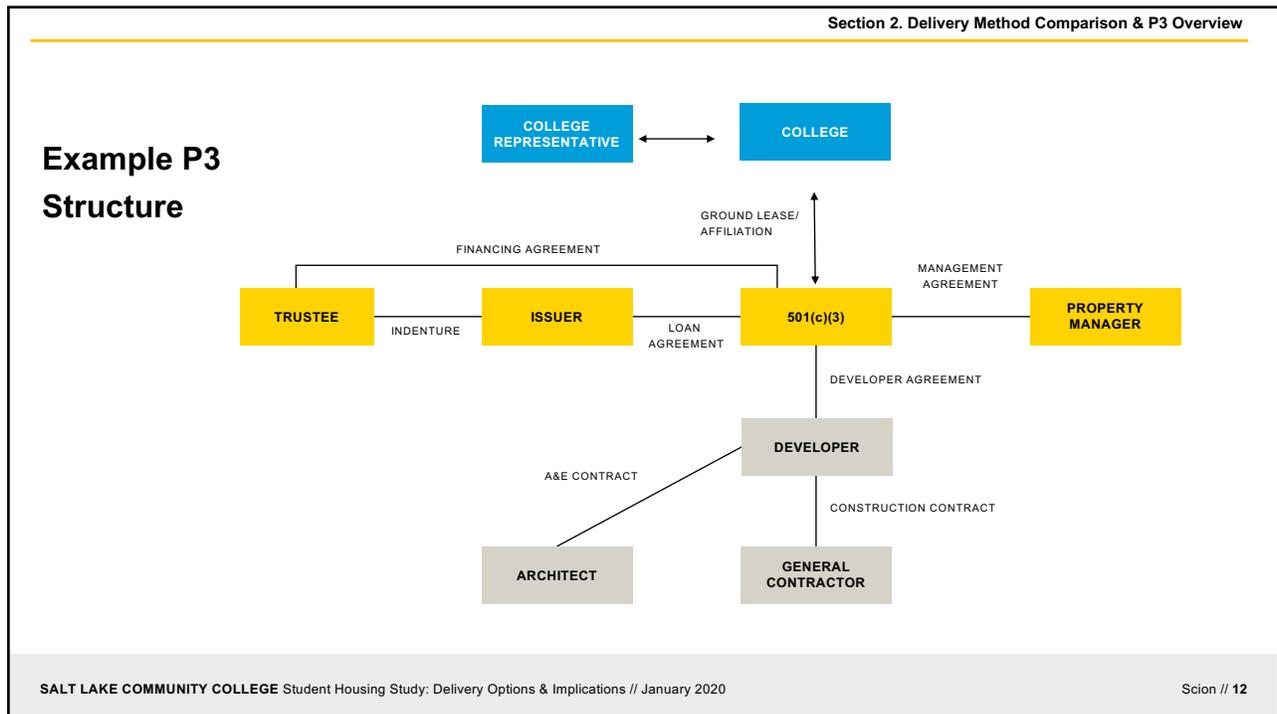


Section 3. Financial Analysis Findings

Case Study: Financing Structure Comparison	College Funded	P3
	Pros	Pros
	<ul style="list-style-type: none"> Lowest cost of capital compared to other deal structures Control over key project decisions College receives all project cash flow 	<ul style="list-style-type: none"> Project designed to be fully self-funded Tax-exempt debt Typically limited financial commitment Low-to-moderate cost of capital Residual cash flow to the College Preserves debt for other capital projects Balance of control and risk Speed of delivery
	Cons	Cons
	<ul style="list-style-type: none"> College assumes all risk associated with the project Direct impact on College debt capacity Speed of delivery 	<ul style="list-style-type: none"> Cost of capital typically higher than College Funded Limited control compared to College Funded Potentially varying degrees of financial commitment Additional project costs (Developer fee, DSRF, Capitalized Interest)

SALT LAKE COMMUNITY COLLEGE Student Housing Study: Delivery Options & Implications // January 2020 Scion // 11

11



12



13

Section 3. Financial Analysis Findings

Tested Housing Program

Intended Cohort	Single Students
Bed Count	350 beds
Unit Type	Apartments

SALT LAKE COMMUNITY COLLEGE Student Housing Study: Delivery Options & Implications // January 2020 Scion // 14

14

Rate Comparison

Delivery Method	College Funded	P3
Unit Types	Monthly Rates (By-the-Bed)	Monthly Rates (By-the-Bed)
Studio	\$1,008	\$1,200
4 Bedroom Apartment	\$714	\$850
2 Bedroom Apartment	\$798	\$950
2 Bedroom Apartment (Double)	\$630	\$750

P3 rates represent the rates tested on the survey.

P3 programs may require some form of support from the College for credit enhancement purposes.

College funded scenarios experienced a decrease in rates because:

- Lower cost of capital
- Decreased debt service coverage requirement

Rate Comparison

Scenario	Median Monthly Rate Per Person
College Funded*	\$725
P3*	\$863
Off-Campus Market Analysis**	\$863
Self-Reported – Full-Time**	\$750
Self-Reported – Part-Time**	\$800

P3 weighted median rate represent the rates tested on the survey.

P3 programs may require some form of support from the College for credit enhancement purposes.

College funded scenarios experienced a decrease in rates because:

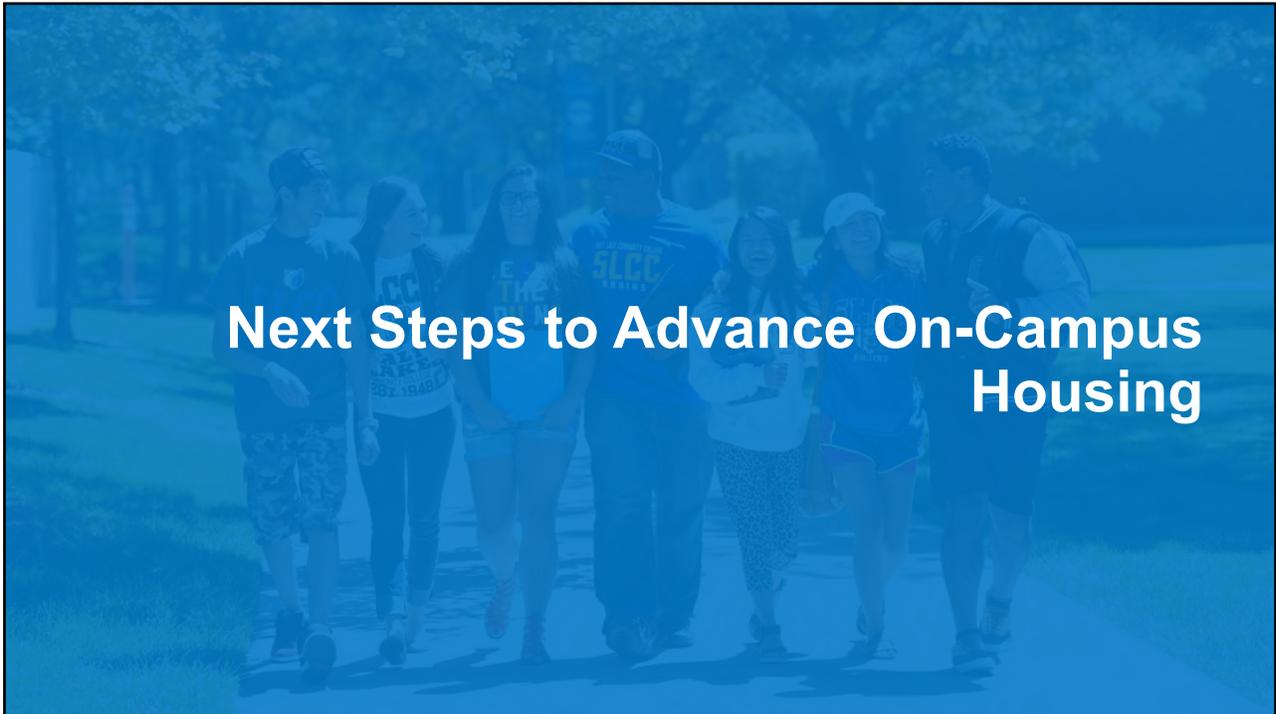
- Lower cost of capital
- Moral obligation pledge from State of Utah to bondholders
- 'AA' S&P rating on moral obligation-backed bonds

Median off-campus rates per person in-line with P3 weighted median rates.

*P3 and College Funded median rates are weighted based on unit types in conceptual 350-bed program.

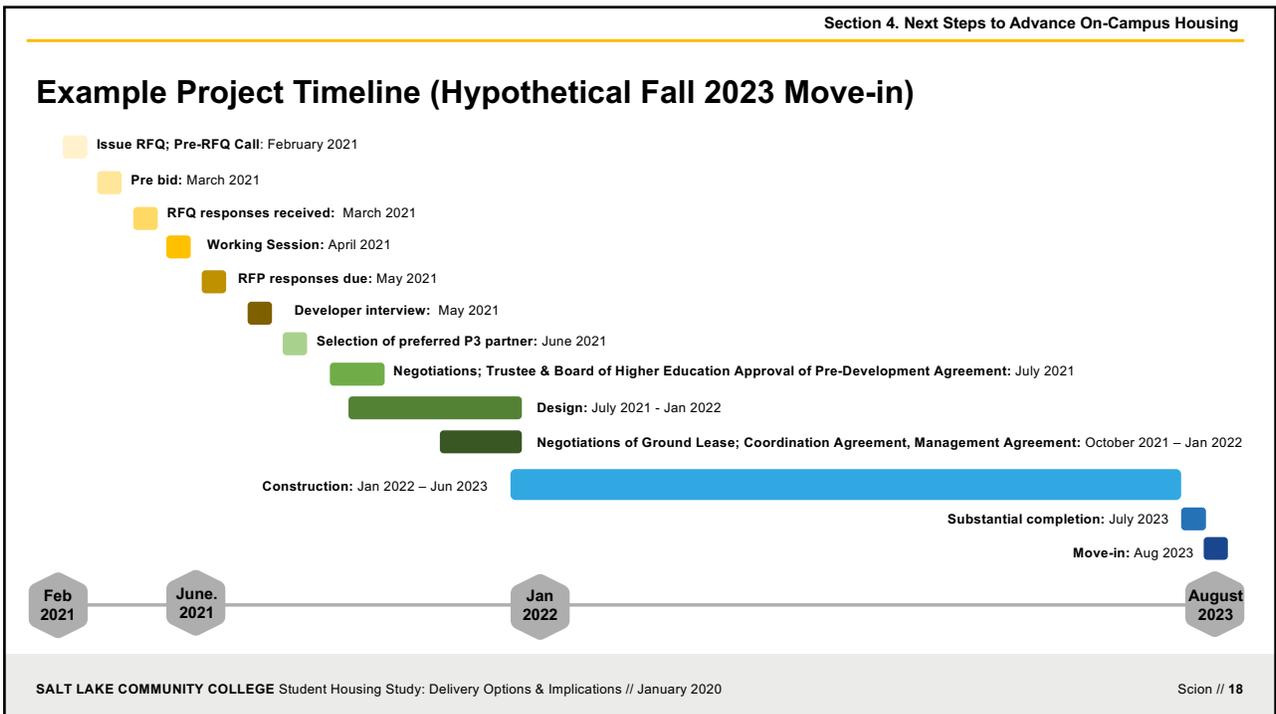
**Includes rent and utilities.

Note: "Self-reported" reflect the data SLCC students reported in the online survey administered as part of the Market and Demand Analysis.



Next Steps to Advance On-Campus Housing

17



18

Summary

The following summarizes the conclusions from the Market & Demand Analysis and financial testing within the context of the implementation strategies, as previously outlined.



Several feasible programs to provide housing for students, with the opportunity to serve single students and/or students with families.



Tested projects likely to attract P3 development partners, even with conservative demand in tested programs. Project sizes between 60% and 63% of total demand by cohort.



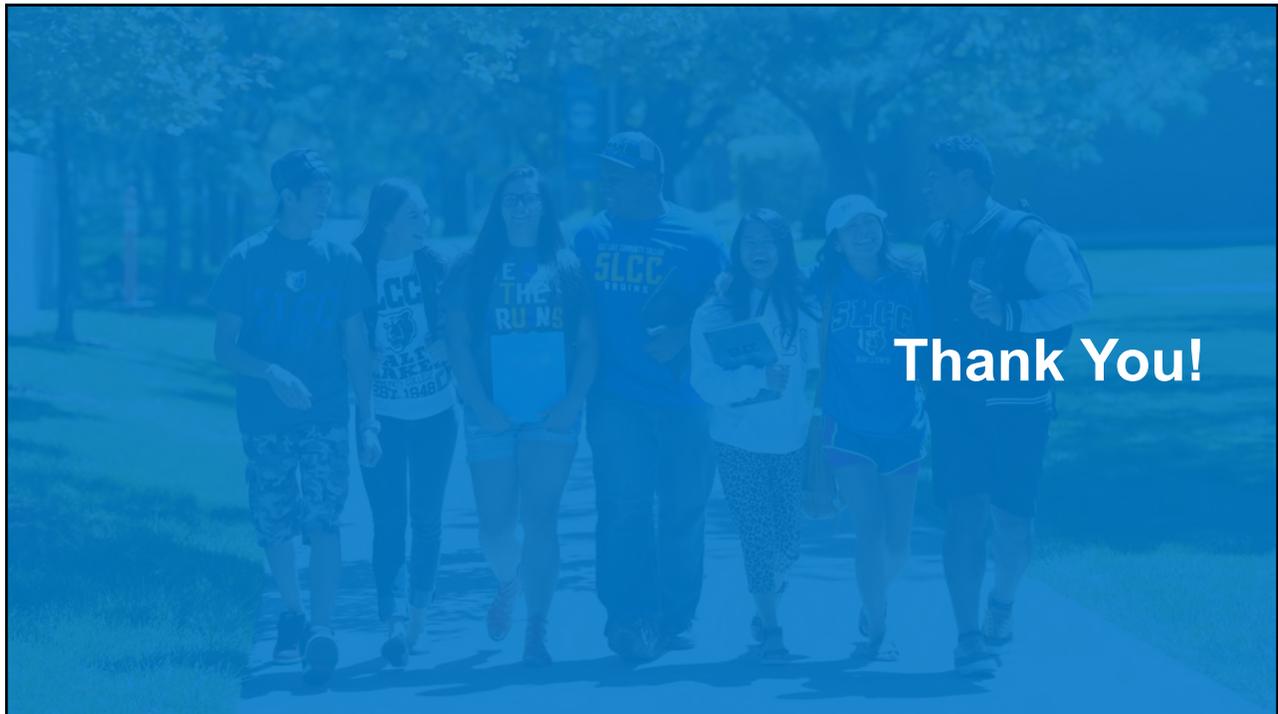
Operational efficiencies through larger programs or a bundled project, may result in lower rental rates.



Potential for new revenue through residual project cash flow to support College mission.



Delivery methods have varying impacts on affordability, risk and control.



Thank You!

STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL



SEAN D. REYES
ATTORNEY GENERAL

Spencer E. Austin
Chief Criminal Deputy

Daniel Burton
General Counsel

Ric Cantrell
Chief of Staff

Melissa A. Holyoak
Solicitor General

Brian L. Tarbet
Chief Civil Deputy

October 17, 2022

Commissioner Woolstenhulme
Via email at dwoolstenhulme@ushe.edu

RE: SLCC Student Housing Project

Dear Commissioner Woolstenhulme:

This letter is to supplement my letter to you dated September 29, 2022 regarding SLCC's proposed Student Housing Project ("Project"). It is my understanding that the board will meet on October 24, 2022 to discuss approval of the Project and that you would like my advice regarding the board's authority to approve the Project prior to that meeting. That is the purpose of this letter. I believe that the board has that authority for the reasons I explain below.

Although I haven't seen the new proposal that SLCC will present to the board, I believe it is essentially the same that the board previously approved. In that proposal, SLCC proposed to partner with private entities to construct and operate an "independent, self-supporting student housing project" on its campus. SLCC had apparently issued an RFP to construct student housing and contracted with Servitas to guide it through what has been referred to as a public-private partnership or P3 whereby the project will be financed and constructed and then operated and managed by private entities. The basic idea is that SLCC will grant a 40-year ground lease of a portion of its campus to a 501(c)(3) organization that will then borrow the money needed to construct a student dormitory on the leased ground. The construction money will be loaned by a Wisconsin entity that has authority to bond. To secure the loan, the Wisconsin entity and the trustee of the bonds will obtain a security interest in the 501(c)(3) organization's leasehold estate along with the revenue generated by the project. Once the construction is completed, the dormitory will be operated and managed by another private entity for the duration of the lease term. Upon satisfying the bond requirements and at the expiration of the term, the ownership of the dormitory will vest in the college. To help SLCC better understand the structure of the transaction, Servitas submitted a Flow of Funds chart in its response to the RFP, a copy of which is attached for your reference.

The board's authority to approve the proposed project is derived from the following statutes:

1. Under Subsection 53B-2-101(2)(a), the institutions of higher education, including SLCC, "may, subject to [Title 53B], take, hold, lease, sell, and convey real and personal property as the interest of the institution requires."

2. Under Subsection 53B-20-103(2), the board may do the following:

- (a) acquire, purchase, construct, improve, remodel, add to, and extend capital facilities projects and buildings including necessary and related utilities;
- (b) accept buildings, land, or a combination of buildings and land, donated to an eligible higher education institution without obtaining approval of the donation from the director of the Division of Facilities Construction and Management;
- (c) acquire necessary and suitable equipment, furnishings, and land for institutional projects and buildings;
- (d) set aside portions of campuses for institutional projects and buildings;
- (e) maintain and operate institutional projects and buildings; and
- (f) impose and collect rents, fees, and charges for the use of institutional projects and buildings.

3. Subsection 53B-20-104(1) requires the board to "approve all new construction, repair, or purchase of educational and general buildings and facilities financed from any source at all institutions subject to the jurisdiction of the board."

4. The board is authorized by Subsection 53B-21-101(1) to issue bonds on behalf of the degree granting institutions to pay for all or part of the cost of a project or building. The bonds may "mature at any time or times not exceeding 40 years from their date." Subsection 53B-21-101(2). They are not an indebtedness of the state, the institution, or the board, but "are special obligations payable solely from the revenues derived from the operation of the building and student building fees, land grant interest, net profits from proprietary activities, and any other revenues pledged other than appropriations by the Legislature." Subsection 53B-21-102(1)(b). See also Subsection 53B-21-101(4).

5. Subsection 53B-21-108(1) authorizes the board to acquire a project by purchase or lease rather than the issuance of revenue bonds. This authority is stated as follow:

Whenever the board, by resolution, finds and declares it preferable to acquire a project under this chapter by purchase or lease of the facilities constituting the project under an agreement which provides the consideration for the purchase or lease to be paid in installments during a period not exceeding 40 years, rather than through the issuance of revenue bonds by the board in the manner provided in this chapter, it may do so upon compliance with this section.

The requirements of this section are similar in many respects to those for bonds, such as the lease term cannot exceed 40 years; the rental installments or amortization of the acquisition cost of the project cannot be paid from any source other than the revenues arising from the ownership and operation of the project; the rental installments or acquisition costs of the project are not obligations of the state and ad valorem taxes or appropriations from the state may not be used for payment; and when all obligations are paid in full, the project vests in the board.

In addition, Subsection 53B-21-108(7) permits the board to include the following provisions in any purchase or lease agreement:

- (a) covenant as to the use which will be made of the project;
- (b) covenant as to the operation, maintenance, and supervision of the project;
- (c) covenant to collect fees and charges from all students and other persons availing themselves of the use of the accommodations and facilities of the project;
- (d) covenant to levy and collect student building fees from all regular and part-time students enrolled in the institution for the use and availability of the project;
- (e) covenant as to the collection, use, and disposition of the proceeds arising from the collection of all the revenues, fees, and charges;
- (f) covenant to impose and collect fees and charges in amounts adequate to pay all costs incurred in maintaining and operating the project and to pay the amortization of the acquisition cost of the project, including necessary equipment and furnishings, and interest on the unpaid part of the acquisition cost, whether represented by rental installments or otherwise;
- (g) covenant to pledge all revenues, fees, and charges, including student building fees, arising from the ownership and operation of the project to the payment of the rental installments provided for under the terms of the contract or lease agreement;
- (h) covenant as to the rights, liabilities, powers, and duties arising from the breach of any covenant or agreement contained in the agreement;
- (i) covenant and agree to carry any insurance on the project, and its use and occupancy, as the board considers desirable, and to provide that the cost of the insurance shall be included as a part of the cost of operating the project;
- (j) covenant to make and enforce such parietal rules and regulations with reference to the use of the facilities comprising the project, or any part of the project, and with reference to requiring any class of students to use the project, or any part of the project, as the board determines desirable for the institution; and
- (k) covenant against the pledging of the revenues, fees, and charges, including student building fees, arising from the ownership and operation of the project for any purpose other than the payment of the rental installments required to be paid under the agreement, or against the issuance of any obligations payable therefrom, unless the pledge or obligations are made

subordinate to the agreement. Nothing in this section prevents the board from providing conditions and terms under which pledges may be made and obligations issued on a parity with the pledge of revenues, fees, and charges under the agreement.

6. Under Section 53B-21-111, the board also has authority to “borrow money on the credit of the income and revenues to be derived from the operation of the project” and to “grant a mortgage, trust deed, or other security device covering all or part of the project” to secure the payment of the loan.”

Having this statutory authority, the board adopted Policies and Procedures R712 and R587. Policy R712-4 provides for the board’s consideration of an institution’s proposal for a “lease-purchase acquisition of facilities to be financed totally from institutional revenues not a part of the appropriated budget.” The policy requires that “such a proposal will be finalized only after receipt of advice from the Attorney General’s Office that the specific proposal is within the Board’s authority to approve under current statute” and that approval of such a proposal is subject to Policy R587. Policy and Procedures R584.1 authorizes “institutions to acquire facilities using contracts and lease-purchase agreements instead of by revenue bond issue whenever it determines it to be advisable,” subject to certain conditions and procedures, including, among other things, a feasibility study, terms of the lease, approval of plans, quality control, sources of funding, and ultimate ownership of the facility.

It is interesting to note that when a project is acquired through the use of a bond or loan, the statutes expressly permit the board to secure the transaction with a “land grant interest” in the case of a bond and a “mortgage, trust deed, or other security device” in the case of a loan, whereas Section 53B-21-108 doesn’t address the giving of a land interest as security. This is likely because the acquisition by a purchase involves a loan that is addressed by Section 53B-21-111 and an acquisition by a lease involves the providing of a “land grant interest” in the form of a leasehold estate. When a lease is involved, it is reasonable to conclude that the legislature intended that a lessee under that arrangement would be able to mortgage its leasehold estate to accomplish the purposes of the lease.

That is the case here. Under the terms of the ground lease, the lessee will be responsible for constructing a dormitory on the leased property and will be given the right to mortgage its leasehold estate to accomplish that end. As owner of the improvements, the lessee will also have the right to receive and pledge the revenue that will arise from its operation of the dormitory. A Cooperation Agreement between SLCC and the lessee further defines their relationship in management of the dormitory. Upon payment of the acquisition costs by the lessee and termination of the lease, the project will vest in SLCC. Based on my review of the transaction as it was previously presented and the statutes referenced above, the board has the authority to approve the transaction under Section 53B-21-108.

Whether the Project should be approved is a question for the board. If approved, I will review the final documents to ensure they comply with Section 53B-21-108.

Please let me know if you have any questions.

Very truly yours,



KEVIN V. OLSEN
Assistant Attorney General

cc: Alison Adams, USHE General Counsel, via alison.adams@ushe.edu

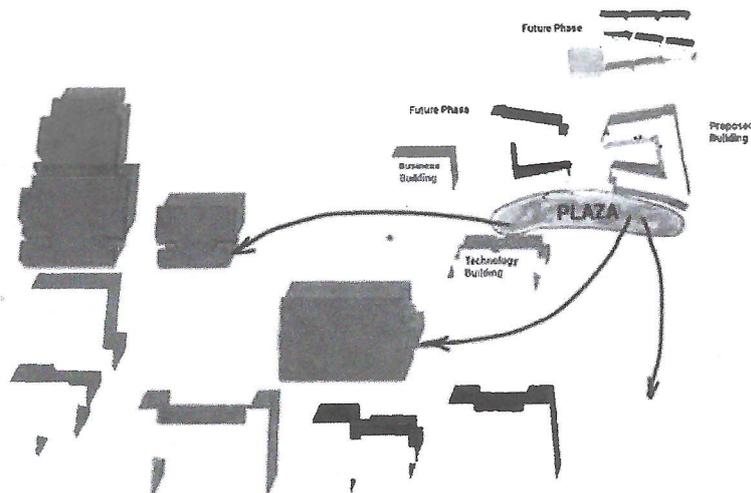


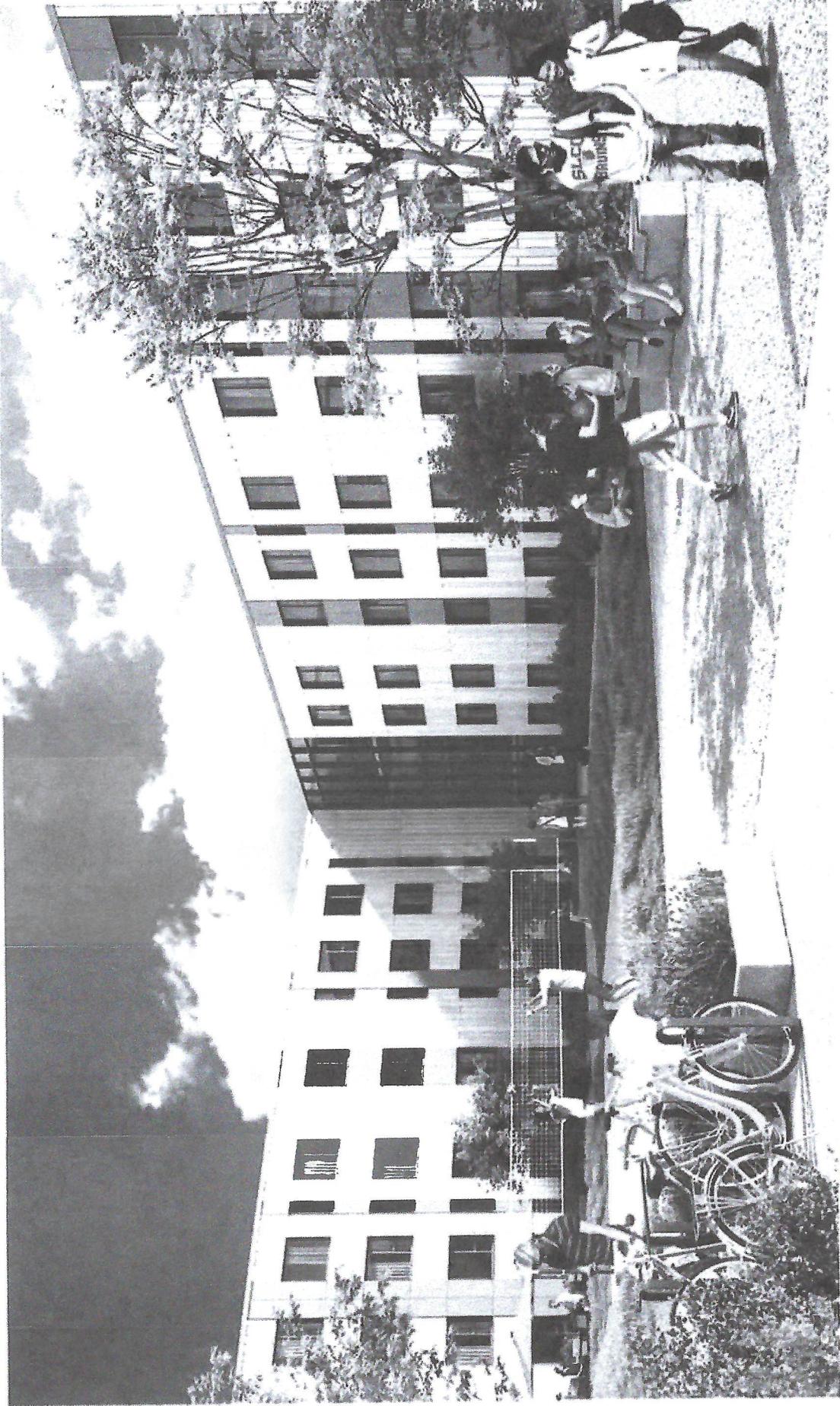
Entry/Embrace

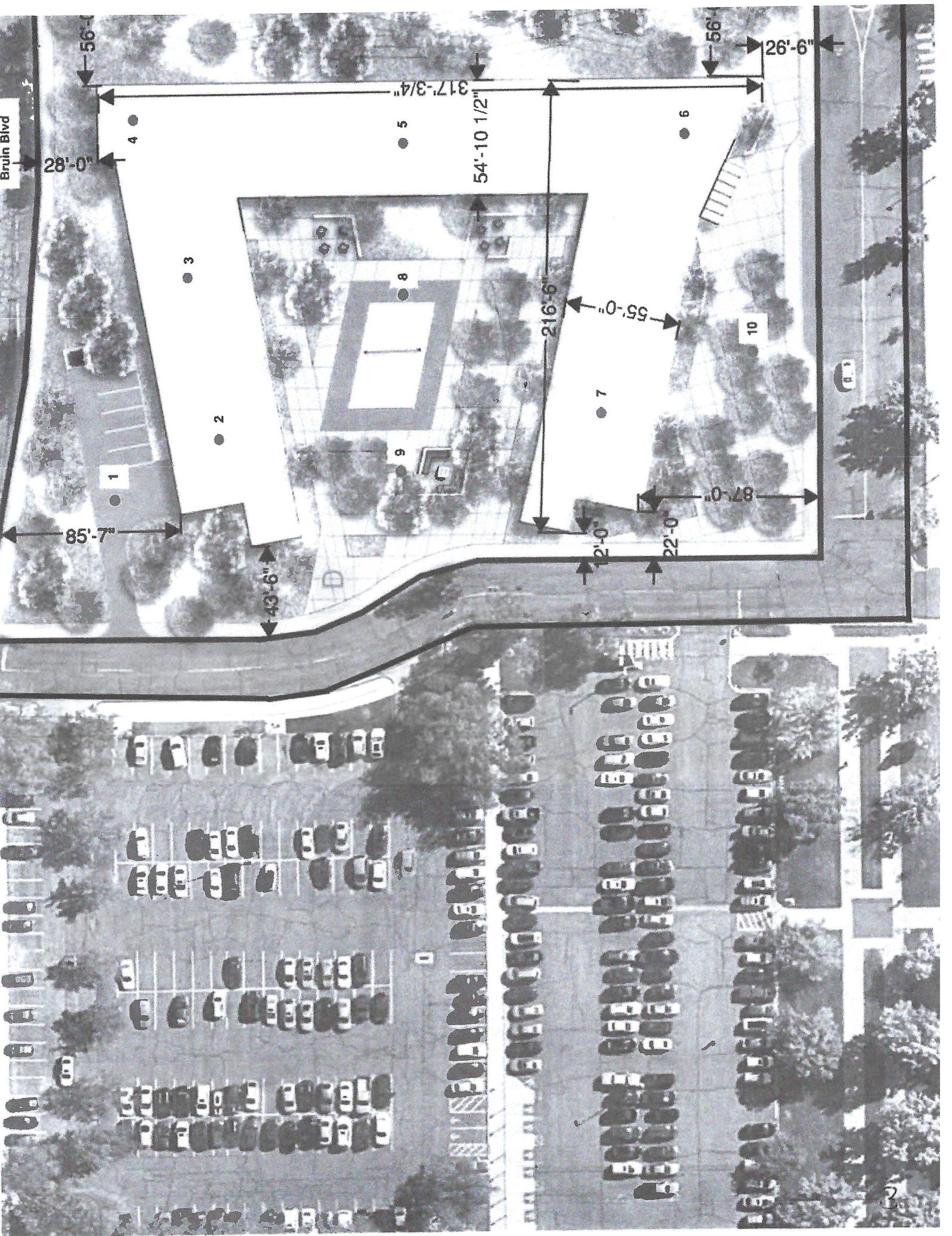
Phase 1 will be an independent, self-supporting student housing project, designed to readily expand into an integrated second phase.

The entry is the key to a student housing project, especially to the first such building on campus. President Huftalin described the Yellowstone Hall design at Montana State University as giving students the feeling of an embrace as they entered the building. This is precisely what we propose to do for the students of Salt Lake Community College.

The entry is framed by a shift in the form of the building and an entry plaza that visually connects the student common area to the campus.







Bruin Blvd

56'-0"

28'-0"

85'-7"

43'-6"

4

3

2

1

5

8

9

54'-10 1/2"

317'-3/4"

216'-6"

7

12'-0"

22'-0"

87'-0"

55'-0"

10

56'-0"

26'-6"

9'-92"

Site

The concept is a simple "C-shape" with setback-buffers on each side. These buffers, along with the concentrated internal courtyard, form the respite we are seeking for both inward and outward facing units.

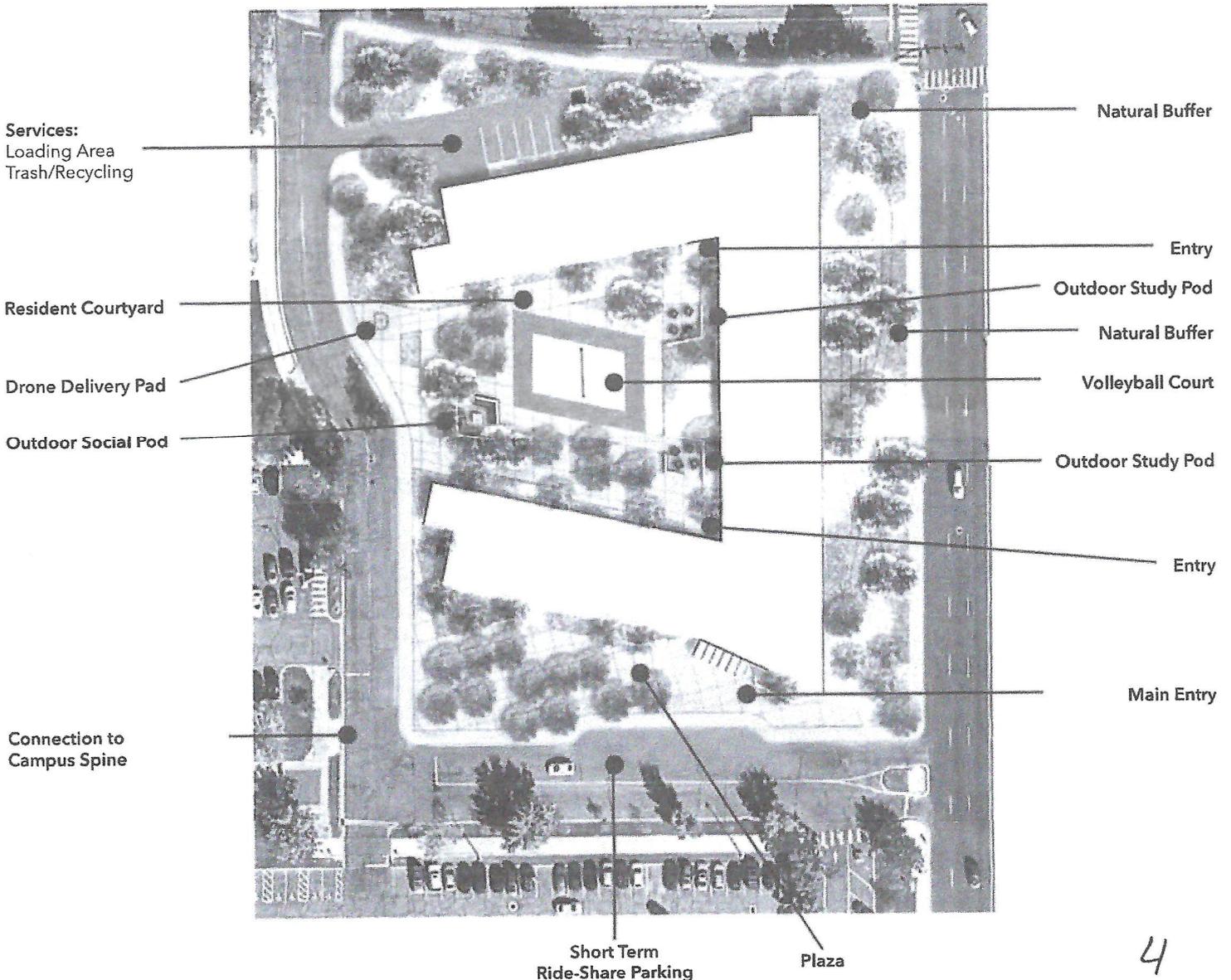
Walking clockwise around the perimeter we propose:

- A buffer at Redwood Road that shields the homes from the street. This setback allows an opportunity for shielding the building with the use of natural elements, along with landscaping and trees to complement Taylorsville's future Redwood Road street improvements.
- The southern drive will have short term parking and a wide, green entry plaza. This plaza will be the primary, secure entrance, and is tied directly to the campus spine. Space will be provided here to see and be seen, to wait for friends, and to gather.

- The west side of the site reveals an open internal courtyard with a feeling of intimacy. This side of the building is designed with phase 2 in mind, to extend the student village community.
- Along the north, we propose an additional buffer for both landscape and service access. Drone delivery, trash and recycling, larger delivery, and the other building necessities that are too often an afterthought are placed here.

The internal courtyard provides space to study outside, socialize, and recreate.

Safety and security are built into the building design through a central point of entry with eyes on the street and thoughtful plant selections. We reinforce student safety both architecturally and programmatically by creating spatial opportunities to know your neighbors and a resident life program that reinforces connection.



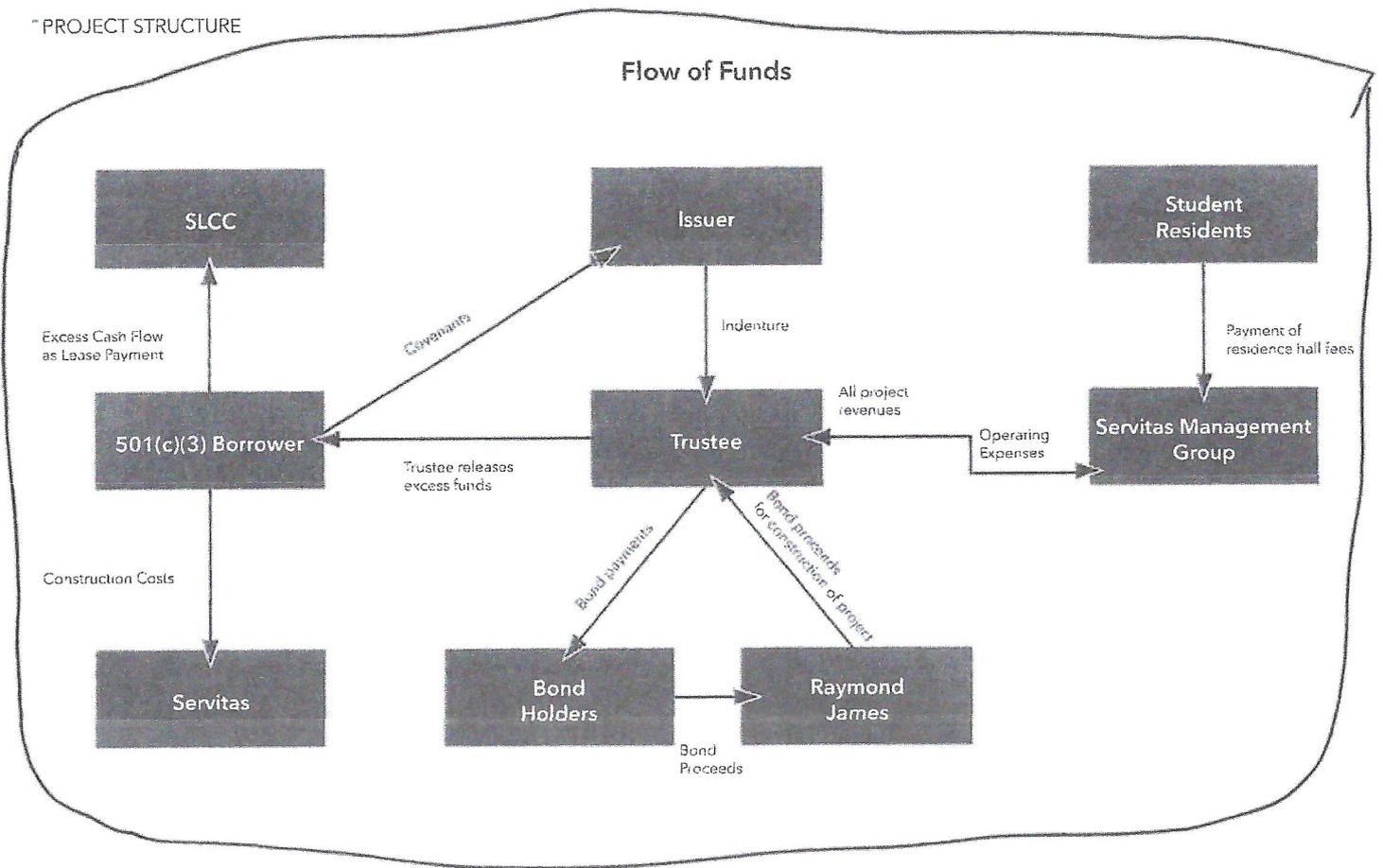
4

Exhibit G

SLCC PreDevelopment Budget

Projected Financial Closing	3/2/2022
Projected Expenditures until Financial Closing	3,340,500

PreDevelopment Costs	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Total
PreDevelopment Costs											
Pre-Construction	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	70,000
Developer Personnel	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	300,000
Travel	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	80,000
Reimbursables	500	500	500	500	500	500	500	500	500	500	5,000
Site Survey & Description		10,000									10,000
Phase 1 Environmental											
Geotech		10,000									10,000
Cost Estimating		5,000									5,000
Reliance Letters			5,000								5,000
Title Insurance				5,000							5,000
Serv/tas Legal	5,000	10,000	15,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	170,000
Misc. and Unforeseen	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
Permitting								466,500			466,500
Design	171,429	171,429	171,429	171,429	171,429	171,429	171,429	171,429	171,429		1,200,000
Predevelopment fee	87900	87900	87900	87900	87900	87900	87900	87900	87900	87900	879,000
Subtotal	314,829	344,829	329,829	334,829	334,829	334,829	334,829	634,900	158,400	218,400	3,340,500
Cumulative Total	314,829	659,658	989,487	1,324,316	1,659,145	1,993,974	2,328,800	2,963,700	3,122,100	3,340,500	



Additional Bondholder Protection

Coverage Ratio: The transaction will be structured so that expected net revenues cover the annual debt service requirement on the Bonds by at least 1.20 times. If the coverage tests (established in the Loan Agreement) are not met, SLCC, the Borrower and the Manager will agree to cooperate in selecting an independent consultant and in implementing such consultant’s recommendations regarding the operation, management, and promotion of the Project.

Capitalized Interest Fund: Equal to the amount necessary to fund interest due on the Bonds through the completion of construction and start-up of the Project, often six months after construction completion. This additional “cushion” is required by the credit enhancers and rating agencies. If the project opens on time and is leased to the pro forma occupancy, significant cash flow will be generated.

Debt Service Reserve Fund: Equal to the lesser of (i) maximum annual debt service on the Bonds, (ii) 10% of the proceeds of the Bonds and (iii) 125% of average annual debt service on the Bonds. The money held in this fund will be available to pay debt service in the event the revenues from the project are insufficient.

Reserve for Replacement: Sufficient reserves will be required and retained by the Trustee for maintenance and replacement costs throughout the life of the Project.

Liquidity Enhancement: In addition to the Debt Service Reserve Fund and the Reserve for Replacement, investors will want the 501c3 to fund an additional reserve from excess revenues. This reserve will be funded in the first year of operations. This will remain in place for the life of the bond issue.

“

Raymond James has used this structure to finance over 90 student housing projects over the last 20 years. Investors understand and are comfortable with this type of financing.

Chad Myers
Managing Director
Raymond James

1. Sources and Uses of Funds

The project transaction will use ~100% tax-exempt debt to fund the entire capital stack. We anticipate issuing a primary series of tax-exempt bonds and a smaller series of taxable bonds. The bonds will be issued at multiple term lengths with the shortest at 2 years and the longest at 37 years. The assumed coupon rates of the various lengths of bonds range between 4.00% and 5.00% that all combine for a True Interest Cost (TIC) of 4.423%. The assumption for this projected bond issue includes an earliest call date of July 2023 which is 10 years after closing. More details can be seen in the graphic and excel file attached to this proposal.

Preliminary

\$45,010,000

Salt Lake Community College
 Student Housing Revenue Bonds
 Series 2022

Bond Revenue

Total Issue Sources And Uses

Dated 01/13/2022 | Delivered 01/13/2022

	Series A - tax-exempt	Series B - Taxable	Issue Sum
Sources Of Funds			
Par Amount of Bonds	\$44,585,000.00	\$425,000.00	\$45,010.0
Reoffering Premium	3,669,824.05	-	3,669.8
Total Sources	\$48,254,824.05	\$425,000.00	\$48,679.8
Uses Of Funds			
Costs of Issuance	1,030,774.28	109,825.72	1,140.6
Deposit to Debt Service Reserve Fund (DSRF)	2,735,694.00	78,806.00	2,814.5
Deposit to Capitalized Interest (CIF) Fund	4,364,230.00	43,881.25	4,408.1
Deposit to Project Construction Fund	40,211,680.00	100,000.00	40,311.6
Rounding Amount	(87,554.23)	92,487.03	4.9
Total Uses	\$48,254,824.05	\$425,000.00	\$48,679.8

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Pt
07/01/2024	Serial Coupon	4.000%	1.750%	130,000.00	105.408%	-	-	-	137.03
07/01/2025	Serial Coupon	4.000%	1.950%	210,000.00	106.839%	-	-	-	224.36
07/01/2026	Serial Coupon	4.000%	2.200%	290,000.00	107.617%	-	-	-	312.08
07/01/2027	Serial Coupon	4.000%	2.400%	385,000.00	108.150%	-	-	-	416.37
07/01/2028	Serial Coupon	5.000%	2.650%	475,000.00	113.880%	-	-	-	540.93
07/01/2029	Serial Coupon	5.000%	2.900%	585,000.00	114.006%	-	-	-	666.93
07/01/2030	Serial Coupon	5.000%	3.100%	615,000.00	114.052%	-	-	-	701.41
07/01/2030	Term 1 Coupon	5.250%	5.250%	425,000.00	100.000%	-	-	-	425.00
07/01/2036	Term 2 Coupon	5.000%	3.700%	4,875,000.00	111.195%	c 3.975%	07/01/2032	100.000%	5,420.75
07/01/2041	Term 3 Coupon	5.000%	3.850%	5,315,000.00	109.828%	c 4.252%	07/01/2032	100.000%	5,837.35
07/01/2046	Term 4 Coupon	5.000%	4.000%	6,775,000.00	108.482%	c 4.429%	07/01/2032	100.000%	7,349.65
07/01/2051	Term 5 Coupon	5.000%	4.050%	8,650,000.00	108.037%	c 4.505%	07/01/2032	100.000%	9,345.20
07/01/2058	Term 6 Coupon	5.000%	4.250%	16,280,000.00	106.282%	c 4.641%	07/01/2032	100.000%	17,302.70
Total	-	-	-	\$45,010,000.00	-	-	-	-	\$48,679.82

Bid Information

Par Amount of Bonds	\$45,010.00
Reoffering Premium or (Discount)	3,669.82
Gross Production	\$48,679.82
Bid (108.153%)	48,679.82
Total Purchase Price	\$48,679.82
Bond Year Dollars	\$1,111.19
Average Life	24.688 Y
Average Coupon	4.99653
Net Interest Cost (NIC)	4.66628
True Interest Cost (TIC)	4.42344

Size and Type of Student Housing

Each home has been tailored to fit the needs of the Salt Lake Community College student. We are proposing four different unit types to promote both independent living and Financial Accessibility. All units are fully furnished and feature modern conveniences that address students' basic needs. **\$1,020**

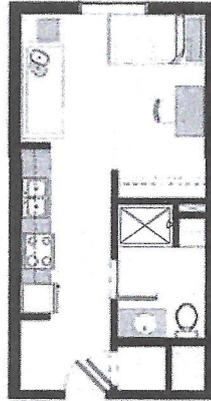
In service of both affordability and in reinforcing the social experience of college, laundry is provided in a central laundry room.

We are providing a variety of unit options that fit the market study, from students that seek the independence of a studio unit to the price point of shared living. Three of these units were shown in the work session:

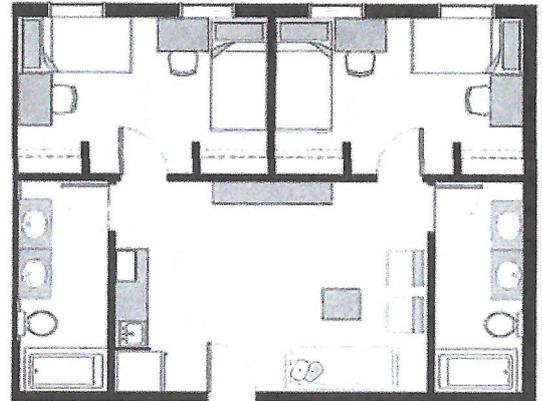
- the private studio apartment with 1 bath,
- the private 4-bedroom apartment with 2 baths, and
- the double occupancy 2-bedroom apartment with 2 baths and an external living room.

Based on our working session, we have added to our proposal a 2-bedroom suite unit with a focus on affordability. This unit provides a shared living experience, along with a highly efficient kitchen and living room. With fewer amenities and cozier quarters, we can offer it at a lower price point and truly realize *Financial Accessibility*.

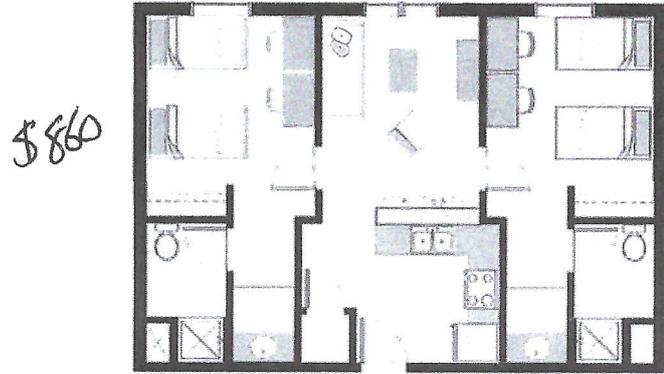
Studio



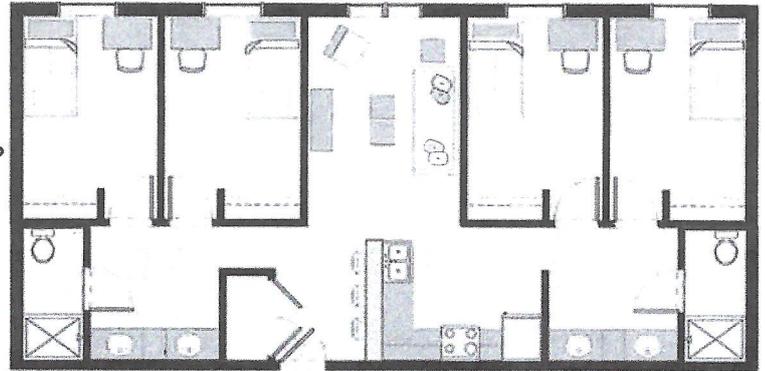
2-Bedroom Double Suite **\$599**



2-Bedroom Double Apartment



4-Bedroom Apartment



Proposed Units	Units	Beds	Unit Mix
Studio Apartment	12	12	11%
2-Bedroom Double Apartment	24	96	22%
2-Bedroom Double Suite	24	96	22%
4-Bedroom Apartment	48	192	45%
Total	108	396	100%

