

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



\$175,065,000
CALIFORNIA MUNICIPAL FINANCE AUTHORITY
Student Housing Revenue Bonds
(CHF-Riverside II, L.L.C. — UCR North District Phase I Student Housing Project),
Series 2019

Dated: Date of Delivery

Due: May 15, as shown on the inside cover

California Municipal Finance Authority (the "Issuer") is offering \$175,065,000 aggregate principal amount of its Student Housing Revenue Bonds (CHF-Riverside II, L.L.C. – UCR North District Phase I Student Housing Project), Series 2019 (the "Series 2019 Bonds"). The Series 2019 Bonds are being issued under and pursuant to the Constitution and laws of the State of California, particularly the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, as amended (the "Act"), and an Indenture, dated as of July 1, 2019 (the "Indenture"), between the Issuer and Wilmington Trust, National Association, as trustee (the "Bond Trustee"). The proceeds of the sale of the Series 2019 Bonds will be used to provide funds to (i) pay the costs of constructing, on land owned by The Regents of the University of California ("The Regents") and leased to CHF-Riverside II, L.L.C. (the "Borrower"), a limited liability company organized under the laws of the State of Alabama, an approximately 1,500-bed student housing facility and related parking and other amenities and improvements and demolishing certain existing improvements (the "Series 2019 Project"), (ii) pay the costs of constructing and improving certain landscaping, hardscaping, utility lines, access roads and sidewalks and reconfiguring certain parking (the "Series 2019 Offsite Elements"), excluding certain demolition and abatement of existing buildings and protection of existing trees (the "Series 2019 Offsite Demolition"), which Series 2019 Offsite Elements and Series 2019 Offsite Demolition will be located on land not leased to the Borrower, (iii) fund a subaccount of the Liquidity Account (as defined herein), capitalized interest and certain other funds and expenses as authorized under the Indenture and (iv) pay the Issuance Costs (as defined in the Indenture) of the Series 2019 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS."

Principal of, redemption premium, if any, and interest on the Series 2019 Bonds are payable solely from a pledge of Project Gross Revenues (as defined herein), including rental payments with respect to the Series 2019 Project, and property pledged under the Leasehold Deed of Trust (as defined herein). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The Indenture permits the Issuer to issue Additional Bonds (as defined herein) secured on a parity with the Series 2019 Bonds under certain circumstances. The Series 2019 Bonds and any Additional Bonds issued pursuant to the Indenture (collectively, the "Bonds") are entitled to the equal benefit, protection and security of the pledge and covenants and agreements of the Indenture. See "INTRODUCTORY STATEMENT" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Neither the Foundation (as defined herein) nor any limited liability company established by the Foundation (other than the Borrower) will have any obligation with respect to the Series 2019 Bonds or under the Loan Agreement, dated as of July 1, 2019 (the "Loan Agreement"), between the Issuer and the Borrower, or any of the other Bond Documents (as defined in the Indenture). The Borrower's obligations with respect to the Series 2019 Bonds are non-recourse. See "NO RECOURSE AGAINST BORROWER'S MEMBER AND OFFICERS." See also "INVESTMENT CONSIDERATIONS—Limited Security; Non-Recourse Obligations."

As described under "BOND INSURANCE," the scheduled payment of principal and interest on the Series 2019 Bonds maturing on May 15, 2023 through May 15, 2028, May 15, 2043, and May 15, 2044 (collectively, the "Insured Bonds") when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2019 Bonds by Build America Mutual Assurance Company ("BAM" or the "Insurer").



THE SERIES 2019 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) OR THE UNIVERSITY (AS DEFINED HEREIN) OR THE REGENTS OR THE CITY OF RIVERSIDE, CALIFORNIA BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. THE SERIES 2019 BONDS ARE A LIMITED OBLIGATION OF THE ISSUER. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2019 BONDS, OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED UNDER THE INDENTURE AND THE LOAN AGREEMENT AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF (INCLUDING THE ISSUER) OR THE UNIVERSITY OR THE REGENTS OR THE CITY OF RIVERSIDE, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2019 BONDS. THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR THE UNIVERSITY OR THE REGENTS OR THE CITY OF RIVERSIDE TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO TAXING POWER.

The Series 2019 Bonds will be issued as fully registered bonds without coupons in denominations of \$5,000 and any multiple thereof. The Series 2019 Bonds will bear interest from the Date of Delivery, payable semiannually on each May 15 and November 15, commencing November 15, 2019 (each, an "Interest Payment Date"). The Series 2019 Bonds will be initially registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2019 Bonds. So long as Cede & Co. is the registered owner of the Series 2019 Bonds, references herein to the Owners of the Series 2019 Bonds shall mean Cede & Co. and will not mean the beneficial owners of the Series 2019 Bonds. So long as Cede & Co. is the registered owner of the Series 2019 Bonds, the payment of principal of, interest, and redemption premium, if any, on the Series 2019 Bonds will be made to Cede & Co., which will in turn be responsible for making such payments to its participants for subsequent disbursement to the beneficial owners. See "THE SERIES 2019 BONDS."

The Series 2019 Bonds will be subject to mandatory, optional and extraordinary redemption prior to maturity as described herein. See "THE SERIES 2019 BONDS—Redemption."

MATURITIES, AMOUNTS, INTEREST RATES, AND PRICES OR YIELDS
SEE INSIDE COVER

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2019 Bonds are offered when, as, and if received by the Underwriters, subject to the approval as to legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer. Certain legal matters will be passed upon by Jones Hall, counsel to the Issuer; Nixon Peabody LLP and Orrick, Herrington & Sutcliffe LLP, special counsels to The Regents; the Office of General Counsel, counsel to The Regents; Hand Arendall Harrison Sale LLC, counsel to the Borrower; Morgan, Lewis & Bockius LLP, counsel to the Developer and the Manager; and O'Melveny & Myers LLP, counsel to the Underwriters. It is expected that the Series 2019 Bonds will be available for delivery to DTC in New York, New York on or about July 17, 2019.

Goldman Sachs & Co. LLC

Barclays

Academy Securities

Stifel

UBS

The Williams Capital Group, L.P.

MATURITY AND PRICING SCHEDULE

\$175,065,000

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

Student Housing Revenue Bonds

(CHF-Riverside II, L.L.C. – UCR North District Phase I Student Housing Project),

Series 2019

<u>Maturity (May 15)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP* No.</u>
2023 [†]	1,960,000	5.000	1.210	13049YDD0
2024 [†]	2,380,000	5.000	1.320	13049YDE8
2025 [†]	2,825,000	5.000	1.460	13049YDF5
2026 [†]	3,070,000	5.000	1.590	13049YDG3
2027 [†]	3,225,000	5.000	1.710	13049YDH1
2028 [†]	3,385,000	5.000	1.850	13049YDJ7
2029	3,555,000	5.000	2.100	13049YDK4
2030	3,735,000	5.000	2.210 ^c	13049YDL2
2031	3,920,000	5.000	2.300 ^c	13049YDM0
2032	4,115,000	5.000	2.370 ^c	13049YDN8
2033	4,320,000	5.000	2.440 ^c	13049YDP3
2034	4,535,000	5.000	2.500 ^c	13049YDQ1
2035	4,765,000	5.000	2.560 ^c	13049YDR9
2036	5,005,000	5.000	2.620 ^c	13049YDS7
2037	5,255,000	5.000	2.660 ^c	13049YDT5
2038	5,515,000	5.000	2.700 ^c	13049YDU2
2039	5,790,000	5.000	2.740 ^c	13049YDV0
2040	6,080,000	5.000	2.780 ^c	13049YDW8
2041	6,385,000	5.000	2.840 ^c	13049YDX6
2042	6,705,000	5.000	2.870 ^c	13049YDY4
2043 [†]	7,040,000	5.000	2.630 ^c	13049YDZ1
2044 [†]	7,390,000	5.000	2.640 ^c	13049YEA5

\$42,885,000 5.000% Term Bond due May 15, 2049 – Yield 2.900%^c CUSIP* No. 13049YEB3

\$31,225,000 5.000% Term Bond due May 15, 2052 – Yield 2.950%^c CUSIP* No. 13049YEC1

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS), is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2019 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Issuer, the Borrower, The Regents, the Underwriters or their agents or counsel assume responsibility for the use or accuracy of such numbers.

^c Priced to par call date of November 15, 2029.

[†] Insured Bonds to be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2019 Bonds by Build America Mutual Assurance Company

IN CONNECTION WITH THE OFFERING OF THE SERIES 2019 BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 BONDS OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No representation is made that past experience, as it might be shown by financial and other information, will necessarily continue or be repeated in the future. See “FORWARD-LOOKING STATEMENTS” herein.

No dealer, broker, salesperson, or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, the Borrower, the University, The Regents, the Developer, the Manager or the Underwriters. Neither the delivery of this Official Statement nor any sale hereunder will under any circumstances create any implication that there has been no change in the affairs of the Issuer or the Borrower since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Series 2019 Bonds generally or the Insured Bonds in particular or the advisability of investing in the Insured Bonds or any of the Series 2019 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE” and in APPENDIX G—“Specimen Municipal Bond Insurance Policy.”

THE SERIES 2019 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT.

THE SERIES 2019 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR WITH THE SECURITIES COMMISSION OR ANY REGULATORY AUTHORITY OF ANY STATE, NOR HAS THE SEC OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Statements in this Official Statement are made as of the date hereof unless stated otherwise and neither the delivery of this Official Statement at any time, nor any sales thereunder, shall under any circumstances create an implication that the information contained herein is correct as of any time subsequent to the date hereof.

Any references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within such websites is not incorporated herein by reference and does not constitute part of this Official Statement.

In making an investment decision, investors must rely on their own examination of the Borrower and the terms of the offering, including the merits and risks involved. Prospective investors should not construe the contents of this Official Statement as legal, tax or investment advice.

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SUMMARY STATEMENT

The following Summary Statement is qualified in its entirety by the more detailed information contained elsewhere in this Official Statement and the appendices hereto (collectively, this “Official Statement”). The offering of the Series 2019 Bonds to potential investors is made only by means of this entire Official Statement, and no person is authorized to detach the following Summary Statement from this Official Statement or to use it otherwise without the entire Official Statement.

The Issuer

The California Municipal Finance Authority (the “Issuer”) is a joint exercise of powers authority formed by a Joint Exercise of Powers Agreement, dated as of January 1, 2004, by and among certain cities, counties and special districts in the State of California (the “State”), as may be amended from time to time (the “Joint Powers Agreement”) pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Act”) for the purpose of exercising powers common to the members and exercising the additional powers granted to the Issuer by the Act and any other applicable provisions of State law. Under the Joint Powers Agreement, the Issuer may issue bonds, notes or any other evidence of indebtedness, for any purpose or activity permitted under the Act or any other applicable law. See “THE ISSUER” herein.

The Borrower

CHF–Riverside II, L.L.C. (the “Borrower”) is a limited liability company, organized in March 2019 under the laws of the State of Alabama for the purpose of assisting UC Riverside (as defined below) to provide housing and related facilities for its students. The proceeds of the Series 2019 Bonds will be loaned to the Borrower pursuant to a Loan Agreement, dated as of July 1, 2019 (the “Loan Agreement”), between the Issuer and the Borrower. The Borrower is not expected to have any assets other than the “Project,” which is defined in the Indenture as the Series 2019 Project (as defined below) and any additional project acquired, constructed, furnished and equipped with the proceeds of Additional Bonds (as defined herein). The Borrower’s sole member is Collegiate Housing Foundation, a non-profit corporation organized and existing under the laws of the State of Alabama (the “Foundation”). The Foundation is an organization that is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Foundation was organized in 1996. See “THE BORROWER” herein. **Neither the Foundation nor any limited liability company established by the Foundation (other than the Borrower) will have any obligation with respect to the Series 2019 Bonds or under the Loan Agreement or any of the other Bond Documents (as defined in the Indenture). See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Limited Obligations” herein. The Borrower’s obligations with respect to the Series 2019 Bonds are non-recourse. See “NO RECOURSE AGAINST BORROWER’S MEMBER AND OFFICERS” herein. The Borrower’s ability to pay the principal of and interest on the Series 2019 Bonds may be adversely affected by its contractual obligations with respect to the Series 2019 Bonds and the Series 2019 Project, including requirements for payment by the Borrower pursuant to indemnity obligations under certain of the Bond Documents (as defined in the Indenture). See “INVESTMENT CONSIDERATIONS—Limited Security; Non-Recourse Obligations” herein.**

The University and The Regents

The University of California (the “University”), established in 1868, is the public institution of higher education designated by the State of California in its master plan for higher education for the training of individuals for the professions, for the awarding of doctoral degrees in all fields of human knowledge, and for the conduct of research. The Constitution of the State of California provides that the University shall be a public trust administered by the corporation, “The Regents of the University of California” (“The Regents”), which is vested with full powers of organization and government, subject only to such legislative control as may be necessary to ensure the security of its funds and compliance with the terms of the endowments of the University and such competitive bidding procedures as may be made applicable to the University by statute for the letting of construction contracts, sales of real property, and purchasing of materials, goods and services. See “THE UNIVERSITY AND THE REGENTS” herein.

The Regents will have certain obligations with respect to the Series 2019 Project under the 2019 Ground Lease, including but not limited to compliance with the Series 2019 Project Prioritization (as defined herein), as described further herein. See “The Series 2019 Project and the Series 2019 Offsite Elements” below.

UC Riverside

The University of California, Riverside (“UC Riverside”) is a campus of the University, located in the City of Riverside, California (the “City”). UC Riverside was first established as the Citrus Experiment Station for the University in 1914. In 1954, UC Riverside was established as the fifth general campus in the University of California system. UC Riverside offers undergraduate, graduate and professional level study. UC Riverside is located on approximately 1,200 acres within the City at the geographical center of Inland Southern California, approximately 50 miles east of Los Angeles and 100 miles north of San Diego.

Freshmen enrollment totaled 4,530 in Fall 2018, a decrease of approximately 1.5% from Fall 2017, as a result of a University-wide strategy to reach a 2:1 ratio of new freshmen to new transfer students. As a result of this strategy, transfer enrollment increased to 1,916 for Fall 2018 as compared to 1,368 for Fall 2017, an approximately 40% increase. Moreover, overall new student enrollment (freshmen and transfer students) increased to 6,446 for Fall 2018, an approximately 8% increase over new student enrollment of 5,967 for Fall 2017. UC Riverside plans on approximately 4,800 freshmen and 2,200 new transfer students to enroll for Fall 2019, reflecting increases in both freshmen and transfer student enrollment as compared to Fall 2018.

Current housing at UC Riverside consists of residence halls primarily for freshmen students and student apartments for continuing undergraduate students, transfer students and graduate students. There were a total of 6,543 beds on campus for students (excluding off-campus leases) and approximately 27% of UC Riverside students lived on campus in Fall 2018.

See “THE UNIVERSITY OF CALIFORNIA, RIVERSIDE” herein and “THE SERIES 2019 PROJECT—Existing On-Campus Student Housing” in Appendix A hereto.

The Series 2019 Bonds

The Issuer will issue \$175,065,000 aggregate principal amount of revenue bonds to be designated “California Municipal Finance Authority Student

Housing Revenue Bonds (CHF–Riverside II, L.L.C. – UCR North District Phase I Student Housing Project), Series 2019” (the “Series 2019 Bonds”). The Series 2019 Bonds are being issued under and pursuant to the Constitution and laws of the State of California, particularly the Act, and an Indenture, dated as of July 1, 2019 (the “Indenture”), between the Issuer and the Bond Trustee (as defined below). The proceeds of the sale of the Series 2019 Bonds will be used to provide funds to (i) pay the costs of constructing, on land owned by The Regents and leased to the Borrower, the Series 2019 Project (as defined below), (ii) pay the costs of constructing and improving the Series 2019 Offsite Elements (as defined below), excluding the Series 2019 Offsite Demolition (as defined below), (iii) fund a subaccount of the Liquidity Account (as defined herein), capitalized interest and certain other funds and expenses as authorized under the Indenture and (iv) pay the Issuance Costs (as defined in the Indenture) of the Series 2019 Bonds. See “THE SERIES 2019 BONDS” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The Indenture permits the Issuer to issue Additional Bonds secured on a parity with the Series 2019 Bonds under certain circumstances. The Series 2019 Bonds and any Additional Bonds issued pursuant to the Indenture (collectively, the “Bonds”) are entitled to the equal benefit, protection and security of the pledge and covenants and agreements of the Indenture. See “INTRODUCTORY STATEMENT,” “DEBT SERVICE” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

The Bond Trustee

Wilmington Trust, National Association, will act as trustee, bond registrar and paying agent for the Series 2019 Bonds.

The Master Trustee

Wilmington Trust, National Association, will also act as master trustee under the Financing Trust Agreement (as defined below). See “Security and Sources of Payment for the Bonds” below and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Pledge and Assignment of Financing Trust Estate” herein.

The Series 2019 Project and the Series 2019 Offsite Elements

The project (the “Series 2019 Project”), to be known as “North District Phase I” will consist of an approximately 1,500-bed student housing facility and related parking and other amenities and improvements and demolishing certain existing improvements. The site for the Series 2019 Project (the “Series 2019 Project Site”) is on approximately 15 acres on the campus of UC Riverside that will be leased to the Borrower pursuant to the 2019 Ground Lease (as defined below). In connection with the Series 2019 Project, the Borrower will also be responsible for constructing and improving certain landscaping, hardscaping, utility lines, access roads and sidewalks and reconfiguring certain parking (the “Series 2019 Offsite Elements”) and certain demolition and abatement of existing buildings and protection of existing trees (the “Series 2019 Offsite Demolition”), which Series 2019 Offsite Elements and Series 2019 Offsite Demolition will be located on land not leased to the Borrower. See “The 2019 Ground Lease” below. The Series 2019 Project is intended primarily for upper-division undergraduate students.

The developer and construction manager for the Series 2019 Project will be ACC SC Development (California) LP. See “The Developer” below. The Developer was selected to develop the Series 2019 Project as a result of a request for proposals made by The Regents. Construction of the Series 2019 Project is scheduled to begin in July 2019. The Developer and UC

Riverside anticipate the Series 2019 Project will be complete in time for occupancy and use for Fall 2021. Initially, the completed Series 2019 Project will be operated, managed and maintained by ACC SC Management (California) LP pursuant to the Management Agreement (as defined herein); however, The Regents will have obligations under the 2019 Ground Lease to (i) support marketing to Eligible Occupants (as defined in the 2019 Ground Lease), (ii) provide normal janitorial service and maintenance, repair and replacement of a portion of the Series 2019 Project that is being licensed to The Regents (the “University Space”), (iii) repair, replacement and maintenance of all furniture, fixtures and equipment installed within the University Space, (iv) monitor the portion of the Series 2019 Project consisting of certain parking (the “Parking”), (v) provide Community Service Officers (as defined in the 2019 Ground Lease) and provide police services with respect to the Series 2019 Project and (vi) comply with the Series 2019 Project Prioritization. See “THE SERIES 2019 PROJECT AND THE SERIES 2019 OFFSITE ELEMENTS” and “THE 2019 GROUND LEASE” herein and APPENDIX A—“THE SERIES 2019 PROJECT.” See also “The Manager” below.

The Developer

ACC SC Development (California) LP, a Delaware limited partnership (the “Developer”), will serve as developer and construction manager for the Series 2019 Project. The Developer is an affiliate of American Campus Communities, Inc., a Maryland corporation (“ACC”). Since 1993, ACC and its predecessor entities and affiliates have participated in the development of approximately 140 student communities consisting of more than 100,000 beds. See “THE DEVELOPER” herein.

The Manager

ACC SC Management (California) LP, a Delaware limited partnership (the “Manager”) will manage the Series 2019 Project. The Manager is an affiliate of ACC. As of March 31, 2019, ACC or its affiliates managed approximately 205 student housing communities, containing more than 133,690 beds, with an overall occupancy rate of approximately 97%. See “THE MANAGER” herein.

The 2019 Ground Lease

Pursuant to a Ground Lease Agreement, to be dated the date of issuance of the Series 2019 Bonds (the “2019 Ground Lease”), between The Regents, as ground lessor (the “Ground Lessor”), and the Borrower, as ground lessee, The Regents will lease the Series 2019 Project Site to the Borrower for the period commencing on such date and expiring on the earlier of (i) the 45th anniversary of such date at 12:00 midnight California time or (ii) 12:00 midnight of the day preceding the first day of the month following final redemption or defeasance of the Bonds and satisfaction of any and all amounts due under the Loan Agreement or the Indenture, subject to automatic extension if amounts remain due to The Regents. Under no circumstances, however, will the term of the 2019 Ground Lease exceed 50 years. The term of the 2019 Ground Lease is further subject to (x) an option to purchase, whereby The Regents, subject to certain conditions, may acquire the Borrower’s entire interest in the Series 2019 Project, (y) a right of first of refusal, whereby The Regents, subject to certain conditions, may acquire the Borrower’s entire interest in the Series 2019 Project upon the Borrower’s receipt and decision to pursue an unsolicited bona fide offer and (z) a right of reconveyance with respect to certain parking spaces. Under the 2019 Ground Lease, the Borrower will grant, at no charge, The Regents a license to use the University Space and a license to use fourteen (14) parking spaces within the 2019 Series Project. See “THE 2019 GROUND LEASE” herein.

**Security and Sources of Payment
for the Bonds**

The obligations of the Borrower under the Loan Agreement are secured by (i) a Leasehold Deed of Trust with Assignment of Rents and Fixture Filing, dated as of July 1, 2019 (the “Leasehold Deed of Trust”), pursuant to which the Borrower, (a) subject to Permitted Encumbrances (as defined therein), grants to the deed of trust trustee named therein for the benefit of the Bond Trustee a lien on the Borrower’s leasehold interest in the Series 2019 Project Site and all improvements thereon and other interests therein created by the Ground Lease (as defined therein and which includes the 2019 Ground Lease) and (b) subject to such Permitted Encumbrances (as defined therein), assigns and pledges to the deed of trust trustee named therein for the benefit of the Bond Trustee the Borrower’s interest in the rents, revenues, issues, profits, products, royalties, income and other benefits of and from the Project (as defined in the Indenture and which term includes the Series 2019 Project but excludes improvements on the Release Parcel upon the release thereof pursuant to the 2019 Ground Lease), excluding the University Receipts, the Parking Fines and the University Contribution, and any improvements thereto, and all fixtures, attachments, appliances, equipment, machines and other articles incorporated into the Project, and all tangible personal property of the Borrower located on the Series 2019 Project Site and used primarily in connection with the construction, operation or maintenance of the Project and (ii) an Assignment of Documents, to be dated the date of issuance of the Series 2019 Bonds, relating to the Series 2019 Project (the “Assignment of Documents”), pursuant to which the Borrower assigns to the Bond Trustee its rights under the Development Agreement, the Management Agreement, the Construction Contract, the Architect’s Agreement and any other contracts relating to the design or construction of the Series 2019 Project and any improvements thereto or expansions thereof.

As security for its obligations under the Bonds, the Issuer will enter into an Indenture, dated as of July 1, 2019 (the “Indenture”), with the Bond Trustee. Pursuant to the Indenture, the Issuer assigns and pledges to the Bond Trustee, and grants to the Bond Trustee a first priority security interest in, all of its right, title and interest in the Loan Agreement (except for Unassigned Rights (as defined in the Loan Agreement)), the Financing Trust Agreement (as defined below), the Leasehold Deed of Trust, the Management Agreement, the Development Agreement, the Assignment of Documents and all revenues, payments, receipts and moneys to be received and held thereunder (other than the University Receipts, the Parking Fines and the University Contribution (each as defined herein)).

The Borrower will also enter into a Second Supplemental Financing Trust Agreement, dated as of July 1, 2019, with the Master Trustee (the “Second Supplemental Financing Trust Agreement” and, together with the Financing Trust Agreement, dated as of December 1, 2018, by and between the FTA Borrower (as defined in the Indenture), and the First Supplemental Financing Trust Agreement by and between CHF–Riverside I, L.L.C., as the borrower for the Dundee-Glasgow Project (as defined herein) at UC Riverside, and the Master Trustee, the “Financing Trust Agreement”). Pursuant to the Second Supplemental Financing Trust Agreement, the Borrower is bound by the Financing Trust Agreement and thereby conveys, transfers, assigns, confirms and grants a security interest in, to the Master Trustee, for the benefit of the Owners of the Series 2019 Bonds, the Series 2018 Bonds (as defined below) relating to the Dundee-Glasgow Project and any other bonds or other evidences of indebtedness issued from time to time and secured under the Financing Trust Agreement, all right, title

and interest of the Borrower and any future borrowers in and to each of the funds and accounts established and maintained under the Financing Trust Agreement as and to the extent set forth in the Financing Trust Agreement and subject to the terms and conditions thereof (collectively, the “Financing Trust Estate”).

Under the Loan Agreement, the Borrower is subject to certain financial covenants and restrictions on incurring additional Indebtedness (as defined in the Indenture).

The Indenture permits the Issuer to issue Additional Bonds secured on a parity with the Series 2019 Bonds under certain circumstances.

See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein and APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS.”

Bond Insurance

Concurrently with the issuance of the Series 2019 Bonds, Build America Mutual Assurance Company (“BAM” or the “Insurer”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Series 2019 Bonds maturing on May 15, 2023 through May 15, 2028, May 15, 2043, and May 15, 2044 (collectively, the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as Appendix G to this Official Statement. See “BOND INSURANCE” and “INVESTMENT CONSIDERATIONS—Certain Rights of the Insurer” herein and APPENDIX G—“SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

Continuing Disclosure

The Borrower will agree, in a continuing disclosure agreement for the benefit of the Owners and Beneficial Owners of the Series 2019 Bonds, to provide certain information to enable the Underwriters to comply with the continuing disclosure requirements of the Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “Rule”), as described further herein. The Issuer will not undertake any responsibility with respect to continuing disclosure under the Rule. The Master Trustee covenants in the Financing Trust Agreement to cooperate with the Borrower and the Bond Trustee, as the Borrower’s dissemination agent with respect to the Series 2019 Bonds, to provide such information as they may reasonably request in order to meet the Borrower’s continuing disclosure obligations under the Loan Agreement. See “CONTINUING DISCLOSURE” herein and APPENDIX D—“FORM OF CONTINUING DISCLOSURE AGREEMENT.”

Certain Information

Statements in this Official Statement are made as of the date hereof unless stated otherwise and neither the delivery of this Official Statement at any time, nor any sales thereunder, shall under any circumstances create an implication that the information contained herein is correct as of any time subsequent to the date hereof. Copies of this Official Statement and other relevant documents and information regarding the documents are available upon request from the Underwriters prior to the issuance and delivery of the Series 2019 Bonds and from the Bond Trustee after the issuance and delivery of the Series 2019 Bonds. See “INTRODUCTORY STATEMENT,” “SOURCES OF INFORMATION” and “MISCELLANEOUS” herein.

OFFICIAL STATEMENT

\$175,065,000

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY
STUDENT HOUSING REVENUE BONDS**

**(CHF–RIVERSIDE II, L.L.C. – UCR NORTH DISTRICT PHASE I STUDENT HOUSING PROJECT),
SERIES 2019**

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and the appendices hereto, furnishes certain information in connection with the sale by the California Municipal Finance Authority (the “Issuer”) of \$175,065,000 in aggregate principal amount of its Student Housing Revenue Bonds (CHF–Riverside II, L.L.C. – UCR North District Phase I Student Housing Project), Series 2019 (the “Series 2019 Bonds”) to be issued by the Issuer under and pursuant to the Constitution and laws of the State of California (the “State”), particularly the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State, as amended (the “Act”), and an Indenture, dated as of July 1, 2019 (the “Indenture”), between the Issuer and Wilmington Trust, National Association, as trustee (the “Bond Trustee”).

The Series 2019 Bonds and any Additional Bonds (as defined herein) issued pursuant to the Indenture are collectively referred to herein as the “Bonds.” See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Additional Bonds” herein.

The proceeds of the sale of the Series 2019 Bonds will be used to provide funds to (i) pay the costs of constructing, on land owned by The Regents of the University of California (“The Regents”) and leased to CHF–Riverside II, L.L.C. (the “Borrower”), a limited liability company organized under the laws of the State of Alabama, an approximately 1,500-bed student housing facility and related parking and other amenities and improvements and demolishing certain existing improvements (the “Series 2019 Project”), (ii) pay the costs of constructing and improving certain landscaping, hardscaping, utility lines, access roads and sidewalks and reconfiguring certain parking (the “Series 2019 Offsite Elements”), excluding certain demolition and abatement of existing buildings and protection of existing trees (the “Series 2019 Offsite Demolition”), which Series 2019 Offsite Elements and Series 2019 Offsite Demolition will be located on land not leased to the Borrower, (iii) fund a subaccount of the Liquidity Account (as defined herein), capitalized interest and certain other funds and expenses as authorized under the Indenture and (iv) pay the Issuance Costs (as defined in the Indenture) of the Series 2019 Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The Series 2019 Project Site comprises approximately 15 acres on the campus of UC Riverside and will be leased to the Borrower, pursuant to the 2019 Ground Lease (as defined herein). See “THE 2019 GROUND LEASE” herein.

The Issuer will lend the proceeds of the Series 2019 Bonds to the Borrower pursuant to a Loan Agreement, dated as of July 1, 2019 (the “Loan Agreement”), between the Issuer and the Borrower. The Borrower is obligated pursuant to the Loan Agreement to make or cause to be made monthly Basic Loan Payments (as defined in the Bond Indenture) to the Issuer in amounts calculated to be sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds, as the same mature and become due. Under the Loan Agreement, the Borrower is obligated to pay or cause to be paid all expenses of operating and maintaining the Series 2019 Project in good repair, to keep it properly insured, and to pay all taxes, assessments and other governmental charges levied or assessed against or with respect to the Series 2019 Project. Principal of, redemption premium, if any, and interest on the Series 2019 Bonds are payable solely from a pledge of Project Gross Revenues (as defined herein), including rental payments with respect to the Series 2019 Project, and property pledged under the Leasehold Deed of Trust (as defined herein).

Neither the Foundation (as defined herein) nor any limited liability company established by the Foundation (other than the Borrower) will have any obligation with respect to the Series 2019 Bonds or under the Loan Agreement or any of the other Bond Documents. The Borrower’s obligations with respect to the Series 2019 Bonds are non-recourse. See “NO RECOURSE AGAINST BORROWER’S MEMBER AND OFFICERS” herein. The Borrower’s ability to pay the principal of and interest on the Series 2019 Bonds may

be adversely affected by its contractual obligations with respect to the Series 2019 Bonds and the Series 2019 Project, including requirements for payment by the Borrower pursuant to indemnity obligations under certain of the Bond Documents (as defined in the Indenture). See “INVESTMENT CONSIDERATIONS—Limited Security; Non-Recourse Obligations” herein.

THE SERIES 2019 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) OR THE UNIVERSITY OR THE REGENTS OR THE CITY OF RIVERSIDE, CALIFORNIA BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. THE SERIES 2019 BONDS ARE A LIMITED OBLIGATION OF THE ISSUER. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2019 BONDS, OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED UNDER THE INDENTURE AND THE LOAN AGREEMENT AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF (INCLUDING THE ISSUER) OR THE UNIVERSITY OR THE REGENTS OR THE CITY OF RIVERSIDE, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2019 BONDS. THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR THE UNIVERSITY OR THE REGENTS OR THE CITY OF RIVERSIDE TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO TAXING POWER.

The obligations of the Borrower under the Loan Agreement are secured by (i) a Leasehold Deed of Trust with Assignment of Rents and Fixture Filing, dated as of July 1, 2019 (the “Leasehold Deed of Trust”), pursuant to which the Borrower, (a) subject to Permitted Encumbrances (as defined therein), grants to the deed of trust trustee named therein for the benefit of the Bond Trustee a lien on the Borrower’s leasehold interest in the Series 2019 Project Site and all improvements thereon and other interests therein created by the Ground Lease (as defined therein and which term includes the 2019 Ground Lease) and (b) subject to such Permitted Encumbrances, assigns and pledges to the deed of trust trustee named therein for the benefit of the Bond Trustee the Borrower’s interest in the rents, revenues, issues, profits, products, royalties, income and other benefits of and from the Project (as defined in the Indenture and which term includes the Series 2019 Project but excludes improvements on the Release Parcel upon the release thereof pursuant to the 2019 Ground Lease), excluding the University Receipts, the Parking Fines and the University Contribution, and any improvements thereto, and all fixtures, attachments, appliances, equipment, machines and other articles incorporated into the Project and all tangible personal property of the Borrower located on the Series 2019 Project Site and used primarily in connection with the construction, operation or maintenance of the Project and (ii) an Assignment of Documents, to be dated the date of issuance of the Series 2019 Bonds (the “Assignment of Documents”) relating to the Series 2019 Project, pursuant to which the Borrower assigns to the Bond Trustee its rights under the Management Agreement, the Development Agreement, the Construction Contract, the Architect’s Agreement and other contracts relating to the design or construction of the Series 2019 Project and any improvements thereto or expansions thereof.

Pursuant to the Indenture, the Issuer assigns and pledges to the Bond Trustee, and grants to the Bond Trustee a first priority security interest in, all of its right, title and interest in the Loan Agreement (except for Unassigned Rights (as defined in the Loan Agreement)), the Financing Trust Agreement (as defined below), the Leasehold Deed of Trust, the Management Agreement, the Development Agreement, the Assignment of Documents and all revenues, payments, receipts and moneys to be received and held thereunder. The Borrower will also enter into a Second Supplemental Financing Trust Agreement, dated as of July 1, 2019, with the Master Trustee (the “Second Supplemental Financing Trust Agreement” and, together with the Financing Trust Agreement, dated as of December 1, 2018, by and between the FTA Borrower (as defined in the Indenture), and the First Supplemental Financing Trust Agreement by and between CHF–Riverside I, L.L.C., as the borrower for the Dundee-Glasgow Project (as defined herein) at UC Riverside, and the Master Trustee, the “Financing Trust Agreement”). Pursuant to the Second Supplemental Financing Trust Agreement, the Borrower is bound by the Financing Trust Agreement and thereby conveys, transfers, assigns, confirms and grants a security interest in, to the Master Trustee, for the benefit of the Owners of the Series 2019 Bonds, the Series 2018 Bonds (as defined below) relating to the Dundee-Glasgow Project and any other bonds or other evidences of indebtedness issued from time to time and secured under the Financing Trust Agreement, all right, title and interest of the Borrower and any future borrowers in and to each the funds and

accounts established and maintained under the Financing Trust Agreement as and to the extent set forth in the Financing Trust Agreement and subject to the terms and conditions thereof (collectively, the “Financing Trust Estate”).

See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

Certain terms defined in the Indenture, the Financing Trust Agreement, the Loan Agreement and the 2019 Ground Lease are set forth in Appendix B attached to this Official Statement. Capitalized terms used but not defined herein or in Appendix B attached hereto have the same meanings as used in the Indenture unless the context clearly indicates otherwise. This Official Statement and the appendices hereto contain brief descriptions of, among other matters, the Issuer, the Borrower, The Regents, the University, UC Riverside, the Series 2019 Project, the Developer, the Manager, the Series 2019 Bonds, the Loan Agreement, the 2019 Ground Lease, the Financing Trust Agreement and the Indenture. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Loan Agreement, the 2019 Ground Lease the Financing Trust Agreement, the Indenture, the Management Agreement and any other Bond Documents (as defined in the Indenture) are qualified in their entirety by reference to such documents, and references herein to the Series 2019 Bonds are qualified in their entirety to the form thereof included in the Indenture.

THE ISSUER

The California Municipal Finance Authority (the “Issuer”) is a joint exercise of powers authority formed by a Joint Exercise of Powers Agreement, dated as of January 1, 2004, by and among certain cities, counties and special districts in the State, as may be amended from time to time (the “Joint Powers Agreement”) pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Act”) for the purpose of exercising powers common to the members and exercising the additional powers granted to the Issuer by the Act and any other applicable provisions of State law. Under the Joint Powers Agreement, the Issuer may issue bonds, notes or any other evidence of indebtedness, for any purpose or activity permitted under the Act or any other applicable law.

The Issuer may sell and deliver obligations other than the Series 2019 Bonds. These obligations will be secured by instruments separate and apart from the Indenture and the Loan Agreement, and the holders of such other obligations of the Issuer will have no claim on the security for the Series 2019 Bonds. Likewise, the holders of the Series 2019 Bonds will have no claim on the security for such other obligations that may be issued by the Issuer.

Neither the Issuer nor its independent contractors has furnished, reviewed, investigated or verified the information contained in this Official Statement other than the information contained in this section and the section entitled “LITIGATION – The Issuer.” The Issuer does not and will not in the future monitor the financial condition of the Borrower or otherwise monitor payment of the Series 2019 Bonds or compliance with the documents relating thereto. Any commitment or obligation for continuing disclosure with respect to the Series 2019 Bonds the Borrower has been undertaken by the Borrower, as described herein. See “CONTINUING DISCLOSURE” herein.

THE SERIES 2019 PROJECT AND THE SERIES 2019 OFFSITE ELEMENTS

The project, to be known as “North District Phase I,” will consist of an approximately 1,500-bed student housing facility and related parking and other amenities and improvements and demolishing certain existing improvements (the “Series 2019 Project”). The Series 2019 Project community spaces will include a variety of student-oriented amenities, including a fitness center, leasing and business offices, lounges, multi-purpose and seminar rooms and the University Space to be operated by The Regents pursuant to the 2019 Ground Lease.

In connection with the Series 2019 Project, the Borrower will also be responsible for constructing and improving certain landscaping, hardscaping, utility lines, access roads and sidewalks and reconfiguring certain parking (the “Series 2019 Offsite Elements”) and certain demolition and abatement of existing buildings and protection of existing trees (the “Series 2019 Offsite Demolition”), which Series 2019 Offsite Elements and Series 2019 Offsite Demolition will be located on land not leased to the Borrower.

The site for the Series 2019 Project (the “Series 2019 Project Site”) is on approximately 15 acres on the campus of UC Riverside that will be leased to the Borrower pursuant to the 2019 Ground Lease. See “THE 2019 GROUND LEASE” herein. The Series 2019 Project is intended primarily for upper-division undergraduate students.

The developer and construction manager for the Series 2019 Project will be ACC SC Development (California) LP. See “THE DEVELOPER” herein. The Developer was selected to develop the Series 2019 Project as a result of a request for proposals made by The Regents.

Construction of the Series 2019 Project is scheduled to begin in July 2019. The Developer and UC Riverside anticipate the Series 2019 Project will be complete in time for occupancy and use for Fall 2021.

Initially, the completed Series 2019 Project will be operated, managed and maintained by ACC SC Management (California) LP pursuant to the Management Agreement; however, The Regents will have obligations under the 2019 Ground Lease to (i) support marketing to Eligible Occupants (as defined in the 2019 Ground Lease), (ii) provide normal janitorial service and maintenance, repair and replacement of a portion of the Series 2019 Project that is being licensed to The Regents (the “University Space”), (iii) repair, replacement and maintenance of all furniture, fixtures and equipment installed within the University Space, (iv) monitor the portion of the Series 2019 Project consisting of certain parking (the “Parking”), (v) provide Community Service Officers (as defined in the 2019 Ground Lease) and provide police services with respect to the Series 2019 Project and (vi) comply with the Series 2019 Project Prioritization. See “THE MANAGER” and “THE 2019 GROUND LEASE” herein.

For a more detailed description of the Series 2019 Project, see APPENDIX A—“THE SERIES 2019 PROJECT.”

Benchmark Contractors, Inc. (the “General Contractor”), a wholly-owned subsidiary of Morley Builders, will be the general contractor for the Series 2019 Project, pursuant to a guaranteed maximum price construction contract (the “Construction Contract”) between the Developer, as agent for the Borrower, and the General Contractor. Prior to the issuance of the Series 2019 Bonds, the Developer also expects to enter into an architectural agreement with Solomon Cordwell Buenz & Associates, Inc. relating to the Series 2019 Project. See “THE CONSTRUCTION CONTRACT AND THE GENERAL CONTRACTOR” and “THE ARCHITECT” herein.

THE BORROWER

General

The Borrower, CHF–Riverside II, L.L.C., is a limited liability company, organized in March 2019 under the laws of the State of Alabama for the purpose of assisting UC Riverside to provide housing and related facilities for its students. The proceeds of the Series 2019 Bonds will be loaned to the Borrower pursuant to the Loan Agreement. The Borrower is not expected to have any assets other than the “Project,” which is defined in the Indenture as the Series 2019 Project and any additional project acquired, constructed, furnished and equipped with the proceeds of Additional Bonds (as defined herein). The Borrower’s sole member is Collegiate Housing Foundation, a non-profit corporation organized and existing under the laws of the State of Alabama (the “Foundation”). The Foundation is an organization that is exempt from federal income tax pursuant to Section 501(c)(3) of the Code. The Foundation was organized in 1996 exclusively for charitable and educational purposes, including assisting its member colleges and universities in providing housing for their enrolled students and faculty and otherwise assisting its member colleges and universities in furtherance of their educational missions. The membership of the Foundation is comprised of those colleges and universities so assisted by the Foundation, including The Regents during the term of the Ground Lease. In 1997, the Foundation obtained a determination letter from the Internal Revenue Service recognizing the Foundation as an exempt organization under Section 501(c)(3) of the Code. The Borrower is a disregarded entity for federal income tax purposes. The Borrower’s and the Foundation’s main offices are located in Fairhope, Alabama. Since its founding, the Foundation and/or its affiliates have acquired and financed 61 student housing projects in 24 different states, with aggregate project costs exceeding \$3.1 billion. **Neither the Foundation nor any limited liability company established by the Foundation (other than the Borrower) will have any obligation with respect to the Series 2019 Bonds or under the Loan Agreement or any of the other Bond Documents. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Limited Obligations” herein. The Borrower’s obligations with respect to the Series 2019 Bonds are non-recourse. See “NO RECOURSE AGAINST BORROWER’S**

MEMBER AND OFFICERS” herein. The Borrower’s ability to pay the principal of and interest on the Series 2019 Bonds may be adversely affected by its contractual obligations with respect to the Series 2019 Bonds and the Series 2019 Project, including requirements for payment by the Borrower pursuant to indemnity obligations under certain of the Bond Documents. See “INVESTMENT CONSIDERATIONS—Limited Security; Non-Recourse Obligations” herein.

Board of Directors

The Foundation is governed by a Board of Directors elected by its members. The following individuals constituted the Board of Directors of the Foundation as of the date hereof:

Name	Business Affiliation	Term Expires
William B. Givhan	President of the Foundation	*
Leeman H. Covey	Immediate Past President of the Foundation	**
John B. Hicks	Senior Consultant, Academic Search, Inc., Former Executive Assistant to the Chancellor and Secretary of the Board of Trustees of the University of Alabama System	2021
Jack Edwards	Former President Pro Tem of the Board of Trustees of the University of Alabama System, Retired Member of Hand Arendall Harrison Sale, LLC	2019
John Brooks Slaughter	Professor of Education and Engineering, University of Southern California President Emeritus, Occidental College, Former President and Chief Executive Officer, National Action Council for Minorities in Engineering, Inc.	2022
Thomas M. Daly, Jr.	Former Senior Vice President and Managing Director Public Finance, Legg Mason Wood Walker, Inc.	2020
Robert A. Shearer	Mediator and Private Consultant for Project and Construction Management, Professor Emeritus, Mitchell College of Business, University of South Alabama, Former Executive Assistant to the President of the University of South Alabama	2019

* Mr. Givhan’s term continues for as long as he serves as President of the Foundation.

** Mr. Covey’s term continues for as long as he is the immediate past President of the Foundation unless removed by a majority of the remaining Board members.

NO RECOURSE AGAINST BORROWER’S MEMBER AND OFFICERS

No recourse under or upon any obligation, covenant, or agreement contained in the Loan Agreement, in any of the other Bond Documents, or in any other documents or certificates delivered in connection with the issuance of the Series 2019 Bonds, or for any claim based thereon, or under any judgment obtained against the Borrower, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, shall be had against any incorporator, director, member, or officer, as such, past, present, or future of the Borrower or the Foundation, or any incorporator, director, member, or officer of any successor entity, as such, either directly or through the Borrower or any successor entity, or otherwise, for the payment for or to the Borrower or any receiver thereof, of any sum that may be due and unpaid by the Borrower under the Loan Agreement, any of the other Bond Documents or any other documents delivered in connection with the issuance of the Series 2019 Bonds.

THE SERIES 2019 BONDS

General Description

The Series 2019 Bonds will be dated the Date of Delivery and will mature on May 15 of the years and bear interest at the rates shown on the inside cover page of this Official Statement. Interest with respect to the Series 2019 Bonds will be payable initially on November 15, 2019, and semi-annually thereafter on each May 15 and November 15 (collectively, the “Interest Payment Dates” and each, an “Interest Payment Date”) until paid, in an amount equal to the interest accrued from the Interest Payment Date immediately preceding the date of registration and authentication of each Series 2019 Bond, unless such Series 2019 Bond is registered and authenticated as of an Interest Payment Date, in which case it will bear interest from said Interest Payment Date, or unless, as shown by the records of the Bond Trustee, interest on the Series 2019 Bonds will be in default, in which event such Series 2019 Bond will bear interest from the date to which interest will have been paid in full on such Series 2019 Bond, or unless no interest will have been paid on the Series 2019 Bonds, in which event such Series 2019 Bond will bear interest from the dated date.

Interest on the Series 2019 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2019 Bonds will be issued as fully registered bonds without coupons in denominations of Five Thousand Dollars (\$5,000) and any multiple thereof (“Authorized Denominations”).

The Series 2019 Bonds, together with any Additional Bonds issued pursuant to the Indenture, are collectively referred to under the Indenture as the “Bonds.” See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Additional Bonds” herein.

Payment of the Series 2019 Bonds

Principal of and redemption premium, if any, on the Series 2019 Bonds will be payable by check or draft at maturity or at a date set for prior redemption at the Office of the Bond Trustee to the registered owner of each Series 2019 Bond upon presentation and surrender of the Series 2019 Bonds being paid or redeemed. Interest on each Series 2019 Bond will be paid by check or draft mailed to the person in whose name such Series 2019 Bond is registered, at the address as it appears on the Bond Register as of the close of business on the first day of the month (whether or not such day is a Business Day) immediately preceding each Interest Payment Date (the “Regular Record Date”) for such payment, irrespective of any transfer or exchange of such Series 2019 Bond subsequent to a Regular Record Date and prior to the related Interest Payment Date by the person in whose name such Series 2019 Bond is registered. At the option of an owner of not less than Five Hundred Thousand Dollars (\$500,000) in aggregate principal amount outstanding of Series 2019 Bonds issued under and secured by the Indenture, interest will be paid by wire transfer in immediately available funds in accordance with written wire transfer instructions filed with the Bond Trustee prior to the close of business on the Regular Record Date. Interest will continue to be paid in accordance with such instructions, until revoked, except for the final payment of interest upon maturity or redemption prior to maturity which will be paid only upon presentation of the Series 2019 Bond to the Bond Trustee. While DTC or its nominee is owner of the Series 2019 Bonds, all payments of principal of, and redemption premium, if any, and interest on the Series 2019 Bonds will be paid to DTC or its nominee by wire transfer. See “Book-Entry Only System for the Series 2019 Bonds” below and APPENDIX E—“BOOK-ENTRY ONLY SYSTEM.”

Book-Entry Only System for the Series 2019 Bonds

DTC will act as securities depository for the Series 2019 Bonds. The ownership of one fully registered Series 2019 Bond for the maturity date set forth on the cover page hereof, in the aggregate principal amount of the Series 2019 Bonds maturing on that date, will be registered in the name of Cede & Co., as nominee of DTC, or any successor nominee. See APPENDIX E—“BOOK-ENTRY ONLY SYSTEM” for a description of DTC and the Book-Entry Only System.

Redemption

Optional Redemption. The Series 2019 Bonds maturing on or before May 15, 2029 are not subject to optional redemption. The Series 2019 Bonds maturing on and after May 15, 2030 are subject to optional redemption prior to maturity, as set forth in a written request of an Authorized Borrower Representative, approved by The Regents and filed with the Bond Trustee, on any day, on and after November 15, 2029, in whole or in part, at a redemption price equal to the principal amount of the Series 2019 Bonds called for redemption plus accrued interest thereon to the date of redemption, without premium.

Extraordinary Optional Redemption. The Series 2019 Bonds are also subject to redemption as set forth in a written request of an Authorized Borrower Representative approved by The Regents and filed with the Bond Trustee, in whole, if:

- (i) the Series 2019 Project shall have been destroyed or damaged and the Ground Lessor determines to redeem the Series 2019 Bonds from funds made available in accordance with the 2019 Ground Lease; or
- (ii) title to, or the temporary use of, a substantial portion of the Series 2019 Project shall have been taken under the exercise of the power of eminent domain by any governmental authority or person, firm or corporation acting under governmental authority to such an extent that, in the opinion of a Consulting Architect expressed in a certificate filed with the Issuer and the Bond Trustee, (A) the Series 2019 Project cannot be reasonably restored or replaced within a period of 12 months to substantially the condition thereof immediately preceding such taking, or (B) the Borrower is thereby prevented from carrying on its normal operations therein for a period of 12 consecutive months, or (C) the cost of restoration or replacement would exceed the total amount of compensation for such taking together with any other funds held by the Borrower or the Bond Trustee available to pay such costs and the Borrower is not willing to advance the amount of such deficiency.

The Series 2019 Bonds will also be subject to redemption as set forth in a written request of an Authorized Borrower Representative approved by The Regents and filed with the Bond Trustee, in part, if:

- (i) the Series 2019 Project shall have been destroyed or damaged and the Ground Lessor determines to redeem Series 2019 Bonds from funds made available in accordance with the 2019 Ground Lease; or
- (ii) in the event of partial condemnation of the Series 2019 Project from the Net Proceeds received by the Borrower as a result of such taking to the extent such Net Proceeds are not used for the restoration of the Series 2019 Project or for the acquisition of substitute property suitable for the Borrower's operations at the Series 2019 Project as such operations were conducted prior to such taking if the Borrower furnishes to the Issuer and the Bond Trustee (i) a certificate of a Consulting Architect stating (A) that the property forming a part of the Series 2019 Project that was taken is not essential to the Borrower's use or occupancy of the Series 2019 Project at substantially the same revenue-producing level prior to such taking, or (B) that the Series 2019 Project has been restored to a condition substantially equivalent to its condition prior to the taking, or (C) that the Borrower has acquired or will acquire improvements that are substantially equivalent to the property forming a part of the Series 2019 Project that was taken, or (ii) a written report of a Financial Consultant that the Fixed Charges Coverage Ratio (as defined in the Indenture) for each of the two (2) Fiscal Years following the Fiscal Year following such taking will not be less than the lesser of (a) 1.20:1.0 and (b) the average Fixed Charges Coverage Ratio for the two (2) most recent Fiscal Years prior to such taking for which audited financial statements are available.

If the Series 2019 Bonds are called for extraordinary optional redemption, in whole or in part, upon the occurrence of any of the events described above in this subheading, such Series 2019 Bonds may be redeemed on any date for which the requisite notice of redemption can be given within 180 days of such event at a redemption price of one hundred percent (100%) of the principal amount thereof plus interest accrued to the redemption date.

Other Redemptions at Par. The Series 2019 Bonds are also subject to redemption prior to maturity in whole or in part on any date for which the requisite notice of redemption can be given, upon the deposit of moneys in the Redemption Fund as required by the Loan Agreement, the Indenture or the Financing Trust Agreement as set forth below, in a principal amount equal to such deposit and at a redemption price of one hundred percent (100%) of such principal amount thereof plus interest accrued thereon to the redemption date:

- (i) any Net Proceeds of title insurance on the Series 2019 Project (or any other portion of the Series 2019 Project if the Borrower, subject to approval by The Regents, directs that such proceeds be used to redeem Series 2019 Bonds) paid to the Bond Trustee pursuant to the provisions of the Loan Agreement; or
- (ii) the release price for any unimproved portion of the Premises released from the lien of the Leasehold Deed of Trust determined and paid to the Trustee pursuant to the provisions of the Loan Agreement (excluding any release of the Release Parcel pursuant to the 2019 Ground Lease); or
- (iii) any unspent proceeds of the Series 2019 Bonds and investment earnings remaining in the 2019 Account of the Working Capital and Marketing Fund on the date that is one (1) year after the Series 2019 Completion Date and transferred to the 2019 Account of the Redemption Fund pursuant to the provisions of the Indenture; or
- (iv) any funds released from the UCR Series 2019 Bonds Redemption Subaccount within the Liquidity Account pursuant to the Financing Trust Agreement for deposit into the 2019 Account of the Redemption Fund in order to redeem the Series 2019 Bonds; or
- (v) any unspent proceeds of the Series 2019 Bonds and investment earnings remaining in the 2019 Account of the Construction Fund on or after the Series 2019 Completion Date and transferred, with a Favorable Opinion of Bond Counsel, to the 2019 Account of the Redemption Fund pursuant to the Indenture in order to redeem Series 2019 Bonds.

See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS—THE INDENTURE,” “—THE GROUND LEASE” and “—THE FINANCING TRUST AGREEMENT.”

In all instances where the Bond Trustee is directed by the terms of the Indenture to redeem Series 2019 Bonds from moneys deposited into the 2019 Account of the Redemption Fund, the Bond Trustee will redeem the maximum number of Series 2019 Bonds that may be redeemed in accordance with the provisions of the preceding paragraphs as directed in writing by an Authorized Borrower Representative and approved by The Regents, and any excess moneys will remain in the Redemption Fund.

Mandatory Sinking Fund Redemption. The Series 2019 Bonds listed below are subject to mandatory sinking fund redemption prior to maturity in part at a redemption price of one hundred percent (100%) of the principal amount thereof plus interest accrued thereon to the redemption date, in the following principal amounts and on the dates set forth below:

Series 2019 Bonds Maturing on May 15, 2049

<u>May 15 of the Year</u>	<u>Principal Amount</u>
2045	\$7,760,000
2046	\$8,150,000
2047	\$8,555,000
2048	\$8,985,000
2049	\$9,435,000*

* Maturity

Series 2019 Bonds Maturing on May 15, 2052

<u>May 15 of the Year</u>	<u>Principal Amount</u>
2050	\$9,905,000
2051	\$10,400,000
2052	\$10,920,000*

* Maturity

The Issuer will receive a credit against amounts required to be transferred under the Indenture in satisfaction of its mandatory sinking fund redemption obligations described above for Series 2019 Bonds delivered, purchased or redeemed, as hereinafter provided, if the Issuer or the Borrower at its option, on or before the forty-fifth (45th) day immediately preceding any May 15 on which Series 2019 Bonds are to be retired pursuant to the schedules above, (i) delivers to the Bond Trustee for cancellation Series 2019 Bonds or portions thereof, in any aggregate principal amount desired or (ii) directs the Bond Trustee to grant a credit for any such Series 2019 Bonds that prior to said date have been purchased or redeemed (otherwise than through mandatory sinking fund redemption) and canceled by the Bond Trustee and not theretofore applied as a credit against any mandatory sinking fund redemption obligation. Each such Series 2019 Bond so delivered or previously purchased or redeemed and cancelled by the Bond Trustee will be credited by the Bond Trustee at one hundred percent (100%) of the principal amount thereof on the obligation of the Issuer on such mandatory sinking fund redemption payment date, and any excess will be credited on future mandatory sinking fund redemption obligations in chronological order, and the principal amount of such Series 2019 Bonds to be redeemed by operation of mandatory sinking fund redemption and the Loan Payments specified in the Loan Agreement for mandatory sinking fund redemption will be accordingly reduced.

Partial Redemption. The Series 2019 Bonds will be redeemed only in Authorized Denominations. If less than all of the Series 2019 Bonds of any maturity are called for redemption in any of the circumstances set forth above (other than mandatory sinking fund redemption), the Borrower will select, in such manner as the Borrower may determine, the Series 2019 Bonds of such maturity to be redeemed. If a book-entry system of evidence of transfer of ownership of bonds is in effect with a Securities Depository as provided in the Indenture and less than all of the Series 2019 Bonds of any maturity are to be redeemed, then such Securities Depository will determine by lot the amount of the interest of each direct participant in such Bonds to be redeemed. See “Book-Entry Only System for the Series 2019 Bonds” above. Notwithstanding the foregoing, if less than all of the Series 2019 Bonds are called for redemption (other than through mandatory sinking fund redemption), the Borrower will have the right to designate the maturity of such Bonds to be called for redemption and to designate the Sinking Fund Requirement to which such redemption will be credited.

Notice of Redemption; Cessation of Interest. In the event any of the Series 2019 Bonds are called for redemption, notice thereof identifying the Series 2019 Bonds or portions thereof to be redeemed will be given by the Bond Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of record of each Series 2019 Bond to be redeemed in whole or in part at the address shown on the Bond Register on the close of business on the fifth day preceding the date of the mailing; provided, however, that failure to give such notice by mailing to any owner of Series 2019 Bonds or any defect therein will not affect the validity of any proceedings for the redemption of any other Series 2019 Bonds for which notice will have been properly given. Each notice will specify the CUSIP numbers of the Series 2019 Bonds being called, the numbers of the Series 2019 Bonds being called, if less than all of the Series 2019 Bonds are being called, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable. Such notice will further state that payment of the applicable redemption price plus accrued interest to the date fixed for redemption will be made upon presentation and surrender of the Series 2019 Bonds to be redeemed and that on the redemption date, the redemption price will become due and payable upon each Series 2019 Bond to be redeemed and that interest thereon will cease to accrue on and after such date, provided collected funds for the redemption of the Series 2019 Bonds to be redeemed are on deposit with the Bond Trustee at the place of, and the time for, payment. Any notice mailed as provided in the Indenture will be conclusively presumed to have been duly given, whether or not the owner of such Series 2019 Bonds actually receives such notice. Upon the written request of the Borrower, any notice of optional redemption of Series 2019 Bonds to be redeemed pursuant to

the provisions hereinabove described under the subheading “Optional Redemption” may contain a statement to the effect that the redemption of such Series 2019 Bonds is conditioned upon the receipt by the Bond Trustee of amounts equal to the redemption price of the Series 2019 Bonds to be redeemed on or before the redemption date, and, if a notice of such an optional redemption contains such statement, such optional redemption will be so conditioned.

Notice of redemption having been given as described above, the Series 2019 Bonds or portions thereof called for redemption will become and be due and payable on the date fixed for redemption at the redemption price provided for in the Indenture, plus accrued interest thereon to the date fixed for redemption, provided funds for the payment of such redemption price are on deposit at the place of payment at that time and, unless the Issuer defaults in the payment of the principal thereof or redemption premium, if any, and interest thereon, such Series 2019 Bonds or portions thereof called for redemption will cease to accrue interest, whether or not such Series 2019 Bonds are presented and surrendered for payment on such date. If any Series 2019 Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Series 2019 Bond or portion thereof will continue to bear interest at the rate set forth therein until paid or until due provision is made for the payment thereof.

Registration Provisions; Exchange; Replacement

The Bond Trustee, for and on behalf of the Issuer, will keep the Bond Register in which will be recorded any and all transfers of ownership of Series 2019 Bonds. No Series 2019 Bonds will be registered to bearer. Any Series 2019 Bond may be transferred upon the Bond Register upon surrender thereof at the Office of the Bond Trustee by the owner in person or by his, her or its attorney-in-fact or legal representative duly authorized in writing together with a written instrument of transfer in form and with guarantee of signature satisfactory to the Bond Trustee duly executed by the owner or his or her attorney-in-fact or legal representative duly authorized in writing and upon payment by such owner of a sum sufficient to cover any governmental tax, fee or charge required to be paid as provided in the Indenture. Upon any such registration of transfer, the Issuer will cause to be executed and the Bond Trustee will authenticate and deliver in the name of the transferee a new fully registered Series 2019 Bond or Bonds of like tenor, in Authorized Denominations, and of the same maturity or maturities and interest rate or rates and in the same aggregate principal amount, and the Bond Trustee will enter the transfer of ownership in the Bond Register. No transfer of any Series 2019 Bond will be effective until entered on the Bond Register.

Any Series 2019 Bonds, upon surrender thereof at the Office of the Bond Trustee with a written instrument of transfer in form and with guarantee of signature satisfactory to the Bond Trustee, duly executed by the owner or his or her attorney-in-fact or legal representative duly authorized in writing, may be exchanged, at the option of the owner thereof; and upon payment by such owner of a sum sufficient to cover any governmental tax, fee or charge required to be paid as provided in the Indenture, when not prohibited by law, for an equal aggregate principal amount of Series 2019 Bonds of like tenor and of the same interest rate and maturity or maturities and in any other Authorized Denominations and registered in the name of the same owner. The Issuer will cause to be executed and the Bond Trustee will authenticate and deliver Series 2019 Bonds that the owner making the exchange is entitled to receive, bearing numbers not then Outstanding, and the Bond Trustee, as bond registrar, will enter the exchange in the Bond Register.

Except as provided in the Indenture with respect to exchanges for certain temporary Series 2019 Bonds, the cost of printing, lithographing and engraving of all Series 2019 Bonds will be deemed to be an Ordinary Expense of the Bond Trustee and there will be no charge to any owner for the registration, exchange or transfer of Series 2019 Bonds, although in each case the Bond Trustee may require the payment by the owner requesting exchange or transfer of any tax, fee or other governmental charge required to be paid with respect thereto and may require that such amount be paid before any such new Bond will be delivered.

The Issuer and the Bond Trustee may deem and treat the owner of any Series 2019 Bond as the absolute owner of such Series 2019 Bond for the purpose of receiving any payment on such Series 2019 Bond and for all other purposes of the Indenture and the Loan Agreement, whether such Series 2019 Bond shall be overdue or not, and neither the Issuer nor the Bond Trustee will be affected by any notice to the contrary. Payment of or on account of the principal of and interest and redemption premium, if any, on any Series 2019 Bond will be made to or upon the written order of the owner thereof or his or her attorney-in-fact or legal representative duly authorized in writing. All such payments will be valid and effectual to satisfaction and discharge the liability upon such Series 2019 Bond to the extent of the sum or sums so paid.

New Series 2019 Bonds delivered upon any transfer or exchange will be valid limited obligations of the Issuer, evidencing the same obligation as the Series 2019 Bonds surrendered, will be secured by the Indenture and will be entitled to all of the security and benefits thereof to the same extent as the Series 2019 Bonds (or portions thereof) surrendered. The Bond Trustee will not be required to transfer or exchange any Series 2019 Bonds (a) after the notice calling such Series 2019 Bond (or a portion thereof) for redemption will have been given as provided in the Indenture, or (b) during the period beginning at the opening of business on the first (1st) day (whether or not a Business Day) immediately preceding either an Interest Payment Date or any date of selection of Series 2019 Bonds to be redeemed and ending at the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

THE SERIES 2019 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) OR THE UNIVERSITY OR THE REGENTS OR THE CITY OF RIVERSIDE, CALIFORNIA BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. THE SERIES 2019 BONDS ARE A LIMITED OBLIGATION OF THE ISSUER. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2019 BONDS, OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED UNDER THE INDENTURE AND THE LOAN AGREEMENT AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF (INCLUDING THE ISSUER) OR THE UNIVERSITY OR THE REGENTS OR THE CITY OF RIVERSIDE, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2019 BONDS. THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR THE UNIVERSITY OR THE REGENTS OR THE CITY OF RIVERSIDE TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO TAXING POWER.

Neither the Foundation nor any limited liability company established by the Foundation (other than the Borrower) will have any obligation with respect to the Series 2019 Bonds or under the Loan Agreement or any of the other Bond Documents.

See “INVESTMENT CONSIDERATIONS—Limited Security; Non-Recourse Obligations” herein.

Leasehold Deed of Trust and Assignment of Documents

As security for the Borrower’s obligations under the Loan Agreement in connection with the financing of the Series 2019 Project, the Borrower will execute and deliver (i) the Leasehold Deed of Trust pursuant to which the Borrower, subject to Permitted Encumbrances, grants to the deed of trust trustee named therein for the benefit of the Bond Trustee a first priority lien on the Borrower’s leasehold interest in the Series 2019 Project Site and its interest in all improvements thereon and other interests created by the 2019 Ground Lease and, subject to Permitted Encumbrances, assigns and pledges to the deed of trust trustee named therein for the benefit of the Bond Trustee the Borrower’s interest in the rents, revenues, issues, profits, products, royalties, income and other benefits of and from the Project (as defined in the Indenture and which term includes the Series 2019 Project but excludes improvements on the Release Parcel upon the release thereof pursuant to the 2019 Ground Lease), excluding the University Receipts, the Parking Fines and the University Contribution, and any improvements thereto, and all fixtures, attachments, appliances, equipment, machines and other articles incorporated into the Project and all tangible personal property of the Borrower located on the Series 2019 Project Site and used primarily in connection with the construction, operation or maintenance of the Project and (ii) the Assignment of Documents pursuant to which the Borrower assigns to the Bond Trustee its rights under the Development Agreement, the Management Agreement, the Construction Contract, the Architect’s Agreement and any other contracts relating to the design or construction of the Series 2019 Project and any improvements thereto or expansions thereof. The lien created by the Leasehold Deed of Trust is subject to the rights of the Ground Lessor under the 2019 Ground Lease as the fee simple owner of the Series 2019 Project Site. See

“INVESTMENT CONSIDERATIONS—Limits on Remedies Under the Deed of Trust (Anti-Deficiency Laws)” herein. The Leasehold Deed of Trust does not constitute a lien on the Ground Lessor’s fee simple interest in the Series 2019 Project Site or create any lien with respect to the Offsite Elements (as defined in the Indenture and which term includes the Series 2019 Offsite Elements).

Project Gross Revenues; Revenue Fund

As security for payments under the Loan Agreement and as security for payment of the Series 2019 Bonds, the Issuer will execute and deliver the Indenture, under the terms of which all of the right, title, interest, and remedies of the Issuer in the Loan Agreement (except the Unassigned Rights (as defined in the Loan Agreement)), the Financing Trust Agreement, the Leasehold Deed of Trust, the Management Agreement, the Development Agreement and the Assignment of Documents, together with all revenues and amounts to be received and all property to be held by the Issuer under the Indenture (other than the University Receipts, the Parking Fines and the University Contribution), will be assigned and will be the subject of a grant of a first priority security interest to the Bond Trustee and will be pledged as security for, among other things, the payment of the Series 2019 Bonds. Pursuant to the Loan Agreement, the Borrower consents to such assignment and grant of a first priority security interest and agrees that its obligations to make all payments under the Loan Agreement will be absolute and will not be subject to any defense, except payment, or to any right of setoff, counterclaim, or recoupment arising out of any breach by the Issuer of any obligation to the Borrower, whether thereunder or otherwise, or arising out of any indebtedness or liability relating to the Project at any time owing to the Borrower by the Issuer. The Borrower further agrees that all Basic Loan Payments required to be made under the Loan Agreement, which are payable solely from Project Gross Revenues, will be paid directly to the Bond Trustee for the account of the Issuer. The Bond Trustee will have all rights and remedies accorded to the Issuer under the Loan Agreement (except for Unassigned Rights), and any reference therein to the Issuer will be deemed, with the necessary changes in detail, to include the Bond Trustee, and the Bond Trustee and the Bondholders are deemed to be and are third party beneficiaries of the representations, covenants, and agreements of the Borrower contained in the Loan Agreement.

The Indenture defines “Project Gross Revenues” as the gross receipts and operating and non-operating revenues of the Borrower, and interest earnings thereon, derived from the ground leasing or operation of the Project, including the Replacement Spaces (see “THE 2019 GROUND LEASE” herein), if any, all as determined in accordance with GAAP, and interest earned on all Funds, but excluding, in any event, the sum of (a) earnings on amounts that are irrevocably deposited in escrow to achieve defeasance or similar arrangement for the payment of the principal of or interest on Indebtedness, (b) security deposits received from student residents of the Project and held by the Borrower until such time, if any, as the Borrower shall be permitted to apply such deposits to the payment of rent or to the repair and maintenance of the Project in accordance with the terms of a lease or residency agreement, (c) all fees, receipts and other income or revenue derived by The Regents’ operation of the University Space (the “University Receipts”), (d) all fines derived from The Regents’ monitoring of Parking (the “Parking Fines”) and (e) subject to release of the Release Parcel (as defined in the 2019 Ground Lease) pursuant to the conditions set forth in the 2019 Ground Lease, any gross receipts and operating and non-operating revenues, and interest earnings thereon, derived from the Release Parcel, if any.

The Indenture requires the Issuer to create and order established by the Bond Trustee a trust fund designated as the “Revenue Fund” into which the Borrower is required by the Loan Agreement to deposit and/or cause the Manager to deposit all Project Gross Revenues received by it on a weekly basis; provided, however, the Indenture requires the Borrower to require the Manager under the Management Agreement to deposit with the Bond Trustee such received Project Gross Revenues on a daily basis during any period that an Event of Default under the Indenture has occurred and is continuing. The Indenture provides that the amounts so transferred and deposited into the Revenue Fund maintained by the Bond Trustee will be disbursed by the Bond Trustee each month or at such other times described in the Indenture in the order set forth in the Indenture, including, among other transfers, monthly transfers to the Bond Fund to pay a portion of the principal and interest due on the Series 2019 Bonds and any other Bonds on the immediately succeeding Interest Payment Date. See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS—THE INDENTURE—Events of Default” and “—Funds and Accounts—*Revenue Fund*.”

Pledge and Assignment of Trust Estate

Pursuant to the Indenture, the Issuer assigns and grants a security interest to the Bond Trustee, in order to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Issuer of the covenants expressed in the Indenture and in the Series 2019 Bonds, in and to the following (the “Trust Estate”), in each case, whether now owned or hereafter acquired by the Issuer and howsoever its interest therein may arise or appear (whether by ownership, security interest, claim or otherwise) and whether due or to become due and whether or not earned by performance:

- (i) all the right, title and interest of the Issuer in and to (a) the Loan Agreement (except for Unassigned Rights (as defined in the Loan Agreement)) and any loan, financing or similar agreement between the Issuer and the Borrower relating to Additional Bonds, (b) the Leasehold Deed of Trust, (c) the Management Agreement, (d) the Development Agreement and (e) the Assignment of Documents, and all extensions and renewals of the terms thereof, if any, and all amounts encumbered thereby, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and make receipt for payments and other sums of money payable, receivable or to be held thereunder, to bring any actions and proceedings thereunder or for the enforcement thereof, and to do any and all other things that the Issuer is or may become entitled to do under the foregoing;
- (ii) all the right, title and interest of the Issuer in and to all cash proceeds and receipts arising out of or in connection with the sale of the Series 2019 Bonds and all moneys held by the Bond Trustee in the funds created under the Indenture, other than the Rebate Fund and the 2019 University Contribution Account of the Construction Fund, including the Revenue Fund, the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund, the Distributed Management Fee Fund, the Working Capital and Marketing Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Operations Contingency Fund, and the Surplus Fund created thereunder, or held by the Bond Trustee as special trust funds derived from insurance proceeds, condemnation awards, payments on contractors’ performance or payment bonds or other surety bonds or any other source, but excluding, in any event, University Receipts and Parking Fines;
- (iii) all the right, title and interest of the Issuer in and to all moneys and securities and interest earnings thereon from time to time delivered to and held by the Bond Trustee under the terms of the Indenture but excluding, in any event, University Receipts, Parking Fines and the University Contribution, and all other rights of every name and nature and any and all other property from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security thereunder by the Issuer or by anyone on its behalf or with its written consent to the Bond Trustee;
- (iv) all other property of every name and nature from time to time hereafter by delivery or by writing mortgaged, pledged, delivered or hypothecated as and for additional security under the Indenture by the Issuer or by anyone on its behalf or with its written consent in favor of the Bond Trustee; and
- (v) all right, title and interest of the Issuer in the Financing Trust Agreement and all extensions and renewals of the terms thereof, if any, and all amounts encumbered thereby, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and make receipt for payments and other sums of money payable, receivable or to be held thereunder, to bring any actions and proceedings thereunder or for the enforcement thereof, and to do any and all other things that the Issuer is or may become entitled to do under the foregoing.

Under the Indenture, at all times while the Bonds are outstanding, the rights of the Owners of the Bonds to the Trust Estate, to the extent provided for, are subject to a first and prior lien to secure the payment of all fees and expenses of the Bond Trustee. The Bond Trustee may apply moneys received by it pursuant to any action taken by it in accordance with the Indenture in connection with any Event of Default to the payment of the costs and expenses of the proceedings resulting on the collection of such moneys and to the payment of

the expenses, liabilities and advances incurred or made by the Bond Trustee prior to its applying such moneys to the payment of principal of, redemption premium, if any, and interest on, the Bonds.

Pledge and Assignment of Financing Trust Estate

The Borrower will enter into a Second Supplemental Financing Trust Agreement, dated as of July 1, 2019, with the Master Trustee (the “Second Supplemental Financing Trust Agreement” and, together with the Financing Trust Agreement, dated as of December 1, 2018, by and between the FTA Borrower (as defined in the Indenture), and the First Supplemental Financing Trust Agreement by and between CHF–Riverside I, L.L.C., as the borrower for the Dundee-Glasgow Project (as defined herein) at UC Riverside, and the Master Trustee, the “Financing Trust Agreement”). Pursuant to the Second Supplemental Financing Trust Agreement, the Borrower is bound by the Financing Trust Agreement and thereby conveys, transfers, assigns, confirms and grants a security interest in, to the Master Trustee, for the benefit of the Owners of the Series 2019 Bonds, the Series 2018 Bonds (as defined below) relating to the Dundee-Glasgow Project and any other bonds or other evidences of indebtedness issued from time to time and secured under the Financing Trust Agreement, all right, title and interest of the Borrower and any future borrowers in and to each the funds and accounts established and maintained under the Financing Trust Agreement as and to the extent set forth in the Financing Trust Agreement and subject to the terms and conditions thereof (collectively, the “Financing Trust Estate”) for the equal and proportionate benefit and protection of the Owners of each such Series of Bonds (as defined in the Financing Trust Agreement including but not limited to the Series 2019 Bonds) and, without privilege, preference, priority or distinction as to lien or otherwise, of any Series of Bonds over any other Series of Bonds by reason of priority in their issuance or of principal over interest or interest over principal.

The Issuer previously issued \$145,850,000 of bonds secured under the Financing Trust Agreement in December 2018 (the “Series 2018 Bonds”) in connection with the financing of the Dundee-Glasgow Project, which is described generally under “THE UNIVERSITY OF CALIFORNIA, RIVERSIDE” herein. Other bonds and indebtedness in addition to the Series 2019 Bonds and the Series 2018 Bonds may be secured by the Financing Trust Agreement if such bonds or indebtedness satisfy the requirements thereof, including the requirement that any such bonds or indebtedness receive not less than an investment grade rating from a Rating Agency upon issuance (collectively and including the Series 2019 Bonds and the Series 2018 Bonds, the “FTA-Secured Bonds”). See “Liquidity Account and Subaccounts” below and “INVESTMENT CONSIDERATIONS—Liquidity Account Available to Secure Other FTA-Secured Bonds; Financing Trust Agreement Subject to Amendment.”

The pledge and assignment effected by each borrower of the proceeds of FTA-Secured Bonds through the Financing Trust Agreement will be valid and binding from the date of execution and delivery of the related Supplemental Financing Trust Agreement, the moneys so pledged and assigned and hereafter received by the Master Trustee will be subject to the lien of such pledge and assignment and such lien will be a continuing, irrevocable and exclusive first lien and will be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Master Trustee irrespective of whether such parties have notice thereof. See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS” for a summary of the Financing Trust Agreement.

Construction Fund

The Indenture creates a Construction Fund, and within that fund separate accounts designated as the “2019 Account” and the “2019 University Contribution Account,” and provides that the Bond Trustee will deposit into the Construction Fund as and when received any moneys paid to it under the Loan Agreement or the Indenture for credit or transfer to the Construction Fund. Subject to the final paragraph in this section, moneys in the 2019 Account of the Construction Fund will be expended for the Costs of the Series 2019 Project (as defined in the Indenture) and the costs of the Series 2019 Offsite Elements, and moneys in the 2019 University Contribution Amount of the Construction Fund will be expended for Costs of the Series 2019 Offsite Demolition, all in accordance with the provisions of the Loan Agreement and disbursed upon receipt of a requisition for payment.

Pursuant to the Indenture, on the Series 2019 Closing Date (as defined in the Indenture), The Regents is required to deposit \$1,500,000 (the initial University Contribution (as defined in the Indenture)) with the Bond Trustee for credit to the 2019 University Contribution Account of the Construction Fund. The money deposited in the 2019

University Contribution Account of the Construction Fund on the Series 2019 Closing Date and any further amounts deposited by The Regents therein constituting the University Contribution, together with investment income thereon, will be held in trust and applied solely for payment of the Series 2019 Offsite Demolition, pursuant to the Ground Lease. The Indenture provides that the 2019 University Contribution Account of the Construction Fund will be for the sole benefit of The Regents, and will not be subject to the claim of any other person including, without limitation, the Owners of the Series 2019 Bonds. The Indenture further provides that the 2019 University Contribution Account of the Construction Fund is not a portion of the Trust Estate and is not subject to the lien of the Indenture.

All proceeds of the Series 2019 Bonds and investment earnings thereon remaining in the 2019 Account of the Construction Fund on or after the Series 2019 Completion Date, less amounts retained or set aside to meet costs not then due and payable or that are being contested, will be transferred to one or more of the following upon written direction of the Borrower to the Bond Trustee, subject in each case to the requirements set forth in the Indenture with respect thereto: (i) for other capital expenditures approved by the Ground Lessor, with the consent of the Borrower; provided, however, a Favorable Opinion of Bond Counsel with respect to such capital expenditures is provided to the Bond Trustee; (ii) to the 2019 Account of the Bond Fund, provided the Borrower delivers to the Bond Trustee a Favorable Opinion of Bond Counsel and (iii) to the 2019 Account of the Redemption Fund, provided the Borrower delivers to the Bond Trustee a Favorable Opinion of Bond Counsel. All amounts and investment earnings thereon remaining in the 2019 University Contribution Account of the Construction Fund, less amounts retained or set aside to meet certain costs not then due and payable, will be transferred to The Regents following: (i) the Series 2019 Completion Date and (ii) completion of the Series 2019 Offsite Demolition in compliance with the Loan Agreement.

In the event that the Ground Lessor elects to terminate the 2019 Ground Lease and acquire the uncompleted Series 2019 Project and the Series 2019 Offsite Elements by paying to the Bond Trustee all amounts then required by the Bond Trustee for defeasance and payment of the Series 2019 Bonds (either at maturity or, if sooner, on their first optional redemption date) in accordance with their terms pursuant to the Indenture, moneys in the Construction Fund may be expended for such defeasance and payment with a Favorable Opinion of Bond Counsel; provided, however, that all amounts in the 2019 University Contribution Account of the Construction Fund will be transferred to The Regents. See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS—THE INDENTURE—Funds and Accounts—*Construction Fund*” and “—THE GROUND LEASE—Condition of Leased Land and Term—*Early Termination*.”

Repair and Replacement Fund

The Indenture also creates a Repair and Replacement Fund, which is a fund into which the Borrower is required to make deposits from Project Gross Revenues on a monthly basis after occupancy of the Series 2019 Project and as and to the extent set forth in the Indenture and the Loan Agreement. The Indenture provides that moneys in the Repair and Replacement Fund will be disbursed by the Bond Trustee to pay (i) the budgeted maintenance and repair costs related to the Project and (ii) the principal of, redemption premium, if any, and interest on the Bonds to the extent there are insufficient funds on deposit in the Bond Fund, the Surplus Fund and the Operations Contingency Fund, on the date such payment is due. In the event that funds in the Construction Fund are insufficient for the payment of Costs of the Project in full, the Bond Trustee may, upon the written request of the Borrower approved by the Ground Lessor, transfer the amount of such deficiency from the Repair and Replacement Fund. See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS—THE INDENTURE—Funds and Accounts—*Construction Fund*” and “—*Repair and Replacement Fund*.”

Working Capital and Marketing Fund

A Working Capital and Marketing Fund is created under the Indenture and within that fund a separate account designated as the “2019 Account” with respect to the Series 2019 Bonds. The Indenture and the Loan Agreement permit the 2019 Account of the Working Capital and Marketing Fund to be used to fund the working capital needs of the Borrower and to pay for the costs of marketing the Series 2019 Project until one (1) year after the Series 2019 Completion Date (including without limitation wages and benefits, printing, advertising, recruiting, relocation and brochures), in each case in accordance with the Loan Agreement. Upon issuance of the Series 2019 Bonds, proceeds in the amount of \$350,000.00 will be deposited in the 2019 Account of the Working Capital and Marketing Fund to be used for such purposes. Upon written direction of the Borrower, proceeds of the Series 2019 Bonds and investment earnings thereon remaining in the Working Capital and Marketing Fund on the date that is one year after the Series

2019 Completion Date will be transferred (i) to the 2019 Account of the Bond Fund and used for payment of principal of the Series 2019 Bonds, provided the Borrower delivers to the Bond Trustee a Favorable Opinion of Bond Counsel, (ii) to the 2019 Account of the Redemption Fund by the Bond Trustee and used to redeem Series 2019 Bonds in accordance with the Indenture or (iii) for other capital expenditures approved by the Ground Lessor, with the consent of the Borrower; provided, however, a Favorable Opinion of Bond Counsel with respect to such capital expenditures is provided to the Bond Trustee.

Liquidity Account and Subaccounts

So long as any of the FTA-Secured Bonds (including the Series 2019 Bonds) remain Outstanding, the Master Trustee is required under the Financing Trust Agreement to establish, maintain and hold in trust, a separate trust account to be designated as the “UC Riverside Privatized Housing Financing Trust Liquidity Account” (the “Liquidity Account”). Pursuant to the Second Supplemental Financing Trust Agreement, the Master Trustee will create within the Liquidity Account: (1) the UCR Series 2019 Bonds Pooling Subaccount and (2) the UCR Series 2019 Bonds Redemption Subaccount and, in connection with the issuance of the Series 2018 Bonds relating to the Dundee-Glasgow Project and each additional series of FTA-Secured Bonds, has created or will create a Series Pooling Subaccount and a Series Redemption Subaccount applicable to such series of FTA-Secured Bonds. The Financing Trust Agreement provides that the Master Trustee will deposit amounts to, and transfer amounts from the Liquidity Account and such subaccounts in accordance with the terms and conditions of the Financing Trust Agreement. All such moneys shall be promptly deposited by the Master Trustee upon receipt thereof and shall be held, disbursed, allocated and applied by the Master Trustee only as provided in the Financing Trust Agreement.

On the date of issuance of the Series 2019 Bonds, the Bond Trustee, on behalf of the Borrower, will deposit in the UCR Series 2019 Bonds Pooling Subaccount held by the Master Trustee the amount of \$11,468,750.00, which amount represents the Maximum Annual Debt Service on the Series 2019 Bonds, which will constitute the Liquidity Subaccount Requirement (as defined in the Financing Trust Agreement) with respect to the Series 2019 Bonds.

The Financing Trust Agreement requires each borrower under a loan agreement (or similar agreement) relating to a series of FTA-Secured Bonds (each, an “FTA Borrower”) to maintain funds on deposit in the Series Pooling Subaccount relating to such series of FTA-Secured Bonds in an aggregate amount not less than the Liquidity Subaccount Requirement (as such requirement is adjusted pursuant to the Financing Trust Agreement).

Upon receipt of notice from a bond trustee of a Debt Service Account Deficiency relating to FTA-Secured Bonds (currently consisting of the Series 2019 Bonds and the Series 2018 Bonds), the Master Trustee will determine if the amount on deposit in the Series Pooling Subaccount for such bonds is sufficient to pay such deficiency. If the amounts on deposit in such Series Pooling Subaccount are not less than such deficiency, the Master Trustee will transfer the amount of such deficiency to such bond trustee for deposit into such Debt Service Account. If the amounts on deposit in such Series Pooling Subaccount are less than such deficiency, then the Master Trustee will (1) transfer all amounts on deposit in such Series Pooling Subaccount to such bond trustee for deposit into such Debt Service Account and (2) transfer an amount equal to the difference between such amount and the amount of the deficiency to such bond trustee for deposit into such Debt Service Account by withdrawing an amount from each remaining Series Pooling Subaccount equal to the Proportionate Share (as defined in the Financing Trust Agreement) of such subaccount.

Amounts on deposit in any of the Series Pooling Subaccounts in excess of the Liquidity Subaccount Requirement shall, upon the receipt of a written certificate of The Regents by the Master Trustee, with the consent of the Borrower, be transferred to the related Series Redemption Subaccount as and unless otherwise provided in the related Supplemental Financing Trust Agreement; provided that for purposes of this calculation, the Maximum Annual Debt Service of any FTA-Secured Bonds to be redeemed shall be excluded.

Each Series Redemption Subaccount will be applied from time to time in accordance with the terms of its related Supplemental Financing Trust Agreement to redeem, purchase or defease the related series of FTA-Secured Bonds in accordance with the terms of the related Indenture. Upon the written direction of The Regents with the consent of the Borrower, moneys on deposit in the UCR Series 2019 Bonds Redemption Subaccount will be transferred to the Bond Trustee and deposited into either (x) the 2019 Account of the Bond Fund and applied to pay principal of and interest on the portion of the Series 2019 Bonds as it becomes due and payable in accordance with

the Indenture or (y) the Redemption Fund and applied to redeem or purchase Series 2019 Bonds in accordance with the Indenture. Interest earnings allocable to proceeds of the Series 2019 Bonds on investments held in the UCR Series 2019 Bonds Pooling Subaccount will, unless otherwise directed by a written direction of The Regents filed with the Master Trustee with the consent of the Borrower, be transferred (i) prior to the Series 2019 Completion Date, to the Bond Trustee for deposit in the 2019 Account of the Construction Fund, and (ii) on and following the Series 2019 Completion Date, to the Bond Trustee for deposit in the 2019 Account of the Bond Fund. See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS—THE FINANCING TRUST AGREEMENT—Deposits to UCR Series 2019 Bonds Pooling Subaccount” and “—Application of UCR Series 2019 Bonds Redemption Subaccount.”

The Financing Trust Agreement permits the Master Trustee to enter into a supplement to the Financing Trust Agreement in connection with the issuance of a series of bonds to be secured by the Financing Trust Agreement. In addition, the Financing Trust Agreement permits the provisions described above, and any and all other provisions of the Financing Trust Agreement, to be amended by a written instrument of the Master Trustee and each FTA Borrower (including, but not limited to, the Borrower), upon approval of The Regents, if the Master Trustee receives written confirmation from the Rating Agency that the amendment will not result in the downgrade of its credit rating on any Series of Bonds to less than an Investment Grade Rating (generally defined as a rating of “Baa3” or higher from Moody’s).

For additional information regarding the Financing Trust Agreement and the provisions described above, see APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS—THE FINANCING TRUST AGREEMENT.” See also “INVESTMENT CONSIDERATIONS—Liquidity Account Available to Secure Other FTA-Secured Bonds; Financing Trust Agreement Subject to Amendment” herein.

Insurance Coverage

A mortgagee’s title insurance policy, covering the Series 2019 Project Site, will be available to the Bond Trustee at or prior to closing of the Series 2019 Bonds in the face amount of at least equal to the initial principal amount of the Series 2019 Bonds to insure that the Bond Trustee (as its interests may appear) will have a valid first lien on the Borrower’s leasehold interest in and to the Series 2019 Project Site, subject only to Permitted Encumbrances and standard exclusions. Any net proceeds payable either to the Issuer or to the Borrower under such policy shall be subject to the lien of the Indenture, paid to the Bond Trustee and held by the Bond Trustee in the Insurance Fund or the Redemption Fund, as the case may be, and shall, at the Borrower’s written direction, be either (i) used to acquire or construct replacement or substitute housing facilities in Riverside, California for that to which title has been lost or (ii) used to redeem Series 2019 Bonds pursuant to the Indenture.

The Borrower agrees in the Loan Agreement to maintain or cause to be maintained at all times during construction of the Series 2019 Project in full force and effect: (i) builder’s risk-completed value form insurance insuring all buildings, structures, boilers, equipment, facilities, fixtures, supplies and other property constituting part of the Series 2019 Project on an “all risk of loss or damage basis” subject to standard exclusions and sub-limits including perils of earth movement, (including, but not limited to, earthquake, landslide and subsidence), flood, windstorm, collapse, boiler and machinery accidents, strikes, riot, civil commotion and sabotage to the full replacement cost of the Series 2019 Project except for flood/water damage coverage which each shall have a sub-limit of twenty-five million dollars (\$25,000,000) with a deductible provision not to exceed one-hundred thousand dollars (\$100,000) and earth movement/earthquake coverage which shall have a sublimit of twenty-five million dollars (\$25,000,000) with the lowest commercially available deductible provisions, but in any case with deductibles not to exceed 5% of value at risk; (ii) commercial general liability insurance on an occurrence basis for liability of the general contractor or the Borrower, as an additional insured, arising out of claims for bodily injury and/or property damage; (iii) commercial automobile liability insurance for the liability of the general contractor arising out of claims for bodily injury and/or property damage covering all owned (if any), leased, hired, and non-owned vehicles used in the performance of the general contractor’s obligations under the Construction Contract with a minimum limit of \$1,000,000 each accident for combined bodily injury and property damage and including personal injury protection and uninsured motorist protection in the minimum statutory limits where required by law; (iv) worker’s compensation insurance as required by applicable state law with statutory limits; (v) employers’ liability insurance for liability of the general contractor arising out of injury to or death of the general contractor’s employees, with a minimum limit of \$1,000,000 per accident; and (vi) excess or umbrella liability insurance on an occurrence basis (on at least a following

form basis) in excess of the underlying insurance described in this paragraph with a twenty-five million dollars (\$25,000,000) combined bodily injury, death and property damage minimum limit per occurrence and a twenty-five million dollars (\$25,000,000) aggregate; all as subject to the requirements contained in the Loan Agreement.

The Borrower also agrees in the Loan Agreement to keep or cause to be kept the Series 2019 Project continuously insured against such risks as are customarily insured against with respect to facilities of like size and type, as recommended by an Insurance Consultant, including, but not limited to: (a) the insurance policies required under the 2019 Ground Lease (including (i) property damage insurance on an “all risk or special form” basis; (ii) business auto liability insurance; (iii) commercial general liability insurance; (iv) excess/umbrella liability; and (v) workers’ compensation insurance; all as more particularly described in the 2019 Ground Lease); and (b) commencing on the Series 2019 Completion Date, business interruption insurance (also referred to as “business income” or “loss of rents insurance”) covering loss of revenues and other income by the Borrower by reason of total or partial suspension of, or interruption in, the operation of the Series 2019 Project caused by damage or destruction insured under the property casualty insurance required under the 2019 Ground Lease in an amount not less than Annual Debt Service on the Series 2019 Bonds for the next succeeding twenty-four (24) months (the deductible provisions for such business interruption insurance shall not exceed thirty (30) days per occurrence) or such greater amount as may be approved in writing by the Ground Lessor. See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS—THE LOAN AGREEMENT—Acquisition, Construction, Furnishing and Equipping of the Series 2019 Project.”

The Loan Agreement requires that earth movement/earthquake insurance on the Series 2019 Project be maintained during the construction of the Series 2019 Project. Other than during construction, the Loan Agreement does not require earth movement/earthquake insurance to be maintained with respect to the Series 2019 Project, and neither the Borrower nor The Regents has obtained or plans to obtain or maintain such coverage for any completed portion of the Series 2019 Project. See “INVESTMENT CONSIDERATIONS—Seismic Risks and Other Disasters.”

Additional Bonds

The Indenture defines “Additional Bonds” as any additional parity Bonds authorized to be issued by the Issuer pursuant to the terms and conditions of the Indenture. The Indenture provides that, so long as no Event of Default under the Indenture is then existing, Additional Bonds may be issued by the Issuer upon the written request of the Borrower to provide funds to pay any one or more of the following: (i) the costs of completing, renovating or expanding the Project (including the Series 2019 Project) and Offsite Elements, (ii) the costs of refunding any Bonds (including the Series 2019 Bonds) and (iii) in each such case, the costs of the issuance and sale of the Additional Bonds and capitalized or funded interest for such period and such other costs reasonably related to the financing as shall be agreed upon by the Borrower and the Issuer. Any such Additional Bonds hereafter issued will be secured by the lien and security interests granted by the Leasehold Deed of Trust equally and ratably with the Series 2019 Bonds and any other Additional Bonds hereafter issued, and will be payable from the Bond Fund and the Redemption Fund. The Indenture also requires an amount equal to the amount, if any, needed to qualify such Additional Bonds for the additional security of the Financing Trust Agreement in accordance therewith to be deposited into a subaccount of the Liquidity Account.

The Indenture provides that no Additional Bonds may be issued without written confirmation from each Rating Agency then providing an underlying rating on the Outstanding Bonds that the issuance of such Additional Bonds will not result in the underlying rating on the Outstanding Bonds being below Baa3 (or the equivalent rating).

Further, no Additional Bonds may be issued pursuant to the Indenture unless and until there is furnished to the Bond Trustee either: (i) a certificate of the chief financial officer of the Borrower confirming that (A) for the Fiscal Year immediately preceding the issuance of such Additional Bonds the Fixed Charges Coverage Ratio was at least 1.2:1.0 and (B) based on a written report of a Financial Consultant accompanying such certificate, the Fixed Charges Coverage Ratio for the first full Fiscal Year following completion of improvements to the Project financed with the proceeds of such Additional Bonds is reasonably expected to be at least 1.2:1.0; or (ii) a certificate of the chief financial officer of the Borrower confirming that (A) such Additional Bonds are issued in order to refund Bonds previously issued, and (B) following the issuance of such Additional Bonds, Annual Debt Service of the Bonds shall be reduced.

Rate Covenant

The Borrower has covenanted and agreed in the Loan Agreement to operate the Project as a revenue producing student housing facility, and related parking and other amenities and improvements, and to the extent permitted by law and by the Ground Lease (including the 2019 Ground Lease), to charge such fees and rates for its facilities and services and to exercise such skill and diligence as will provide Revenue Available for Fixed Charges, sufficient to pay promptly all expenses of operation, maintenance and repair of the Project, to provide all payments required to be made by the Borrower under the Loan Agreement and to maintain the Fixed Charges Coverage Ratio of at least 1.20:1.0.

The Loan Agreement provides that such rates, fees and charges in each Fiscal Year beginning with the Fiscal Year ending June 30, 2022 shall be sufficient to produce a Fixed Charges Coverage Ratio of at least 1.20:1.0. The Loan Agreement also provides that, in the event that, based upon the financial statements of the Borrower required by the Loan Agreement, for any Fiscal Year, such Fixed Charges Coverage Ratio was not maintained at a level of at least 1.15:1.0, such failure shall not constitute an Event of Default so long as the Borrower will: (i) promptly (and in no event later than 30 days after such determination) employ a Financial Consultant to submit (not later than 30 days after commencing such employment) a report of such firm containing recommendations as to changes in the operating policies of the Borrower designed to maintain such Fixed Charges Coverage Ratio and (ii) promptly follow such recommendations to the extent permitted by law and by the Ground Lease. Notwithstanding the retention of a Financial Consultant, an Event of Default shall occur under the Loan Agreement, if the Fixed Charges Coverage Ratio is less than 1.0:1.0 as of the end of any Fiscal Year.

The Borrower also is required under the Loan Agreement, from time to time as often as necessary and to the extent permitted by law and the Ground Lease (including the 2019 Ground Lease), to revise the rates, fees and charges aforesaid in such manner as may be necessary or proper so that the Revenue Available for Fixed Charges will be sufficient to meet the requirements of the Loan Agreement, and further, in order to comply with provisions of the Loan Agreement, to take all action within its power to obtain approvals of any regulatory or supervisory authority to implement any rates, fees, and charges required by the Loan Agreement.

See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS—THE LOAN AGREEMENT—Rate Covenant.”

Enforceability of Remedies

The realization of value from the real and personal property comprising the Project (including the Series 2019 Project) and from the other security for the Bonds (including the Series 2019 Bonds) upon any default will depend upon the exercise of various remedies specified by the Bond Documents and the other agreements described herein. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. See “INVESTMENT CONSIDERATIONS—Limits on Remedies Under the Deed of Trust (Anti-Deficiency Laws) herein.”

BOND INSURANCE

Bond Insurance Policy

Concurrently with the delivery of the Series 2019 Bonds, Build America Mutual Assurance Company (“BAM” or the “Insurer”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Series 2019 Bonds maturing on May 15, 2023 through May 15, 2028, May 15, 2043, and May 15, 2044 (collectively, the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as Appendix G to this Official Statement. See APPENDIX G—“SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Series 2019 Bonds generally or the Insured Bonds in particular, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Series 2019 Bonds generally and, in particular, the Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the Issuer with respect to the Insured Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

Capitalization of BAM. BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2019 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$513.9 million, \$105 million and \$408.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Series 2019 Bonds generally or the Insured Bonds in particular or the advisability of investing in the Insured Bonds or any of the Series 2019 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under this heading (i.e., "BOND INSURANCE") and in APPENDIX G—"SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

Additional Information Available from BAM.

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditisights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g., general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the Issuer, the Borrower, The Regents or the Underwriters, and none of the Issuer, the Borrower, The Regents or the Underwriters assumes any responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Series 2019 Bonds, whether at the initial offering or otherwise.

THE DEVELOPER

General

The Developer, ACC SC Development (California) LP, a limited partnership duly organized and validly existing under the laws of the State of Delaware and authorized to do business in the State of California, is an indirect wholly owned subsidiary of ACC. ACC was founded in October of 1993 and is now a publicly traded corporation on the New York Stock Exchange which has as its business student housing. ACC became the first publicly traded student housing REIT. The company is traded on the New York Stock Exchange under the symbol "ACC". Since 1996, ACC has developed more than \$7.2 billion in properties for its own account and its university clients, and it has acquired in excess of \$6.3 billion in student housing assets. As of the present date, ACC has developed or been awarded the development of approximately 140 privatized student housing facilities, consisting of more than 100,000 student beds. Corporate headquarters are located in Austin, Texas. ACC has designed and programmed the full range of contemporary student communities including modern-day residence halls (traditional and full-service), and all styles of apartments and mid-and high-rise communities.

The Developer is an affiliate of the Manager. See "THE MANAGER" herein.

Development Agreement

The Borrower will engage the Developer to develop the Series 2019 Project, the Series 2019 Offsite Elements and the Series 2019 Offsite Demolition and serve as construction manager pursuant to a Development Agreement, to be dated the date of issuance of the Series 2019 Bonds (the "Development Agreement"). The Developer will agree to use commercially reasonable efforts to complete the Series 2019 Project by September 16, 2021 (as such date may be amended or extended from time to time in accordance with the Development Agreement). In the event that substantial completion of the student housing portion of the Series 2019 Project is not achieved by the date a resident or residents are to occupy in accordance with the applicable housing contract or housing contracts, then the Developer will be obligated to provide alternative housing, transportation and other specified services to those students who have executed leases for units in the Series 2019 Project and are unable to take occupancy until such time as substantial completion of the unit(s) is achieved (collectively, the "Alternate Services"), as further provided and subject to the limitations set forth in the Development Agreement.

The Borrower will pay the Developer for its services under the Development Agreement (i) a Development Fee in the amount of \$5,070,000 and (ii) a Construction Management Fee in the amount of \$1,670,000. Such fees, together with reasonable and necessary reimbursable expenses included in the approved budget, are payable solely out of proceeds of the Bonds. At the time final payment is made under the Construction Contract (as defined below), the Developer shall earn and be paid a cost savings fee equal to 33% of the Savings (as defined in the Construction Contract), to be paid by the Borrower at the same time as the General Contractor's share of the Savings is due and payable. Twenty-five percent (25%) of any Construction Contingency (as defined in the Development Agreement) that remains following completion of construction of the Series 2019 Project and following payment of all construction and development costs, including any costs of acceleration, and reimbursement to the Developer of any costs of providing Alternate Services.

The Developer is required to maintain during construction of the Series 2019 Project, in its own name, professional liability insurance, commercial general liability insurance and worker's compensation insurance.

In performing its duties under the Development Agreement, the Developer serves as construction manager to enforce, on behalf of the Borrower, the contracts with the Architect and the General Contractor as described herein under the captions "THE ARCHITECT" and "THE CONSTRUCTION CONTRACT AND THE GENERAL CONTRACTOR."

THE MANAGER

General

ACC SC Management (California) LP, a Delaware limited partnership (the "Manager") will manage the Series 2019 Project.

As of March 31, 2019, ACC and its affiliates managed 205 student housing communities, containing more than 133,690 beds, with an overall occupancy rate of approximately 97%. A list of student housing communities managed by ACC or its affiliates is available at www.americancampuscommunities.com. The referenced information from the ACC website is not intended to be incorporated in this Official Statement by this reference. The Manager is an indirect, wholly-owned subsidiary of ACC and is an affiliate of the Developer. **The obligations of the Manager with respect to the Series 2019 Project are not guaranteed by ACC.** For information regarding ACC and the Developer, see "THE DEVELOPER" herein.

Management Agreement

The Borrower will engage the Manager to manage, operate and lease the Series 2019 Project pursuant to a Management Agreement, to be dated the date of issuance of the Series 2019 Bonds (the "Management Agreement"). Under the Management Agreement, the Manager is responsible for (a) hiring, training and overseeing the on-site manager and on-site maintenance personnel; (b) preparing and providing a marketing program for the Series 2019 Project and supervising the implementation of the marketing program; (c) preparing and executing housing contracts and assigning rooms; (d) in collaboration with The Regents as Ground Lessor under the 2019 Ground Lease, hiring, training and overseeing student staff; (e) negotiation and execution of utilities and other service contracts for the Series 2019 Project; (f) preparing an annual budget describing in detail all of the revenue and expenses entailed in the operation and maintenance of the Series 2019 Project and all planned capital expenditures for the Series 2019 Project (other than those revenues and expenses relating to the University Space to be retained and paid for by the University for the duration of its license of the University Space and Parking Fines), and the submission of the same to the Borrower for approval; (g) collection of all rents and other charges due and income payable to the Borrower in connection with the use or occupancy of the Series 2019 Project (other than revenues relating to the University Space, to be retained by the University for the duration of its license of the University Space and Parking Fines); (h) assuring proper scheduled maintenance of the Series 2019 Project (other than with respect to the University Space to be performed by the University for the duration of its license of the University); (i) paying operating expenses of the Series 2019 Project (other than expenses relating to the University Space to be paid for by the University for the duration of its license of the University); and (j) maintaining records, books and accounts related to the Series 2019 Project (other than those revenues and expenses relating to the University Space to be retained and paid for by the

University for the duration of its license of the University Space and Parking Fines), and providing the Borrower with monthly budget reconciliations and annual financial statements.

The Management Agreement requires the Manager to manage, operate and maintain the Series 2019 Project in compliance with the standards, rules and procedures outlined within the 2019 Ground Lease. All employees necessary or appropriate to the implementation of the terms of the Management Agreement will be employed pursuant to the Management Agreement. As provided in the Management Agreement, the Manager will be paid a monthly amount (the “Base Management Fee”) of two percent (2%) of all occupancy receipts received for a month. Additionally, the Management Agreement provides that the Manager will be paid annually from the Distributed Management Fee Fund, in accordance with the Indenture and the Management Agreement, one percent (1%) of the occupancy receipts received during such Lease Year.

The Management Agreement does not prohibit the Manager or its affiliates from engaging in, or possessing an interest in, any other project and ventures, even if such other project or ventures compete with the Series 2019 Project. Notwithstanding the potentially competitive nature of such other project or ventures, the Manager agrees in the Management Agreement to manage the Series 2019 Project in good faith at all times.

The primary term of the Management Agreement will commence on July 1, 2021 and terminate on June 30, 2031, unless terminated earlier in accordance with the provisions thereof. At the expiration of the primary term, the Management Agreement will automatically renew for successive one-year terms, unless on or before 120 days prior to the expiration of any such period or any extension thereof, either the Borrower or the Manager shall notify the other in writing that it elects to terminate the Management Agreement, in which case the Management Agreement shall be thereby terminated on the last day of such period. The Borrower may, after obtaining any necessary approvals pursuant to the 2019 Ground Lease, with consent or direction from the Ground Lessor, terminate the Management Agreement at any time, without cause, by providing 180 days written notice to the Manager and the payment of certain termination fees described in the Management Agreement. The Manager and the Borrower also have the right to terminate the Management Agreement for cause upon the occurrence of certain events described in the Management Agreement. The Manager and the Borrower may materially modify or amend, with the approval of the Ground Lessor, the Management Agreement at any time.

Replacement of the Manager

In the Loan Agreement, the Borrower agrees that if the initial Manager shall cease to serve as Manager, the Borrower will promptly employ and at all times thereafter employ as Manager either UC Riverside or a recognized manager of student housing facilities that then manages, and shall have for the past five years managed, at least 5,000 beds of student housing facilities. The Borrower also agrees that the Manager may be replaced, upon the prior written approval of the Ground Lessor, if (i) the Fixed Charges Coverage Ratio (excluding, until after the Series 2019 Completion Date, Revenues and Fixed Charges (each as defined in the Indenture) relating to the Series 2019 Project) is not at least 1.0:1.0 for any Fiscal Year or 1.2:1.0 for two consecutive Fiscal Years, as shown in the financial statements of the Borrower related to the Project required under the Loan Agreement, (ii) the Average Annual Occupancy Percentage (as defined in the Indenture) falls below 80% for two consecutive Fiscal Years, or (iii) at any time following an event of default under the Management Agreement. Pursuant to the Loan Agreement, prior to entering into a contract with a successor Manager, the Borrower is required to first deliver to the Bond Trustee an opinion of Bond Counsel to the effect that the terms of the proposed Management Agreement will not cause the interest on Outstanding Tax-Exempt Bonds to be included in gross income for federal income tax purposes. See APPENDIX B—“SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS—THE LOAN AGREEMENT—Covenant Regarding Manager.”

THE UNIVERSITY AND THE REGENTS

The University of California (the “University”), established in 1868, is the public institution of higher education designated by the State of California in its master plan for higher education for the training of individuals for the professions, for the awarding of doctoral degrees in all fields of human knowledge, and for the conduct of research. The Constitution of the State of California provides that the University shall be a public trust administered by the corporation, “The Regents of the University of California” (“The Regents”), which is vested with full powers of organization and government, subject only to such legislative control as may be necessary to ensure the security of

its funds and compliance with the terms of the endowments of the University and such competitive bidding procedures as may be made applicable to the University by statute for the letting of construction contracts, sales of real property, and purchasing of materials, goods and services.

None of the funds and assets of The Regents are pledged as security for the Series 2019 Bonds.

The Regents will have certain obligations with respect to the Series 2019 Project under the 2019 Ground Lease, including compliance with the Series 2019 Project Prioritization, as described herein. See “THE SERIES 2019 PROJECT AND THE SERIES 2019 ELEMENTS” and “THE 2019 GROUND LEASE” herein.

THE UNIVERSITY OF CALIFORNIA, RIVERSIDE

General

The University of California, Riverside (“UC Riverside”) is a campus of the University, located in the City of Riverside, California (the “City”). UC Riverside was first established as the Citrus Experiment Station for the University in 1914. In 1954, UC Riverside was established as the fifth general campus in the University of California system. UC Riverside offers undergraduate, graduate and professional level study. UC Riverside is located on approximately 1,200 acres within the City at the geographical center of Inland Southern California, approximately 50 miles east of Los Angeles and 100 miles north of San Diego.

Enrollment

The following table shows student enrollment levels at UC Riverside for the last five full academic years. The three-term average figures indicate average enrollment levels for the fall, winter and spring terms for each academic year listed and include both general campus and health sciences enrollments.

<u>Academic Year</u>	<u>Freshmen</u>	<u>Undergraduate⁽¹⁾</u>		<u>Graduate⁽²⁾</u>	
	<u>Fall</u>	<u>Fall</u>	<u>Three-Term Average</u>	<u>Fall</u>	<u>Three-Term Average</u>
2014-15	4,279	18,782	18,032	2,805	2,692
2015-16	4,029	18,608	17,938	2,931	2,817
2016-17	5,358	19,799	19,059	3,122	2,989
2017-18	4,599	20,069	19,505	3,209	3,075
2018-19	4,530	20,581	20,197	3,341	3,188

⁽¹⁾ The Undergraduate category includes post baccalaureates.

⁽²⁾ The Graduate category includes students in graduate academic programs, professional programs, and self-supporting degree programs. It does not include medical interns or residents.

Freshmen enrollment totaled 4,530 in Fall 2018, a decrease of approximately 1.5% from Fall 2017. Both this decrease in freshmen enrollment and the Fall 2017 decrease (as compared to Fall 2016, as reflected in the table above) were the result of a University-wide strategy to reach a 2:1 ratio of new freshmen to new transfer students. As a result of this strategy, transfer enrollment increased to 1,916 for Fall 2018 as compared to 1,368 for Fall 2017, an approximately 40% increase. Moreover, overall new student enrollment (freshmen and transfer students) increased to 6,446 for Fall 2018, an approximately 8% increase over new student enrollment of 5,967 for Fall 2017. UC Riverside plans on approximately 4,800 freshmen and 2,200 new transfer students to enroll for Fall 2019, reflecting increases in both freshmen and transfer student enrollment as compared to Fall 2018.

Housing

Current housing at UC Riverside consists of residence halls intended primarily for freshmen students and student apartments available to continuing undergraduate students, transfer students and graduate students. For Academic Year 2018-19, such housing included (i) three University-owned undergraduate residence hall communities ranging in size from 1,017 to 1,393 beds and totaling 3,443 beds in aggregate, (ii) four University-owned on-campus

undergraduate and graduate apartment complexes totaling 2,392 beds in aggregate, (iii) one University-owned on-campus undergraduate and graduate family apartment complex that houses approximately 136 students and 249 non-students (dependents, spouses, partners, etc.) and (iv) two non-University-owned student residential communities, developed through prior third-party public-private partnerships, totaling 572 beds in aggregate. There were a total of 6,543 beds on campus (excluding off-campus leases) and approximately 27% of UC Riverside students lived on campus in Fall 2018.

Rental rates ranged from \$15,705 to \$18,270 (including room and board) per academic year per student in University-owned undergraduate residence halls, \$320 to \$1,240 per month per student in University-owned undergraduate and graduate apartments, and \$935 to \$960 per month per apartment in University-owned undergraduate and graduate family apartments in Fall 2018. Occupancy rates in both University-owned residence halls and apartments averaged over 98% in each of the Academic Years 2014-15 through 2018-19.

In each of Academic Years 2014-15 through 2018-19, the collection rate for all University-owned on-campus student housing payments averaged approximately 98%.

Although UC Riverside does not require any of its students to live on campus, it does offer guaranteed housing to new freshmen and transfer students. The residence halls have not had any capacity for additional students other than new freshmen and transfers and student staff. The apartments provide priority to any resident renewing their housing contracts and any on-campus beds remaining are offered to other returning undergraduate students who have applied to be on a wait-list. In recent years, approximately 2,500 to 3,500 returning undergraduate students have put themselves on a housing wait-list for University-owned communities. In these communities, there tend to be approximately 1,300 to 1,700 beds available for non-guaranteed returning undergraduate student applicants. On-campus housing for undergraduate and graduate students with families is assigned on a first-come, first-served basis.

Over the last five academic years (through and including 2017-18), non-residence hall housing available for UC Riverside students has increased by approximately 7%. In Fall 2014, 800 new apartment beds were added. In Fall 2016, an old 266-unit family housing complex was closed for demolition and a 320-bed single student apartment complex was converted into family housing, resulting in a net decrease of approximately 450 beds.

In addition to the Series 2019 Project, the Developer is currently overseeing construction of an approximately 820-bed new student housing facility (the “Dundee-Glasgow Project”) on-campus at UC Riverside, which is intended primarily for freshmen students and is expected to be completed in time for occupancy and use in Fall 2020. The Regents also expects to proceed with the development of approximately 2,500 to 4,500 additional beds and related facilities in several further phases of the North District development, which is intended primarily for upper-division undergraduate students and is expected to proceed over a period of several years. The timing, design, cost and method of financing the additional phases of the North District development (other than the Series 2019 Project) have not yet been determined.

See APPENDIX A—“THE SERIES 2019 PROJECT—Existing On-Campus Student Housing” for additional information regarding current on-campus housing at UC Riverside.

The Bond Documents permit the Borrower to develop, operate and/or own additional on- and off-campus housing for UC Riverside. See “INVESTMENT CONSIDERATIONS—Competing Facilities and Rental Market Considerations” herein.

ESTIMATED SOURCES AND USES OF FUNDS

The schedule below contains the estimated sources and uses of funds resulting from the sale of the Series 2019 Bonds:

SOURCES OF FUNDS:

Par Amount of the Series 2019 Bonds	\$175,065,000.00
Original Issue Premium	35,353,503.80
TOTAL SOURCES OF FUNDS	\$210,418,503.80

USES OF FUNDS:

Deposit to Construction Fund ⁽¹⁾	\$174,204,910.02
Deposit to Capitalized Interest Account ⁽²⁾	22,311,352.66
Deposit to Working Capital and Marketing Fund	350,000.00
Issuance Costs ⁽³⁾	2,083,491.12
Transfer to Master Trustee for Deposit to UCR Series 2019 Bonds Pooling Subaccount	11,468,750.00
TOTAL USES OF FUNDS	\$210,418,503.80

⁽¹⁾ Pursuant to the Indenture, amounts remaining in the Construction Fund after the Series 2019 Completion Date (other than the 2019 University Contribution Account, which is required to be returned to The Regents) may be transferred to various other funds.

⁽²⁾ Funds deposited in the Capitalized Interest Account are calculated to be sufficient, together with certain investments earnings, to pay interest on the Series 2019 Bonds through March 1, 2022 (i.e., six months beyond the anticipated construction completion date).

⁽³⁾ Issuance Costs include Underwriters' discount, premium for the Policy, legal fees, printing costs, fees of the Issuer, the Bond Trustee, the rating agency and other miscellaneous costs.

DEBT SERVICE

The following table shows the scheduled principal and interest requirements on the Series 2019 Bonds.

Fiscal Year Ending June 30	Series 2019 Debt Service		
	Principal	Interest ⁽¹⁾	Total
2020	-	\$ 7,245,745.83	\$ 7,245,745.83
2021	-	8,753,250.00	8,753,250.00
2022	-	8,753,250.00	8,753,250.00
2023	\$ 1,960,000	8,753,250.00	10,713,250.00
2024	2,380,000	8,655,250.00	11,035,250.00
2025	2,825,000	8,536,250.00	11,361,250.00
2026	3,070,000	8,395,000.00	11,465,000.00
2027	3,225,000	8,241,500.00	11,466,500.00
2028	3,385,000	8,080,250.00	11,465,250.00
2029	3,555,000	7,911,000.00	11,466,000.00
2030	3,735,000	7,733,250.00	11,468,250.00
2031	3,920,000	7,546,500.00	11,466,500.00
2032	4,115,000	7,350,500.00	11,465,500.00
2033	4,320,000	7,144,750.00	11,464,750.00
2034	4,535,000	6,928,750.00	11,463,750.00
2035	4,765,000	6,702,000.00	11,467,000.00
2036	5,005,000	6,463,750.00	11,468,750.00
2037	5,255,000	6,213,500.00	11,468,500.00
2038	5,515,000	5,950,750.00	11,465,750.00
2039	5,790,000	5,675,000.00	11,465,000.00
2040	6,080,000	5,385,500.00	11,465,500.00
2041	6,385,000	5,081,500.00	11,466,500.00
2042	6,705,000	4,762,250.00	11,467,250.00
2043	7,040,000	4,427,000.00	11,467,000.00
2044	7,390,000	4,075,000.00	11,465,000.00
2045	7,760,000	3,705,500.00	11,465,500.00
2046	8,150,000	3,317,500.00	11,467,500.00
2047	8,555,000	2,910,000.00	11,465,000.00
2048	8,985,000	2,482,250.00	11,467,250.00
2049	9,435,000	2,033,000.00	11,468,000.00
2050	9,905,000	1,561,250.00	11,466,250.00
2051	10,400,000	1,066,000.00	11,466,000.00
2052	10,920,000	546,000.00	11,466,000.00
Total	\$175,065,000	\$192,386,245.83	\$367,451,245.83

⁽¹⁾Includes amounts to be paid from capitalized interest. See "ESTIMATED SOURCES AND USES OF FUNDS."

THE 2019 GROUND LEASE

Pursuant to the 2019 Ground Lease, The Regents has leased the Series 2019 Project Site to the Borrower for a period commencing on the date of issuance of the Series 2019 Bonds and expiring on the earlier of (i) the 45th anniversary of such date at 12:00 midnight California time or (ii) 12:00 midnight of the day preceding the first day of the month following the final redemption or defeasance of the Bonds and satisfaction of any and all amounts due under the Loan Agreement or the Indenture, subject to automatic extension if amounts remain due to The Regents. Under no circumstances, however, shall the term of the 2019 Ground Lease exceed 50 years. The term of the 2019 Ground Lease is further subject to (x) an option to purchase, whereby The Regents, subject to certain conditions, may acquire the Borrower's entire interest in the Series 2019 Project, (y) a right of first of refusal, whereby The Regents, subject to certain conditions, may acquire the Borrower's entire interest in the Series 2019 Project upon the Borrower's

receipt and decision to pursue an unsolicited bona fide offer and (z) a right of reconveyance with respect to certain parking spaces.

The Borrower may assign or transfer its interest in the Series 2019 Project and/or the Series 2019 Project Site only with the prior written consent of The Regents, which consent may be granted or withheld in The Regents' sole and absolute discretion.

The Borrower's interest in the Series 2019 Project is also subject to an exclusive option to purchase granted to The Regents in the 2019 Ground Lease. The Regents' option to purchase, effective no earlier than the tenth year following the Effective Date (as defined in the 2019 Ground Lease), may be exercised by providing appropriate notice. If the option to purchase is exercised, the purchase price shall be equal to: (i) all amounts due under the Bond Documents, (ii) costs of defeasance or any premium payable on such indebtedness, (iii) all interest accrued or to accrue on such indebtedness through the date of payment of such indebtedness and (iv) closing costs. Upon exercise of the option, title to the Series 2019 Project will be conveyed to The Regents, subject only to Resident Contracts, Permitted Encumbrances and all matters that would be disclosed by an accurate survey and inspection of the Series 2019 Project.

The Borrower's interest in the Project is also subject to a recurring right of first refusal granted to The Regents in the 2019 Ground Lease, triggered upon the Borrower's decision to pursue an unsolicited bona fide offer to purchase Borrower's interest in the Project.

Upon 12 months' notice, The Regents will have the right to require the Borrower to release, at no cost to The Regents, from the 2019 Ground Lease the Release Parcel (as defined in the 2019 Ground Lease). As a condition to the consummation of such release, at no additional charge, cost, or expense to the Borrower, The Regents will be required to lease or otherwise provide to the Borrower replacement parking spaces equal in number to the number of spaces that are located on the Release Parcel and that are located within 1000 feet of the Series 2019 Project (the "Replacement Spaces"). Upon The Regents providing the Replacement Spaces, in a manner more fully provided in the 2019 Ground Lease, the Borrower will be required to promptly take any and all action and execute any and all documents that may be reasonably required to effect the release and reconveyance of the Release Parcel from the 2019 Ground Lease, the Bond Documents and the Leasehold Deed of Trust.

Pursuant to an exclusive license, The Regents, as Ground Lessor, will retain the right under the 2019 Ground Lease to occupy, use, possess and operate the University Space, consisting of approximately 2,900 square feet of space in the Series 2019 Project free of any rent or other charges. The Borrower is required to complete the construction of the University Space as part of the construction and equipping of the 2019 Series Project. The construction budget for the Series 2019 Project includes a \$3 million allowance for completion of the University Space, and any costs above such amount are expected to be funded either from contingency amounts or from an additional contribution by The Regents. The Regents will be responsible for the costs of operating, maintaining, repairing and replacing all elements of the University Space upon completion thereof and will retain all revenues produced from such operations. The 2019 Ground Lease permits The Regents to use the University Space for any purpose in furtherance of its educational mission including, without limitation: (i) classroom, recreational or social, or administrative office space, and/or (ii) to provide goods and services to users of the Series 2019 Project, in each case subject to the requirements of the 2019 Ground Lease. The Regents will have the right to change the use of or to discontinue its operation of the University Space.

The Borrower will also grant The Regents and the University, at no charge, an exclusive license with respect to fourteen (14) parking spaces within the 2019 Series Project. Such parking spaces will be provided to The Regents at no cost and permits will be issued with respect thereto. The Regents acknowledges in the 2019 Ground Lease that twenty (20) parking spaces in the 2019 Series Project will be reserved for use, at no charge, by the Manager and that five (5) parking spaces will be reserved for use, at no charge, by prospective residents of the Series 2019 Project. The Borrower may also license and permit, at the then applicable Parking Rate (as defined in the 2019 Ground Lease), an individual space (including any Replacement Spaces) for use by the designated vehicle of an Eligible Occupant who requests a space in conjunction with his or her Resident Contract. Any remaining parking spaces in the Series 2019 Project or Replacement Spaces shall be licensed and permitted, each academic quarter, for use by the vehicles of University staff, faculty, employees and commuter students. The 2019 Ground Lease provides that, at no time shall any rate charged for parking exceed the Parking Rate. The Regents is required to provide the Borrower with notice of the Parking Rates for each academic year no later than January 10th of that year.

The occurrence of any of the following will constitute an event of default on the part of the Borrower under the 2019 Ground Lease:

- (i) The Borrower shall fail to pay the rent or additional rent due thereunder at the times specified in the 2019 Ground Lease, and such failure shall continue for 15 days after written notice from The Regents.
- (ii) The Borrower shall fail to correct any Operating Deficiency (as defined in the 2019 Ground Lease) within the periods provided for in the 2019 Ground Lease.
- (iii) Subject to Force Majeure (as defined in the 2019 Ground Lease), the Borrower shall fail to either (a) diligently pursue completion of the Series 2019 Project and the Series 2019 Offsite Elements, which may be evidenced by a stoppage of the work, of a duration and nature reasonably likely to delay Substantial Completion beyond the Substantial Completion Date (as defined in the 2019 Ground Lease), or (b) achieve substantial completion of the entire Series 2019 Project by March 15, 2022, unless extended by The Regents, in its sole discretion
- (iv) Except to the extent caused by Force Majeure, the Borrower shall fail to perform or cause to be performed any other term, covenant, condition or provision of the 2019 Ground Lease and shall fail to correct such failure within 30 days after written notice specifying such is given to the Borrower by The Regents. 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 Regents, it will not constitute an event of default thereunder if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the failure shall be corrected.
- (v) The Borrower shall be adjudicated a bankrupt.
- (vi) A permanent receiver shall be appointed for the Borrower's interest in the Premises (as defined in the 2019 Ground Lease) and such receiver shall not be removed within 90 days after notice from The Regents to the Borrower to obtain such removal.
- (vii) The Borrower shall voluntarily take advantage of any debtor relief proceedings under any present or future law whereby rent due under the 2019 Ground Lease 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 Regents to the Borrower to obtain such dismissal.
- (viii) The Borrower shall make a general assignment for the benefit of creditors.
- (ix) The Premises (as defined in the 2019 Ground Lease) or the Borrower's effects or interests therein shall be levied upon or attached under process against the Borrower, and the same shall not be satisfied or dissolved within 90 days after notice from The Regents to the Borrower to obtain satisfaction or dissolution thereof.
- (x) A default shall have occurred and continued beyond any applicable notice and cure periods under any of the Construction Documents (as defined in the 2019 Ground Lease).
- (xi) An event of default by the Borrower shall have occurred pursuant to any of the Bond Documents and the Bond Trustee shall have provided written notice of such event of default and its intent to exercise its remedies pursuant to the Bond Documents.

Upon the occurrence of any of the foregoing events of default, The Regents will, subject to the provisions of the 2019 Ground Lease, have the right to (i) upon 90 days written notice and opportunity to cure provided to the Bond Trustee, terminate the 2019 Ground Lease immediately upon written notice to the Borrower and thereafter, to the

extent permitted by law, without legal process, enter on and take possession and control of the Premises to the complete exclusion of the Borrower, and The Regents may demand, collect and retain all payments due from occupants of the Premises, and may otherwise treat and occupy the Premises as if the 2019 Ground Lease had expired of its own limitation, or (ii) without terminating the 2019 Ground Lease, re-let the Premises (upon obtaining the written consent of the Bond Trustee) and collect from the Borrower the reasonable costs and expenses of re-letting, repairing and altering the Premises.

Notwithstanding the foregoing termination rights of The Regents, if The Regents elects to terminate the 2019 Ground Lease upon the occurrence of an event of default, the Leasehold Deed of Trust Trustee (as defined in the 2019 Ground Lease) shall be entitled to extend the date of termination for a limited time in order to allow it to acquire the Borrower's interest in the real property underlying the Series 2019 Project as set forth in the 2019 Ground Lease by foreclosure or otherwise, provided that during such time, the Leasehold Deed of Trust Trustee shall pay rent and other charges required under the 2019 Ground Lease during such period. If the 2019 Ground Lease shall be terminated due to any event of default, the Leasehold Deed of Trust Trustee will have the option, but not the obligation, to enter into a lease of the real property underlying the Series 2019 Project with The Regents at the same rent and upon the same terms and conditions contained in the 2019 Ground Lease.

The Borrower's liability under the 2019 Ground Lease will be non-recourse, and The Regents' source of satisfaction of the Borrower's obligations will be limited to the Borrower's interest in the 2019 Ground Lease, the Premises, all personal property owned by Borrower and used in connection with the Series 2019 Project, and Net Available Cash Flow (as defined in the 2019 Ground Lease).

The Borrower will be obligated to maintain and repair the Series 2019 Project as provided in the 2019 Ground Lease. The 2019 Ground Lease will require the Borrower to enter into a management agreement with the Manager that will provide for operation of the Series 2019 Project. The 2019 Ground Lease will prohibit the Borrower from amending the Management Agreement or entering an agreement with a subsequent manager without the prior consent of The Regents.

Under the 2019 Ground Lease, the Borrower will be obligated, subject to Force Majeure (as defined in the 2019 Ground Lease) and eminent domain, to commence and pursue to final completion the construction of the Series 2019 Project in accordance with the Construction Documents (as defined in the 2019 Ground Lease) and the construction schedule set forth in the Construction Contract. If the Borrower does not deliver on schedule the number of student rooms contemplated in the Construction Documents, the Developer will be liable up to a maximum amount equal to the Development Fee of \$5,070,000 pursuant to and subject to the Development Agreement to provide alternative housing and transportation to students who have executed Resident Housing Contracts (as defined in the 2019 Ground Lease) with respect to the Series 2019 Project but are unable to occupy such rooms due to non-completion of the Series 2019 Project. See "THE DEVELOPER—Development Agreement" herein.

The Regents, as Ground Lessor, will have obligations under the 2019 Ground Lease to support marketing to Eligible Occupants (as defined in the 2019 Ground Lease), provide Community Service Officers (as defined in the 2019 Ground Lease) and provide police services with respect to the Series 2019 Project.

The 2019 Ground Lease also provides that The Regents, as Ground Lessor, will execute new resident contracts (or the functional equivalent thereof) for Campus Apartment Housing in accordance with a program that prioritizes the execution of Resident Contracts within the Series 2019 Project over resident contracts within the Campus Apartment Housing (the "Series 2019 Project Prioritization") such that, except as described below, The Regents will not execute any resident contracts within Campus Apartment Housing until Manager has delivered the written notice described below. The Regents' obligation to comply with the foregoing restriction under the 2019 Ground Lease commences on November 30 of the Lease Year (as defined in the 2019 Ground Lease) prior to the Lease Year in which the Substantial Completion Date is reasonably anticipated to occur and automatically terminates when the aggregate Occupancy Rate (as defined in the 2019 Ground Lease) at Campus Apartment Housing exceeds 95% for two (2) consecutive years, as measured on October 15. The 2019 Ground Lease further provides that, notwithstanding the foregoing, The Regents may execute resident contracts with respect to beds in Campus Apartment Housing where such resident contracts are renewals of existing resident contracts, or where applicable law requires that such resident contracts be made available and that, until The Regents' obligation to comply with the foregoing restriction has terminated, as to each academic year, the Borrower will cause the Manager to provide written notice to

The Regents at such time as Resident Contracts for at least 95% of the 1,502 bed accommodations have been executed by an Eligible Occupant for that academic year and The Regents will provide to the Borrower and the Manager a certification regarding Occupancy Rate as of each October 15 setting forth in reasonable detail The Regents' calculation of the Occupancy Rate for October 15. The 2019 Ground Lease defines "Campus Apartment Housing" as all apartment-style student housing at the Campus that is owned in fee by the Ground Lessor and is rented by the bed and "Occupancy Rate" to mean the rate, expressed as a percentage, resulting from dividing the total number of beds in Campus Apartment Housing as to which resident contracts have been executed by the total number of beds that are available for such use in Campus Apartment Housing, as applicable and multiplying the result by 100.

See APPENDIX B—"SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS—THE GROUND LEASE" for a summary of the 2019 Ground Lease.

THE CONSTRUCTION CONTRACT AND THE GENERAL CONTRACTOR

The Developer, acting as agent for the Borrower, expects to enter into a guaranteed maximum price construction contract (the "Construction Contract") with Benchmark Contractors, Inc., a California corporation ("Benchmark"), as the general contractor for the Series 2019 Project (the "General Contractor"), prior to the issuance of the Series 2019 Bonds. The General Contractor will enter into a guaranteed maximum price contract in an amount that will not cause the total amount of the Construction Fund to exceed \$180,000,000. The guaranteed maximum price is subject to adjustment as provided in the Construction Contract. The Construction Contract requires the General Contractor to maintain or require the Borrower to maintain builder's risk insurance and a payment and performance bond on the construction portion of the Series 2019 Project. The Borrower and The Regents (as the Ground Lessor) are required to be named as additional insured on such policies. In accordance with the Construction Contract, construction is scheduled to commence in July 2019. The Construction Contract provides for completion of the Series 2019 Project in time for occupancy in September 2021 and for the payment of liquidated damages by the General Contractor for late completion of the Series 2019 Project, subject to the terms and conditions of the Construction Contract.

The General Contractor has been licensed in the State since 1984. The General Contractor is a wholly-owned subsidiary of Morley Builders, which commenced business in 1947. Morley Builders has been consistently ranked nationally in *Engineering New-Record's* Top 400 Contractors. The firm's revenues were approximately \$413 million in its fiscal year that ended on December 31, 2018. The firm estimates revenues in excess of approximately \$341 million for its current fiscal year. Student housing and multi-family housing living units have been the General Contractor's core focus. The General Contractor has completed over 13,500 residential units, including several projects at the University of California, Irvine, and is the general contractor for the Dundee-Glasgow Project at UC Riverside as well. The General Contractor currently has over 2,000 living units under construction and over 1,600 living units in preconstruction.

THE ARCHITECT

Prior to the issuance of the Series 2019 Bonds, the Developer expects to enter into an agreement (the "Architect's Agreement") with Solomon Cordwell Buenz & Associates, Inc. (the "Architect") relating to the Series 2019 Project, pursuant to which the Architect will provide certain architectural and engineering services in connection with construction of the Series 2019 Project. The Architect is also serving as the architect for the Dundee-Glasgow Project at UC Riverside. The Architect is an 88-year-old, nation-wide architecture, planning, and interior design firm that specializes in the design of multi-family and higher education facilities with offices in Chicago and San Francisco. The Architect has completed approximately 55,000 units of multi-family residential across the United States and throughout the world and approximately 36,000 beds of student housing in the United States. In 2018, the Architect was ranked #33 on *ARCHITECT* magazine's Architect 50 list and #42 by *Architectural Record* in their annual ranking of the Top 300 Architecture Firms. The Architect is licensed in the State.

INVESTMENT CONSIDERATIONS

In making investment decisions, investors must rely on their own investigations and evaluation of the merits of a particular investment; however, each investment has particular factors an investor should review and evaluate. The following is a summary, which does not purport to be comprehensive or definitive, of some of the factors an

investor may want to consider before purchasing the Series 2019 Bonds. The following is intended only as a summary of certain risk factors attendant to an investment in the Series 2019 Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement. Inclusion of certain factors below is not intended to signify that there are not other investment considerations or risks attendant to the Series 2019 Bonds that are as material to an investment decision with respect to the Series 2019 Bonds that are otherwise described or referred to elsewhere herein.

Limited Security; Non-Recourse Obligations

THE SERIES 2019 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) OR THE UNIVERSITY OR THE REGENTS OR THE CITY OF RIVERSIDE, CALIFORNIA BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. THE SERIES 2019 BONDS ARE A LIMITED OBLIGATION OF THE ISSUER. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2019 BONDS, OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED UNDER THE INDENTURE AND THE LOAN AGREEMENT AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF (INCLUDING THE ISSUER) OR THE UNIVERSITY OR THE REGENTS OR THE CITY OF RIVERSIDE, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2019 BONDS. THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR THE UNIVERSITY OR THE REGENTS OR THE CITY OF RIVERSIDE TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO TAXING POWER.

Neither the Foundation nor any limited liability company established by the Foundation (other than the Borrower) will have any obligation with respect to the Series 2019 Bonds or under the Loan Agreement or any of the other Bond Documents. The Borrower's obligations with respect to the Series 2019 Bonds are non-recourse. See "NO RECOURSE AGAINST BORROWER'S MEMBER AND OFFICERS" herein. The Borrower's ability to pay the principal of and interest on the Series 2019 Bonds may be adversely affected by its contractual obligations with respect to the Series 2019 Bonds and the Series 2019 Project, including requirements for payment by the Borrower pursuant to indemnity obligations under certain of the Bond Documents (as defined in the Indenture).

Competing Facilities and Rental Market Considerations

Other than, with respect to The Regents, the Series 2019 Project Prioritization obligation under the 2019 Ground Lease (see "THE 2019 GROUND LEASE" herein), the Bond Documents do not contain any restrictions on the ability of either The Regents or the Borrower to develop, operate or own facilities that could compete with the Series 2019 Project for tenants. Any competing facilities, if so constructed, could materially adversely affect the occupancy and revenues of the Series 2019 Project and, as a result, the ability of the Borrower to pay principal of and interest on the Series 2019 Bonds when due.

Additionally, the economic feasibility of the Series 2019 Project depends in large part upon the ability of the Manager to attract sufficient numbers of residents to the Series 2019 Project to achieve, and then, maintain, substantial occupancy throughout the entire term of the Series 2019 Bonds. The ability of the Manager to achieve, and then maintain, substantial occupancy for the entire term of the Series 2019 Bonds depends to some extent on factors outside of its control. Such factors include, but are not limited to, the following: competition (both from other on-campus housing and from off-campus rental units, whether now existing or constructed in the future (including, but not limited to, the Dundee-Glasgow Project currently under construction at UC Riverside, which is described generally under "THE UNIVERSITY OF CALIFORNIA, RIVERSIDE" herein)), changes in enrollment at UC Riverside, changes in rates of commuting or telecommuting by students at UC Riverside, and perceived desirability of the Series 2019 Project to prospective residents.

Moreover, the Series 2019 Project will be subject to numerous University policies, such as the University Fair Wage Plan and the University Seismic Safety Policy, that may increase the operating costs with respect to the Series 2019 Project and, as a result, hamper its ability to compete with other student housing facilities. See also “Prevailing Wage Coverage” below.

Reliance on Third-Parties by Borrower

The ability of the Borrower to generate sufficient revenues to meet its operating expenses, working capital needs and obligations on the Series 2019 Bonds is subject to many factors, including the capabilities of the Manager, the operation of the University (in particular, UC Riverside) by The Regents and the performance by The Regents of its obligations under the 2019 Ground Lease, the status of the Series 2019 Project as official student housing facilities at UC Riverside, the demand for student housing facilities such as the Series 2019 Project, demographic changes in the service area of the Series 2019 Project, competition from other housing facilities (including student housing facilities developed, operated and owned by The Regents or the Borrower on the UC Riverside campus), rates and charges for rentals of facilities such as those of the Series 2019 Project, available insurance coverage, inflation, litigation and future economic and other concerns which are not determinable or quantifiable at this time.

No assurance can be given that the Manager will be able to successfully manage the Series 2019 Project, that The Regents will perform its obligations under the 2019 Ground Lease or that the Borrower will be able to successfully manage (or cause to be managed) the Series 2019 Project if the Manager is terminated or resigns. Moreover, no assurance can be given that The Regents will continue to operate UC Riverside and, in particular, the student housing system at UC Riverside as contemplated in this Official Statement or that The Regents will not provide incentives in the future for students at UC Riverside to elect to live in student housing facilities owned by The Regents rather than in the Series 2019 Project. See also “Competing Facilities and Rental Market Considerations” above.

If the Manager fails to perform as contemplated in the Management Agreement, the Regents fails to perform its obligations under the 2019 Ground Lease or The Regents or private developers, including the Borrower or its affiliates, take actions that alter the student housing market at UC Riverside, the ability of the Borrower to make timely payment of debt service may be materially adversely affected. Neither the Developer nor the Manager has any obligation to pay debt service on the Series 2019 Bonds.

Risks of Construction and Delays in Completion of the Series 2019 Project

Although, pursuant to the Development Agreement, the Series 2019 Project is scheduled to be completed in time for occupancy in September 2021, no assurance can be provided that the Series 2019 Project will be completed by such date. The construction of the Series 2019 Project is subject to the risks of cost overruns and delays due to a variety of factors including, among others, site difficulties, escalating labor costs and labor disputes, delays in delivery and shortages of materials, weather conditions, fire and casualty and escalating construction costs. In addition, changes in the current legal and regulatory structure applicable to construction projects in the State, such as the Series 2019 Project, as well as University policies such as the University Seismic Safety Policy and the University Fair Wage Plan, may increase the cost of the Series 2019 Project or delay its completion. If the General Contractor does not deliver on schedule the number of student rooms contemplated in the Construction Documents, the Developer will be liable, pursuant to and subject to the Development Agreement, to provide alternative housing and transportation to students who have executed leases with respect to the Series 2019 Project but are unable to occupy such rooms due to non-completion of the Series 2019 Project up to a maximum amount equal to the Development Fee of \$5,070,000 but the Developer has no obligation to pay debt service on the Series 2019 Bonds. If completion of the Series 2019 Project, in particular, is delayed beyond the estimated construction period, receipt of revenues projected from the operation of the Series 2019 Project will be delayed and the ability of the Borrower to make the required payments could in such case be adversely affected.

Limitations Regarding Operational Information Available Regarding Existing On-Campus Housing

The information set forth in “UNIVERSITY OF CALIFORNIA, RIVERSIDE” and in Appendix A includes, among other things, certain operational information (such as rental rates and occupancy rates) relating to the existing on-campus student housing at UC Riverside. Some of the information presented relates to student housing facilities owned and maintained by The Regents. The Series 2019 Project will not be owned or maintained by The Regents

(though The Regents will have certain obligations with respect to the Series 2019 Project under the 2019 Ground Lease, including compliance with the Series 2019 Project Prioritization, as described herein (see “THE 2019 GROUND LEASE” herein). In addition, the information available with respect to the existing non-University-owned student housing may itself be of limited value due to the inability of The Regents to verify independently some of that information. No assurances can be given that results with respect to the operation of the Series 2019 Project will not differ materially from the operational information presented in Appendix A relating to the existing on-campus housing at UC Riverside.

Liquidity Account Available to Secure Other FTA-Secured Bonds; Financing Trust Agreement Subject to Amendment

As security for the payment of the Series 2019 Bonds, the Series 2018 Bonds relating to the Dundee-Glasgow Project and any other FTA-Secured Bonds issued in the future, the UCR Series 2019 Bonds Pooling Subaccount and the UCR Series 2019 Bonds Redemption Subaccount and all amounts on deposit therein, and the Series 2019 Bonds Liquidity Subaccount Loan Payments will be pledged for the equal and pro rata benefit of all such FTA-Secured Bonds, in the manner and to the extent provided in, and subject to the terms and conditions of the Financing Trust Agreement. Upon receipt of notice from the Bond Trustee, or any other bond trustee of other FTA-Secured Bonds, of a deficiency in the Debt Service Account relating to a series of FTA-Secured Bonds, the Financing Trust Agreement provides that the Master Trustee will, if funds on deposit in the Series Pooling Subaccount with respect to such series are insufficient, transfer funds on deposit in all other Series Pooling Subaccounts, pro rata as provided in the Financing Trust Agreement, to pay debt service on such other series of FTA-Secured Bonds. Pursuant to the Financing Trust Agreement, the Borrower is obligated to replenish the UCR Series 2019 Bonds Pooling Subaccount if the funds in such subaccount are less than the Liquidity Account Requirement. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Pledge and Assignment of Financing Trust Estate” and “—Liquidity Account and Subaccounts” herein.

Currently, the UCR Series 2019 Bonds Pooling Subaccount and the Series Pooling Subaccount relating to the Series 2018 Bonds are the only Series Pooling Subaccounts established within the Liquidity Account under the Financing Trust Agreement.

Any use of funds on deposit in the UCR Series 2019 Bonds Pooling Subaccount pursuant to the Financing Trust Agreement to pay debt service on FTA-Secured Bonds other than the Series 2019 Bonds would result in decreased amounts available under the Financing Trust Agreement to secure payment of the Bonds and would require increased additional payments to be made by the Borrower to replenish the UCR Series 2019 Bonds Pooling Subaccount to the extent necessary to meet the Liquidity Account Requirement. Any such use could materially adversely affect the ability of the Borrower to utilize funds held under the Financing Trust Agreement to pay principal of and interest on the Series 2019 Bonds when due and could cause the Borrower to fail to comply with the required Fixed Charges Coverage Ratio.

Moreover, the Financing Trust Agreement permits the provisions described above, and any and all other provisions of the Financing Trust Agreement, to be amended by a written instrument of the Master Trustee and any Borrower (as defined in the Financing Trust Agreement and including, but not limited to, the Borrower (as defined herein)), upon approval of The Regents, if the Master Trustee receives written confirmation from the Rating Agency that the amendment will not result in the downgrade of its credit rating on any Series of Bonds (including, but not limited to, the Series 2019 Bonds) to less than an Investment Grade Rating (generally defined as a rating of “Baa3” or higher from Moody’s). Any such amendment or amendments could alter the provisions of the Financing Trust Agreement described in this Official Statement and the Borrower’s rights and obligations thereunder and could, as a result, materially adversely affect the Borrower’s ability to pay principal of and interest on the Series 2019 Bonds when due.

Prevailing Wage Coverage

As of the date hereof, no prevailing wage determination has been requested from the California Department of Industrial Relations with respect to the Series 2019 Project. The current Series 2019 Project budget does not contemplate payment of prevailing wages with respect to the design or construction of the Series 2019 Project. If a prevailing wage determination were to be requested with respect to the Series 2019 Project and a final judgment

entered pursuant to a coverage determination with respect to any portion of the Series 2019 Project were to require payment of such prevailing wages, and if amounts available for such purpose were insufficient to cover the additional expenses, such expenses could materially adversely affect the ability of the Borrower to pay principal of and interest on the Series 2019 Bonds.

General Risks of Real Estate Investment

There are many diverse risks attending any investment in real estate not within the Borrower's control, which may have a substantial bearing on the profitability and financial feasibility of the Series 2019 Project. Such risks include the risk of adverse changes in general economic and local conditions, adverse weather delays, over-supply or similar facilities in the area, population decreases, uninsured losses, operating deficits and mortgage foreclosure, adverse changes in neighborhood values and adverse changes in zoning laws, other laws and regulations and real property tax rates. Such losses also include the possibility of fire or other casualty or condemnation. If the Series 2019 Project, or any part of the Series 2019 Project, were uninhabitable during restoration after damage or destruction, it could materially adversely affect the ability of the Series 2019 Project to generate sufficient revenues to enable the Borrower to pay principal of and interest on the Series 2019 Bonds when due.

Property and Possessory Interest Tax Risk

In the event any property interest in the Project becomes subject to property taxes or possessory interest taxes at any time, the amount of such taxes (which could be significant), would constitute an expense of the Series 2019 Project. Increased expenses relating to property taxes or possessory interest taxes could result in material increases in rental rates with respect to the Series 2019 Project, possibly materially adversely affecting the marketability of the Series 2019 Project to students.

Environmental Risks

Customary investigations for environmental issues were performed with respect to the Series 2019 Project Site, including but not limited to the preparation of a Phase I Environmental Site Assessment report with respect thereto. There were two recognized environmental conditions identified through such environmental investigation at the Series 2019 Project Site. Certain soil samples collected and analyzed at the Series 2019 Project Site contained lead above the California Department of Toxic Substances Control ("DTSC") screening levels for residential land use. In addition, certain soil samples collected and analyzed at the Series 2019 Project Site contained organochlorine pesticides ("OCPs") above their respective DTSC screening levels for residential land use. However, based on the findings of a subsequent site-specific Human Health Risk Evaluation conducted by the environmental consultant for the Series 2019 Project, the environmental consultant concluded that the concentrations of lead and OCPs in soil at the Series 2019 Project site do not pose a risk to potential future on-site student residents, and therefore, mitigation with respect to such soil is not necessary in connection with the Series 2019 Project, and The Regents and the Developer have determined mitigation will not be performed in connection with the Series 2019 Project.

Although the Series 2019 Project site was investigated for environmental issues as described above, there is the potential that other unknown environmental conditions might exist at the Series 2019 Project Site. Such unknown environmental conditions could result in potential risks relating to liabilities for the environmental conditions with respect to the ownership and operation of the Series 2019 Project, as hazardous substances found to be located on real property can result in liability for the owners and operators of such property with respect to costs and other liabilities related to the presence, migration or removal of such substances, which costs and liabilities could exceed the value of the property. The Regents is not aware of any pending or threatened claim, investigation or enforcement action regarding environmental issues relating to the Series 2019 Project, which, if determined adversely, would have material adverse consequences to the operations or financial condition of the Series 2019 Project. There can be no assurance given, however, that the Borrower will not encounter environmental issues or incur related liabilities with respect to the Series 2019 Project. If such issues arise, the resulting liabilities could have a material adverse impact on the Borrower's financial position and its ability to pay principal and interest with respect to the Series 2019 Bonds.

Seismic Risks and Other Disasters

The Series 2019 Project is located in a seismically active region of southern California. The Series 2019 Project was designed to meet current, applicable seismic standards; however, the occurrence of severe seismic activity in the area could result in substantial damage to the Series 2019 Project. The Loan Agreement requires that earth movement/earthquake insurance in the amount of twenty-five million dollars (\$25,000,000) with the lowest commercially available deductible provisions, but in any case with a deductible not to exceed 5% of value at risk, be maintained on the Series 2019 Project during the construction of the Series 2019 Project. Other than during construction, the Loan Agreement does not require earthquake insurance to be maintained with respect to the Series 2019 Project, and neither the Borrower nor The Regents has obtained or plans to obtain or maintain such coverage for any completed portion of the Series 2019 Project. The Series 2019 Project is also subject to other natural and man-made disasters or “acts of God” that could significantly damage the facilities. For a description of the insurance required to be maintained with respect to certain of such disasters, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Insurance Coverage” herein. In the event of a severe earthquake or other disaster, available funds may be insufficient to restore the Series 2019 Project and, as a result, such a disaster could materially adversely affect the Borrower’s ability to pay principal of and interest on the Series 2019 Bonds.

Information Not Verified

Information with regard to the Series 2019 Project has been obtained from the Developer. Much of that information involves predictions with regard to future events, such as the time required to complete construction of the Series 2019 Project and the initial operating expenses of the Series 2019 Project; such information is, by its nature, not subject to verification. None of the Issuer, The Regents or the Borrower has independently verified the information provided by the Developer regarding the Series 2019 Project. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular set of facts or circumstances, and prospective purchasers of the Series 2019 Bonds are cautioned not to place undue reliance upon the results projected. If actual results are less favorable than the results projected, the ability of the Borrower to make timely payment of debt service on the Series 2019 Bonds may be materially adversely affected.

No Requirement in Indenture to Provide Credit Facility or Bond Insurance

The Indenture does not require payment of the principal of, redemption premium, if any, and interest on the Series 2019 Bonds to be supported by a credit facility or a municipal bond insurance policy. The Loan Agreement contains no covenants requiring the Borrower to maintain any specified level of liquidity or credit rating. See “Enforceability of Remedies; Effect of Bankruptcy” below. Moreover, the Borrower’s obligations with respect to the Series 2019 Bonds are non-recourse. See “NO RECOURSE AGAINST BORROWER’S MEMBER AND OFFICERS” herein.

Notwithstanding the foregoing, concurrently with the delivery of the Series 2019 Bonds, BAM will issue the Policy for the Insured Bonds, which Policy guarantees the scheduled payment of principal and interest on the Insured Bonds when due as set forth in the form of the Policy included as Appendix G to this Official Statement. See “BOND INSURANCE” herein. See also “Certain Rights of the Insurer” below.

Certain Rights of the Insurer

So long as the Policy remains in effect and the Insurer is not in default of its obligations thereunder, the Insurer has certain notice, consent and other rights under the Insured Series 2019 Bonds Security Documents (as defined in the Indenture). For example, the prior written consent of the Insurer is required, subject to certain exceptions, in connection with any amendment or supplement to the Insured Series 2019 Bonds Security Documents. In addition, upon the occurrence and continuation of a default or an event of default, subject to the terms of the Indenture, the Insurer will be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Bonds or the Bond Trustee or the paying agent (as defined in the Indenture) for the benefit of the holders of the Insured Bonds under the Insured Series 2019 Bonds Security Documents, and no default or event of default may be waived without the Insurer’s written consent. For additional information with respect to the Insurer’s rights in connection with the Policy under the Insured Series 2019 Bonds Security Documents, see APPENDIX B—

“SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS—THE INDENTURE—Provisions Relating to the Insured Series 2019 Bonds.”

Enforceability of Remedies; Effect of Bankruptcy

The remedies available to the Bond Trustee, the Issuer and the Bondholders upon an event of default under the Indenture, the Loan Agreement or the Leasehold Deed of Trust are dependent upon judicial actions which are, in turn, often subject to discretion and delay. Under existing constitutional and statutory laws and judicial decisions, including specifically, Title 11 of the United States Code, the Federal Bankruptcy Code, a particular remedy specified by the Bond Documents may not be enforceable or available, or its enforceability or availability may be limited or subject to substantial delay. The various legal opinions to be delivered concurrently with the issuance and delivery of the Series 2019 Bonds will be qualified as to the enforceability of the various legal instruments and the rights and remedies thereunder by limitations imposed by the valid exercise of constitutional powers of the State and the United States of America and other governmental authorities, including police powers exercised for the benefit of the public health and welfare, and by principles of equity and by bankruptcy, reorganization, insolvency, moratorium and similar laws affecting the rights of creditors generally.

Limits on Remedies Under the Deed of Trust (Anti-Deficiency Laws)

Several statutes applicable in the State limit the remedies of a beneficiary under a deed of trust such as the Leasehold Deed of Trust. Under one statute, if the beneficiary exercises its power of sale (i.e., accomplishes the foreclosure by means of a nonjudicial trustee’s sale), the beneficiary may not obtain a deficiency judgment for the difference between the amount of the debt and the amount realized at the sale. Another statute commonly known as the “one-form-of-action” rule, requires the beneficiary to exhaust the security under the deed of trust by foreclosure and prohibits any personal action against the trustor on the debt other than a deficiency judgment following a judicial foreclosure. A third statutory provision limits any deficiency judgment obtained by the beneficiary following judicial sale to the excess of the outstanding debt over the fair market value of the property at the time of sale as determined by the court, thereby preventing a beneficiary from obtaining a large deficiency judgment against the debtor as a result of low bids at the judicial sale. Thus the choice of method of foreclosure (nonjudicial trustee’s sale versus judicial foreclosure) could affect the amount that may be realized from the sale of the Series 2019 Project and the Borrower following a default. Additionally, if the Bond Trustee were to take direct action on the debt or exercise other rights against the Borrower rather than foreclosing the deed of trust, the benefit of the real property security would be lost under the “one-form-of-action” rule.

Tax-Exempt Status

THE SERIES 2019 BONDS ARE NOT SUBJECT TO MANDATORY REDEMPTION, AND THE RESPECTIVE RATES OF INTEREST ON THE BONDS ARE NOT SUBJECT TO ADJUSTMENT, IF THE INTEREST ON THE SERIES 2019 BONDS, OR ANY PORTION THEREOF, IS DETERMINED TO BE INCLUDED IN GROSS INCOME FOR THE PURPOSES OF FEDERAL INCOME TAXATION. See “TAX MATTERS” herein and APPENDIX C—“PROPOSED FORM OF BOND COUNSEL OPINION.”

Tax-Exempt Status of Interest on the Series 2019 Bonds. The Code imposes a number of requirements that must be satisfied for interest on state and local obligations, such as the Series 2019 Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of the Series 2019 Bond proceeds, limitations on the investment earnings of the Series 2019 Bond proceeds prior to expenditure, a requirement that certain investment earnings on the Series 2019 Bond proceeds be paid periodically to the United States and a requirement that issuers file an information return with the Internal Revenue Service (the “IRS”). The Issuer, The Regents, the Borrower and the Foundation have covenanted in certain of the documents referred to herein that they will comply with such requirements. Failure by The Regents, the Borrower or the Foundation to comply with the requirements stated in the Code and related regulations, rulings and policies may result in the treatment of interest on the Series 2019 Bonds as taxable, retroactively to the date of original issuance of the Series 2019 Bonds.

The IRS Tax Exempt and Government Entities Division (the “TE/GE Division”) has a subdivision that is specifically devoted to tax-exempt bond compliance and that has been active in auditing tax-exempt bond transactions such as the Series 2019 Bonds. The Borrower has not sought to obtain a private letter ruling from the IRS with respect

to the Series 2019 Bonds, and the opinion of Bond Counsel is not binding on the IRS. There is no assurance that an IRS examination of the Series 2019 Bonds will not adversely affect the market value of all or any portion of the Series 2019 Bonds. See “TAX MATTERS” herein.

Tax-Exempt Status of the Foundation. The Borrower, as a limited liability company with the Foundation as its sole member, and organized for the purpose of assisting UC Riverside to provide housing and related facilities for its students, is disregarded for federal income tax purposes. The tax-exempt status of interest on the Series 2019 Bonds presently depends upon the maintenance by the Foundation of its status as an organization described in Section 501(c)(3) of the Code. The maintenance of the Foundation’s status as such an organization is contingent upon compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable purposes and their avoidance of transactions which may cause their earnings or assets to inure to the benefit of private individuals.

As a result of on-going IRS audit programs, tax-exempt organizations are increasingly subjected to a high level of scrutiny. One penalty available to the IRS under the Code with respect to a tax-exempt charity engaged in unlawful, private benefit or political activity is the revocation of tax-exempt status. Loss of tax-exempt status of the Foundation would most likely result in loss of tax exemption of interest on the Series 2019 Bonds and of the Foundation’s other tax-exempt debt. Loss of tax-exempt status of the Foundation would also have material adverse consequences on the financial condition of the Foundation.

In December 2000, the Foundation received a letter from the IRS stating that its Form 990 for the tax years ended June 30, 1998 and June 30, 1999 had been selected for examination. The examination was subsequently expanded to cover the tax year ended June 30, 2000. Upon conclusion of the examination, the examining agent issued a Technical Advice Request that concluded that the audit disclosed that the Foundation’s activities were substantially as described in its application for tax-exempt status, but questioning whether the IRS had incorrectly applied the law when it granted the Foundation its exemption under Section 501(c)(3). In response, the Foundation amended its Articles of Incorporation and Bylaws to address the concerns of the IRS. The Foundation received a letter from a Manager, Exempt Organizations Technical of the IRS in December 2002 concluding that such amendments were sufficient to correct any organizational defects previously identified and that, as a result, the Foundation’s tax-exempt status would continue to be recognized retroactively to the date of incorporation of the Foundation. The Foundation’s case was then returned to the Examination Division of the IRS to permit completion of the audit, with a recommendation that the examination be closed without any change to the Foundation’s tax-exempt status. In December 2002, a Director, Exempt Organization Examination of the IRS notified the Foundation that, as a result of its examination for the subject periods, the IRS would continue to recognize the Foundation as exempt. The examination was subsequently closed without any adverse determination regarding the Foundation’s tax-exempt status.

Unrelated Business Income. In recent years, the IRS, the State, county and local taxing authorities have been undertaking audits and reviews of the operations of tax-exempt organizations with respect to their exempt activities and the generation of unrelated business taxable income (“UBTI”). Borrower and the Foundation do not expect to participate in activities that will generate UBTI. However, if the Borrower or the Foundation were to participate in activities that generated UBTI, an investigation or audit could lead to a challenge that could result in taxes, interest and penalties with respect to unreported UBTI and in some cases could ultimately affect the tax-exempt status of the Borrower or the Foundation as well as the exclusion from gross income for federal income tax purposes of the interest on the Series 2019 Bonds and other present and future tax-exempt debt of the Borrower or the Foundation, if any.

The Foundation believes it has properly complied with the above-described tax laws. Nevertheless, because of the complexity of such tax laws and the presence of issues about which reasonable persons can differ, further audits could result in additional taxes, interest and penalties being incurred by the Foundation. Such an audit ultimately could affect the tax-exempt status of the Foundation as well as the exclusion from gross income for federal income tax purposes of the interest payable on the Series 2019 Bonds and other present and future tax-exempt debt of the Foundation, if any. See “TAX MATTERS” herein.

PROSPECTIVE EVALUATION OF STUDENT HOUSING MARKET

UC Riverside retained MGT Consulting Group (formerly Anderson Stickler, LLC) (“MGT”) to examine the market for student housing in the area of the Series 2019 Project, in order to evaluate the market potential for development of the Series 2019 Project. MGT prepared a Student Housing Market Study with respect to its student housing demand analysis, dated December 14, 2018 (the “Market Study”) of its findings and conclusions. MGT’s projections and evaluations in the Market Study are based on various factors, including analysis of the existing and anticipated rental housing market, demographics, the economy and housing demand. The Market Study considered past, present and future student enrollment trends in the area of the Series 2019 Project, the impact of such trends on student housing alternatives, current rental housing alternatives, the need and market support for additional student housing and proposed additions to the area’s housing rental base.

The Market Study is attached as Appendix F hereto and should be read in its entirety.

The Market Study is based on certain assumptions significant to the operation of the Series 2019 Project, as described therein, and sets forth information as of its date. The forecasts, projections and evaluations contained in the Market Study are subject to uncertainties. Inevitably, some underlying assumed events, circumstances and other assumptions used to develop the forecasts, projections and evaluations will not be realized and unanticipated events and circumstances may occur. Therefore, the actual results achieved in the marketing, operation and occupancy of the Series 2019 Project will vary from such forecasts, projections and evaluations, and the variations may be material. These variations must be considered in evaluating the findings of the Market Study.

None of the Issuer, the Borrower, the Underwriters, the Bond Trustee, the University, The Regents, the State, the City of Riverside, the Developer or the Manager or any counsel rendering approving or other opinions with respect to the transactions described herein, makes or will make any representations or warranties based on the information, assumptions, forecasts, projections or evaluations contained in the Market Study. None of the aforementioned parties has undertaken an independent investigation of the assumptions, conclusions or other matters stated in the Market Study. The Borrower, The Regents and other parties have relied on MGT’s expertise in the matters covered in the Market Study. Further, potential investors should review the entire Official Statement in order to make an informed investment decision.

THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH ASSUMPTIONS MADE AND NO REPRESENTATION CAN BE MADE THAT THE FORECASTS IN THE MARKET STUDY WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY UNCONTROLLABLE FACTORS, INCLUDING BUT NOT LIMITED TO, INCREASED COSTS, LOWER THAN ANTICIPATED GROSS REVENUES, EMPLOYEE RELATIONS, TAXES, DEMOGRAPHIC AND ENROLLMENT TRENDS AND GENERAL ECONOMIC CONDITIONS. SEE “FORWARD-LOOKING STATEMENTS” HEREIN.

LITIGATION

The Issuer

To the knowledge of the Issuer, there is no material litigation pending or threatened against the Issuer concerning the validity of the Series 2019 Bonds or any proceedings of the Issuer taken with respect to the issuance thereof.

The Borrower

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

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2019 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C attached hereto.

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

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

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

In addition, Bond Counsel has relied, among other things, on the opinion of Hand Arendall Harrison Sale LLC, Counsel to the Borrower and the Foundation, regarding the status of the Foundation as an organization described in Section 501(c)(3) of the Code and the intended operation of the facilities to be financed by the Series 2019 Bonds as substantially related to the Foundation’s charitable purpose under Section 513(a) of the Code. Such opinion is subject to a number of qualifications and limitations. Furthermore, Counsel to the Borrower cannot give and has not given any opinion or assurance about the future activities of the Borrower or the Foundation, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or changes in enforcement thereof by the Internal Revenue Service. Failure of the Foundation to be organized and operated in accordance with the Internal

Revenue Service's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or of the Borrower to operate the facilities financed by the Series 2019 Bonds in a manner that is substantially related to the Foundation's charitable purpose under Section 513(a) of the Code, may result in interest payable with respect to the Series 2019 Bonds being included in federal gross income, possibly from the date of the original issuance of the Series 2019 Bonds.

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2019 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2019 Bonds. Prospective purchasers of the Series 2019 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

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

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

UNDERWRITING

The Issuer is offering the Series 2019 Bonds through Goldman Sachs & Co. LLC, as representative (the "Representative") of the underwriters listed on the cover page of this Official Statement (collectively, the "Underwriters"), pursuant to a bond purchase agreement (the "Bond Purchase Agreement") among the Issuer, the Borrower and the Representative, on behalf of the Underwriters, relating to the Series 2019 Bonds. The Underwriters have agreed to purchase the Series 2019 Bonds at a purchase price of \$209,911,690.47 (representing the aggregate principal amount of the Series 2019 Bonds, plus an original issue premium of \$35,353,503.80, less the Underwriters' discount of \$506,813.33). The Underwriters are purchasing the Series 2019 Bonds and intend to offer the Series 2019 Bonds to the original purchasers thereof at the offering prices set forth on the inside cover page of this Official Statement, which offering price may subsequently be changed without any requirement of prior notice. The Underwriters may offer and sell the Series 2019 Bonds to certain dealers and others at a price lower than the initial offering price. The Bond Purchase Agreement provides that the Underwriters will purchase all of the Series 2019 Bonds if any are purchased and that the obligation to make such purchases is subject to certain terms and conditions

set forth in the Bond Purchase Agreement, including a requirement (as a condition precedent to the effectiveness of the Bond Purchase Agreement) that the City of Riverside, California approve the Series 2019 Bonds. The City of Riverside gave such approval on May 21, 2019.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer, Borrower and/or The Regents. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer, the Borrower and/or The Regents.

Academy Securities, Inc., an Underwriter of the Series 2019 Bonds, intends to enter into distribution agreements (the “Distribution Agreements”) with TD Ameritrade Inc., BNY Mellon Capital Markets LLC, Commonwealth Financial Network, R. Seelaus & Co., Ross, Sinclair & Associates, Inc., Intercoastal Capital Markets, Inc., Janney Montgomery Scott LLC, The GMS Group LLC, 280 Securities LLC, Mountainside Securities LLC, and World Equity Group, Inc. for the retail distribution of certain municipal securities at the original issue prices. Pursuant to these Distribution Agreements (if applicable to this transaction), Academy Securities may share a portion of its underwriting compensation with these firms.

UBS Financial Services Inc. (“UBS FSI”) has entered into a distribution and service agreement with its affiliate UBS Securities LLC (“UBS Securities”) for the distribution of certain municipal securities offerings. Pursuant to such agreement, UBS FSI will share a portion of its underwriting compensation with UBS Securities. UBS FSI and UBS Securities are each subsidiaries of UBS Group AG.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “intend,” “projection” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information in APPENDIX A—“THE SERIES 2019 PROJECT” and APPENDIX F—“STUDENT HOUSING MARKET STUDY.”

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

MUNICIPAL ADVISOR

Swap Financial Group, LLC (“SFG”) is serving as municipal advisor to the University with respect to the pricing and sale of the Series 2019 Bonds. In its role as municipal advisor, SFG has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement and the appendices hereto. SFG is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing tax-exempt securities or other public securities.

RATINGS

The Insured Bonds are expected to be assigned a rating of “AA” by S&P Global Ratings, a Standard & Poor’s Financial Services LLC business (“S&P”), at or prior to the issuance of the Series 2019 Bonds with the understanding that, upon delivery of the Insured Bonds, the Policy will be issued by BAM.

The Series 2019 Bonds have been assigned a long-term rating of “Baa3” by Moody’s Investors Service (“Moody’s”).

These ratings express only the view of the rating agencies providing such ratings. An explanation of the significance of such ratings may be obtained from Moody’s or S&P, respectively. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Borrower has furnished to Moody’s information, including information not included in this Official Statement, about the Borrower, the Series 2019 Project and the Series 2019 Bonds. There is no assurance that such ratings will continue for any given period of time or will not be revised downward or withdrawn entirely by such rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Those circumstances may include, among other things, changes in or unavailability of information relating to the Borrower, the Series 2019 Project, the Series 2019 Bonds or, with respect to the Insured Bonds, the Insurer. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price or marketability of the Series 2019 Bonds.

LEGAL MATTERS

Legal matters incidental to the authorization and issuance of the Series 2019 Bonds are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer, the form of which is included as Appendix C attached hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. The legal fees to be paid Bond Counsel at the time the Series 2019 Bonds are delivered, for services rendered in connection with the issuance of the Series 2019 Bonds, are contingent upon the sale and delivery of the Series 2019 Bonds.

Certain legal matters will be passed upon by Jones Hall, counsel to the Issuer; Orrick, Herrington & Sutcliffe LLP and Nixon Peabody LLP, special counsels to The Regents; the Office of General Counsel, counsel to The Regents; Hand Arendall Harrison Sale LLC, counsel to the Borrower; Morgan, Lewis & Bockius counsel to the Developer and the Manager; and O’Melveny & Myers LLP, counsel to the Underwriters.

CONTINUING DISCLOSURE

The Issuer has determined that no financial or operating data concerning the Issuer is material to an evaluation of the offering of the Series 2019 Bonds or to any decision to purchase, hold or sell Series 2019 Bonds and the Issuer will not provide any such information. The Issuer shall have no liability to the holders of the Series 2019 Bonds or any other person with respect to Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “Rule”).

The Borrower will agree in a continuing disclosure agreement (the “Continuing Disclosure Agreement”), for the benefit of the Owners and Beneficial Owners of the Series 2019 Bonds, to provide certain Periodic Reports and Annual Reports (each as defined in the Continuing Disclosure Agreement) and to provide notice of the occurrence of enumerated events to enable the Underwriters to comply with the continuing disclosure requirements of the Rule. Each Periodic Report, Annual Report and notices of such enumerated events will be filed with the Municipal Securities Rule Making Board through the Electronic Municipal Market Access (“EMMA”) System. The Master Trustee covenants in the Financing Trust Agreement to cooperate with the Borrower and the Bond Trustee, as the Borrower’s dissemination agent, with respect to the Series 2019 Bonds to provide such information as they may reasonably request in order to meet the Borrower’s continuing disclosure obligations under the Continuing Disclosure Agreement. The specific nature of the information to be contained in each Periodic Report, each Annual Report and in any notice of an enumerated event is summarized in APPENDIX D—“FORM OF CONTINUING DISCLOSURE AGREEMENT.”

SOURCES OF INFORMATION

Information about the Issuer in this Official Statement under the headings “SUMMARY STATEMENT – The Issuer,” “THE ISSUER” and “LITIGATION—The Issuer” has been obtained from the Issuer. None of the other information in this Official Statement has been supplied or verified by the Issuer and the Issuer makes no representation or warranty regarding such information. See “THE ISSUER” herein.

Information about the Developer, the Manager and ACC in this Official Statement has been obtained from the Developer, the Manager and ACC. ACC files annual, quarterly and certain other reports with the SEC. Such reports are available on the SEC’s website (www.sec.gov) and upon request from the Office of Public Reference of the SEC, 450 5th Street, NW, Room 1300, Washington, D.C. 20549-0102 (phone: (202) 942-8090; fax: (202) 628-9001; email: publicinfo@sec.gov). No such report is a part of or incorporated into this Official Statement.

Information about The Regents, the University and UC Riverside (including information regarding existing student housing at UC Riverside) in this Official Statement has been obtained from The Regents and the University.

Information about the Series 2019 Project has been obtained from the Developer.

The information referred to in this section has been provided by the identified sources and neither the Borrower nor any other parties have independently verified such information. No warranty that such information is accurate or complete should be inferred.

MISCELLANEOUS

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the Owners or the beneficial owners of the Series 2019 Bonds.

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

CHF-RIVERSIDE II, L.L.C.,
an Alabama limited liability company

By: **COLLEGIATE HOUSING FOUNDATION,**
an Alabama non-profit corporation,
its sole member

By: /s/ William B. Givhan
William B. Givhan
President

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APPENDIX A

THE SERIES 2019 PROJECT

Description of the Series 2019 Project

The project, to be known as “North District Phase I,” will consist, approximately, of a 1,500-bed student housing facility and related parking and other amenities and improvements (the “Series 2019 Project”). The site for the Series 2019 Project (the “Series 2019 Project Site”) is on approximately 15 acres on the campus of UC Riverside to be situated along an extension of Aberdeen Drive in Riverside, California. The Series 2019 Project is intended primarily for upper-division undergraduate students. Construction of the Series 2019 Project is scheduled to begin in July 2019. The Developer and UC Riverside anticipate that the Series 2019 Project will be complete in time for occupancy for Fall 2021.

The Series 2019 Project will include one five-story apartment building, one six-story apartment building, community spaces and support facilities, totaling approximately 544,000 gross square feet. Approximately 25,000 gross square feet of community spaces, to be located on the ground floors of the buildings, will include a variety of student-oriented amenities, including a fitness center, leasing and business offices, lounges, multi-purpose and seminar rooms and the University Space (as defined in the Official Statement) to be operated by The Regents pursuant to the 2019 Ground Lease. Floors where the students reside will include small group study spaces and outdoor terraces. The Series 2019 Project will also include or benefit from approximately 600 parking spaces, which will be made available to residents at a charge.

The Series 2019 Project will provide apartment-style accommodations in a combination of single and double occupancy rooms and bathrooms, with shared living and dining space in each apartment. The Series 2019 Project will include approximately 412 undergraduate units, which are expected to consist of the following four different accommodation options (in each case, such unit and square footage information being approximate): 34 single-occupancy one-bedroom/one-bath units (510 net rentable square feet), 25 single-occupancy two-bedroom/one-bath units (675 net rentable square feet), 131 double-occupancy two-bedroom/two-bath units (925 net rentable square feet) and 222 single-occupancy four-bedroom/two-bath units (1050 net rentable square feet), totaling approximately 388,000 net rentable square feet. Additionally, the Series 2019 Project will include approximately four residential units for staff.

All Series 2019 Project units will include individual air conditioning, be fully furnished and have connections for high-speed internet access. Each student will have his or her own closet, full sized bed, desk and chair. Students will also have high-speed wireless internet service, the cost of which will be included in the rental rate. Units will have living space and kitchens and contain the following: refrigerator, oven/stove, dishwasher, microwave, cabinets, sink, entertainment center, coffee table and soft seating to accommodate the number of beds.

Rental rates for the Series 2019 Project are anticipated to range from approximately \$11,368 to \$14,744 per student (i.e., \$1,263 to \$1,638 per bed per month) for 2021-22 Academic Year leases and from approximately \$13,642 to \$17,693 per student (i.e., \$1,137 to \$1,474 per bed per month) for 2021-22 Academic Year leases. Rental rates for particular units will differ based on factors including number of bedrooms, number of bathrooms and whether any shared occupancy is required.

Design of the Series 2019 Project

The Series 2019 Project is conceived as part of a comprehensive live-learn environment and will be integrated into a larger undergraduate housing community for UC Riverside students. The building aesthetic is designed to acknowledge the campus context of mid-century modernism, including use of brick, cast-in-place concrete, cement plaster and strategic overhangs, yet be updated with distinct and contemporary massing and lines. The buildings will include several environmentally conscientious features, most visible of which will be deep overhangs and exterior window shading devices that are intended to celebrate and acknowledge the generally warm, sunny climate at UC Riverside. The Series 2019 Project is designed with a goal toward achieving LEED Silver certification.

Existing On-Campus Student Housing

Included below is an overview of the University-owned student housing that existed on the campus of UC Riverside for Academic Year 2018-19:

Table 1

UNDERGRADUATE RESIDENCE HALL COMMUNITIES

<u>Facility⁽¹⁾</u>	<u>No. of Beds</u>	<u>2018 Occupancy⁽²⁾</u>	<u>Cost/Academic Year⁽³⁾</u>	<u>Students Housed</u>	<u>Year Built</u>
Aberdeen-Inverness	1,017	97%	\$10,485 to \$11,385	Undergraduate	1959
Lothian	1,033	99%	\$10,485 to \$11,385	Undergraduate	1963;1990
<u>Pentland Hills</u>	<u>1,393</u>	97%	\$11,070 to \$12,060	Undergraduate	2000;2002
Total	3,443				

⁽¹⁾ Does not include the Dundee-Glasgow Project, which is described generally in the Official Statement under "THE UNIVERSITY OF CALIFORNIA, RIVERSIDE." The Dundee-Glasgow Project is currently under construction and was not available for occupancy for Academic Year 2018-19.

⁽²⁾ Academic Year 2018-19; rounded to nearest percentage.

⁽³⁾ Rates are for 9-month leases for Academic Year 2018-19, per student, assuming double occupancy. Excludes meal plan, which costs an additional \$5,220 (for minimum meal plan selection) and is required of each student.

Table 2

APARTMENT COMMUNITIES FOR SINGLE STUDENTS

<u>Facility</u>	<u>No. of Beds</u>	<u>2018 Occupancy⁽¹⁾</u>	<u>Cost/Month⁽²⁾</u>	<u>Students Housed⁽³⁾</u>	<u>Year Built⁽⁴⁾</u>
Bannockburn	386	98%	\$320 to \$1,230	UG/Graduate	1969
Falkirk	527	99%	\$415 to \$1,240	UG/Graduate	1984
Glen Mor	1,302	99%	\$1,140	UG	2007;2014
<u>Plaza</u>	<u>177</u>	98%	\$385 to \$1,180	UG/Graduate	1986
Total	2,392				

⁽¹⁾ Academic Year 2018-19; rounded to nearest percentage.

⁽²⁾ Rates are for Academic Year 2018-19, per month per bed. Ten-month lease with two summer months free with renewal.

⁽³⁾ "UG" means Undergraduate.

⁽⁴⁾ Bannockburn, Falkirk and Plaza were built by private developers and purchased by the University. Glen Mor was built by the University.

Table 3

APARTMENT COMMUNITIES FOR STUDENTS WITH FAMILIES

<u>Facility</u>	<u>No. of Units</u>	<u>2018 Occupancy⁽¹⁾</u>	<u>Cost/Month⁽²⁾</u>	<u>Students Housed⁽³⁾</u>	<u>Year Built</u>
Oban	136 ⁽⁴⁾	98%	\$935 or \$960	UG/Graduate	1984

⁽¹⁾ Academic Year 2018-19; rounded to nearest percentage.

⁽²⁾ Rates are for 12-month leases for Academic Year 2018-19, per month per unit.

⁽³⁾ “UG” means Undergraduate.

⁽⁴⁾ Unit occupants include, approximately, 136 students with 249 dependents, spouses or partners.

In addition to the University-owned housing described above, there are two privately-owned and privately managed (non-UC Riverside) apartment complexes. Each complex operates in partnership with UC Riverside, while maintaining its own staff, programs and buildings. Each of these two communities operates under a ground lease between the individual project owner and UC Riverside.

Table 4

NON-UNIVERSITY-OWNED ON CAMPUS HOUSING

<u>Facility</u>	<u>No. of Beds</u>	<u>2018 Occupancy⁽¹⁾</u>	<u>Cost/Month⁽²⁾</u>	<u>Students Housed</u>	<u>Year Built</u>
Stonehaven	473	N/A	\$1,278	Undergraduate/Graduate	2000
<u>International Village</u>	<u>99⁽³⁾</u>	N/A	\$1,258	Undergraduate/Graduate	2000
Total	572				

⁽¹⁾ UC Riverside does not track occupancy for public-private partnership apartment complexes.

⁽²⁾ Rates are for Academic Year 2018-19, per month, per bed. Ten-month lease with two summer months free with renewal.

⁽³⁾ Ninety-nine units were rented to regularly enrolled UC Riverside students. The remainder of this complex was used for residents in international programs associated with University extension programs.

Series 2019 Project Pro Forma

Set forth below is pro-forma, projected financial information with respect to the Series 2019 Project for the first five fiscal years ending June 30 after anticipated commencement of rental operations at the Series 2019 Project.

Table 5

SERIES 2019 PROJECT PRO-FORMA⁽¹⁾

	FISCAL YEAR ENDING				
	06/30/22	06/30/23	06/30/24	06/30/25	06/30/26
<u>Series 2019 Project:</u>					
Revenue	\$18,020,814	\$18,930,499	\$19,491,877	\$20,070,097	\$20,665,664
Less: Expenses	(5,520,387)	(5,586,260)	(5,749,520)	(5,917,595)	(6,090,625)
Revenues Less Expenses	\$12,500,428	\$13,344,239	\$13,742,358	\$14,152,503	\$14,575,039
Less: Deposits for Repairs and Replacements	(262,850)	(270,736)	(278,858)	(287,223)	(295,840)
Revenue Available for Fixed Charges	\$12,237,578	\$13,073,503	\$13,463,500	\$13,865,279	\$14,279,199
Fixed Charges ⁽²⁾	\$(1,799,279)	\$(10,713,250)	\$(11,035,250)	\$(11,361,250)	\$(11,465,000)
Fixed Charges Coverage Ratio	6.80x	1.22x	1.22x	1.22x	1.25x

⁽¹⁾ Assumes 95% occupancy for the academic year and 10% occupancy during the summer months.

⁽²⁾ Debt service is net of capitalized interest.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF RELEVANT DOCUMENTS

The following is a brief summary of certain provisions of the Indenture, the Loan Agreement, the Financing Trust Agreement and the Ground Lease not described elsewhere in the Official Statement. This summary does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of the Indenture, the Loan Agreement, the Financing Trust Agreement and the Ground Lease in their entirety to which reference is made for the detailed provisions thereof. Capitalized terms not otherwise defined in this Appendix will have the meanings set forth in the relevant document, as applicable.

Definitions Used in the Indenture and Loan Agreement

“Academic Year” means, collectively, the Fall, Winter and Spring Term administered at the University of California, Riverside.

“Accountant” means an independent certified public accountant or firm of independent certified public accountants (which may be the accountant or firm of accountants retained by the Borrower).

“Accounts” means, collectively, all of the accounts within the Funds created pursuant to the Indenture (each, an **“Account”**).

“Act” means the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, as now in effect, and as it may from time to time hereafter be amended or supplemented.

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

“Additional Loan Payments” means the Loan Payments payable by the Borrower pursuant to the Loan Agreement that are described under the subheading “Additional Loan Payments” in the Indenture.

“Additions or Alterations” means modifications, repairs, renewals, improvements, replacements, alterations, additions, enlargements, or expansions in, on, or to the Project, including any and all machinery, furnishings, and equipment therefor.

“Affiliate” means any Person (i) directly or indirectly controlling, controlled by, or under common control with the Borrower; or (ii) a majority of the members of the Directing Body of which are members of the Directing Body of the Borrower. For purposes of this definition, control means with respect to: (a) a corporation having stock, the ownership, directly or indirectly, of more than fifty percent (50%) of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation; (b) a non-profit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the members of the Directing Body of such corporation; or (c) any other entity, the power to direct the management of such entity through the ownership of at least a majority of its voting securities or the right to designate or elect at least a majority of the members of its Directing Body, by contract or otherwise. For the purposes of this definition, **“Directing Body”** means with respect to: (x) a corporation having stock, such corporation’s board of directors and owners, directly or indirectly, of more than fifty percent (50%) of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation (both of which groups will be considered a Directing Body); (y) a non-profit corporation not having stock, such corporation’s members if the members have complete discretion to elect the corporation’s directors, or the corporation’s directors if the corporation’s members do not have such discretion; or (z) any other entity, its governing body or board. For the purposes of this definition, all references to directors and members will be deemed to include all entities performing the function of directors or members however denominated. It will not mean the directors, officers, employees and/or agents of the Borrower in their private or individual capacities.

“Agreement Term” means the duration of the Loan Agreement as specified in the Loan Agreement.

“Annual Budget” means the line item operation and capital budget for the Project and Premises for each Fiscal Year developed by the Manager and approved by the Borrower in accordance with the Loan Agreement and the Ground Lease.

“Annual Debt Service” means the amount required to pay all principal of and interest on a series of Bonds in any Fiscal Year. For purposes of calculating the Annual Debt Service on a series of Bonds the interest rate borne by which is not fixed to the maturity thereof on any date, such series Bonds will be treated as if it bears interest at the 25-year Revenue Bond Index as published by The Bond Buyer on the date of determination plus fifty-hundredths percent (0.50%) per annum.

“Annual Repair and Replacement Fund Requirement” means, with respect to the Series 2019 Project, an amount each Fiscal Year (or portion therefor for the partial Fiscal Year in which the Series 2019 Project is completed) as set forth in the Indenture, as may be adjusted.

“Assignment of Documents” means the Assignment of Documents, dated as of July 17, 2019, by the Borrower in favor of the Trustee, as the same may be amended and/or supplemented from time to time as permitted by the Indenture.

“Audit Report” means an audit report resulting from an audit conducted by an Accountant in conformity with generally accepted auditing standards prepared in accordance with GAAP.

“Authorized Borrower Representative” means any person at the time designated to act on behalf of the Borrower by written certificate furnished to the Issuer and the Trustee, containing the specimen signature of such person and signed on behalf of the Borrower by a duly authorized officer of the sole member of the Borrower. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“Authorized Issuer Representative” means any member of the Board of Directors of the Issuer or the Executive Director of the Issuer, or any other person designated as an Authorized Issuer Representative by a certificate signed by a member of the Board or such Executive Director and filed with the Trustee.

“Average Annual Occupancy Percentage” means the percentage derived by dividing (x) the actual number of days during such Fiscal Year that the beds in the Series 2019 Project were licensed under Resident Contracts (as that term is defined in the Ground Lease) multiplied by the actual number of beds licensed, by (y) the product of the actual number of days during such Academic Year multiplied by the number of beds available for licensing and for which housing payments will be payable under the applicable Resident Contract during such Academic Year.

“BAM” means Build America Mutual Assurance Company, or any successor thereto.

“Base Management Fee” means any management fee paid pursuant to a Management Agreement as an Expense.

“Basic Loan Payments” means the Loan Payments payable by the Borrower to the Issuer pursuant to the Loan Agreement that are described under the subheading “Basic Loan Payments” therein.

“Bond Counsel” means Independent Counsel nationally recognized as experienced in matters relating to Tax-Exempt Bonds and reasonably acceptable to the Issuer, the Borrower, The Regents and the Trustee.

“Bond Documents” means, collectively, the Financing Trust Agreement, the Indenture, the Loan Agreement, the Tax Certificate, the Leasehold Deed of Trust, the Assignment of Documents, the Bond Purchase Agreement, the Indemnity Letters, the Ground Lease, the Development Agreement and the Borrower Financing Statements.

“Bond Indenture” will have the meaning set forth in the Financing Trust Agreement.

“Bond Purchase Agreement” means the Bond Purchase Agreement, among the Issuer, the Borrower, and the Representative, on behalf of the Underwriters, dated July 11, 2019.

“Bond Register” means the books for the registration of the Bonds and for the registration of the transfer of the Bonds kept and maintained by the Trustee as bond registrar.

“Bondholders,” “Bondowners,” or “Owners” means the Persons in whose names any of the Bonds are registered on the Bond Register.

“Bonds” means the Series 2019 Bonds and all Additional Bonds.

“Borrower” means CHF-Riverside II, L.L.C., an Alabama limited liability company whose sole member is the Foundation, and its successors and assigns.

“Borrower Documents” means the Loan Agreement, the Second Supplemental Financing Trust Agreement, the Tax Certificate, the Leasehold Deed of Trust, the Assignment of Documents, the Bond Purchase Agreement, the Borrower Indemnity Letter, the Ground Lease, the Management Agreement, the Development Agreement and the Borrower Financing Statement(s).

“Borrower Fee” means, (a) with respect to the Series 2019 Bonds, the acquisition fee to be paid to the Foundation pursuant to the Ground Lease in the amount of \$100,000.00 to compensate the Borrower for the responsibilities assigned to the Borrower under the Bond Documents to which it is a party, relating to the Series 2019 Bonds and the Series 2019 Project, and (b) with respect to any series of Additional Bonds, the meaning set forth in a supplemental indenture relating to such Additional Bonds.

“Borrower Financing Statement(s)” means the UCC-1 Financing Statement(s) filed by the Borrower.

“Borrower Indemnity Letter,” with respect to the Series 2019 Bonds, means the indemnity letter dated the Closing Date for such Series of Bonds, from the Borrower to the Issuer and the Underwriters.

“Building” means those certain buildings and all other facilities and improvements constituting part of the Project and not constituting part of the Equipment that are or will be located on the Premises.

“Business Day” means any day other than a Saturday, a Sunday, or a day on which banks located in the city in which the Office of the Trustee is located are authorized by law to close and on which the New York Stock Exchange is closed.

“Capitalized Interest” means amounts derived from the proceeds of Bonds deposited in the Capitalized Interest Account of the Bond Fund to pay interest on Bonds and interest earned on such amounts to the extent that such interest earned is required to be applied to pay interest on Bonds.

“Closing Date” means, with respect to the Series 2019 Bonds, the Series 2019 Closing Date.

“Code” means the Internal Revenue Code of 1986, as amended. Reference in the Indenture to any specific provision of the Code will be deemed to include a reference to any successor provision or provisions to such provision and to any Regulations issued or proposed under or with respect to such provision or under or with respect to any predecessor provision of the Internal Revenue Code of 1954, as amended, to the extent any of the foregoing is applicable to the Bonds.

“Completion Date” means, with respect to the Series 2019 Project, the Series 2019 Completion Date.

“Construction Contracts” means, with respect to the Series 2019 Project, the contracts between the Developer, as agent for the Borrower and the general contractor or between the Borrower and the general contractor for the construction of the Series 2019 Project, the Series 2019 Offsite Elements and the Series 2019 Offsite

Demolition, the contracts relating thereto between the Developer and suppliers of materials and Series 2019 Equipment or between the Borrower and suppliers of materials and Series 2019 Equipment.

“Construction Period,” with respect to the Series 2019 Project, means the period between the beginning of construction thereof or the date on which Series 2019 Bonds are first delivered to the Underwriters (whichever is earlier) and the Series 2019 Completion Date.

“Consulting Architect” means the architect or architectural firm at the time employed by the Borrower and designated by written certificate furnished to the Trustee, containing the signature of such person or the signature of a partner or officer of such firm, and signed on behalf of the Borrower by the Authorized Borrower Representative. The Consulting Architect will be registered and qualified to practice under the laws of the State and will not be a full-time employee of the Issuer, The Regents or the Borrower.

“Continuing Disclosure Agreement” means with respect to the Series 2019 Bonds, that certain Continuing Disclosure Agreement, dated the date of issuance and delivery of the Series 2019 Bonds, executed and delivered by the Borrower, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs” (i) with respect to a Project, means those costs and expenses in connection with the acquisition, construction, furnishing, and equipping of the Project, including the demolition of certain existing improvements, and Offsite Elements permitted by the Act to be paid or reimbursed from Bond proceeds, including, but not limited to, the following:

(a) (1) the cost of the preparation of Plans and Specifications (including any preliminary study or planning thereof or any aspect thereof), (2) the cost of land, acquisition and construction thereof, the demolition of existing improvements, and all construction, acquisition, and installation expenses required to provide utility services or other facilities and all real or personal properties deemed necessary in connection therewith (including development, architectural, engineering, and supervisory services with respect to any of the foregoing), (3) interest on the Bonds during the Construction Period and for such additional period as the Issuer will reasonably determine to be necessary for placing the Project and Offsite Elements in operation but not to exceed one year, and (4) any other costs and expenses relating to the acquisition, construction, and placing in service thereof;

(b) the purchase price of the Equipment in connection therewith, including all costs incident thereto, payment for labor, services, materials, and supplies used or furnished in site improvement and in the construction thereof, including all costs incident thereto, payment for the cost of the construction, acquisition, and installation of utility services or other facilities in connection therewith, payment for all real and personal property deemed necessary in connection therewith, payment of consulting and development fees in connection therewith, and payment for the miscellaneous expenses incidental to any of the foregoing items including the premium on any surety bond;

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

(d) any other costs and expenses relating thereto that are permitted by the Act, other than Issuance Costs of the Bonds; and

(e) reimbursement to the Borrower for any costs described above paid by it, whether before or after the execution of the Loan Agreement; provided, however, that reimbursement for any expenditures made prior to the execution of the Loan Agreement from the Construction Fund will only be permitted for expenditures meeting the requirements of the Regulations, including but not limited to, Section 1.150-2 of the Regulations;

(ii) with respect to the Series 2019 Offsite Demolition, those costs and expenses in connection therewith payable under the Indenture from the University Contribution.

“Defeasance Obligations” means (i) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in item (ii) below), and (ii) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

“Developer,” with respect to the Series 2019 Project, the Series 2019 Offsite Elements and the Series 2019 Offsite Demolition, means ACC SC Development (California) LP, a Delaware limited partnership organized under the laws of the State of Delaware, and its successors and assigns.

“Developer Indemnity Letter,” with respect to the Series 2019 Bonds, means the indemnity letter, dated the Closing Date for such Series 2019 Bonds, from the Developer to the Issuer, the Borrower, and the Underwriters.

“Developer Reimbursements” means amounts relating to services provided in connection with delays in substantial completion for which the Developer is entitled to reimbursement pursuant to the Development Agreement.

“Development Agreement,” with respect to the Series 2019 Bonds, means the Development Agreement, dated as of the Closing Date, between the Borrower and the Developer.

“Distributed Management Fee” means any management fee paid pursuant to a Management Agreement that is not paid as an Expense.

“Equipment” means the equipment, machinery, furnishings, and other personal property described in the Loan Agreement, and all replacements, substitutions, and additions thereto for the Project.

“Expenses,” with respect to the Project and Premises, means, for any period, the aggregate of all expenses relating thereto calculated under GAAP, including, without limitation, any Base Management Fee, the Lessee’s Fee, the Borrower’s Fee, any necessary expenses incurred by the Borrower in connection with the inspection of the Project, collection and payment of arbitrage rebate relating to the Bonds as required by federal law, enforcement of the obligations of other parties to documents executed in connection therewith, and the performance of any other obligations of the Borrower, Insurance Consultant or Independent Engineer under the Bond Documents directly related thereto, but excluding (i) any extraordinary expenses (including without limitation losses on the sale of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination of pension plans), (ii) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate that do not constitute extraordinary expense, (iii) losses resulting from any reappraisal, revaluation, or write-down of assets, (iv) expenses required by the Ground Lease to be borne by the Ground Lessor in its use or operation of the University Space, (v) the Distributed Management Fee, (vi) Subordinated Expenses, and (vii) any expenses payable from the proceeds of the Bonds.

“Extraordinary Services of the Trustee” and **“Extraordinary Expenses of the Trustee”** mean all services rendered and all expenses incurred by the Trustee under the Indenture, including, without limitation, reasonable counsel fees and expenses, other than Ordinary Services of the Trustee and Ordinary Expenses of the Trustee.

“Financial Consultant” means a firm of Accountants and/or professional management, marketing, housing or financial consultants reasonably acceptable to the Borrower having the skill and experience necessary to render the particular report required. Such firm(s) will not be, and no member, stockholder, director, officer, or employee of which will be, an officer or employee of the Borrower or The Regents. The reports of the Financial Consultant showing forecast financial performances may be in the form of a forecast of the management of the Borrower that is accompanied by a statement of a Financial Consultant to the effect that such Financial Consultant has reviewed the underlying assumptions and procedures used by management and that such assumptions provide a reasonable basis for the forecast of management.

“Financing Trust Agreement” means the Financing Trust Agreement, dated as of December 1, 2018, between the Master Trustee and the FTA Borrower, as supplemented by the First Supplemental Financing Trust Agreement, dated as of December 1, 2018, between the Master Trustee and CHF-Riverside I, L.L.C., and as further supplemented by the Second Supplemental Financing Trust Agreement dated as of July 1, 2019, between the Master

Trustee and the Borrower, as the same may be amended and/or further supplemented from time to time in accordance with the provisions of such agreement.

“Fiscal Year” means any period of twelve (12) consecutive months adopted by the Borrower as its fiscal year for financial reporting purposes and will initially mean the period beginning on the first day of July of each calendar year and ending on the last day of June of the immediately succeeding calendar year.

“Fitch” means Fitch Ratings, its successors and assigns, and if such corporation will for any reason no longer perform the functions of a securities rating agency, **“Fitch”** will be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower and The Regents. Whenever rating categories of Fitch are specified in the Indenture, such categories will be irrespective of gradations within a category.

“Fixed Charges” means, for any period, the sum of all cash outflows related to the Project that the Borrower cannot avoid without violating long-term contractual or legal obligations (those obligations which extend for a period greater than one year), including, but not limited to, (i) interest on Indebtedness other than Short-Term Indebtedness, and (ii) scheduled payments of principal on Indebtedness other than Short-Term Indebtedness. **“Fixed Charges”** do not include payments made to the Ground Lessor under the Ground Lease or principal and interest payable on any Indebtedness to the extent that such principal and interest are payable from the proceeds of such Indebtedness.

“Fixed Charges Coverage Ratio” means, for any period, the ratio of (a) Revenue Available for Fixed Charges to (b) Fixed Charges. During any Interim Period with respect to Additional Bonds, the Fixed Charges Coverage Ratio is calculated without regard to Revenues or Expenses of the Project financed with Additional Bonds.

“Foundation” means Collegiate Housing Foundation, a private non-profit corporation organized and existing under the laws of the state of Alabama, and its successors and assigns.

“FTA Borrower” means each borrower under a loan agreement or similar agreement relating to a Series of Bonds which agreement satisfies all of the requirements for a Loan Agreement under the Financing Trust Agreement.

“Funds” means, collectively, all of the funds created pursuant to the Indenture (each, a **“Fund”**).

“GAAP” means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board and its predecessors or pronouncements of the American Institute of Certified Public Accountants or those principles of accounting that have other substantial authoritative support and are applicable in the circumstances as of the date of application, as such principles are from time to time supplemented and amended.

“Government Obligations” means direct obligations of, or obligations the payment of the principal of and interest on which when due are unconditionally guaranteed by the United States of America or any agency or instrumentality thereof and evidences of direct ownership interest in amounts payable upon any of the foregoing.

“Ground Lease” means, with respect to the Series 2019 Bonds, the Series 2019 Ground Lease, as the same has been and may be amended from time to time in accordance with the provisions thereof and the Indenture.

“Ground Lessor” means The Regents, its successors and assigns.

“Indebtedness” means (i) all indebtedness, whether or not represented by bonds, debentures, notes, or other securities, for the repayment of money borrowed by the Borrower in connection with the Project, (ii) all deferred indebtedness for the payment of the purchase price of the Premises and the Equipment, (iii) all guaranties, endorsements (other than endorsements in the ordinary course of business), assumptions, and other contingent obligations in respect of, or to purchase or to otherwise acquire, indebtedness of others in connection with the Project, (iv) all indebtedness secured by mortgage, pledge, security interest, or lien existing on the Premises that is subject to such mortgage, pledge, security interest, or lien, whether or not the indebtedness secured thereby will have been assumed, (v) all derivatives, including but not limited to credit default and total-rate-of-return swaps, and (vi) all capitalized lease obligations of the Borrower in connection with the Project; provided, however, that for the purpose of computing Indebtedness, there will be excluded any particular Indebtedness if, upon or prior to the maturity thereof,

there will have been irrevocably deposited with the proper depository in trust the necessary funds (or direct obligations of the United States of America not redeemable by the issuer thereof) for the payment, redemption, or satisfaction of such Indebtedness, and thereafter such funds and such direct obligations of the United States of America so deposited will not be included in any computation of the assets of the Borrower and the income derived from such funds and such direct obligations of the United States of America so deposited will not be included in any computation of the income of the Borrower.

“Indemnity Letters” means, collectively, the Borrower Indemnity Letter and the Developer Indemnity Letter.

“Indenture” means the Indenture, dated as of July 1, 2019, by and between the Issuer 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 in the State or any state of the United States or the District of Columbia and not in the full-time employment of the Issuer, The Regents or the Borrower.

“Independent Engineer” means any architect, engineer or firm of architects or engineers which is independent of the Issuer, The Regents and Borrower, and that is selected by the Borrower, at the cost of the Borrower, to report and be accountable solely to the Trustee for the benefit of the Bondholders for the purpose of producing monthly construction monitoring reports, passing on questions relating to the design and construction of any particular facility, and who has all licenses and certifications necessary for the performance of such services and has a favorable reputation for skill and experience in performing similar services in respect of facilities of a comparable size and nature.

“Inspecting Engineer” means, with respect to the Series 2019 Project, the engineering firm engaged by the Ground Lessor to serve in an advisory capacity to the Ground Lessor for inspections under the Indenture and under the Loan Agreement.

“Insurance Consultant” means initially Acrisure, LLC, doing business as Pentarisk Associates of Georgia, and subsequently any Person that is not the Issuer, The Regents, or the Borrower or an Affiliate of the Issuer, The Regents or the Borrower, appointed by the Borrower, that is qualified to survey risks and to recommend insurance coverage for student housing facilities and organizations engaged in like operations as that of the Borrower in the State, and that has a favorable reputation for skill and experience in such surveys and such recommendations and who may be a broker or agent with whom the Borrower or the Issuer transacts business.

“Insured Series 2019 Bonds” means the Series 2019 Bonds maturing on May 15, 2023 through May 15, 2028, May 15, 2043 and May 15, 2044.

“Insured Series 2019 Bonds Security Documents” means, collectively, the Indenture, the Loan Agreement and the Financing Trust Agreement, the Leasehold Deed of Trust, the Management Agreement, the Assignment of Documents, and the Ground Lease.

“Interest Payment Dates” means May 15 and November 15 of each year, commencing November 15, 2019, in the case of the Series 2019 Bonds, and the dates on which interest is scheduled to be paid, in the case of Additional Bonds (each, an **“Interest Payment Date”**).

“Interim Period” means, with respect to a Project financed with Additional Bonds, the period beginning on the date of delivery of such Additional Bonds and ending on the Completion Date of such Project financed with Additional Bonds as set forth in the Supplemental Indenture.

“IRS” means the United States Internal Revenue Service or any successor agency or department.

“Issuance Costs” with respect to the Bonds, means:

(i) the initial or acceptance fee of the Trustee (which includes the administration fee for the first year), the fees and taxes for recording and filing the Leasehold Deed of Trust, the Assignment of Documents, the Borrower Financing Statement(s), and any title curative documents that either the Trustee or Independent Counsel may reasonably deem desirable to file for record in order to perfect or protect the title of the Borrower to the Project or the lien or security interest created or granted by the Leasehold Deed of Trust or the Assignment of Documents and the reasonable fees and expenses in connection with any actions or proceedings that either the Trustee or Independent Counsel may reasonably deem desirable to bring in order to perfect or protect the lien or security interest created or granted by the Leasehold Deed of Trust or the Assignment of Documents in connection with the issuance thereof;

(ii) the costs of legal fees and expenses, Underwriters’ spread, underwriting fees, rating agency fees and other financing costs, Issuer’s fees and expenses, financial advisor’s fees, accounting fees and expenses, consulting fees, Trustee’s fees, paying agent and certifying and authenticating agent fees, reasonable fees and expenses of counsel to the Trustee, reasonable fees and expenses of the Borrower, including the Borrower Fee, publication costs, title insurance premiums, and printing and engraving costs incurred in connection with the authorization, sale, issuance and carrying of the Bonds and the preparation of the applicable Bond Documents and all other documents in connection therewith; and

(iii) other costs in connection with the issuance of the Bonds permitted by the Act to be paid or reimbursed from Bond proceeds.

“Issuer” means the California Municipal Finance Authority, or its successors and assigns, a joint exercise of powers authority formed by the Joint Powers Agreement, pursuant to the Act.

“Issuer Annual Fee” means 1.5 basis points (0.015%) times the principal amount of the Series 2019 Bonds outstanding on the issuance date (for the initial Issuer Annual Fee) or on the first day of the month in which the anniversary of the issuance date occurs (for each subsequent Issuer Annual Fee), but not less than \$500 for any such annual fee.

“Issuer Documents” means, collectively, the Indenture, the Loan Agreement, the Tax Certificate and the Bond Purchase Agreement.

“Issuer Issuance Fee,” with respect to the Series 2019 Bonds, has the meaning set forth in the Indenture.

“Joint Powers Agreement” means a Joint Exercise of Powers Agreement, dated as of January 1, 2004 by and among certain California cities, counties and special districts, as may be amended from time to time.

“Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in the city of New York, New York, as its prime or base lending rate (**“Prime Rate”**) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Series 2019 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate will be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, will designate. Interest at the Late Payment Rate on any amount owing to BAM will be computed on the basis of the actual number of days elapsed in a year of 360 days.

“Leasehold Deed of Trust” means the Series 2019 Leasehold Deed of Trust and any other leasehold deed of trust with assignment of rents and fixture filing encumbering the Premises and all improvements thereon executed by the Borrower in favor of the deed of trust trustee named therein for the benefit of the Trustee, in each case as the same may be amended and/or supplemented from time to time as permitted by the Indenture.

“Lessee’s Fee” means, (a) with respect to the Series 2019 Project, the membership fee amount to be paid to the Foundation by the Manager on behalf of the Ground Lessor as an Operating Expense pursuant to the Ground Lease and (b) with respect to any Project financed with Additional Bonds, the meaning set forth in a supplemental indenture relating to such Additional Bonds.

“Liquidity Account” means the account of that name created under the Financing Trust Agreement.

“Liquidity Subaccount Loan Payments” means the Loan Payments payable by the Borrower to the Issuer pursuant to the Loan Agreement that are described under the subheading “Liquidity Subaccount Loan Payments” in the Loan Agreement.

“Loan” means the loan by the Issuer to the Borrower of the proceeds of the Bonds pursuant to the Loan Agreement.

“Loan Agreement” means the Original Loan Agreement, as the same may be amended and/or supplemented from time to time in accordance with the provisions of the Indenture, which pursuant to its terms is stated to be a Loan Agreement under the Indenture and which satisfies all of the requirements for a Loan Agreement set forth in the Financing Trust Agreement.

“Loan Payments” means the Basic Loan Payments, the Additional Loan Payments and the Liquidity Subaccount Loan Payments.

“Majority of the Bondholders” means the Owners of more than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding.

“Management Agreement” means (i) the Management Agreement, dated as of the Closing Date, between the Borrower and the Manager, as the same may be replaced, amended and/or supplemented from time to time, and (ii) any management or similar agreement between the Borrower and any successor Manager relating to the management of the Series 2019 Project or any additional extension of the Project, as the same may be amended and/or supplemented from time to time; in each case the Management Agreement will specify the character of any fee to the Manager payable thereunder as an Expense or not an Expense.

“Manager” means, with respect to the Series 2019 Project, ACC SC Management (California) LP, a Delaware limited partnership, or any management company or entity employed by the Borrower to manage the Series 2019 Project.

“Master Trustee” means the master trustee at the time serving as such under the Financing Trust Agreement. Wilmington Trust, National Association, a national banking association, is the initial Master Trustee.

“Maximum Annual Debt Service,” with respect to a series of Bonds, means the maximum Annual Debt Service thereon in the then current Fiscal Year or in any future Fiscal Year, whether at maturity or subject to mandatory sinking fund redemption.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation will for any reason no longer perform the functions of a securities rating agency, **“Moody’s”** will be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower and The Regents. Whenever rating categories of Moody’s are specified in the Indenture, such categories will be irrespective of gradations within a category.

“Net Proceeds,” when used with respect to any insurance or condemnation award or with respect to any other recovery on a contractual claim or claim for damage to or for taking of property, means the gross proceeds from the insurance or condemnation award or recovery remaining after payment of all expenses (including reasonable attorneys’ fees and any Extraordinary Expenses of the Trustee) incurred in the collection of such gross proceeds.

“Office of the Trustee” means the principal corporate trust office of the Trustee in Birmingham, Alabama, as set forth in the Indenture, or such other location as may be designated by it to the Borrower and the Issuer in writing, or the principal corporate trust office of, or such other location as may be designated to the Borrower and the Issuer in writing by, any successor or temporary Trustee under the Indenture.

“Offsite Elements” means the Series 2019 Offsite Elements and any additional offsite elements financed with the proceeds of Additional Bonds as set forth in a supplemental indenture entered into with respect to such Additional Bonds.

“Operating Account Surplus” means the amount, if any, by which the amounts paid to the Borrower by the Trustee for deposit into the Operating Account in a Fiscal Year pursuant to the Indenture exceed the amounts paid, incurred, or accrued in respect of Operating Expenses of the Project during such Fiscal Year, such amount to be determined with reference to, and simultaneously with the delivery of, the audited financial statements delivered to the Trustee in accordance with the provisions of the Loan Agreement, as such amount may be adjusted in accordance with the provisions of the Indenture.

“Operating Expenses” means Expenses excluding (i) depreciation, amortization and other noncash expenses, (ii) fees of the Insurance Consultant and Independent Engineer and (iii) fees paid to the Issuer and the Trustee.

“Ordinary Services of the Trustee” and **“Ordinary Expenses of the Trustee”** mean those reasonable services rendered and those reasonable expenses incurred by the Trustee in the performance of its duties under the Loan Agreement of the type ordinarily performed by corporate trustees under like indentures, including, without limitation, reasonable counsel fees and expenses.

“Original Loan Agreement” means the Loan Agreement, dated as of July 1, 2019, by and between the Borrower and the Issuer.

“Outstanding Bonds” or **“Bonds Outstanding”** means all Bonds that have been duly authenticated and delivered by the Trustee under the Indenture, except: (i) Bonds theretofore canceled or required to be canceled by the Trustee; (ii) Bonds that are deemed to have been paid in accordance with the Indenture; and (iii) Bonds in substitution for which other Bonds have been authenticated and delivered under the Indenture. If the Indenture will be discharged pursuant to its terms, no Bonds will be deemed to be Outstanding within the meaning of this definition.

“Permitted Encumbrances” means, as of any particular time:

(1) inchoate liens and charges incident to construction or maintenance now or hereafter, and liens and charges incident to construction or maintenance filed of record which are being contested in good faith and have not proceeded to final judgment (and for which all applicable periods for appeal or review have not expired), provided (a) that the Borrower will have set aside reserves with respect thereto which, in the opinion of an Authorized Borrower Representative, are adequate, and (b) that no written objection has been filed by the Trustee with the Borrower not later than 30 days after a notice describing such proposed Permitted Encumbrance is given to the Trustee by the Borrower;

(2) notices of lis pendens or other notices of or liens with respect to pending actions which are being contested in good faith and have not proceeded to final judgment (and for which all applicable periods for appeal or review have not expired), provided (a) that the Borrower will have set aside reserves with respect thereto which, in the opinion of an Authorized Borrower Representative, are adequate, and (b) that no written objection has been filed by the Trustee with the Borrower not later than 30 days after a notice describing such proposed Permitted Encumbrance is given to the Trustee by the Borrower;

(3) the lien of taxes and assessments which are not delinquent, or which are being contested in good faith, provided (a) that the Borrower will have set aside reserves with respect thereto which, in the opinion of an Authorized Borrower Representative, are adequate, and (b) that non-payment of such taxes and assessments will not result in any loss of property;

(4) minor defects and irregularities in title which in the aggregate do not materially adversely affect the value or operation of the property to which such encumbrance relates for the purposes for which it is or may reasonably be expected to be used;

(5) easements, exceptions or reservations for the purpose of ingress and egress, parking, pipelines, telephone lines, telegraph lines, cable television lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which, in the reasonable judgment of the Ground Lessor, in the aggregate do not materially interfere with or impair the operation of the property to which such encumbrance relates for the purposes for which it is or may reasonably be expected to be used;

(6) rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of the Project which do not materially impair the operation of the Project to which such encumbrance relates for the purposes for which it is or may reasonably be expected to be used;

(7) present or future valid zoning laws and ordinances;

(8) the rights of the Borrower and the Trustee (for the benefit of the holders of the Bonds) under the Bond Documents and the rights of The Regents;

(9) liens securing indebtedness for the payment, prepayment or satisfaction of which money (or evidences of indebtedness) in the necessary amount will have been deposited in trust with a trustee or other holder of such indebtedness;

(10) purchase money security interests and security interests existing on the Project prior to the time of its acquisition through purchase, merger, consolidation or otherwise, whether or not assumed by the purchaser thereof, or placed upon property being acquired to secure a portion of the purchase price thereof, or upon equipment acquired through a capital lease or installment purchase arrangement, or lessor's interests in leases required to be capitalized in accordance with generally accepted accounting principles, and security interests in property granted to secure indebtedness ("Refinancing Indebtedness") incurred to refinance indebtedness initially secured by a purchase money security interest in the Project to the extent that the initial principal amount of such Refinancing Indebtedness does not exceed the principal amount of the refinanced indebtedness that is outstanding immediately prior to such refinancing;

(11) statutory liens arising in the ordinary course of business which are not delinquent or are being contested in good faith;

(12) mortgages of or security interests in property permitted under the Bond Documents;

(13) leases, licenses and occupancy agreements permitted under the Bond Documents;

(14) other liens or encumbrances existing as of the date of initial issuance of the Bonds; and

(15) any other liens or encumbrances to which the Borrower, The Regents and the Trustee consent in writing.

"Permitted Investments" means any of the following securities to the extent permitted under State law:

(i) Defeasance Obligations;

(ii) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including: Export-Import Bank, Farm Credit System Financial Assistance Corporation, Rural Economic Community Development Administration (formerly the

Farmers Home Administration), General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association (GNMA), U.S. Department of Housing & Urban Development (PHA's), Federal Housing Administration, and Federal Financing Bank;

(iii) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

(A) senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC); and

(B) senior debt obligations of the Federal Home Loan Bank System;

(iv) dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks that: (1) have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P; (2) are insured at all times by the Federal Deposit Insurance Corporation; (3) are collateralized with direct obligations of the United States of America at one hundred percent (100%) valued daily; and (4) mature no more than three hundred sixty (360) calendar days after the date of purchase, it being understood that ratings on holding companies are not considered as the rating of the bank;

(v) commercial paper that is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and that matures not more than two hundred seventy (270) calendar days after the date of purchase;

(vi) investments in (a) money market funds subject to SEC Rule 2a-7 and rated at the highest applicable rating by S&P or Moody's and (b) public sector investment pools operated pursuant to SEC Rule 2a-7 in which the Issuer's deposit of funds under the Indenture will not exceed 5% of the aggregate pool balance at any time and such pool is rated in one of the two highest short-term rating categories of at least two nationally recognized rating agencies;

(vii) Pre-Refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), "Aaa" by Moody's and "AAA" by S&P; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or direct obligations of the United States of America, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(viii) general obligations of states with a short-term rating in one of the two highest rating categories and a long-term rating in one of the two highest rating categories of at least two nationally recognized rating agencies (and in the event such obligations are variable rate obligations, the interest rate on such obligations must be reset not less frequently than annually);

(ix) investment agreements or other contractual arrangements with corporations, financial institutions or national associations within the United States, provided that the senior long-term debt of such corporations, institutions or associations is rated in a rating category at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds; and

(x) repurchase agreements with any financial institution which is rated by each Rating Agency in a rating category at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds.

“**Person**” means natural persons, firms, joint ventures, associations, trusts, partnerships, corporations, limited liability companies, public bodies, and similar entities, whether for profit or non-profit.

“**Plans and Specifications**,” with respect to the Series 2019 Project and Series 2019 Offsite Elements, means the detailed plans and specifications prepared by the Consulting Architect or by architects and engineers acceptable to the Consulting Architect, as amended from time to time by the Borrower with the consent of the University, a copy of which is or will be on file with the Trustee.

“**Policy**” means the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Insured Series 2019 Bonds when due.

“**Premises**” means, with respect to the Series 2019 Project, the land described in the Ground Lease, which legal description may be amended from time to time including in accordance with the provisions of the Ground Lease, and the Indenture, which exhibit will be deemed to be amended concurrently with any such amendment of the Ground Lease, which is incorporated in the Indenture.

“**Project**” means the Series 2019 Project (excluding improvements on the Release Parcel upon the release thereof pursuant to the Ground Lease upon the satisfaction of the conditions set forth therein) and any additional project acquired, constructed, expanded, remodeled, renovated, improved, furnished, and/or equipped with the proceeds of Additional Bonds, excluding Offsite Elements.

“**Project Gross Revenues**” means the gross receipts and operating and non-operating revenues of the Borrower, and interest earnings thereon, derived from the ground leasing or operation of the Project, including the Replacement Spaces, if any, all as determined in accordance with GAAP, and interest earned on all Funds, but excluding, in any event, the sum of (a) earnings on amounts that are irrevocably deposited in escrow to achieve defeasance or similar arrangement for the payment of the principal of or interest on Indebtedness, and (b) security deposits received from student residents of the Project and held by the Borrower until such time, if any, as the Borrower will be permitted to apply such deposits to the payment of rent or to the repair and maintenance of the Project in accordance with the terms of a lease or residency agreement, (c) University Receipts, (d) Parking Fines and (e) subject to release of the Release Parcel pursuant to the conditions set forth in the Ground Lease, any gross receipts and operating and non-operating revenues, and interest earnings thereon, derived from the Release Parcel, if any.

“**Rating Agency**” means, each and collectively, Fitch, Moody’s and S&P.

“**Regular Record Date**” means the first (1st) day of the month (whether or not such day is a Business Day) immediately preceding each Interest Payment Date.

“**Regulations**” means the applicable treasury regulations promulgated under the Code or under Section 103 of the Internal Revenue Code of 1954, as amended, whether at the time proposed, temporary, final, or otherwise. Reference in the Indenture to any specific provision of the Regulations will be deemed to include a reference to any successor provision or provisions to such provision.

“**Representative**” means Goldman Sachs & Co., LLC, and its successors and assigns, as representative of the Underwriters pursuant to the Bond Purchase Agreement.

“Requisite Number of Bondholders” means the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding.

“Revenue Available for Fixed Charges” means, for any period, the excess of Revenues over Expenses (including for purposes of this calculation payments in the Repair and Replacement Fund as an Expense), plus amounts deducted in arriving at such excess of Revenues for (i) interest on Indebtedness other than Short-Term Indebtedness, (ii) depreciation, (iii) amortization and (iv) rent payable to the Ground Lessor under the Ground Lease.

“Revenues,” for any period, means (i) the gross receipts and operating and non-operating revenues of the Borrower derived from the ownership or operation of the Project, including the Replacement Spaces, if any, all as determined in accordance with GAAP, but excluding in any event (ii) the sum of (a) any gains on the sale or other disposition of investments or fixed or capital assets not in the ordinary course of business, and (b) earnings or gains resulting from any reappraisal, revaluation, or write-up of assets, and (c) contributions from any Affiliate, and (d) earnings that constitute Capitalized Interest, and (e) security deposits received from student residents of the Project and held by the Borrower until such time, if any, as the Borrower will be permitted to apply such deposits to the payment of rent or to the repair and maintenance of the Project in accordance with the terms of a lease or residency agreement, and (f) Net Proceeds of insurance (other than business interruption insurance) and condemnation awards, and (g) earnings on amounts irrevocably deposited in escrow to pay the principal and interest on Indebtedness, and (h) University Receipts, and (i) Parking Fines, and (j) subject to release of the Release Parcel pursuant to the conditions set forth in the Series 2019 Ground Lease, any gross receipts and operating and non-operating revenues, and interest earnings thereon, derived from the Release Parcel, if any.

“S&P” means S&P Global Ratings, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and if such corporation will for any reason no longer perform the functions of a securities rating agency, **“S&P”** will be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower and The Regents. Whenever rating categories of S&P are specified in the Indenture, such categories will be irrespective of gradations within a category.

“SEC” means the United States Securities and Exchange Commission.

“Second Supplemental Financing Trust Agreement” means the Second Supplemental Financing Trust Agreement dated of even date herewith between the Master Trustee and the Borrower.

“Security” means any of the property subject to the operation of the granting clauses contained in the Leasehold Deed of Trust, the Assignment of Documents, the Loan Agreement, the Financing Trust Agreement and the Indenture that is part of the Trust Estate and that serves as collateral for the Bonds excluding in any event University Receipts, Parking Fines and the University Contribution.

“Series Pooling Subaccount” means, for each Series of Bonds, an account by that name created pursuant to a Supplemental Financing Trust Agreement for such Series of Bonds in accordance with the Financing Trust Agreement.

“Series Redemption Subaccount” means, for each Series of Bonds, an account by that name created pursuant to a Supplemental Financing Trust Agreement for such Series of Bonds in accordance with the Financing Trust Agreement.

“Series 2019 Bonds” means the California Municipal Finance Authority Student Housing Revenue Bonds (CHF-Riverside II, L.L.C – UCR North District Phase I Student Housing Project), Series 2019, issued pursuant to the Indenture.

“Series 2019 Building” means those certain buildings and all other facilities and improvements constituting part of the Series 2019 Project and not constituting part of the Series 2019 Equipment that are or will be located on the Premises.

“Series 2019 Closing Date” means the date upon which the Series 2019 Bonds are issued in exchange for payment by the Underwriters.

“Series 2019 Completion Date” means the date of completion of the Series 2019 Project, as certified by the Borrower and approved by the Developer and evidenced by delivery of a temporary certificate of occupancy as provided in the Loan Agreement.

“Series 2019 Equipment” means the equipment, machinery, furnishings, and other personal property acquired with the proceeds of the Series 2019 Bonds in connection with the Series 2019 Project and described in the Loan Agreement, and all replacements, substitutions, and additions thereto, excluding the Series 2019 Offsite Elements.

“Series 2019 Financing Trust Agreement” means the Financing Trust Agreement, dated December 1, 2018, herewith between the Master Trustee and the FTA Borrower, as supplemented by the Second Supplemental Financing Trust Agreement, dated July 1, 2019, between the Master Trustee and the Borrower.

“Series 2019 Ground Lease” means the Ground Lease Agreement, dated as of the Closing Date, between the Ground Lessor and the Borrower.

“Series 2019 Leasehold Deed of Trust” means the Leasehold Deed of Trust with Assignment of Rents and Fixture Filing, dated as of July 1, 2019, relating to the Series 2019 Bonds, encumbering the Premises and all improvements thereon including the Series 2019 Building executed by the Borrower in favor of the deed of trust trustee named therein for the benefit of the Trustee.

“Series 2019 Loan” means the loan by the Issuer to the Borrower of the proceeds of the Series 2019 Bonds pursuant to the Loan Agreement.

“Series 2019 Offsite Demolition” means certain demolition and abatement of existing buildings and protection of existing trees on land not leased to the Borrower.

“Series 2019 Offsite Elements” means certain landscaping, hardscaping, utility lines, access roads and sidewalks, and reconfiguring certain parking, excluding certain demolition and abatement of existing buildings and protection of existing trees on land not leased to the Borrower.

“Series 2019 Project” means an approximately 1,500-bed student housing facility and related parking and other amenities and improvements, and demolishing certain existing improvements, on land owned by The Regents and leased to the Borrower.

“Series 2019 Tax Certificate” means the Tax Certificate and Agreement relating to the Series 2019 Bonds, dated as of the Closing Date, among the Issuer, the Borrower and the Foundation.

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

“State” means the State of California.

“Student Housing Facility” means the student housing facility consisting of approximately 1,500 beds in an approximately 415-unit student apartment complex, located at and serving the University of California, Riverside.

“Subordinated Expenses” means the Developer Reimbursements.

“Tax Certificate” means, with respect to the Series 2019 Bonds, the Series 2019 Tax Certificate.

“Tax-Exempt Bonds” means any Bonds the interest on which is intended to be excluded from the gross income of the Owners thereof for federal income tax purposes.

“The Regents” means The Regents of the University of California.

“Trust Estate” means any and all property subject to the operation of the granting clauses of the Indenture.

“UCR Series 2019 Bonds Pooling Subaccount” means the subaccount by that name created under the Financing Trust Agreement.

“UCR Series 2019 Bonds Redemption Subaccount” means the subaccount by that name created under the Financing Trust Agreement.

“Unassigned Rights” means all of the rights of the Issuer to receive reimbursements and payments pursuant to the Loan Agreement, to be held harmless and indemnified pursuant thereof, to execute and deliver supplements to and amendments of the Loan Agreement pursuant thereof, to enforce venue provisions pursuant thereof, and to receive notices pursuant thereof.

“Underwriters” means the Representative and the underwriters designated as such in the Bond Purchase Agreement.

“University” means the University of California, Riverside in Riverside, California.

“University Contribution” means (i) the amount of \$1,500,000 deposited by The Regents to the 2019 University Contribution Account of the Construction Fund on the date of issuance of the Series 2019 Bonds and (ii) any amounts deposited by The Regents pursuant to the 2019 University Contribution Account of the Construction Fund following the date of issuance of the Series 2019 Bonds pursuant to the Ground Lease.

“Value” means (i) with respect to securities, means (A) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination, or (B) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; (ii) with respect to certificates of deposit and bankers’ acceptances, means the face amount thereof, plus accrued interest; and (iii) with respect to any investment not specified above, means the value thereof established by prior agreement between the Borrower and the Trustee.

THE INDENTURE

Limited Obligation

None of the Issuer, any Issuer member or any person executing the Bonds is liable personally on the Bonds or subject to any personal liability or accountability by reason of their issuance. The Bonds are limited obligations of the Issuer, payable solely from the Security, including the revenues and receipts derived from or in connection with the Series 2019 Project, including all moneys received under the Loan Agreement, which are required to be set apart and transferred to the Bond Fund and the Redemption Fund, which revenues and receipts (except for the Unassigned Rights) are specifically pledged and assigned to the Trustee for the equal and ratable payment of the Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in the Indenture. Neither the Issuer, its members, the State of California, any of its political subdivisions, or The Regents of the University of California will be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the debt service due on the Bonds, to

levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Bonds are not a pledge of the faith and credit of the Issuer, its members, the State of California, any of its political subdivisions or The Regents of the University of California nor do they constitute indebtedness within the meaning of any constitutional or statutory debt limitation. The Issuer has no taxing power.

The Issuer will not be liable for payment of the principal of, Redemption Price or interest on the Bonds or any other costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Indenture, the Bonds or any other documents, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement

Tax Covenants

(a) The Issuer will not use or permit the use of any proceeds of Series 2019 Bonds or any funds of the Issuer, directly or indirectly, to acquire any securities or obligations, nor take or permit to be taken any other action or actions, which would cause any Series 2019 Bonds to be an “arbitrage bond” within the meaning of Section 148 of the Code, “private activity bond” within the meaning of Section 141(a) of the Code, or “federally guaranteed” within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder. The Issuer will observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Issuer will comply with all requirements of Sections 148 and 149(b) of the Code to the extent applicable to the Bonds. In the event that at any time the Issuer is of the opinion that for purposes of this section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under the Indenture, the Issuer will so instruct the Trustee under the Indenture in writing, and the Trustee will take such action as may be necessary in accordance with such instructions.

(b) The Issuer and the Trustee (as directed by the Issuer) specifically covenant to comply with the provisions and procedures of the Series 2019 Tax Certificate.

(c) The Issuer will not use or permit the use of any proceeds of the Series 2019 Bonds or any funds of the Issuer, directly or indirectly, in any manner, nor take or omit to take any action, that would cause any of the Series 2019 Bonds to be treated as an obligation not described in Section 103(a) of the Code.

(d) Notwithstanding any provisions of this section if the Issuer will provide to the Trustee an Opinion of Counsel that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest with respect to the Bonds, the Trustee and the Issuer may conclusively rely on such opinion in complying with the requirements of this section, and, notwithstanding the article of the Indenture with respect to amendment of Indenture, the covenants under the Indenture will be deemed to be modified to that extent.

Terms Relating to The Regents

Unless otherwise agreed to in writing by The Regents, the terms and conditions set forth in this section will be in effect so long as any of the Series 2019 Bonds are Outstanding.

Notice of Redemption or Defeasance. The Trustee will promptly provide notice to The Regents of any redemption or defeasance of the Series 2019 Bonds.

Amendments of the Series 2019 Bonds or Amendments or Supplements to the Indenture. Any amendments of the Series 2019 Bonds or amendments or supplements to the Indenture will also require the prior written consent of The Regents.

Change in Trustee. Any appointment of a successor Trustee under the Indenture will require the prior written consent of The Regents.

Notices to be Sent to The Regents. The Regents will receive notice upon the occurrence of certain events, to be provided in writing and sent as provided in the Indenture.

Limitations on Arrangements to Tender or Purchase the Series 2019 Bonds. The Trustee will not enter into any agreement nor will it consent to or participate in any arrangement pursuant to which the Series 2019 Bonds are tendered or purchased for any purpose other than the redemption and cancellation or legal defeasance of the Series 2019 Bonds.

The Regents as a Third Party Beneficiary. The Regents is a third party beneficiary under the Indenture.

Rights Under Certain Documents

The Bond Documents, duly executed counterparts of which have been filed with the Trustee, set forth the covenants and obligations of the Issuer and the Borrower, including provisions that subsequent to the initial issuance of the Series 2019 Bonds and prior to their payment in full or provision for payment thereof in accordance with the provisions of the Indenture, the Bond Documents may not be effectively amended, changed, modified, altered, or terminated (other than as provided in the Indenture) without the written consent of the Trustee, and reference is made to the Bond Documents for a detailed statement of said covenants and obligations of the Borrower thereunder, and the Trustee may enforce all rights of the Issuer, except the Unassigned Rights, and all obligations of the Borrower under and pursuant to the Bond Documents, and may enforce all rights of the Issuer, except the Unassigned Rights, for and on behalf of the Bondholders, whether or not the Issuer is in default under the Indenture.

Notwithstanding anything to the contrary set forth in the Indenture or any of the other Bond Documents (other than the Financing Trust Agreement), the Financing Trust Agreement may be amended from time to time in accordance with its terms.

So long as any of the Bonds remains Outstanding, and for such longer period when required by the Loan Agreement, the Issuer will faithfully and punctually perform and observe all obligations and undertakings on its part to be performed and observed under the Issuer Documents. The Issuer covenants to maintain, at all times, the validity and effectiveness of the Borrower Documents to which it is a party or in respect of which it is a beneficiary, and (except as expressly permitted by the Loan Agreement) will take no action, will permit no action to be taken by others, and will not omit to take any action or permit others to omit to take any action, which action or omission might release the Borrower from its liabilities or obligations thereunder, or result in the surrender, termination, amendment, or modification of, or impair the validity thereof.

The Issuer covenants to enforce diligently all covenants, undertakings, and obligations of the Borrower under the Borrower Documents to which it is a party or in respect of which it is a beneficiary, and the Issuer authorizes and directs the Trustee to enforce any and all of the Issuer's rights thereunder on behalf of the Issuer and the Owners of the Bonds.

Funds under the Indenture

Revenue Fund. There is created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Revenue Fund" into which the Borrower has agreed to deposit or cause to be deposited the Project Gross Revenues on a weekly basis including any amounts required to be deposited therein pursuant to the Development Agreement; provided, however, the Borrower will require the Manager under the Management Agreement to deposit with the Trustee such received Project Gross Revenues on a daily basis during any period that an Event of Default has occurred and is continuing. The amounts so transferred and deposited into the Revenue Fund maintained by the Trustee will be disbursed by the Trustee each month or at such other times described below in the following order:

- (a) there will be transferred to the Bond Fund:
 - (i) on or before July 20, 2019, a sum equal to one-fourth (1/4th) of the amount payable as interest on the Series 2019 Bonds on November 15, 2019, and thereafter on or before the twentieth (20th) day of each month, a sum equal to one-sixth (1/6th) of the amount payable on the immediately succeeding Interest Payment Date as interest on the Series 2019 Bonds, or in each case, such lesser amount that, together with amounts already on deposit in the Bond Fund and amounts to be

transferred from the Capitalized Interest Fund pursuant to the Indenture on such Interest Payment Date, will be sufficient to cause amounts in the Bond Fund to be sufficient to pay interest on the Series 2019 Bonds to become due on November 15, 2019 and such immediately succeeding Interest Payment Date;

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

(iii) on or before May 20, 2022, and on or before the twentieth (20th) day of each month thereafter, a sum equal to (A) one-twelfth (1/12th) of the principal due on the immediately succeeding May 15 that is a maturity date of the Series 2019 Bonds; and (B) one-twelfth (1/12th) of the amount required to retire Series 2019 Bonds under the mandatory sinking fund redemption requirements of the Indenture on the immediately succeeding May 15, to cause the amount in the Bond Fund to be sufficient to pay such amounts as provided in the Indenture, as the case may be;

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

(v) on the Business Day prior to any date on which the Series 2019 Bonds are to be redeemed pursuant to the mandatory redemption provisions of the Indenture (other than mandatory sinking fund redemption pursuant to the Indenture), an amount equal to the principal of, and premium, if any, and interest on, the Series 2019 Bonds to be redeemed (taking into account amounts then on deposit in the Bond Fund to be used for the payment of such Series 2019 Bonds to be redeemed);

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

(b) there will be transferred to the Rebate Fund the amount the Borrower is obligated to pay pursuant to the Indenture in accordance with the Tax Certificate;

(c) there will be paid to the Issuer (as certified in writing to the Trustee by the Issuer) and the Trustee any amounts owed as Additional Loan Payments pursuant to the Loan Agreement;

(d) there will be paid to the Trustee: (i) on an annual basis, the annual fee of the Trustee for the Ordinary Services of the Trustee payable each year, plus the Ordinary Expenses of the Trustee incurred under the Indenture and under the other Bond Documents, as and when the same becomes due; (ii) except as included in clause (i) above, the reasonable fees and charges of any paying agents on the Bonds for acting as paying agents as provided in the Indenture, payable as and when the same becomes due; and (iii) the reasonable fees and charges of the Trustee for the Extraordinary Services of the Trustee rendered by it and the Extraordinary Expenses of the Trustee incurred by it under the Indenture and under the other Bond Documents, as and when the same becomes due; provided, that the Borrower may, without creating an Event of Default under the Indenture, contest in good faith the reasonableness of any such Extraordinary Services of the Trustee and Extraordinary Expenses of the Trustee and the reasonableness of any such fees, charges, or expenses;

(e) there will be paid to the Issuer (as certified in writing to the Trustee by the Issuer) on the twentieth day of each month (or the immediately succeeding Business Day if the twentieth day of a month is not a Business

Day), an amount sufficient to reimburse the Issuer for all unpaid fees and expenses reasonably incurred by the Issuer under the Loan Agreement in connection with the Project, including, but not limited to, the reasonable fees and expenses of counsel for the Issuer and Bond Counsel;

(f) there will be paid to the Manager on the twentieth day of each month (or the immediately succeeding Business Day if the twentieth day of a month is not a Business Day) for deposit into the Operating Account an amount, equal to the lesser of (i) the greater of (A) the amount budgeted in the Annual Budget for Operating Expenses of the Project for the immediately succeeding month and (B) any amount necessary to meet the minimum balance requirement, which for purposes of the Indenture will be an amount equal to 10% of the Operating Expenses shown in the then current Annual Budget or (ii) the excess, if any, of (A) the amount budgeted in the Annual Budget for Expenses for the then current Fiscal Year over (B) the amount theretofore deposited into the Operating Account pursuant to this subsection (e) for the then current Fiscal Year; provided, however, if, during any Fiscal Year, it will be determined that an Operating Account Surplus will have been created with respect to the immediately preceding Fiscal Year, such payment to the Borrower will be reduced by the amount of such Operating Account Surplus, if any, and the amount of the Operating Account Surplus, if any, will then be adjusted by the amount of such reduction;

(g) on the dates set forth in any Supplemental Financing Trust Agreement executed in connection with the issuance of Additional Bonds, there will be transferred to the applicable Series Pooling Subaccount the amount required pursuant to the Supplemental Financing Trust Agreement in order to cause the amount on deposit in the Liquidity Pooling Subaccount to increase from the Initial Liquidity Account Requirement to the Liquidity Subaccount Requirement;

(h) there will be transferred to the Repair and Replacement Fund (i) commencing on the twentieth day of the first month after occupancy of the Series 2019 Project, and on the twentieth day of each month thereafter, an amount in equal monthly installments for the initial partial Fiscal Year in which the Series 2019 Project is completed, and thereafter, an amount equal to one-twelfth (1/12) of the Annual Repair and Replacement Fund Requirement, and (ii) on the dates set forth in any amendment or amendments to the Indenture executed in connection with the issuance of Additional Bonds the amount(s) set forth therein in respect of the Annual Repair and Replacement Fund Requirement with respect to the Project financed by such Additional Bonds;

(i) there will be transferred to the Distributed Management Fee Fund, commencing on the 20th day of the first month following initial occupancy of the Project, an amount equal to the monthly amount required to be set aside to pay the Distributed Management Fee for the then current Fiscal Year pursuant to the Management Agreement, and any Deferred Distributed Management Fee (as defined in the Management Agreement), together with interest thereon;

(j) there will be transferred to the UCR Series 2019 Bonds Pooling Subaccount any amount required to be paid by the Borrower pursuant to the provision of the Loan Agreement described below under “Loan Payments and Other Amounts Payable – *Liquidity Subaccount Loan Payments*,” and to any other applicable Series Pooling Subaccount any amount required to be paid by the Borrower pursuant to a corresponding provision in any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds;

(k) there will be paid to the Independent Engineer and the Insurance Consultant their fees for services rendered as Additional Loan Payments pursuant to the Loan Agreement as will be set forth in a written direction of an Authorized Borrower Representative filed with the Trustee; and

(l) on the last Business Day of each month any remaining amounts will be transferred to the Operations Contingency Fund.

Bond Fund. (a) There is created by the Issuer and ordered established with the Trustee a trust fund to be designated the “Bond Fund.” In connection with the issuance of the Series 2019 Bonds, there is also created by the Issuer and ordered established with the Trustee a subaccount designated the “2019 Account.” There will be deposited into the Bond Fund (1) to the 2019 Account of the Bond Fund, from the Revenue Fund amounts described above, and (2) all other moneys received by the Trustee under and pursuant to any of the provisions of the Loan Agreement and the Indenture when accompanied by written directions from the Borrower that such moneys are to be paid into the Bond Fund. Except as otherwise provided in the Indenture, moneys in the Bond Fund will be used solely to pay the

principal of, and premium, if any, and interest on the Bonds. Not later than 1:00 p.m., New York time, on any date principal of, or premium or interest on any Bond is due (other than principal of Bonds to be paid from moneys in the Redemption Fund pursuant to the Indenture), the Trustee will withdraw moneys from the Bond Fund sufficient to make such payment and will make such payment to the Owner of such Bond entitled thereto.

(b) There is created by the Issuer and ordered established with the Trustee an account within the Bond Fund, to be designated the “Capitalized Interest Account.” In connection with the issuance of the Series 2019 Bonds, there is also created by the Issuer and ordered established with the Trustee a subaccount designated the “2018 Subaccount.”

(c) There will be deposited into the Capitalized Interest Account the amounts set forth in the Indenture.

(d) Upon the occurrence of an Event of Default, the Trustee may use moneys in the Bond Fund to pay the fees and expenses of the Trustee and to deposit amounts to the Rebate Fund pursuant to the Indenture prior to the making of any payments to the Bondholders. Except as provided in the article of the Indenture with respect to redemption or any corresponding article in an indenture supplemental to the Indenture, no part of Basic Loan Payments in the Bond Fund will be used to redeem, prior to maturity, a part of the Bonds Outstanding; provided, that whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Bonds Outstanding under the Indenture, to pay interest to accrue thereon to such redemption date and to pay all costs and expenses accrued and to accrue to such redemption date, if so directed by the Borrower pursuant to the Loan Agreement, the Issuer covenants and agrees to take and cause to be taken the necessary steps to redeem all of said Bonds on the immediately succeeding redemption date for which the required redemption notice may be given.

(e) The Issuer authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of, interest, and premium, if any, on the Bonds as the same become due and payable and to make said funds so withdrawn available to the paying agent or agents, if any, for the purpose of paying said principal, interest, and premium, if any, which authorization and direction the Trustee accepts.

(f) If on any Interest Payment Date there are insufficient funds in the Bond Fund with which to pay interest on, premium (if any) for and principal of the Bonds, the Trustee will transfer money to the Bond Fund from the following funds in the following order of priority (and in each case only to the extent necessary to pay such amounts on such date): first, the Surplus Fund, second, the Operations Contingency Fund, third, the Repair and Replacement Fund, and fourth, the funds available to the Trustee under the Financing Trust Agreement.

Redemption Fund. There is created by the Issuer and ordered established with the Trustee a trust fund to be designated the “Redemption Fund.” Within the Redemption Fund, there is created by the Issuer and ordered established a separate account designated as the “2019 Account.” There will be deposited into the Redemption Fund all moneys required to be transferred thereto or deposited therein pursuant to the Indenture, Loan Agreement. Moneys in the Redemption Fund will be used only to pay the principal of Bonds or that portion of the purchase price of Bonds corresponding to principal in the manner specified in the Indenture.

When (i) the amount of principal of, and premium, if any, and interest on the Outstanding Bonds is equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, the balance of the Repair and Replacement Fund, and the amount, if any, available to be paid to the Trustee for the Bonds under the Financing Trust Agreement, and (ii) all other amounts owed under the Loan Agreement and the Indenture will have been paid, moneys held in the Redemption Fund may be deposited into the Bond Fund and credited against payments of Loan Payments required under the Loan Agreement.

Issuance Cost Fund. There is created by the Issuer and ordered established with the Trustee a trust fund to be designated the “Issuance Cost Fund,” which will be used as a fund to pay Issuance Costs. Within the Issuance Cost Fund, there is created by the Issuer and ordered established a separate account designated as the “2019 Account.” There will be deposited into the Issuance Cost Fund, the amounts specified in the Indenture. If any funds remain in the Issuance Cost Fund after payment of all Issuance Costs, upon the earlier of: (i) receipt of a certificate of the Borrower stating that all Issuance Costs have been paid or (ii) 180 days from the Series 2019 Closing Date, the Trustee will transfer any funds remaining in the Issuance Cost Fund to the 2019 Account of the Construction Fund (as referred to in the Indenture).

Construction Fund. There is created by the Issuer and ordered established with the Trustee a trust fund to be designated the “Construction Fund.” Within the Construction Fund, there is created by the Issuer and ordered established separate accounts designated as the “2019 Account” and the “2019 University Contribution Account.” The Trustee will deposit into the Construction Fund as and when received by the Trustee any moneys paid to the Trustee under the Loan Agreement or the Indenture for credit or transfer to the Construction Fund. Moneys in the 2019 Account of the Construction Fund will be expended for Costs of the Series 2019 Project and Series 2019 Offsite Elements, and moneys in the 2019 University Contribution Account of the Construction Fund will be expended for Costs of the Series 2019 Offsite Demolition, all in accordance with the provisions of the Loan Agreement. Moneys in the Construction Fund will be disbursed upon receipt of a requisition for payment. The Trustee is authorized and directed to issue its checks for each disbursement required by the Loan Agreement. The money deposited in the 2019 University Contribution Account of the Construction Fund on the Series 2019 Closing Date and any further amounts deposited by The Regents therein constituting the University Contribution, together with investment income thereon, will be held in trust and applied solely for payment of the Series 2019 Offsite Demolition, as provided in the Ground Lease. The 2019 University Contribution Account of the Construction Fund will be for the sole benefit of The Regents, and will not be subject to the claim of any other person including, without limitation, the Owners. The 2019 University Contribution Account of the Construction Fund is not a portion of the Trust Estate and is not subject to the lien of this Indenture. In the event that funds in the Construction Fund are not sufficient for the payment of Costs of the Project in full, the Trustee, upon the written request of an Authorized Borrower Representative approved by the Ground Lessor, transfer the amount of such deficiency from any of the following Funds: Operations Contingency Fund, the Repair and Replacement Fund and/or the Surplus Fund.

Liquidity Account under the Financing Trust Agreement. There has been created pursuant to the Financing Trust Agreement a Liquidity Account and, for each Series of Bonds secured pursuant to the Financing Trust Agreement, a Series Pooling Subaccount and a Series Redemption Subaccount therein, which will be used for the purposes set forth in the Financing Trust Agreement, including making payments of principal and interest and redemption premiums, if any, on the Bonds to the extent that insufficient funds are on deposit in the Bond Fund or the other Funds described in paragraph (g) under the subheading “Bond Fund” above for such purposes.

There will be transferred to the Master Trustee for deposit into the Series Pooling Subaccount any funds paid to the Trustee under the Loan Agreement or the Indenture for credit or transfer to the applicable Series Pooling Subaccount. If the Borrower has exercised its option or is obligated to prepay the Loan in whole and not in part pursuant to the terms of the Loan Agreement, and has paid the sums as provided therein, the funds then in the respective Series Pooling Subaccount and the Series Redemption Subaccount within the Liquidity Account, subject to the provisions of the Financing Trust Agreement, may be transferred from the Master Trustee to the Trustee for deposit into the Bond Fund or Redemption Fund, at the direction of the Borrower, or otherwise returned to the Borrower, provided the Borrower delivers to the Trustee a Favorable Opinion of Bond Counsel. If the Trustee will receive written notice from the Master Trustee of any diminution in Value or net losses from the investment of funds in the Series Pooling Subaccount that reduce the amount deposited therein or credited thereto to less than the respective Liquidity Subaccount Requirement as determined in accordance with the Financing Trust Agreement, the Trustee will send notice of such deficit to the Borrower. If the Trustee sends notice to the Borrower pursuant to the preceding sentence, the Borrower will make payments sufficient to restore the respective Series Pooling Subaccount to an amount equal to the Liquidity Subaccount Requirement in accordance with the Loan Agreement.

The Issuer authorizes and directs the Trustee to request the Master Trustee to withdraw funds from the respective Series Pooling Subaccount pursuant to the Financing Trust Agreement to pay the principal of, and interest and premium, if any, on the Bonds to the extent that there are insufficient funds in the Bond Fund and the other Funds described in paragraph (g) under the subheading “Bond Fund” above therefor on the date such interest, principal, and premium, if any, is due, which authorization and direction the Trustee accepts.

If, as a result of the valuation of the investments held in the Series Pooling Subaccount the balance therein is greater than the amount required to be on deposit therein pursuant to the Financing Trust Agreement, any such amounts that are released from such subaccount will be applied in accordance with the Financing Trust Agreement.

Insurance and Condemnation Funds. There is created by the Issuer and ordered established with the Trustee a trust fund to be designated the “Insurance Fund,” a trust fund to be designated the “Condemnation Fund,” and, within each of such Funds, a Series 2019 Account, all of which will be opened only if funds are required to be

deposited therein as provided in the Loan Agreement. Notwithstanding anything to the contrary in the Indenture, any amounts required to be deposited in the Insurance Fund or in the Condemnation Fund in accordance with the Loan Agreement will be deposited in the applicable Account thereof, and, prior to the occurrence of an Event of Default, any amounts in an Account of the Insurance Fund or the Condemnation Fund may be used only to restore that portion of the Project in respect of which such Account was established, to acquire land and/or improvements in substitution for that portion of the Project in respect of which such Account was established, or to make payments on the series of Bonds in respect of which such Account was established.

Operations Contingency Fund. There is created by the Issuer and ordered established with the Trustee a trust fund to be designated the “Operations Contingency Fund” into which will be transferred moneys remaining in the Revenue Fund after the disbursements described in the section of the Indenture titled “Revenue Fund.”

Moneys on deposit in the Operations Contingency Fund may be used at any time to make deposits required to be made pursuant to subsections (a) to (k) under the subheading “Revenue Fund” above.

Subject to the immediately preceding paragraph, all amounts remaining in the Operations Contingency Fund on the last day of each Fiscal Year will be applied to pay Subordinated Expenses then outstanding to the extent available and the balance thereafter, if any, will be transferred to the Surplus Fund.

Surplus Fund. There is created by the Issuer and ordered established with the Trustee a trust fund to be designated the “Surplus Fund.” There will be deposited therein amounts from the Operations Contingency Fund as set forth in the Indenture.

Commencing twelve (12) months after the Series 2019 Completion Date, if (i) there is then no uncured Event of Default, and (ii) the most recent audited financial statements filed with the Trustee pursuant to the Loan Agreement show a Fixed Charges Coverage Ratio of at least 1.2:1.0, then, amounts held in the Surplus Fund may be applied in accordance with a written requisition of the Borrower, approved by the Ground Lessor and filed with the Trustee for any of the following purposes: (i) to pay Additional Rent; and (ii) to pay Ground Rent; and (iii) to the Ground Lessor for any lawful purpose.

Until such time as the foregoing release test in paragraph above is satisfied, the Issuer authorizes and directs the Trustee to transfer funds from the Surplus Fund to the Revenue Fund for all purposes set forth in the Indenture under the heading “Revenue Fund.” The Trustee will give written notice to the Borrower, the Issuer and the Ground Lessor of any transfer pursuant to this paragraph.

Repair and Replacement Fund. There is created by the Issuer and ordered established with the Trustee a trust fund to be designated the “Repair and Replacement Fund,” which will be used solely for the purposes set forth in this section. The Trustee will deposit into the Repair and Replacement Fund as and when received by the Trustee any moneys paid to the Issuer under the Loan Agreement and the Indenture for credit or transfer to the Repair and Replacement Fund in order to establish or maintain the Repair and Replacement Fund.

The Issuer authorizes and directs the Trustee to withdraw funds from the Repair and Replacement Fund to pay (i) the budgeted maintenance and repair costs related to the Project, and (ii) the principal of, premium, if any, and interest on the Bonds pursuant to the Indenture.

When (i) the amount of principal of, and premium, if any, and interest on the Outstanding Bonds is equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, the balance of the Repair and Replacement Fund and the balance, if any, available to the Trustee pursuant to the Financing Trust Agreement, and (ii) all other amounts owed under the Loan Agreement and the Indenture will have been paid, moneys held in the Repair and Replacement Fund may be deposited into the Bond Fund and credited against payments of Loan Payments required under the Loan Agreement.

Rebate Fund and Rebate Requirements. A special Rebate Fund is established by the Issuer. Such fund will be for the sole benefit of the United States of America and will not be subject to the claim of any other person,

including without limitation the bondholders. The Rebate Fund is established for the purpose of complying with Section 148 of the Code and the Treasury Regulations promulgated pursuant thereto.

Distributed Management Fee Fund. The Trustee will apply amounts on deposit in the Distributed Management Fee Fund in accordance with the Indenture and the Management Agreement, including all or any portion of the Distributed Management Fee previously deposited but not paid (whether for the current Fiscal Year or prior Fiscal Years), and any interest thereon, subject to the Management Agreement.

Moneys to be Held in Trust

All moneys required to be deposited with or paid to the Trustee for the account of the Revenue Fund, the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund (other than the 2019 University Contribution Account of the Construction Fund), the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Operations Contingency Fund, the Distributed Management Fee Fund, the Working Capital and Marketing Fund, the Surplus Fund, or any other trust fund or reserve under any provision of the Indenture, will be held by the Trustee in trust and will, while held by the Trustee, constitute part of the Trust Estate and be subject to the trust created by the Indenture and any lien or security interest granted with respect to the Trust Estate and will be and remain entitled to the benefit and will be subject to the security of the Indenture for the benefit of the Owners of the Bonds. The Trustee covenants that all moneys held in any fund under the Indenture (other than the 2019 University Contribution Account of the Construction Fund) and any collateral securing such funds, are a part of the Trust Estate, and that the rights and interests of the Bondholders in and to such moneys and collateral are and, subject to the provisions of the Indenture with respect to the payment of the fees and expenses of the Trustee, will be superior to the claims of the creditors and depositors of the Trustee.

Investment of Funds and Accounts

Subject to the article of the Indenture concerning discharge of liens, any moneys held as part of the Revenue Fund, the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Working Capital and Marketing Fund, the Operations Contingency Fund, the Distributed Management Fee Fund, the Surplus Fund, reserves in connection with contested liens, or other special trust funds created under the Indenture, or other accounts or funds held by the Trustee, to the extent permitted by law will be invested and reinvested by the Trustee, at the written direction of and as specified by the Authorized Borrower Representative in accordance with the investment provisions of the Loan Agreement. In the absence of written investment instructions from the Authorized Borrower Representative, any moneys in such funds will be invested in investments of the type described in clause (vi) of the definition of Permitted Investments. Any such investments will be held by or under the control of the Trustee and will be deemed at all times a part of the Revenue Fund, the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Distributed Management Fee Fund, the Operations Contingency Fund, the Surplus Fund, reserve, other special trust fund, or other account or fund, as the case may be, and the interest accruing thereon and any profit realized from such investments will be credited as set forth in the Indenture, and any loss resulting from such investments will be charged to such fund. The Trustee is directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient for the uses prescribed for moneys held in such fund or account.

Release of Indenture

When (i) if the Bonds or a series of Bonds will have become due and payable in accordance with the terms thereof or otherwise as provided in the Indenture, the whole amount of the principal and the interest and premium, if any, so due and payable on all such Bonds or a portion thereof is paid, and (ii) if the Bonds or a series of Bonds will not have become due and payable in accordance with the terms thereof, the Trustee holds sufficient Government Obligations, cash, or a combination of both, the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on all such Bonds then Outstanding to the maturity date or dates of such Bonds or to the date or dates specified for the redemption thereof and the Issuer causes to be delivered to the Trustee a verification or other appropriate report to such effect issued by a nationally recognized firm of certified public accountants, and (iii) if such Bonds are to be called for redemption, irrevocable instructions to call such Bonds for redemption have been given by the Issuer to the Trustee and

(iv) sufficient funds have also been provided or provision made for paying all other obligations payable under the Indenture with respect thereto by the Issuer, then and in that case the right, title, and interest of the Trustee in the Funds and Accounts, if any, established with respect to such Bonds or series of Bonds or a portion thereof will then cease, determine, and become void and, on demand of the Issuer and on being furnished with an opinion, in form and substance satisfactory to the Trustee, of counsel approved by the Trustee, to the effect that all conditions precedent to the release of the Indenture or that portion of the Trust Estate relating to such series of Bonds or a portion thereof will have been satisfied, the Trustee will release the Indenture or that portion of the Trust Estate relating to such series of Bonds and will execute such documents to evidence such release as may be reasonably required by the Issuer and will transfer to the Borrower any surplus in, and all balances remaining in, all such Funds and Accounts.

In addition, whenever Bonds are to be defeased pursuant to the Indenture, the Trustee will have received the following:

(i) in the event that the Bonds are issued in connection with a refunding, an escrow agreement that will provide the following:

(A) any substitution of securities will require a verification report prepared and furnished by a certified public accountant; and

(B) the Borrower will not exercise any optional redemption of Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition of any such redemption there will be provided to the Trustee a verification report prepared and furnished by a certified public accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption;

(ii) in the event that the Bonds are issued in connection with a refunding, an opinion of counsel regarding the validity and enforceability of the escrow agreement;

(iii) in the event that the Bonds are issued in connection with a refunding, a verification report prepared and furnished by a certified public accountant; and

(iv) in the event that the Bonds are issued in connection with a refunding, an opinion of counsel that (A) the escrow deposit will not constitute a voidable preference or transfer under the Federal Bankruptcy Code or any other similar state or federal statute in the event the Borrower becomes a debtor within the meaning of the Federal Bankruptcy Code or comes within the protection of such similar state or federal statute (“Insolvency Event”), and (B) in such Insolvency Event, the escrow deposit will not be treated as part of the estate of the Borrower.

Events of Default

Each of the following events is declared an Event of Default under the Indenture:

(a) payment of any installment of interest on any Bond will not be made by or on behalf of the Issuer when the same becomes due and payable; or

(b) payment of the principal of or the redemption premium, if any, on any Bond will not be made by or on behalf of the Issuer when the same becomes due and payable, whether at maturity or by proceedings for redemption or pursuant to a Sinking Fund Requirement or otherwise; or

(c) the failure to perform in a punctual manner any other of the covenants, conditions, agreements, or provisions contained in the Indenture or any agreement supplemental to the Indenture or thereto and the continuation of such failure for thirty (30) days after receipt by the Issuer of a written notice from the Trustee specifying such default and requiring the same to be remedied, provided, however, that if such performance requires work to be done,

action to be taken, or conditions to be remedied, that by their nature cannot reasonably be done, taken or remedied, as the case may be, within such thirty (30) day period or other period, no Event of Default will be deemed to have occurred or to exist if, and so long as, the Issuer (or the Borrower, The Regents or the Manager on behalf of the Issuer) will begin such performance within such period and will diligently and continuously prosecute the same to completion; or

(d) subject to the terms of the final paragraph under the heading “Events of Default Defined” in the summary of the Loan Agreement below, an “Event of Default” will have occurred and be continuing after expiration of any notice and cure period under any of the Borrower Documents other than the Financing Trust Agreement or the Continuing Disclosure Agreement.

Acceleration of Maturities

On the happening and continuance of any Event of Default, the Trustee may, and at the written request of the Requisite Number of Bondholders will, by notice in writing to the Issuer, the Borrower, and the Trustee, declare the principal of all Bonds then Outstanding (if not then due and payable) to be due and payable immediately, and on such declaration the same will become and be immediately due and payable. Upon such declaration, interest on the Bonds will cease to accrue, and the Trustee will promptly notify the Owners of the Bonds of such declaration and that interest on the Bonds will have ceased to accrue on and as of the date of such declaration. If at any time after the principal of Bonds will have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action, or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under the Indenture, money will have accumulated in the Bond Fund sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, on all Bonds then Outstanding (except the principal of any Bonds not then due and payable by their terms and the interest accrued on such Bonds since the last interest payment date), and the charges, compensations, expenses, disbursements, advances, and liabilities of the Trustee and all other amounts then payable by the Issuer under the Indenture will have been paid or a sum sufficient to pay the same will have been deposited with the Trustee, and every other failure known to the Trustee in the observance or performance of any covenant, condition, or agreement contained in the Bonds or in the Indenture (other than a failure to pay the principal of such Bonds then due only because of a declaration under the Indenture) will have been remedied to the reasonable satisfaction of the Trustee, then and in every such case the Trustee may, and at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds not then due and payable by their terms (Bonds then due and payable only because of a declaration under the Indenture will not be deemed to be due and payable by their terms) will, by written notice to the Issuer, the Borrower, the Owners of the Bonds, and the Dissemination Agent, rescind and annul such declaration and its consequences, but no such rescission or annulment will extend to or affect any subsequent Event of Default or impair any right consequent thereon. Upon any declaration of acceleration under the Indenture, the Trustee will immediately proceed to exercise such rights as it may have under the Loan Agreement to declare all payments thereunder to be immediately due and payable and, to the extent it has not already done so.

Any amounts due and payable under the Loan Agreement may be separately and independently accelerated pursuant to the terms of the Loan Agreement, with or without the acceleration of the Bonds under the Indenture.

Remedies Upon the Occurrence of an Event of Default

Whenever any Event of Default will have occurred and be continuing, the Trustee may, and at the written request of the Owners of not less than twenty-five percent (25%) in principal amount of Bonds then Outstanding, will proceed, subject in all cases to the provisions of the Indenture, to protect and enforce its rights and the rights of the Owners under the laws of the State or under the Indenture by such suits, actions, or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Indenture or in aid or execution of any power granted in the Indenture or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel chosen by the Trustee, will deem most effectual to protect and enforce such rights.

Trustee May Bring Suit

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may, and at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding under the Indenture, will, proceed, subject in all cases to the provisions of the Indenture, to protect and enforce its rights and the rights of the Owners under the laws of the State under the Loan Agreement and the Indenture by such suits, actions, or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant, condition, or agreement contained in the Indenture or in aid or execution of any power granted in the Indenture or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights.

Pro Rata Application of Funds

All money received by the Trustee pursuant to any right given or action taken under the Indenture will, after payment of the costs and expenses of the proceedings resulting in the collection of such money and the fees and expenses of the Trustee, be deposited in the Bond Fund and applied to the payment of the principal of, redemption premium (if any) and interest then due and unpaid on the Bonds in accordance with the provisions of the Indenture. Anything in the Indenture to the contrary notwithstanding, if at any time the money in the Bond Fund is not sufficient to pay the interest on or the principal of Bonds as the same becomes due and payable (either by their terms or by acceleration of maturities under the provisions of the Indenture), such money, together with any money then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in the Indenture or otherwise, will be applied as follows:

(i) if the principal of all Bonds will not have become or will not have been declared due and payable, all such money will be applied as follows:

first: to the payment to the persons entitled thereto of all installments of interest on Bonds then due and payable in the order in which such installments became due and payable and, if the amount available will not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any Bonds that have become due and payable (other than Bonds deemed to have been paid under the "Discharge of Liens" section of the Indenture), in the order of their due dates, and, if the amount available will not be sufficient to pay in full the principal of Bonds due and payable on any particular date, then to the payment ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the interest on and the principal of Bonds, to the purchase and retirement of Bonds, and to the redemption of Bonds, all in accordance with the Indenture;

(ii) if the principal of all Bonds will have become or have been declared due and payable, all such money will be applied to the payment of principal and interest then due on the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege; and

(iii) if the principal of all Bonds has been declared due and payable and if such declaration thereafter will have been rescinded and annulled under the Indenture, then, subject to clause (ii) above, if the principal of all Bonds later becomes due and payable or is declared due and payable, the money then remaining in and thereafter accruing to the Bond Fund will be applied in accordance with clause (i) above.

Acceptance of the Trusts

The Trustee accepts the trusts imposed upon it by the Indenture, represents and covenants that it is fully empowered under applicable laws and regulations to accept said trusts, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations will be read into the Indenture against the Trustee:

The Trustee, prior to the occurrence of an Event of Default and after the waiving or curing of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Trustee will exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent corporate trustee would exercise or use under the circumstances.

The Trustee will not be responsible for any recital contained in the Indenture or in the Bonds (except in respect to the authentication certificate of the Trustee endorsed on the Bonds) or for insuring the property conveyed by the Indenture or for collecting any insurance moneys or for the validity of the execution by the Issuer of the Indenture or any supplemental indentures to the Indenture or instruments of further assurance or for the sufficiency of the Security for the Bonds issued under the Indenture or intended to be secured by the Indenture or for the value or title of the property conveyed by the Indenture or otherwise as to the maintenance of the security of the Indenture; except that in the event the Trustee enters into possession of a part or all of the property conveyed by the Indenture pursuant to any provision of the Indenture, it will use the same degree of care and skill in the performance of its duties as a prudent corporate trustee would exercise under the circumstances. The Trustee will not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer or on the part of the Borrower under the Indenture or the Loan Agreement except as expressly set forth in the Indenture. The Trustee will perform all of the duties or obligations set forth for it under the Loan Agreement, but will not be answerable for the performance of any such duty or obligation for other than its negligence, bad faith or willful misconduct.

The Trustee will not be required to take notice or be deemed to have notice of any failure on the part of the Issuer to comply with the terms of the Indenture or the Borrower to comply with the terms of the Loan Agreement except as may be specified in the Indenture.

The Trustee will not be liable and will be fully protected with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under the Indenture.

Notice to Bondholders if Payment Default Occurs

If a failure to comply occurs of which the Trustee is by the Indenture required to take notice or if notice of a failure to comply is given by the Issuer or the Borrower, the Trustee will give such notice to the Borrower and the Issuer as is specified in the Indenture and such notice to the Borrower as is specified in the Loan Agreement and will give written notice thereof by first-class mail, within fifteen (15) days (unless such failure to comply is cured or waived), to the Owners of all Bonds then Outstanding shown by the Bond Register, provided that, except in the case of a failure to make due and punctual payment of the principal of, or premium, if any, or interest on any Bond, the Trustee may withhold such notice to the Bondholders if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Bondholders.

Successor Trustee

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell, lease, or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto, will, upon prior written notice to the Issuer, be and become successor trustee

under the Indenture and vested with all of the title to the Trust Estate and all the trusts, powers, rights, obligations, duties, remedies, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instruments (other than such prior written notice to the Issuer) or any further act, deed, or conveyance on the part of any of the parties to the Indenture.

Resignation by the Trustee

The Trustee and any successor trustee may at any time resign from the trusts created by the Indenture by giving thirty (30) days' written notice to the Issuer, to the Borrower, to each Rating Agency, if any, then rating any series of Bonds, and, by first-class (postage prepaid) mail, to each Bondholder shown on the Bond Register, and such resignation will take effect at the appointment of a successor trustee pursuant to the Indenture and acceptance by the successor trustee of such trusts. Such notice to the Issuer, to the Borrower, and to each Rating Agency, if any, then rating any series of Bonds may be served personally or sent by registered or certified mail.

Removal of the Trustee

The Trustee may be removed at any time (i) by the Issuer, (ii) by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer and signed by a Majority of the Bondholders, or (iii) by an instrument in writing delivered to the Trustee and to the Issuer signed by the Borrower, provided no Event of Default under the Indenture or the Loan Agreement will have occurred and be continuing. Removal of the Trustee pursuant to (i) or (ii) above will not be effective until a successor or temporary Trustee will have been appointed pursuant to the Indenture and the Trustee will have paid for all Ordinary Services and Extraordinary Services of the Trustee rendered under the Indenture and for all Ordinary Expenses and Extraordinary Expenses of the Trustee incurred under the Indenture.

Appointment of Successor Trustee

(a) Subject to the terms set forth in the Indenture under the heading "Terms Relating to The Regents," in case the Trustee under the Indenture will (i) resign or be removed or (ii) be dissolved or will be in the course of dissolution or liquidation, or in case it will be taken under the control of any public officer or officers or of a receiver appointed by a court or otherwise become incapable of acting under the Indenture, a successor may be appointed by an instrument executed and signed by an Authorized Issuer Representative and executed by an officer of the Borrower; provided, that if a successor trustee is not so appointed within ten (10) days after notice of resignation is mailed or an instrument of removal is delivered in connection with resignation by the Trustee or removal of the Trustee, respectively, or within ten (10) days of the Issuer's knowledge of any of the events specified in (ii) above, then a Majority of the Bondholders, by an instrument or concurrent instruments in writing signed by or on behalf of such Owners, delivered personally or sent by registered or certified mail to the Issuer and the Borrower, may designate a successor trustee. Every such successor trustee appointed pursuant to the provisions of this section will be a trust company or bank organized under the laws of the United States of America or any state thereof that is in good standing within or outside the State, will be eligible to serve as trustee, bond registrar, and paying agent under applicable law, will be duly authorized to exercise trust powers and subject to examination by federal or state authority, will have a reported combined capital, surplus, and undivided profits of not less than Seventy-Five Million Dollars (\$75,000,000) and will be an institution willing, qualified, and able to accept the trusteeship upon the terms and conditions of the Indenture.

(b) In case at any time the Trustee will resign and no appointment of a successor trustee will be made pursuant to the foregoing provisions of this section prior to the date specified in the notice of resignation as the date when such resignation will take effect, the Owner of any Bond or the resigning Trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor Trustee.

Amendments to Indenture and Supplemental Indentures Not Requiring Consent of Bondholders

Subject to the terms set forth in the Indenture under the heading "Terms Relating to The Regents," the Issuer and the Trustee may, without the consent of or notice to any of the Bondholders, enter into an amendment to the Indenture or an indenture supplemental to the Indenture for any one or more of the following purposes: (i) to cure

any error, ambiguity, or formal defect or omission in, or to correct or supplement any defective provision of, the Indenture, (ii) to add to the covenants and agreements of, and limitations and restrictions upon, the Issuer in the Indenture other covenants, agreements, limitations, and restrictions to be observed by the Issuer for the protection of the Bondholders, (iii) to evidence the appointment of a separate trustee or a co-trustee, or the succession of a new trustee or the appointment of a new or additional paying agent or bond registrar, (iv) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, benefits, security, liabilities, duties, or authority that may lawfully be granted to or conferred or imposed upon the Bondholders or the Trustee or either of them, (v) to subject to the lien and security interest of the Indenture additional revenues, properties, or collateral, (vi) to modify, amend, or supplement the Indenture or any indenture supplemental to the Indenture in such manner as to permit the qualification of the Indenture and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of any Bonds for sale under the securities laws of any state, and, if they so determine, to add to the Indenture or any indenture supplemental to the Indenture such other terms, conditions, and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or any similar federal statute, (vii) to modify, amend, or supplement the Indenture in such manner to assure the continued exclusion of the interest on any Tax-Exempt Bonds from the gross income of the Owners thereof for federal income tax purposes, (viii) to comply with any provisions of the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended, or any rules or regulations promulgated thereunder, (ix) to reflect a change in applicable law provided that the Trustee will determine that such amendment or supplemental indenture does not prejudice the rights of Bondholders, (x) to make any other change in the Indenture that, in the judgment of the Trustee (which may be in reliance upon an opinion of counsel), will not prejudice or materially adversely affect the Bondholders or impair the Security, or (xi) to make any other change in the Indenture other than as described in items (i) through (vii) in the following section.

Amendments to Indenture and Supplemental Indentures Requiring Consent of Bondholders

Subject to the terms set forth in the Indenture under the heading “Terms Relating to The Regents,” exclusive of amendments and indentures supplemental to the Indenture not requiring Bondholder consent and subject to the terms and provisions contained in this section and not otherwise, the Requisite Number of Bondholders will have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of an amendment to the Indenture or such indenture supplemental to the Indenture as will be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Indenture, in any amendment to the Indenture, or in any supplemental indenture; provided, however, that nothing contained in this section will permit, or be construed as permitting: (i) an extension of the stated maturity or reduction in the principal amount of, or a reduction in the rate or an extension of the time of payment of interest on, or a reduction of any premium payable on the redemption of, any Bonds, without the consent of every Owner of such Bonds, or (ii) the creation of any lien or security interest (other than any Permitted Encumbrances exclusive of that described in clause (vi) of the definition thereof) prior to or on a parity with the lien and security interest of the Indenture, without the consent of the Owners of all the Bonds at the time Outstanding that would be affected by the action to be taken, or (iii) a reduction in the amount, or an extension of the time of any payment, required by the mandatory sinking fund redemption provisions of the Indenture, without the consent of the Owners of all the Bonds at the time Outstanding that would be affected by the action to be taken, or (iv) a reduction in the aforesaid aggregate principal amount of Bonds the Owners of which are required to consent to any such amendment or supplemental indenture, without the consent of the Owners of all the Bonds at the time Outstanding that would be affected by the action to be taken, or (v) the modification of the trusts, powers, obligations, remedies, privileges, rights, duties, or immunities of the Trustee, without the written consent of the Trustee, or (vi) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (vii) the release of or requirements for the release of the Indenture, without the consent of the Owners of all the Bonds at the time Outstanding that would be affected by the action to be taken.

Anything in the Indenture to the contrary notwithstanding, if the Borrower is not in default under the Loan Agreement at such time, an amendment to the Indenture or supplemental indenture under the Indenture that affects any rights or obligations of the Borrower or that changes the priority or use of moneys under the Indenture will not become effective unless and until the Borrower will have consented to the execution and delivery of such amendment or supplemental indenture.

Provisions Relating to the Insured Series 2019 Bonds

Notwithstanding anything to the contrary contained in the Indenture, the following provisions will apply to the Insured Series 2019 Bonds.

Notice and Other Information to be given to BAM. The Issuer will provide BAM with all notices and other information it is obligated to provide to the holders of Insured Series 2019 Bonds or the Trustee under the Indenture.

Defeasance. The investments in the defeasance escrow relating to Insured Series 2019 Bonds will be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by BAM.

At least (three) 3 Business Days prior to any defeasance with respect to the Insured Series 2019 Bonds, the Trustee will deliver to BAM draft copies of an escrow agreement, an opinion of bond counsel regarding the defeasance of the Insured Series 2019 Bonds, a verification report (a “*Verification Report*”) prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report will be addressed to BAM and will be in form and substance satisfactory to BAM. In addition, the escrow agreement will provide that:

(i) The Borrower will not exercise any prior optional redemption of Insured Series 2019 Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there will be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(ii) The Borrower will not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

Trustee and Paying Agent.

(i) BAM will receive prior written notice of any name change of the trustee (the “*Trustee*”) or, if applicable, the paying agent (the “*Paying Agent*”) for the Insured Series 2019 Bonds or the resignation or removal of the Trustee or, if applicable, the Paying Agent. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (C) otherwise approved by BAM in writing.

(ii) No removal, resignation or termination of the Trustee or, if applicable, the Paying Agent will take effect until a successor, meeting the requirements above or acceptable to BAM, will be qualified and appointed.

Amendments, Supplements and Consents. BAM’s prior written consent is required for all amendments and supplements to the Indenture, with the exceptions noted below. Any amendments or supplements to the Indenture will require the prior written consent of BAM with the exception of amendments or supplements:

(i) To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the Insured Series 2019 Bonds Security Documents or in any supplement thereto, or

(ii) To grant or confer upon the holders of the Insured Series 2019 Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Series 2019 Bonds, or

(iii) To add to the conditions, limitations and restrictions on the issuance of Bonds or other obligations under the provisions of the Insured Series 2019 Bonds Security Documents, or other conditions, limitations and restrictions thereafter to be observed, or

(iv) To add to the covenants and agreements of the Issuer or the Borrower in the Insured Series 2019 Bonds Security Documents other covenants and agreements thereafter to be observed by the Issuer or the Borrower or to surrender any right or power therein reserved to or conferred upon the Issuer or the Borrower, or

(v) To issue Additional Bonds under the Indenture and Series of Bonds under the Financing Trust Agreement in accordance with the requirements set forth in the Indenture and the Financing Trust Agreement, respectively.

Consent of BAM in Addition to Bondholder Consent. Any amendment, supplement, modification to, or waiver of, any of the Insured Series 2019 Bonds Security Documents that requires the consent of holders of the Insured Series 2019 Bonds or adversely affects the rights or interests of BAM will be subject to the prior written consent of BAM.

Insolvency. Any reorganization or liquidation plan with respect to the Borrower must be acceptable to BAM. The Trustee and each owner of the Insured Series 2019 Bonds hereby appoint BAM as their agent and attorney-in-fact with respect to the Insured Series 2019 Bonds and agree that BAM may at any time during the continuation of any proceeding by or against the Issuer or Borrower under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an ***“Insolvency Proceeding”***) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a ***“Claim”***), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each owner of the Insured Series 2019 Bonds delegate and assign to BAM, to the fullest extent permitted by law, the rights of the Trustee and each owner of the Insured Series 2019 Bonds with respect to the Insured Series 2019 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

Control by BAM Upon Default. Anything in the Insured Series 2019 Bonds Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM will be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Series 2019 Bonds or the Trustee or Paying Agent for the benefit of the holders of the Insured Series 2019 Bonds under any Insured Series 2019 Bonds Security Document. No default or event of default may be waived without BAM’s written consent.

BAM as Owner. Upon the occurrence and continuance of a default or an event of default, BAM will be deemed to be the sole owner of the Insured Series 2019 Bonds for all purposes under the Indenture, including, without limitations, for purposes of exercising remedies and approving amendments.

Grace Period for Payment Defaults. No grace period will be permitted for payment defaults on the Insured Series 2019 Bonds. No grace period for a covenant default will exceed 30 days without the prior written consent of BAM.

Special Provisions for Insurer Default. If an Insurer Default will occur and be continuing, then, notwithstanding anything in the preceding paragraphs to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM will be treated like any other holder of the Insured Series 2019 Bonds for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM will have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) will control. For purposes of this paragraph, “Insurer Default” means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM will (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any

such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality will order the suspension of payments on the Policy or will obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

BAM As Third Party Beneficiary. BAM is recognized as and will be deemed to be a third party beneficiary of the Insured Series 2019 Bond Security Documents and may enforce the provisions of the Insured Series 2019 Bond Security Documents as if it were a party thereto.

Payment Procedure Under the Policy.

(i) In the event that principal and/or interest due on the Insured Series 2019 Bonds will be paid by BAM pursuant to the Policy, the Insured Series 2019 Bonds will remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Issuer to the registered owners will continue to exist and will run to the benefit of BAM, and BAM will be subrogated to the rights of such registered owners.

(ii) In the event that on the second (2nd) Business Day prior to any payment date on the Insured Series 2019 Bonds, the Paying Agent or Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Series 2019 Bonds due on such payment date, the Paying Agent or Trustee will immediately notify BAM or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee will so notify BAM or its designee.

(iii) In addition, if the Paying Agent or Trustee has notice that any holder of the Insured Series 2019 Bonds has been required to disgorge payments of principal of or interest on the Insured Series 2019 Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent or Trustee will notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

(iv) The Paying Agent or Trustee will irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Series 2019 Bonds as follows:

(A) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Series 2019 Bonds, the Paying Agent or Trustee will (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holders of the Insured Series 2019 Bonds in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Insured Series 2019 Bonds, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from BAM with respect to the claims for interest so assigned, (iii) segregate all such payments in a separate account (the ***"BAM Policy Payment Account"***) to only be used to make scheduled payments of principal of and interest on the Insured Series 2019 Bond, and (iv) disburse the same to such respective holders; and

(B) If there is a deficiency in amounts required to pay principal of the Insured Series 2019 Bonds, the Paying Agent or Trustee will (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holder of the Insured Series 2019 Bonds in any legal proceeding related to the payment of such principal and an assignment to BAM of the Insured Series 2019 Bonds surrendered to BAM, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from BAM, (iii) segregate all such payments in the BAM Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Insured Series 2019 Bond, and (iv) disburse the same to such holders.

(v) The Trustee will designate any portion of payment of principal on Insured Series 2019 Bonds paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Series 2019 Bonds registered to the then current holder, whether DTC or its nominee or otherwise, and will issue a replacement Insured Series 2019 Bond to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Series 2019 Bond will have no effect on the amount of principal or interest payable by the Issuer on any Insured Series 2019 Bond or the subrogation or assignment rights of BAM.

(vi) Payments with respect to claims for interest on and principal of Insured Series 2019 Bonds disbursed by the Paying Agent or Trustee from proceeds of the Policy will not be considered to discharge the obligation of the Issuer with respect to such Insured Series 2019 Bonds, and BAM will become the owner of such unpaid Insured Series 2019 Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Insured Series 2019 Bonds Security Documents will not be discharged or terminated unless all amounts due or to become due to BAM have been paid in full or duly provided for.

(vii) Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent and Trustee agree for the benefit of BAM that:

(A) They recognize that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Paying Agent or Trustee), on account of principal or of interest on the Insured Series 2019 Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the Indenture and the Insured Series 2019 Bonds; and

(B) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Series 2019 Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Series 2019 Bonds to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

Liquidity Account. The prior written consent of BAM will be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Liquidity Account, if any.

Exercise of Rights by BAM. The rights granted to BAM under the Insured Series 2019 Bonds Security Documents to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Policy. Any exercise by BAM of such rights is merely an exercise of BAM's contractual rights and will not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Series 2019 Bonds and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Insured Series 2019 Bonds or any other person is required in addition to the consent of BAM.

Other Provisions.

(i) BAM will be entitled to pay principal or interest on the Insured Series 2019 Bonds that will become due for payment but will be unpaid by reason of nonpayment by the Issuer (as such terms are defined in the Policy) and any amounts due on the Insured Series 2019 Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not BAM has received a claim upon the Policy.

(ii) No contract will be entered into or any action taken by which the rights of BAM or security for or source of payment of the Insured Series 2019 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of BAM.

(iii) If an event of default occurs under any agreement pursuant to which any Obligation of the Borrower has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Series 2019 Bonds or BAM, as BAM may determine in its sole discretion, then an event of default will be deemed to have occurred under

the Indenture. For purposes of the foregoing “Obligation” means any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Series 2019 Bonds.

THE LOAN AGREEMENT

Borrower Constraints

The Borrower covenants to comply with the following constraints throughout the term of the Loan Agreement.

(a) The Borrower covenants and agrees that until all of its indebtedness and obligations under the Loan Agreement have been fully paid and discharged, the Borrower will not directly or indirectly, incur, assume or guarantee any Indebtedness (secured or unsecured) except:

(i) Additional non-recourse indebtedness secured by a lien, which indebtedness is not a general obligation of the Borrower, and the liability for which indebtedness is limited to the property subject to such lien with no recourse, directly or indirectly, to Project Gross Revenues or any other property of the Borrower. Notwithstanding anything to the contrary in the Loan Agreement, the Borrower is authorized to incur additional Indebtedness in the form of capital leases for acquisition of equipment, provided such amount is included in the Annual Budget; or

(ii) Indebtedness with respect to which there will be furnished to the Trustee a certificate of the chief financial officer of the Borrower confirming that (A) for the Fiscal Year immediately preceding the issuance of such Indebtedness the Fixed Charges Coverage Ratio was at least 1.2:1.0, and (B) based on a written report of a Financial Consultant accompanying such certificate, the Fixed Charges Coverage Ratio for the first full Fiscal Year following completion of improvements to the Project financed with the proceeds of such Indebtedness is reasonably expected to be at least 1.2:1.0, or

(iii) Indebtedness with respect to which there will be furnished to the Trustee a certificate of the chief financial officer of the Borrower confirming that (A) such Indebtedness is issued in order to refund Bonds previously issued, and (B) following the issuance of such Indebtedness, Annual Debt Service of the Bonds will be reduced.

(b) The Borrower will take such action necessary to ensure that the Borrower is a separate and distinct entity separate from any other member or Affiliate which action will include:

(i) maintain books, financial records and bank accounts (including checking and other bank accounts and custodian and other securities safekeeping accounts) that are separate and distinct from the books, financial records and bank accounts of any other Person or entity;

(ii) not commingle any of its assets, funds, liabilities or business functions with the assets, funds, liabilities or business functions of an Affiliate or other member;

(iii) pay its own liabilities, losses and expenses only out of its own funds;

(iv) maintain separate annual financial statements prepared in accordance with generally accepted accounting principles, consistently applied, showing its assets and liabilities separate and distinct from those of any other Person or entity;

(v) in the event the financial statements of the Borrower are consolidated with the financial statements of any other Person or entity, cause to be included in such consolidated financial statements a narrative description of the separate assets, liabilities, business functions, operations and existence of the Borrower to ensure that such separate assets, liabilities, business functions, operations and existence are

readily distinguishable by any person or entity receiving or relying upon a copy of such consolidated financial statements;

- (vi) not guarantee or become obligated for the debts or obligations of any other entity or Person;
- (vii) to the extent that the Borrower and any of its Affiliates occupy any premises in the same location, allocate fairly, appropriately and nonarbitrarily any rent and overhead expenses among and between such entities with the result that each entity bears its fair share of all such rent and expenses;
- (viii) maintain an arm's-length relationship with its affiliates and enter into transactions with affiliates only on a commercially reasonable basis;
- (ix) not pledge its assets for the benefit of any other Persons or entity (except FTA Borrowers);
- (x) not materially amend, alter or repeal any material provision of the Borrower's Certificate of Formation if any Bonds are outstanding.

The Loan

(a) The Issuer agrees to lend to the Borrower, and the Borrower agrees to borrow from the Issuer, the proceeds of the sale of the Series 2019 Bonds for the purposes of financing the Costs of the Series 2019 Project and the Series 2019 Offsite Elements, funding the UCR Series 2019 Bonds Pooling Subaccount within the Liquidity Account pursuant to the Second Supplemental Financing Trust Agreement and such other funds required pursuant to the Indenture, capitalized interest, working capital, costs of marketing the Series 2019 Project and paying certain Issuance Costs in accordance with the terms and conditions of the Loan Agreement and the Indenture. The deposit of the proceeds of the sale of the Series 2019 Bonds, as provided in the Indenture, will constitute the loan of such proceeds from the Issuer to the Borrower. Such proceeds will be applied as provided in the Indenture. The Borrower will repay the Series 2019 Loan as provided in the Loan Agreement.

(b) The Borrower's obligation to repay the Series 2019 Loan, together with premium, if any, and interest thereon, is more fully described in the Loan Agreement under the caption "Basic Loan Payments." The Borrower will make payments on the Series 2019 Loan and will be liable therefor at times and in amounts sufficient to pay when due all principal (whether at maturity, by mandatory redemption or otherwise) of and interest and premium, if any, on all Series 2019 Bonds from time to time Outstanding under the Indenture.

Security for Payments Under the Bonds

As security for the payments under the Loan Agreement and as security for payment of the Bonds, the Issuer will execute and deliver the Indenture, under the terms of which all of the right, title, interest, and remedies of the Issuer in the Loan Agreement (except the Unassigned Rights), the Second Supplemental Financing Trust Agreement, the Leasehold Deed of Trust, and the Assignment of Documents, together with all revenues and amounts to be received and all property to be held by the Issuer thereunder, excluding, in any event, the University Contribution, University Receipts and Parking Fines, will be assigned and will be the subject of a grant of a first priority security interest to the Trustee and will be pledged as security for, among other things, the payment of the Bonds. The Borrower consents to such assignment and grant of a first priority security interest and agrees that its obligations to make all payments under the Loan Agreement will be absolute and will not be subject to any defense, except payment, or to any right of setoff, counterclaim, or recoupment arising out of any breach by the Issuer of any obligation to the Borrower, whether under the Loan Agreement or otherwise, or arising out of any indebtedness or liability relating to the Project at any time owing to the Borrower by the Issuer. The Borrower further agrees that all Basic Loan Payments required to be made under the Loan Agreement will be paid directly to the Trustee for the account of the Issuer. The Trustee will have all rights and remedies accorded to the Issuer in the Loan Agreement (except for Unassigned Rights), and any reference to the Issuer in the Loan Agreement will be deemed, with the necessary changes in detail, to include the Trustee, and the Trustee and the Bondholders are deemed to be and are third party beneficiaries of the representations, covenants, and agreements of the Borrower contained in the Loan Agreement.

Title Insurance

The Borrower will, prior to or simultaneously with the issuance of the Series 2019 Bonds, deliver to the Trustee a pro forma ALTA mortgage policy of title insurance issued by a title insurance company acceptable to the Underwriters, with a commitment to issue the ALTA mortgage policy of title insurance following the Closing Date, in the face amount of at least equal to the initial principal amount of the Series 2019 Bonds. Any Net Proceeds payable either to the Issuer or the Borrower under such policy will be subject to the lien of the Indenture, will be paid to the Trustee and held by the Trustee in the Insurance Fund or the Redemption Fund, as the case may be, and will, at the Borrower's written direction, be either (a) used to acquire or construct replacement or substitute property in Riverside, California for that to which title has been lost, or (b) used to redeem the Series 2019 Bonds pursuant to the Indenture. Any such replacement or substitute property must be approved in writing by the Authorized Issuer Representative and The Regents.

Acquisition, Construction, Furnishing, and Equipping of the Series 2019 Project

Promptly following the issuance and sale of the Series 2019 Bonds, the Borrower will acquire the interest in the Premises (as defined in the Indenture) created by the Series 2019 Ground Lease, and cause the construction, acquisition or installation of the Series 2019 Building, including the demolition of certain existing improvements relating to the Series 2019 Project, the Series 2019 Equipment and the Series 2019 Offsite Elements. The Issuer authorizes the Borrower to use the proceeds of the Series 2019 Bonds deposited into the Construction Fund to construct, furnish, and equip the Series 2019 Project, including the demolition of existing improvements related thereto, and the Series 2019 Offsite Elements, and as otherwise provided in the Indenture. The Borrower agrees (i) that it will exercise the foregoing authorizations given to it by the Issuer, (ii) that it will cause the Series 2019 Equipment to be acquired, and (iii) that the Series 2019 Project and the Series 2019 Offsite Elements have been or will be acquired and constructed substantially in accordance with the Plans and Specifications. The Borrower reasonably expects, based upon representations of the Developer, that the Series 2019 Project and the Series 2019 Offsite Elements will be completed and the proceeds of the Series 2019 Bonds deposited in the Construction Fund will be expended within three (3) years from the date of issuance of the Series 2019 Bonds; subject to delays caused by matters outside the reasonable control of the Borrower, including without limitation earthquake, landslide, subsidence, flood, windstorm, collapse, boiler and machinery accidents, strikes, riot, civil commotion, trade wars and sabotage.

The Borrower agrees that it will, at all times during the construction of the Series 2019 Project, maintain or cause to be maintained in full force and effect Builder's Risk-Completed Value Form insurance insuring all buildings, structures, boilers, equipment, facilities, fixtures, supplies and other property constituting part of the Series 2019 Project on an "all risk of loss or damage basis" subject to standard exclusions and sub-limits including perils of earth movement, (including, but not limited to, earthquake, landslide, and subsidence), flood, windstorm, collapse, boiler and machinery accidents, strikes, riot, civil commotion and sabotage to the full replacement cost of the Series 2019 Project, except for flood/water damage coverage which will have a sublimit of Twenty-Five Million Dollars (\$25,000,000) with a deductible provision not to exceed One Hundred Thousand Dollars (\$100,000) and earth movement/earthquake coverage which will have a sublimit of Twenty-Five Million Dollars (\$25,000,000) with the lowest commercially available deductible provisions, but in any case with deductibles not to exceed 5% of value at risk. The all other perils deductible will not exceed One Hundred Thousand Dollars (\$100,000) per occurrence or such larger deductible amount as may be approved by the Ground Lessor (as defined in the Ground Lease). Such policy or policies of insurance will name the Issuer, the Borrower, the Developer, the Lessor, the general contractor and all subcontractors and the Trustee as insureds, as their respective interests may appear, and will name the Trustee as mortgagee under a Standard Mortgagee Endorsement and as sole loss payee. Such policy or policies of insurance will also provide that no act or omission or any breach or violation by any insured or any other person of warranties, declarations or conditions contained in the insurance policy or policies, any action or inaction of any insured or any other person or any foreclosure relating to the Series 2019 Project will in any way prejudice the rights of the Issuer and Trustee thereunder, and all Net Proceeds received under such policy or policies will be paid over to the Trustee and deposited into the Insurance Fund to be applied to the restoration and/or completion of the Series 2019 Project or to the redemption of Series 2019 Bonds in accordance with the provisions of the Loan Agreement. Moneys held by the Trustee in the Insurance Fund will be invested and disbursed, from time to time, as provided in the Loan Agreement. Said insurance policy or policies will contain a provision that such insurance may not be canceled by the issuer thereof without at least thirty (30) days' advance written notice (except ten (10) days' advance written notice in

the event of nonpayment of premiums). The Borrower will promptly forward any notice of cancellation received to the Issuer, the Lessor and the Trustee. All such policies or copies thereof or certificates that such insurance is in full force and effect will be delivered to the Trustee at or prior to delivery of the Series 2019 Bonds.

In addition, the Borrower will cause the general contractor at all times during the construction of the Series 2019 Project to maintain: (i) commercial general liability insurance on an occurrence basis for liability of the general contractor or borrower, as an additional insured, arising out of claims for bodily injury and death and/or property damage including coverage for (A) explosion, collapse and underground hazards; (B) products-completed operations (which coverage will remain in effect for a period of at least ten years or the applicable statute of repose following the Series 2019 Completion Date); (C) blanket contractual liability; (D) broad form property damage; (E) personal injury and advertising liability; (F) independent contractors; and (G) pollution liability arising out of hostile fire and explosion, in each case in an amount not less than \$1,000,000, provided that policy aggregates, if any, will apply separately to claims occurring with respect to the Series 2019 Project; (ii) commercial automobile liability insurance for the liability of the general contractor arising out of claims for bodily injury and/or property damage covering all owned (if any), leased, hired, and non-owned vehicles used in the performance of the general contractor's obligations under the Construction Contracts with a minimum limit of \$1,000,000 each accident for combined bodily injury and property damage and including personal injury protection and uninsured motorist protection in the minimum statutory limits where required by law; (iii) worker's compensation insurance as required by applicable state law with statutory limits; (iv) employers' liability insurance for liability of the general contractor arising out of injury to or death of general contractor's employees, with a minimum limit of \$1,000,000 per accident; and (v) excess or umbrella liability insurance on an occurrence basis (on at least a following form basis) in excess of the underlying insurance described in this paragraph (c) with a Twenty-Five Million Dollar (\$25,000,000) combined bodily injury, death and property damage minimum limit per occurrence and a Twenty-Five Million Dollar (\$25,000,000) aggregate. Said insurance policy or policies required in this subsection will contain a provision that such insurance may not be canceled without at least thirty (30) days' advance written notice (except ten (10) days' advance written notice in the event of nonpayment of premiums). In the event the Contractor's insurance policies will not issue direct thirty (30) days' notice of cancellation (except ten (10) days' advance written notice in the event of nonpayment of premiums) to the Issuer, the Borrower, the Lessor, and the Trustee, the Contractor will promptly forward any notices received to the aforementioned parties. Certificates of Insurance evidencing that such insurance is in full force and effect will be delivered to the Trustee and the Issuer at or prior to issuance and delivery of the Series 2019 Bonds.

In addition to the provisions under the "Insurance Requirements" heading in the Loan Agreement, commencing on the Series 2019 Completion Date, the Borrower will maintain business interruption insurance (also referred to as "business income" or "loss of rents insurance") covering loss of revenues and other income by the Borrower by reason of total or partial suspension of, or interruption in, the operation of the Series 2019 Project caused by covered damage or destruction insured under the property casualty insurance required pursuant to the Series 2019 Ground Lease of the Series 2019 Project in an amount not less than Annual Debt Service on the Series 2019 Bonds for the next succeeding twenty-four months (the deductible provisions for such business interruption insurance will not exceed thirty (30) days per occurrence) or such greater amount as may be approved in writing by the Ground Lessor. Unless otherwise insured under the commercial property policy, flood insurance under the National Flood Insurance Program within the minimum requirements and amounts required for federally financed or assisted loans under the Flood Disaster Protection Action of 1973, as amended, if the Series 2019 Project is eligible under such program.

The Borrower further agrees that the Construction Contracts will require the general contractor thereunder to deliver to the Trustee and the Issuer performance and labor and material payment bonds with respect to the applicable Construction Contracts, and in the full amount of such Construction Contracts, made by the contractor thereunder as the principal and a surety company, or companies, acceptable to the Underwriters; such bonds will be in such forms as are reasonably acceptable to the Underwriters. Said bonds will name the Borrower and the Trustee as the obligees, and all Net Proceeds received under said bonds will become a part of and be deposited into the Construction Fund, or if received after the Series 2019 Completion Date will be used to pay any obligation then owed by the Borrower under the Loan Agreement (including the funding of all reserve accounts to their required balances), and if any Net Proceeds remain, they will be paid to the Borrower.

The Borrower will cause the construction of the Series 2019 Project and the Series 2019 Offsite Elements substantially in accordance with the Plans and Specifications and the Construction Contracts and warrants that the

construction of the Series 2019 Project and the Series 2019 Offsite Elements substantially in accordance with the Plans and Specifications will, when supplemented by the Series 2019 Equipment, result in a facility suitable for use by the Borrower as a student housing facility and related parking and other amenities and improvements, and that all real and personal property provided for therein is necessary or appropriate in connection with the Series 2019 Project. The Borrower may make changes in or additions to the Plans and Specifications for the Series 2019 Project and the Series 2019 Offsite Elements; provided, however, that any Material Change Orders will be subject to approval by Lessor pursuant to the terms of the Ground Lease.

Agreement Term

The Loan Agreement became effective upon its execution and delivery and will be in full force and effect until the Bonds will have been fully paid (or provision for such payment will have been made as provided in the Indenture); provided, however, that the covenants and obligations expressed in the Loan Agreement to so survive will survive the termination of the Loan Agreement.

Loan Payments and Other Amounts Payable

(a) *Basic Loan Payments:* (i) Until the principal of, and premium, if any, and interest on the Bonds will have been fully paid or provision for the payment thereof will have been made in accordance with the Indenture, the Borrower will pay or cause to be paid to the Trustee for the account of the Issuer as Basic Loan Payments, in each case for deposit into the Bond Fund, amounts sufficient to pay the principal (whether at maturity, by acceleration, call for redemption, or otherwise) and purchase price of, and premium, if any, and interest on the Bonds as and when the same will become due and all other sums payable under the terms of the Bonds. The Borrower will pay or cause to be paid to the Trustee for the account of the Issuer:

(A) on or before July 20, 2019, a sum equal to one-fourth (1/4th) of the amount payable as interest on the Series 2019 Bonds on November 15, 2019, and thereafter on or before the twentieth (20th) day of each month, a sum equal to one sixth (1/6th) of the amount payable on the immediately succeeding Interest Payment Date as interest on the Series 2019 Bonds, or in each case such lesser amount that, together with amounts already on deposit in the Bond Fund (including amounts held in the Capitalized Interest Account), will be sufficient to cause amounts in the Bond Fund to be sufficient to pay interest on the Series 2019 Bonds to become due on November 15, 2019 and such immediately succeeding Interest Payment Date, as provided in the Indenture;

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

(C) on or before May 20, 2022, and on or before the twentieth (20th) day of each month thereafter, a sum equal to (A) one twelfth (1/12th) of the principal due on the immediately succeeding May 15 that is a maturity date of the Series 2019 Bonds, and (B) one twelfth (1/12th) of the amount required to retire on the Series 2019 Bonds under the mandatory sinking fund redemption requirements of the Indenture on the immediately succeeding May 15, to cause the amount in the Bond Fund to be sufficient to pay such amounts as provided in the Indenture, as the case may be;

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

(E) on the Business Day prior to any date on which the Series 2019 Bonds are to be redeemed pursuant to the mandatory redemption provisions of the Indenture (other than mandatory sinking fund redemption pursuant to the Indenture), an amount equal to the principal of, and premium, if any, and interest on, the Series 2019 Bonds to be redeemed (taking into account amounts

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

(F) on the Business Day prior to any date on which any Additional Bonds are to be redeemed pursuant to any mandatory redemption provisions of any supplemental indenture or indentures executed in connection with the issuance of Additional Bonds (other than mandatory sinking fund or other similar redemption pursuant to such supplemental indenture or indentures), an amount equal to the principal of, and premium, if any, and interest on, such Additional Bonds to be redeemed (taking into account amounts then on deposit in the Bond Fund to be used for the payment of such Additional Bonds to be redeemed).

(ii) Each payment of Basic Loan Payments under clause (i)(A) and (B) above will in all events be sufficient, after giving credit for funds held in the Bond Fund (including amounts held in the Capitalized Interest Account and the Revenue Fund available for such purpose, to pay the total amount of interest payable on the Bonds on the immediately succeeding Interest Payment Date and each payment of Basic Loan Payments under clause (i)(C) and (D) above will in all events be sufficient, after giving credit for funds held in the Bond Fund available for such purpose, to pay the total amount of principal payable in respect of the Bonds on the immediately succeeding May 15. Any Basic Loan Payments will be reduced or need not be made to the extent that there are moneys on deposit in the Bond Fund in excess of scheduled payments of Basic Loan Payments plus the amount required for the payment of Bonds theretofore matured or called for redemption, the amount required for the payment of interest for which checks or drafts have been mailed by the Trustee, and past due interest in all cases where Bonds have not been presented for payment. Further, if the lien of the Indenture has been released pursuant to the Indenture, the Borrower will not be obligated to make any further payments of Basic Loan Payments under the provisions of this section. There will also be a credit against remaining Basic Loan Payments for Bonds purchased, redeemed, or canceled, as provided in the Indenture or in any supplemental indenture or indentures executed in connection with the issuance of Additional Bonds as provided therein.

(b) Additional Loan Payments: (i) The Borrower will pay:

(A) To the Trustee until the principal of, premium, if any, and interest on the Bonds will have been fully paid (1) for deposit into the Repair and Replacement Fund, the amount set forth in the Indenture, (2) for deposit into any debt service fund or funds created under the Indenture or any supplemental indenture or indentures executed in connection with the issuance of Additional Bonds any amount required to be on deposit therein pursuant to the Indenture or supplemental indenture, (3) promptly upon request, an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered and the Ordinary Expenses of the Trustee incurred under the Indenture, as and when the same become will due, (4) promptly upon request, the reasonable fees and charges of the Trustee, as bond registrar and paying agent, and of any other paying agents on the Bonds for acting as paying agents as provided in the Indenture, as and when the same will become due, (5) promptly upon request, the reasonable fees and charges of the Trustee for the Extraordinary Services of the Trustee rendered by it and Extraordinary Expenses of the Trustee incurred by it under the Indenture, as and when the same will become due; provided, that the Borrower may, without creating a default under the Loan Agreement, contest in good faith the reasonableness of any such Extraordinary Services of the Trustee and Extraordinary Expenses of the Trustee and the reasonableness of any such fees, charges, or expenses;

(B) To the Issuer or Trustee, as applicable, all payments set forth in the “Additional Payments” section below; and

(C) To the Independent Engineer and Insurance Consultant any fees and expenses owed.

(ii) Such Additional Loan Payments will be billed to the Borrower by the Issuer or the Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by

such party for one or more of the above items. Amounts so billed will be paid by the Borrower within thirty (30) days after receipt of the bill by the Borrower.

(iii) In the event the Borrower will fail to make any of the payments required in this section, the item or installment so in default will continue as an obligation of the Borrower until the amount in default will have been fully paid and will bear interest at the highest rate of interest on the Bonds.

(iv) All amounts deposited in the Funds and Accounts created pursuant to the Indenture and available to be used to pay the amounts, fees, charges, and expenses described in item (i) of this subsection (b) in accordance with the terms of the Indenture will be credited against the Borrower's obligation to make Additional Loan Payments to the extent such amounts are so used.

(c) *Liquidity Subaccount Loan Payments:* In accordance with the Series 2019 Financing Trust Agreement, the Loan Agreement is stated to be a Loan Agreement under the Financing Trust Agreement. The UCR Series 2019 Bonds Pooling Subaccount within the Liquidity Account will be funded in an amount equal to the required amount under the Financing Trust Agreement, and will be available in accordance with, and to the extent permitted by, the terms and conditions of the Financing Trust Agreement, for the purpose of paying principal of, premium, if any, and interest on the Bonds as the same will become due in the event there will be insufficient funds for said purpose in the Bond Fund and the other Funds described in paragraph (g) under the caption "The Indenture – Bond Fund" above, unless provision for their payment in full will have been duly made. In the event any funds from the UCR Series 2019 Bonds Pooling Subaccount will be withdrawn that reduces the amount on deposit in such subaccount to less than its required amount under the Financing Trust Agreement, the Borrower will, beginning on the twentieth (20th) day of the month following notice from the Master Trustee of such withdrawal, and on the twentieth (20th) day of each month thereafter, in addition to any other Loan Payments that may be due, make twelve (12) consecutive monthly payments as Liquidity Subaccount Loan Payments to the Master Trustee for deposit into the UCR Series 2019 Bonds Pooling Subaccount, each equal to the lesser of (i) one-twelfth (1/12th) of the amount of such withdrawal or (ii) the excess of the amount required to satisfy the Liquidity Subaccount Requirement with respect to the UCR Series 2019 Bonds Pooling Subaccount in accordance with the Financing Trust Agreement over the amount on deposit in the UCR Series 2019 Bonds Pooling Subaccount.

In the event there is a diminution in Value of the amounts held in the UCR Series 2019 Bonds Pooling Subaccount, as of May 15 of each year or if any net losses result from the investment of amounts held therein that reduces the amount on deposit therein to less than the required amount under the Financing Trust Agreement as of such date, the Borrower will, beginning on the twentieth (20th) day of the month following notice from the Master Trustee of such diminution in Value or losses, and on the twentieth (20th) day of each month thereafter, in addition to any other Loan Payments that may be due, make four (4) consecutive monthly payments as Liquidity Subaccount Loan Payments to the Trustee for deposit into the UCR Series 2019 Bonds Pooling Subaccount, each equal to the lesser of (i) one-fourth (1/4th) of the amount of such diminution in Value or loss or (ii) the excess of the amount required to be so deposited in accordance with the Financing Trust Agreement over the amount on deposit in the UCR Series 2019 Bonds Pooling Subaccount.

(d) *Additional Payments.* Pursuant to the "Additional Loan Payments" section above, Borrower will pay; (i) to the Issuer, an amount sufficient to reimburse the Issuer for all expenses reasonably incurred by the Issuer under the Loan Agreement in connection with the Project, including, but not limited to, the reasonable fees and expenses of counsel for the Issuer and Bond Counsel; (ii) all taxes and assessments of any type or character charged to the Issuer or to the Trustee affecting the amount available to the Issuer or the Trustee from payments to be received under the Loan Agreement; (iii) the reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Borrower Documents or the Indenture; (iv) the Issuer Issuance Fee, the Issuer Annual Fee, which will be paid directly to the Issuer as described below, and the reasonable fees and expenses of the Issuer or any agent or attorney selected by the Issuer to act on its behalf in connection with the Borrower Documents, the Bonds or the Indenture, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of any such Bonds or in connection with any litigation, investigation or other proceeding which may at any time be instituted involving the Loan Agreement, the Leasehold Deed of Trust, the Bonds or the Indenture or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection

with the administration of the Borrower Documents; and (v) any amounts due and payable by the Borrower as arbitrage rebate under Section 148 of the Code, pursuant to Borrower's covenants and agreements with respect thereto in the Loan Agreement and in the Tax Certificate..

Such Additional Payments will be billed to the Borrower by the Issuer from time to time, together with a statement certifying that the amount billed has been incurred or paid by the Issuer for one or more of the above items. After such a demand, amounts so billed will be paid by the Borrower within thirty (30) days after the date of invoice.

Maintenance and Modification of Project by the Borrower

The Borrower agrees that during the Agreement Term it will at its own expense (except with respect to the University Space during the term of the License, during which the Borrower shall cause Lessor, at its expense, to) (i) keep the Project or cause the Project to be kept in as reasonably safe condition as its operations will permit, (ii) keep or cause to be kept the Building and all other improvements forming a part of the Project in good repair and in good operating condition, subject to normal wear and tear, making from time to time, subject to the Loan Agreement, all necessary and proper repairs thereto and renewals and replacements thereof, including external and structural repairs, renewals, and replacements, and (iii) use or cause to be used the Equipment in the regular course of its business only, within the normal capacity of the Equipment, without abuse, and in a manner contemplated by the manufacturer thereof, and cause the Equipment to be maintained in accordance with the manufacturer's then currently published standard maintenance contract and recommendations. The Borrower may, also at the expense of the Project, from time to time make any Additions or Alterations to the Project it may deem desirable for its business purposes that do not, in the opinion of a Consulting Architect filed with the Trustee, adversely affect the operation or value of the Project, provided, that the opinion of a Consulting Architect will only be required in the case of material Additions or Alterations, as defined in the Indenture. Additions or Alterations to the Project so made by the Borrower will be on the Premises, will become a part of the Project, and will become subject to the lien and security interest of the Leasehold Deed of Trust.

Insurance Required

In addition to the insurance otherwise required by the Loan Agreement, throughout the Agreement Term, the Borrower will keep the Series 2019 Project or cause the same to be kept continuously insured against such risks as are customarily insured against with respect to facilities of like size and type, as recommended by an Insurance Consultant, and approved by the Ground Lessor and its consultant.

Destruction and Damage

In the event that the Series 2019 Project is destroyed or damaged (in whole or in part) by fire or other casualty, the Borrower will, unless the Bonds will be paid in full from the Net Proceeds of insurance resulting from such destruction or damage, be obligated to continue to make the Loan Payments and will not be entitled to any postponement, abatement, or diminution thereof.

If such Net Proceeds of insurance will be less than One Million Dollars (\$1,000,000), all such insurance proceeds will be paid to the Borrower and the Borrower will, to the extent of such proceeds, repair, replace, rebuild, restore, and/or re-equip the particular Project promptly to substantially the same condition thereof as existed prior to the event causing such destruction or damage with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Borrower and as will not impair the value or the character of the such Project. In the event the Net Proceeds will not be sufficient to pay in full the costs of any such repair, replacement, rebuilding, restoration and reequipping, the Borrower will, to the extent of proceeds received from the Repair and Replacement Fund and the Project Gross Revenues, if any, complete said work.

Condemnation

(a) In the event that title to or the temporary use of the Series 2019 Project or any part thereof will be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, the Borrower will, unless the Bonds will be paid in full from the award made in such eminent

domain proceedings, be obligated to continue to make the Loan Payments and will not be entitled any postponement, abatement, or diminution thereof.

(b) Except for Net Proceeds received by the Borrower in connection with investments of Net Proceeds under the Loan Agreement, the Issuer, the Borrower, and the Trustee will cause the Net Proceeds received by them or any of them from any award made in such eminent domain proceedings to be paid to the Trustee and deposited and held in the Condemnation Fund to be applied, as fully as practicable, in one or more of the following ways as will be directed in writing by the Borrower within sixty (60) days from the date of such deposit: (i) subject to the requirements of the Loan Agreement, such Net Proceeds may be applied to the restoration of the particular Project; or (ii) subject to the requirements of the Loan Agreement, such Net Proceeds may be applied to the acquisition of other suitable land and the acquisition, by construction or otherwise, to the extent permitted by applicable law, of improvements consisting of a building or buildings, facilities, furnishings, machinery, equipment, or other properties suitable for the Borrower's operations at such Project as conducted prior to such taking (which improvements will be deemed a part of the Project and available for use and occupancy by the Borrower without the payment of any Loan Payments other than as provided in the Loan Agreement to the same extent as if such improvements were specifically described in the Loan Agreement and will be acquired by the Borrower subject to no liens, security interests, or encumbrances prior to or on a parity with the lien and security interest of the Leasehold Deed of Trust, other than Permitted Encumbrances); or (iii) such Net Proceeds may be transferred to the Redemption Fund to be applied to the redemption of Bonds; or (iv) such Net Proceeds may be applied in some combination permitted by the foregoing clauses (i), (ii), and (iii) of this subsection (b).

(c) All Net Proceeds deposited into the Redemption Fund pursuant to this section as a result of the condemnation of all or a portion of the Series 2019 Project will be applied to the redemption of all or a portion of the Series 2019 Bonds subject to the approval of The Regents in accordance with the provisions of the Indenture.

Borrower to Maintain Status; Conditions Under Which Exceptions Permitted

(a) The Borrower (i) will not, except as described in this section, consolidate with or merge into another entity or permit another entity to consolidate with or merge into it, (ii) will not dissolve or otherwise dispose of all or substantially all of its assets, (iii) will cause the Foundation to file all required reports and documents with the IRS so as to maintain its status as an organization described in Section 501(c)(3) of the Code, (iv) will not operate the Project in any manner and will not cause the Foundation to engage in any activities or take any action that might reasonably be expected to result in the Foundation's ceasing to be a "501(c)(3) organization," within the meaning of Section 145 of the Code, and (v) will promptly notify the Trustee and the Issuer of any loss of the Foundation's status as a "501(c)(3) organization" or of any investigation, proceeding, or ruling that might result in such loss of status. The Borrower will preserve and keep in full force and effect all licenses and permits necessary to the proper conduct of its business.

(b) The Borrower covenants that it will not, and it will not permit, any of its revenues, income, or profits, whether realized or unrealized, to be distributed to any of its directors, or inure to the benefit of any private Person, other than for the lawful corporate purposes of the Borrower; provided, however, that the Borrower may pay to any Person the value of any service or product performed for, or supplied to, the Borrower by such Person. The Borrower will take such actions as are necessary or appropriate and within its control to take to comply with the provisions of the Code and the regulations promulgated thereunder in order to preserve the exclusion of the interest paid on the Series 2019 Bonds from the gross income of the Owners thereof for federal income tax purposes and will not act or fail to act in any other manner that would adversely affect such exclusion. In connection with the foregoing, the Borrower acknowledges and agrees to comply with the provisions applicable to it in the Tax Certificate.

(c) The Borrower may, without violating the covenant described in this section, consolidate, merge, sell, or otherwise transfer to another Person all or substantially all of its assets as an entirety (and may thereafter dissolve), provided (i) such consolidation, merger, sale, or other transfer does not otherwise cause an Event of Default, (ii) the surviving, resulting, or transferee Person (A) will be authorized to do business in the State, (B) will be a domestic corporation, partnership, or other entity, or if a natural person, is a resident of the United States of America, (C) will have the power to assume and will assume in writing all of the obligations of the Borrower under the Borrower Documents and will deliver to the Trustee any security agreement necessary to ensure that after such consolidation, merger, sale, or other transfer, the Trustee will have a security interest in all assets that constitute, or would have

constituted, the Project and Project Gross Revenues prior to such consolidation, merger, sale, or transfer, together with an opinion of counsel that all action has been taken to perfect such security interest to the extent perfection can be made by the filing of financing statements, (D) will obtain all licenses and permits required by law to operate the Project, (E) will deliver to the Trustee a title insurance policy insuring that the surviving, resulting, or transferee Person has a valid leasehold interest in the Premises and insuring the Leasehold Deed of Trust as a first lien subject only to the Permitted Encumbrances, (F) will deliver to the Trustee an opinion of Independent Counsel to the effect that the Loan Agreement, as assumed by the surviving, resulting or transferee Person, is valid and enforceable obligations of such Person, subject only to exceptions related to bankruptcy and other customary exceptions, (G) will deliver to the Trustee an opinion of Bond Counsel to the effect that such consolidation, merger, sale, or transfer will not cause the interest on Outstanding Tax-Exempt Bonds to be included in gross income for federal income tax purposes, (H) will have a fund balance or net worth, as the case may be, as reflected in the *pro forma* financial statements required to be furnished pursuant to this section, not less than the fund balance or net worth, as the case may be, of the Borrower, as reflected in the most recent audited balance sheet of the Borrower furnished to the Trustee pursuant to the Loan Agreement, and (I) will have a Fixed Charges Coverage Ratio not less than that of the Borrower for the two (2) consecutive years prior to such consolidation, merger, sale, or transfer, as determined from the surviving, resultant, or transferee Person's financial statements on a pro forma basis that gives effect to such consolidation, merger, sale, or transfer, which *pro forma* basis financial statements will be accompanied by an Audit Report and will be accompanied by a certificate of the Accountant reporting on such historical pro forma basis financial statements stating the Fixed Charges Coverage Ratio for the periods reported on. Nothing in the Loan Agreement will preclude the Borrower from partially transferring assets, other than the Project, for the benefit or use of The Regents or its components provided such transfer does not directly and immediately cause an Event of Default or jeopardize the tax-exempt status of any Tax-Exempt Bonds.

(d) The Borrower may also, without violating any covenants contained in the Loan Agreement, sell, or otherwise transfer the Project to another Person that is controlled solely by the Borrower and that, prior to such sale or transfer, has no assets or liabilities, upon completion or satisfaction of the conditions set forth in items (i) and (ii)(A) through (G) of subsection (c) above, and upon such completion or satisfaction will be released from all liabilities and obligations under the Loan Agreement and the other Bond Documents.

Rate Covenant

(a) The Borrower covenants and agrees to operate the Project as a revenue producing student housing facility and related parking and other amenities and improvements, and to the extent permitted by law and by the Ground Lease, to charge such fees and rates for its facilities and services and to exercise such skill and diligence as will provide Revenue Available for Fixed Charges sufficient to pay promptly all expenses of operation, maintenance, and repair of the Project, to provide all payments required to be made by the Borrower under the Loan Agreement and to maintain the Fixed Charges Coverage Ratio of at least 1.20:1.0.

(b) Such rates, fees, and charges in each Fiscal Year beginning with the Fiscal Year ending June 30, 2022, will be sufficient to produce a Fixed Charges Coverage Ratio of at least 1.20:1.0. In the event that, based upon the financial statements of the Borrower required by the Loan Agreement, for any Fiscal Year such Fixed Charges Coverage Ratio was not maintained at a level of at least 1.15:1.0, such failure to maintain such Fixed Charges Coverage Ratio will not constitute an Event of Default so long as the Borrower will (i) promptly (and in no event later than thirty (30) days after such determination) employ a Financial Consultant to submit (not later than thirty (30) days after commencing such employment) a report of such firm containing recommendations as to changes in the operating policies of the Borrower designed to maintain such Fixed Charges Coverage Ratio; and (ii) promptly follow such recommendations to the extent permitted by law and by the Ground Lease. Notwithstanding the retention of a Financial Consultant, an Event of Default will occur under the Loan Agreement, if the Fixed Charges Coverage Ratio is less than 1.0:1.0 as of the end of any Fiscal Year.

(c) The Borrower will, from time to time as often as necessary and to the extent permitted by law and by the Ground Lease, revise the rates, fees, and charges aforesaid in such manner as may be necessary or proper so that the Revenue Available for Fixed Charges will be sufficient to meet the requirements of the Loan Agreement, and further, that it will, in order to comply with the provisions of the Loan Agreement, take all action within its power to obtain approvals of any regulatory or supervisory authority to implement any rates, fees, and charges required by the Loan Agreement.

Annual Budget

At least thirty (30) days prior to the first day of each Fiscal Year commencing the Fiscal Year ending June 30, 2022, the Borrower will prepare or cause the Manager to prepare in accordance with the Ground Lease, the Annual Budget for the immediately succeeding Fiscal Year which will include the monthly budgeted Expenses of the Project, Subordinated Expenses of the Project for such Fiscal Year and the Distributed Management Fee, including any Deferred Distributed Management Fee unpaid in any prior year. If the Manager will fail to prepare and/or the Borrower will fail to approve the Annual Budget for any Fiscal Year, the Annual Budget for the immediately preceding Fiscal Year will continue in effect until the Annual Budget will be prepared for the remainder of the applicable Fiscal Year. To the extent that the Borrower will deem it necessary at any time during any Fiscal Year, the Borrower will submit or cause the Manager to submit a revised Annual Budget, as approved by the Borrower to the Trustee and the Underwriter declaring that the revisions are necessary to operate or maintain the Project and setting forth the reasons therefor which revised Annual Budget will, for all purposes of the Loan Agreement, be deemed the Annual Budget for the remainder of the applicable Fiscal Year. Promptly following preparation by the Borrower, a copy of each Annual Budget or revised Annual Budget will be furnished to the Trustee and the Representative. Upon the occurrence and continuation of an Event of Default, all Annual Budgets and modifications thereto will be approved by the Trustee in its reasonable discretion.

Operation of Project and Safety Code

The Borrower will operate the Project as a student housing facility, related parking or other amenity or improvement, or cause the same to be operated as a student housing facility, related parking or other amenity or improvement, and will continue to maintain or cause to maintain the Project in compliance with all applicable life and safety codes and all applicable building and zoning, health, environmental, and safety ordinances and laws and all other applicable laws, rules, and regulations of the United States of America, the State, and any political subdivision or agency thereof having jurisdiction over the Project. The Borrower will at all times comply with the terms and conditions of the Ground Lease.

Covenant Regarding Manager

The Borrower agrees that if the initial Manager will cease to serve as Manager, the Borrower will promptly employ and at all times thereafter employ as the Manager either the University or a recognized manager of student housing facilities that then manages, and will have for the past five (5) years managed, at least 5,000 beds of student housing facilities. The Borrower agrees that the Manager may be replaced upon the prior written approval of the Ground Lessor if (i) the Fixed Charges Coverage Ratio (excluding, until after the Series 2019 Completion Date, Revenues and Fixed Charges relating to the Series 2019 Project) is not at least 1.0:1.0 for any Fiscal Year or 1.20:1.0 for two consecutive Fiscal Years as shown in the financial statements provided in the Loan Agreement, (ii) the Average Annual Occupancy Percentage falls below eighty percent (80%) for two consecutive Fiscal Years, or (iii) at any time following an event of default under the Management Agreement. Prior to entering into a contract with any successor Manager, the Borrower will first deliver to the Trustee an opinion of Bond Counsel to the effect that the terms of the proposed Management Agreement will not cause the interest on Outstanding Tax-Exempt Bonds to be included in gross income for federal income tax purposes.

Assignment and Subleasing

The Borrower may enter into subleases and agreements with residents of the Project or with the Ground Lessor or University without complying with the provisions described in this section other than subparagraph (vii). The rights and obligations of the Borrower under the Loan Agreement may be assigned and delegated, and the Project may be subleased, as a whole or in part, by the Borrower without the necessity of obtaining the consent of either the Issuer or the Trustee, subject, however, to each of the following conditions:

- (i) No assignment (other than pursuant to the provisions described under the subheading "Borrower to Maintain Status") or sublease will relieve the Borrower from primary liability for any of its obligations under the Loan Agreement, and in the event of any such assignment or sublease, the Borrower will continue to remain primarily liable for payment of the Loan Payments and for the payment, performance,

and observance of the other obligations and agreements on its part provided in the Loan Agreement to be performed and observed by it.

(ii) The assignee will assume in writing the obligations of the Borrower under the Loan Agreement to the extent of the interest assigned.

(iii) The Borrower will furnish or cause to be furnished to the Issuer and the Trustee assurances reasonably satisfactory to the Issuer and the Trustee that the Project will continue to be operated as a qualified facility, within the meaning of the Act.

(iv) No assignment or sublease with any Person will be entered into by the Borrower without the Borrower's first furnishing to the Trustee an opinion of Bond Counsel or a ruling from the IRS to the effect that such assignment or sublease will not cause the interest on Outstanding Tax-Exempt Bonds to be included in gross income for federal income tax purposes.

(v) No such assignment or sublease will give rise to a novation.

(vi) The Borrower will, within thirty (30) days after the execution thereof, furnish or cause to be furnished to the Issuer and the Trustee a true and complete copy of each such assignment or sublease, as the case may be. The Issuer and the Trustee will have the right, at any time and from time to time, to notify any assignee or sublessee of the rights of the Issuer and the Trustee, as provided by this paragraph. From time to time, upon the request of the Issuer or the Trustee, the Borrower will specifically assign and grant a security interest to the Issuer, as additional security for the Loan Payments, in writing and in the form approved by the Issuer, the Trustee, and the Borrower all the right, title, and interest of the Borrower in and to any and all subleases hereafter on or affecting the Premises or the Project, together with all security therefor and all moneys payable thereunder, subject to the conditional right of the Borrower to collect the rentals under any such subleases, and the Issuer will in turn specifically assign and grant a security interest in its right, title, and interest in the foregoing to the Trustee pursuant to a supplemental indenture, as security for the Bonds. The Borrower and the Issuer will also execute and deliver to the Trustee any notification, financing statement, or other document reasonably required by the Trustee to perfect the foregoing assignment and security interest created as to any such subleases and other properties.

(vii) All subleases will contain an attornment clause providing in effect that if at any time during the term of the sublease, the Trustee or the designee of the Trustee, or a subsequent purchaser at a foreclosure sale from the Trustee, will become the owner of the Project, such sublessee agrees, at the election and upon demand of any owner of the Project, to attorn, from time to time, to any such owner upon the terms and conditions set forth in the sublease. Such sublessee will agree, at the request of the party to whom it has attorned, to execute, acknowledge, and deliver, without charge, from time to time, instruments acknowledging such attornment. The attornment clause will provide that upon such attornment, the sublease will continue in full force and effect as, or as if it were, a direct sublease between the successor and the sublessee, except that the successor landlord will not (A) have any liability for any previous act or omission of a predecessor landlord under the sublease, (B) be bound by any previous modification of the sublease, unless such modification or prepayment will have been expressly approved in writing by the Issuer and the Trustee, or (C) have any liability for refusal or failure to perform or complete landlord's work or otherwise prepare the demised premises for occupancy in accordance with the provisions of the sublease.

The provisions in this section will not apply to the University Space during the period of the University License.

Events of Default Defined

The following will be "Events of Default" under the Loan Agreement, and the terms "Event of Default" or "Default" will mean, whenever they are used in the Loan Agreement, any one or more of the following events:

(a) The Borrower's failure to pay or cause to be paid Basic Loan Payments required to be paid under the Loan Agreement on or before any Interest Payment Date on which the principal of, interest on or the redemption price is due.

(b) The Borrower's failure to pay or cause to be paid the Basic Loan Payments required to be paid under the Loan Agreement at the times specified therein.

(b) Any representation or warranty made by the Borrower in any statement or certificate furnished to the Issuer or the Trustee or the purchaser of any Bonds, in connection with the sale of any Bonds or furnished by the Borrower pursuant to the Loan Agreement, will prove inaccurate in any material respect as of the date of the issuance or making thereof and will not be corrected within thirty (30) days after written notice specifying such inaccuracy is given to the Borrower by the Issuer, the Trustee, or such purchaser. In the case of any such inaccuracy that cannot with due diligence be corrected within such thirty (30) day period, but can be wholly corrected within a period of time not materially detrimental to the rights of the Trustee, it will not constitute an Event of Default if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the inaccuracy is corrected in accordance with and subject to any reasonable directions or limitations of time established in writing by the Trustee.

(c) The Borrower's failure to perform or cause to be performed any other covenant, condition, or provision of the Loan Agreement, other than as referred to in (a) above, and to correct such failure within thirty (30) days after written notice specifying such is given to the Borrower by the Issuer or the Trustee. In the case of any such failure that cannot with due diligence be corrected within such thirty (30) day period, it will not constitute an Event of Default if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the failure is corrected; provided that if such failure is not corrected within a ninety (90) day period, any time period beyond ninety (90) days must be approved in writing by the Trustee.

(d) The Borrower will (i) apply for or consent to the appointment of or the taking of possession by a receiver, custodian, trustee, or liquidator of it or of all or a substantial part of its property or of the Project, (ii) fail to promptly lift or bond (if legally permissible) any execution, garnishment, or attachment of such consequence as will impair the ability of the Borrower to carry on its operations at the Project, (iii) enter into an agreement of composition with its creditors, (iv) admit in writing its inability to pay its debts as such debts become due, (v) make a general assignment for the benefit of its creditors, (vi) commence a voluntary case under the federal bankruptcy law or any similar law in effect in a foreign jurisdiction (as now or hereafter in effect), (vii) file a petition or answer seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (viii) fail to controvert in a timely or appropriate manner or acquiesce in writing to any petition filed against it in an involuntary case under such federal bankruptcy law or any similar law in effect in a foreign jurisdiction, or (ix) take any action for the purpose of effecting any of the foregoing.

(e) A proceeding or case will be commenced, without the application of the Borrower, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding-up, or composition or adjustment of debts of the Borrower, (ii) the appointment of a trustee, receiver, custodian, liquidator, or the like of the Borrower or of all or any substantial part of the assets of it, or (iii) similar relief in respect of the Borrower under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition and adjustment of debts, and such proceeding or case will continue undismissed or an order, judgment, or decree approving or ordering any of the foregoing will be entered and will continue unvacated and unstayed and in effect for a period of ninety (90) days, whether consecutive or not.

(f) The occurrence of an event of default, subject to any applicable notice and cure period, under any of the Bond Documents other than the Financing Trust Agreement.

(g) Except as otherwise permitted by the Loan Agreement, if for any Fiscal Year commencing with the first full Fiscal Year after the Series 2019 Completion Date, the Fixed Charges Coverage Ratio is not a least 1.2:1.0.

Notwithstanding the foregoing definitions of Events of Default and Default, if (i) the Borrower fails to perform any of its obligations under the Loan Agreement in connection with the development, construction, management, maintenance and operation of the Series 2019 Project or the Series 2019 Offsite Elements, (ii) such failure arises as a result of a default by an Architect under any Architect's Agreement (as such terms are defined in

the Development Agreement), a default by the Developer under the Development Agreement and/or a default by the Manager under the Management Agreement, (iii) the Borrower determines in its good faith judgment that in order to cure such default it would be necessary to terminate one or more of such agreements and (iv) the Trustee does not permit the termination of any of such agreements, then, such failure to perform by the Borrower will not be deemed to be a Default or an Event of Default under the Loan Agreement.

Remedies on Default

(a) Whenever any Event of Default will have happened and be subsisting the Trustee as the assignee of the Issuer, may, and at the direction of the owners of not less than fifty-one percent (51%) of the aggregate principal amount of Bonds then Outstanding, will: (i) at its option declare all unpaid installments of Basic Loan Payments and other amounts payable under the Loan Agreement for the remainder of the Agreement Term to be immediately due and payable whereupon the same will become immediately due and payable it being understood that upon a declaration by the Trustee under the Indenture, all unpaid Basic Loan Payments payable under the Loan Agreement will become immediately due and payable; provided, however, that if acceleration of the Bonds will have been rescinded and annulled pursuant to the Indenture, acceleration of the Basic Loan Payments and other amounts payable under the Loan Agreement required by this subsection (a) will similarly be rescinded and annulled and the Event of Default occasioning such acceleration will be waived, but no such waiver, rescission, and annulment will extend to or affect any subsequent default or impair or exhaust any right, power, or remedy consequent thereon; and provided, further, however, that all such unpaid installments of Basic Loan Payments and other amounts payable under the heading “Loan Payments and Other Amounts Payable” above in the summary of the Loan Agreement for the remainder of the Agreement may, upon the written direction of the owners of not less than fifty-one percent (51%) of the aggregate principal amount of Bonds then Outstanding to the Trustee, be separately and independently accelerated with or without an acceleration of the Bonds; or (ii) in the event any of the Bonds at the time will be outstanding and unpaid, have access to and inspect, examine, and make copies of the books and records and any and all accounts, similar data, and income tax and other tax returns of the Borrower; or (iii) initiate remedies under the Leasehold Deed of Trust; or (iv) from time to time take whatever action at law or in equity or under the terms of the Bond Documents may appear necessary or desirable to collect the Loan Payments and other amounts payable by the Borrower under the Loan Agreement then due and/or thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of the Borrower under the Loan Agreement.

(b) Amounts collected pursuant to action taken under this section will be applied in accordance with the provisions of the Indenture or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture) and the Borrower has paid all amounts due under the Loan Agreement, then any amounts remaining will be paid to the Borrower.

General Options to Terminate Loan Agreement

The Borrower will have, and is granted, the following options to terminate the Loan Agreement at any time prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and payment in full of any other obligations due under the Bond Documents. The Borrower may terminate the Agreement Term by (a) paying to the Trustee an amount that, when added to the amount on deposit in the Bond Fund and the Redemption Fund, will be sufficient to pay, retire, and redeem all of the Outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, redemption premium, interest to maturity or earliest applicable redemption date, as the case may be, premium, if any, expenses of redemption, and Trustee’s and paying agents’ fees and expenses, including reasonable attorneys’ fees), (b) in the case of redemption, making arrangements satisfactory to the Trustee for the giving of the required, irrevocable notice of redemption, (c) paying to the Issuer any and all sums then due to the Issuer under the Loan Agreement, and (d) otherwise complying with the provisions of the Indenture.

Option to Prepay Loan Upon the Occurrence of Certain Extraordinary Events

The Borrower will have, and is granted, the option to prepay the Series 2019 Loan in full or in part prior to the full payment of all of the Series 2019 Bonds (or provision for payment thereof having been made in accordance with provisions of the Indenture), upon (i) certain events causing damage, destruction or condemnation of the Series 2019 Project in accordance with the Loan Agreement, or (ii) payment to the Trustee of the release price for any

unimproved portion of the Premises released from the lien of the Leasehold Deed of Trust (excluding any release of the Release Parcel pursuant to the Ground Lease). The Basic Loan Payments payable by the Borrower in the event of its exercise of the option granted under this section will be (i), in the case of partial redemption, the amount necessary to pay principal, all interest to accrue to the redemption date and any redemption expense, and (ii) in the case of a total redemption, the amounts set forth in the article of the Indenture concerning discharge of liens and the applicable redemption premium, as provided in of the Indenture.

Option to Prepay Loan in Connection with Optional Redemption of the Bonds

(a) The Borrower will have the option to prepay the Series 2019 Loan in full or in part by prepaying Basic Loan Payments due under the Loan Agreement in such manner and amounts as will enable the Issuer to redeem the Series 2019 Bonds prior to maturity in whole or in part on any date, as provided in the Indenture. The Basic Loan Payments payable by the Borrower in the event of its exercise of the option granted under the provisions of the Loan Agreement will be (i), in the case of partial redemption, the amount necessary to pay principal, all interest to accrue to the redemption date and any redemption expense, and (ii) in the case of a total redemption, the amounts set forth in the Indenture and the applicable redemption premium, as provided in the Indenture.

(b) To exercise such option, the Borrower will give the Issuer and the Trustee not less than forty-five (45) days prior written notice of the exercise of such option and will specify therein the date of tender of such prepayment and the amount thereof, will direct the redemption of the corresponding amount of Series 2019 Bonds, and will make arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

Provisions Relating to the Insured Series 2019 Bonds

Notwithstanding anything to the contrary contained in the Loan Agreement, the following provisions will apply to the Insured Series 2019 Bonds.

Notice and Other Information to be given to BAM. The Borrower will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement, and (ii) to the holders of Insured Series 2019 Bonds or the Trustee under the Loan Agreement.

Consent of BAM in Addition to Bondholder Consent. Any amendment, supplement, modification to, or waiver of, any of the Insured Series 2019 Bond Security Documents that requires the consent of holders of the Insured Series 2019 Bonds or adversely affects the rights or interests of BAM will be subject to the prior written consent of BAM.

Insolvency. Any reorganization or liquidation plan with respect to the Borrower must be acceptable to BAM. The Trustee and each owner of the Insured Series 2019 Bonds hereby appoint BAM as their agent and attorney-in-fact with respect to the Insured Series 2019 Bonds and agree that BAM may at any time during the continuation of any proceeding by or against the Borrower under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an ***“Insolvency Proceeding”***) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a ***“Claim”***), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each owner of the Insured Series 2019 Bonds delegate and assign to BAM, to the fullest extent permitted by law, the rights of the Trustee and each owner of the Insured Series 2019 Bonds with respect to the Insured Series 2019 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

Control by BAM Upon Default. Anything in the Loan Agreement to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM will be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Series 2019 Bonds or the Trustee or Paying Agent for the benefit of the holders of the Insured Series 2019 Bonds under the Loan Agreement. No default or event of default may be waived without BAM’s written consent.

BAM as Owner. Upon the occurrence and continuance of a default or an event of default, BAM will be deemed to be the sole owner of the Insured Series 2019 Bonds for all purposes under the Loan Agreement, including, without limitations, for purposes of exercising remedies and approving amendments.

Grace Period for Payment Defaults. No grace period will be permitted for payment defaults on the Insured Series 2019 Bonds. No grace period for a covenant default will exceed 30 days without the prior written consent of BAM.

Special Provisions for Insurer Default. If an Insurer Default will occur and be continuing, then, notwithstanding anything in the preceding paragraphs to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM will be treated like any other holder of the Insured Series 2019 Bonds for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM will have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) will control. For purposes of this paragraph, “Insurer Default” means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM will (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality will order the suspension of payments on the Policy or will obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

BAM As Third Party Beneficiary. BAM is recognized as and will be deemed to be a third party beneficiary of the Insured Series 2019 Bond Security Documents and may enforce the provisions of the Insured Series 2019 Bond Security Documents as if it were a party thereto.

Additional Payments. The Borrower agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM’s agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Insured Series 2019 Bonds Security Documents (“*Administrative Costs*”). For purposes of the foregoing, costs and expenses will include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Borrower agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the Borrower agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Policy (“*BAM Policy Payment*”); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Borrower payable to BAM at the Late Payment Rate per annum (collectively, “*BAM Reimbursement Amounts*”) compounded semi-annually.

Exercise of Rights by BAM. The rights granted to BAM under the Loan Agreement to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Policy. Any exercise by BAM of such rights is merely an exercise of the BAM’s contractual rights and will not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Series 2019 Bonds and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Insured Series 2019 Bonds or any other person is required in addition to the consent of BAM.

BAM will be entitled to pay principal or interest on the Insured Series 2019 Bonds that will become due for payment but will be unpaid by reason of nonpayment by the Issuer (as such terms are defined in the Policy) and any

amounts due on the Insured Series 2019 Bonds as a result of acceleration of the maturity thereof in accordance with the Insured Series 2019 Bonds Security Documents, whether or not BAM has received a claim upon the Policy.

So long as the Insured Series 2019 Bonds are outstanding or any amounts are due and payable to BAM, the Borrower will not sell, lease, transfer, encumber or otherwise dispose of the Series 2019 Project or any material portion thereof, except upon obtaining the prior written consent of BAM.

If an event of default occurs under any agreement pursuant to which any Obligation of the Borrower has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Series 2019 Bonds or BAM, as BAM may determine in its sole discretion, then an event of default will be deemed to have occurred under the Loan Agreement for which BAM or the Trustee, at the direction of BAM, will be entitled to exercise all available remedies under the Loan Agreement, at law and in equity. For purposes of the foregoing “Obligation” means any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Series 2019 Bonds.

THE FINANCING TRUST AGREEMENT

Definitions Used in the Financing Trust Agreement

“Annual Debt Service” means, as of any date of calculation, the amount required to pay all principal of and interest on a Series of Bonds then Outstanding during a Fiscal Year. For purposes of calculating the Annual Debt Service on a Series of Bonds which bear interest at a rate which is not fixed to the maturity thereof, such Series of Bonds will be treated as if it bears interest at the most recent 25-Revenue Bond Index published by The Bond Buyer (or if such index is no longer published, a comparable index designated in an Officer’s Certificate of The Regents Representative).

“Bond Indenture” means the bond indenture, trust agreement or other similar document between the related Issuer and a Bond Trustee, which pursuant to its terms is stated to be a Bond Indenture under the Financing Trust Agreement and which satisfies all of the requirements for a Bond Indenture set forth in the Financing Trust Agreement.

“Bond Payment Date” means May 15 and November 15 of each year, commencing on November 15, 2019 in the case of the Series 2019 Bonds.

“Bond Trustee” means the trustee named under the related Bond Indenture in its capacity as such trustee.

“Bonds” means any or all of the bonds or other type of debt instruments, as the case may be, issued by an Issuer pursuant to one or more Bond Indentures and further secured under the Financing Trust Agreement in accordance with the Financing Trust Agreement, the proceeds of which are used for a Financed Project.

“Borrower” means each borrower under a Loan Agreement relating to a Series of Bonds, including, as the initial Borrower under the Financing Trust Agreement, CHF-Riverside II, L.L.C.

“Borrower Representative” means a Series Borrower Representative specifically identified in a Supplemental Financing Trust Agreement.

“Business Day” means any day other than a Saturday, a Sunday, or a day on which banks located in the city in which the Master Trustee or any Bond Trustee is located are authorized by law to close and on which the New York Stock Exchange is closed.

“Collateral” means assets and property securing a Series of Bonds pursuant to the related Bond Indenture.

“Continuing Disclosure Agreement” means a Continuing Disclosure Agreement relating to a Series of Bonds, between a Borrower and a Bond Trustee, as dissemination agent, as originally executed and delivered and as it may from time to time be amended in accordance with its terms.

“Debt Service Account” means, with respect to a Series of Bonds, the fund(s) or account(s) into which amounts are deposited to pay the scheduled principal and interest payments on the Bonds pursuant to a Bond Indenture and which are specifically identified in a Supplemental Financing Trust Agreement.

“Debt Service Account Deficiency” or “Deficiency” means, as of the date of determination by the Bond Trustee, and with respect to any Series of Bonds, the amount, if any, by which the portion of the Annual Debt Service for such Bonds becoming due and payable on the next Bond Payment Date exceeds the amount on deposit in the Debt Service Account for such Bonds.

“Financed Project” means a UCR Project, the costs of construction, acquisition or improvement of which have been funded from the proceeds of a Series of Bonds, and that is specifically identified in a Supplemental Financing Trust Agreement.

“Financing Trust Estate” means the Financing Trust Estate described in the granting clauses of the Financing Trust Agreement.

“Ground Lease” means a ground lease or similar agreement between The Regents, as lessor, and a Borrower, as lessee which pursuant to its terms is stated to be a Ground Lease under the Financing Trust Agreement and satisfies all of the requirements for a Ground Lease set forth in the Financing Trust Agreement and is specifically identified in a Supplemental Financing Trust Agreement.

“Ground Rent” means, with respect to a Series of Bonds, the ground rent required to be paid by a Borrower under a Ground Lease, as such ground rent will be more particularly defined in the related Supplemental Financing Trust Agreement.

“Initial Liquidity Subaccount Requirement,” with respect to a Series of Bonds, has the meaning set forth in the related Supplemental Financing Trust Agreement.

“Investment Grade Rating” means a credit rating characterized as “investment grade” or equivalent from the applicable Rating Agency.

“Issuer” means the State or a political subdivision or other entity of the State which is the issuer of any Series of Bonds and is specifically identified in a Supplemental Financing Trust Agreement.

“Issuer Representative” means a Series Issuer Representative specifically identified in a Supplemental Financing Trust Agreement.

“Liquidity Account” means the account by that name created pursuant to the Financing Trust Agreement.

“Liquidity Account Requirement” means, as of any date of calculation, an amount equal to the sum of each Liquidity Subaccount Requirement for all Series of Bonds then Outstanding.

“Liquidity Subaccount Loan Payments” mean, with respect to a Series of Bonds, the loan payments required to be paid by a Borrower under its related Loan Agreement in order to fund its Series Pooling Subaccount, as such loan payments will be more particularly defined in the related Supplemental Financing Trust Agreement.

“Liquidity Subaccount Requirement” means, with respect to the Series 2019 Bonds, as of any date of calculation, an amount equal to the Maximum Annual Debt Service of the Series 2019 Bonds.

“Master Trustee” means Wilmington Trust, National Association, a national banking association, and any successor Master Trustee established in accordance with the Financing Trust Agreement.

“Maximum Annual Debt Service” means, with respect to a Series of Bonds, as of any date of calculation, the Annual Debt Service for the then-current or any future Fiscal Year in which such sum will be the largest for such Series of Bonds.

“Officer’s Certificate” means a written certificate of the Issuer signed by an Issuer Representative, or of any Borrower signed by a Borrower Representative, or of The Regents signed by The Regents Representative, which certificate will be deemed to constitute a representation of, and will be binding upon, such Issuer or Borrower or The Regents, respectively, with respect to matters set forth therein, and which certificate in each instance, including the scope, form, substance and other aspects thereof, is acceptable to the Master Trustee.

“Outstanding” when used with respect to a Series of Bonds will have the same meaning as set forth in the related Bond Indenture for the term “Outstanding.”

“Owner” means the registered owner of any Bond as provided in the related Bond Indenture.

“Permitted Investments” means any of the following which at the time are legal investments under the laws of the State of California and the policies of The Regents as filed with the Master Trustee from time to time for moneys held under the Financing Trust Agreement and then proposed to be invested therein: (1) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America or any Federal Reserve Bank) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America or tax-exempt obligations which are rated in the highest rating category of each Rating Agency; (2) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Home Loan Bank System, the Farm Credit System, or any other agency or instrumentality of the United States of America; (3) bonds of the State of California or of any county or city of the State of California for which each Rating Agency is maintaining a rating at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds; (4) obligations the interest on which is excluded from gross income for federal income taxation pursuant to the Code and which are rated by each Rating Agency in a rating category at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds, or in the highest short term rating category of each Rating Agency; (5) receipts representing direct interests in Investment Securities described in clause (1) and (2) of this definition; (6) repurchase agreements with any financial institution which is rated by each Rating Agency in a rating category at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds, or repurchase agreements fully secured by collateral security described in clauses (1) or (2) of this definition continuously having a market value at least equal to the amount so invested so long as such underlying obligations or securities are in the possession of the Master Trustee or the Securities Investors Protection Corporation; (7) interest bearing bankers acceptances and demand or time deposits (including certificates of deposit) in banks (including the Master Trustee and its affiliates), provided such deposits are either (a) secured at all times, in the manner and to the extent provided by law, by collateral security described in clauses (1) or (2) of this definition of a market value no less than the amount of moneys so invested; or (b) in banks (including the Master Trustee and its affiliates) having a combined capital and surplus of at least Fifty Million Dollars (\$50,000,000) and whose rating by each Rating Agency, or the rating of its parent holding company, is at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds or (c) fully insured by the Federal Deposit Insurance Corporation; (8) commercial paper rated in the highest rating category of each Rating Agency, and issued by corporations organized and operating within the United States and having total assets in excess of Five Hundred Million Dollars (\$500,000,000); (9) collateralized investment agreements or other collateralized contractual arrangements with corporations, financial institutions or national associations within the United States fully secured by collateral security described in clause (1) or (2) of this definition; or investment agreements or other contractual arrangements with corporations, financial institutions or national associations within the United States, provided that the senior long-term debt of such corporations, institutions or associations is rated in a rating category at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds; and (10) any money market fund or mutual fund that is comprised of investments described in clauses (1) through (9) of this definition and which fund or investments are continuously rated by each Rating Agency in a rating category at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds.

“Proportionate Share” means, as of any date of calculation, that proportion that the amount on deposit in each Series Pooling Subaccount bears to the total amount on deposit in all Series Pooling Subaccounts, assuming for purposes of this calculation that all amounts that are scheduled to be paid by a Borrower into the related Series Pooling Subaccount pursuant to the related Supplemental Financing Trust Agreement, Indenture and Loan Agreement have been paid.

“Rating Agency” means Fitch, Moody’s or S&P, or if any such rating agencies no longer maintains a credit rating on any of the Bonds, then any nationally recognized rating agency that maintains a credit rating on any of the Bonds.

“Second Supplemental Financing Trust Agreement” means the Second Supplemental Financing Trust Agreement, dated as of July 1, 2019, by and between the Series 2019 Borrower and the Master Trustee.

“Series of Bonds” means one or more series of Bonds which is authorized by a Bond Indenture and secured by the Financing Trust Agreement in accordance with the Financing Trust Agreement and specifically identified in a Supplemental Financing Trust Agreement.

“Series Pooling Subaccount” means, for each Series of Bonds, an account by that name created pursuant to a Supplemental Financing Trust Agreement for such Series of Bonds in accordance with the Financing Trust Agreement.

“Series Redemption Subaccount” means, for each Series of Bonds, an account by that name created pursuant to a Supplemental Financing Trust Agreement for such Series of Bonds in accordance with the Financing Trust Agreement.

“Series 2019 Bond Indenture” means the Indenture, dated as of July 1, 2019, by and between the Series 2019 Issuer and the Series 2019 Bond Trustee, as originally executed and delivered and as it may be amended or supplemented from time to time in accordance with its terms, which pursuant to its terms is stated to be a Bond Indenture under the Financing Trust Agreement and which satisfies all of the requirements for a Bond Indenture set forth in the Financing Trust Agreement.

“Series 2019 Bond Trustee” means Wilmington Trust, National Association, as trustee under the Series 2019 Bond Indenture, or its successors established in accordance with the terms of the Series 2019 Bond Indenture.

“Series 2019 Bonds” means the California Municipal Finance Authority Student Housing Revenue Bonds (CHF-Riverside II, L.L.C. – UCR North District Phase I Student Housing Project), Series 2019.

“Series 2019 Bonds Liquidity Subaccount Loan Payments” mean the loan payments required to be paid by the Series 2019 Borrower to the UCR Series 2019 Bonds Pooling Subaccount pursuant to the Series 2019 Loan Agreement.

“Series 2019 Borrower” means CHF–Riverside II, L.L.C., an Alabama limited liability company, or its successors and assigns in accordance with the terms of the Series 2019 Loan Agreement.

“Series 2019 Completion Date” means the date of completion of the Series 2019 Project, as certified by the Borrower as provided in the Loan Agreement.

“Series 2019 Ground Lease” means the Ground Lease Agreement, dated as of July 17, 2019, between The Regents, as lessor, and the Series 2019 Borrower, as lessee.

“Series 2019 Ground Rent” means Ground Rent required to be paid by the Series 2019 Borrower pursuant to the Series 2019 Ground Lease.

“Series 2019 Issuer” means the California Municipal Finance Authority, which is the issuer of the Series 2019 Bonds pursuant to the Series 2019 Bond Indenture.

“Series 2019 Loan Agreement” means the Loan Agreement, dated as of December 1, 2018, by and between the Series 2019 Issuer and the Series 2019 Borrower, as originally executed and delivered and as the same may be amended and supplemented from time to time in accordance with its terms, which pursuant to its terms is stated to be a Loan Agreement under the Financing Trust Agreement and which satisfies all of the requirements for a Loan Agreement set forth in the Financing Trust Agreement.

“Series 2019 Project” means the housing facility of approximately 1,500 beds in an approximately 415-unit student apartment complex, and related parking facilities located at and serving the University of California, Riverside and that will be acquired, constructed, furnished, and equipped on a site located on campus at the University, consisting of the Series 2019 Building and the Series 2019 Equipment.

“Sinking Fund Requirement,” with respect to the Bonds, means the principal amounts established under the Indenture for the retirement thereof by purchase or redemption on May 15 of such Bond Year.

“State” means the State of California.

“Supplemental Financing Trust Agreement” means a supplemental trust agreement, in substantially the form attached as Exhibit A to the Financing Trust Agreement, by and between the Master Trustee and a Borrower which pursuant to its terms is stated to be a Supplemental Financing Trust Agreement under the Financing Trust Agreement and satisfies all of the requirements for a Supplemental Financing Trust Agreement set forth in the Financing Trust Agreement.

“Tax Agreement” means a tax agreement or certificate relating to a Series of Bonds executed and delivered by the related Borrower upon the issuance of such Series of Bonds, as originally executed and delivered or it may from time to time be amended or supplemented in accordance with its terms.

“The Regents” means The Regents of the University of California, a corporation organized and existing under and by virtue of the Constitution of the State of California.

“The Regents Representative” means any such person as may be authorized by The Regents of the University of California to sign for and on behalf of The Regents for the specified matter.

“UCR Project” means the acquisition, construction, development or improvement of housing facilities, dining facilities and/or any other improvements located at or serving the University of California, Riverside.

“UCR Series 2019 Bonds Pooling Subaccount” means the subaccount created pursuant to the First Supplemental Financing Trust Agreement in accordance with the Financing Trust Agreement.

“UCR Series 2019 Bonds Redemption Subaccount” means the subaccount created pursuant to the First Supplemental Financing Trust Agreement in accordance the Financing Trust Agreement.

Conditions Precedent to Issuance of Bonds Secured under the Financing Trust Agreement

A Series of Bonds will be secured by the Financing Trust Agreement, but only upon receipt by the Master Trustee of each of the following:

(a) An original or certified copy of the rating letter of a Rating Agency evidencing that the rating assigned to such Series of Bonds is not less than an Investment Grade Rating;

(b) An original or certified copy of a Supplemental Financing Trust Agreement for such Series of Bonds, in substantially the form attached to the Financing Trust Agreement as Exhibit A, providing that the related Borrower has become a party to the Financing Trust Agreement, and that such Series of Bonds is secured by, and entitled to the benefits of, the Financing Trust Agreement and directing the Master Trustee to establish a separate Series Pooling Subaccount and Series Redemption Subaccount for such Series of Bonds and providing for the initial deposits of funds, if any, into such subaccounts;

(c) An original or certified copy of the Ground Lease relating to such Series of Bonds, which Ground Lease will provide that: (1) The Regents has approved the use of the Financing Trust Agreement to provide additional security for such Series of Bonds and has agreed to perform certain ministerial acts described in the Financing Trust Agreement; and (2) payments of Ground Rent to The Regents pursuant to such Ground Lease are expressly subordinate to (i) the full and timely payment of Annual Debt Service on such Series of Bonds as the same becomes due and

payable pursuant to the applicable Bond Indentures; and (ii) the required use of revenues and other funds of the related Borrower to replenish the subaccounts under the related Supplemental Financing Trust Agreement in accordance with the terms of the Financing Trust Agreement and of the related Bond Indenture and the related Loan Agreement;

(d) An original or certified copy of the Bond Indenture for such Series of Bonds, which Bond Indenture will provide that: (1) the Issuer and the Bond Trustee thereunder will comply with the terms and conditions of the Financing Trust Agreement; (2) the Issuer has pledged, assigned or granted a security interest in the Financing Trust Agreement under such Bond Indenture for the benefit of the Owners of such Series of Bonds; and (3) after the deposit of all required amounts into the Debt Service Accounts under such Bond Indenture the Bond Trustee is required to make payments to the Master Trustee pursuant to the related Supplemental Financing Trust Agreement, such as payments required to initially fund the Series Pooling Subaccount to its Liquidity Subaccount Requirement or to replenish any amount withdrawn from the Series Pooling Subaccount up to its Liquidity Subaccount Requirement;

(e) An original or certified copy of the Loan Agreement for such Series of Bonds, which Loan Agreement will provide that: (1) the Borrower thereunder will comply with the terms and conditions of the Financing Trust Agreement; and (2) immediately after payment of all amounts necessary to deposit all required amounts into the Debt Service Accounts under the related Bond Indenture, the Borrower is required to make payments to the Bond Trustee for transfer to the Master Trustee pursuant to the related Supplemental Financing Trust Agreement, such as payments required to initially fund the Series Pooling Subaccount to its Liquidity Subaccount Requirement or to replenish any amount withdrawn from the Series Pooling Subaccount up to its Liquidity Subaccount Requirement; and

(f) A written certificate of the Master Trustee confirming that, as of the date of issuance of such Series of Bonds: (1) all scheduled deposits to the Repair and Replacement Fund (as that term is defined in the related Bond Indenture) for all Financed Projects under the Bond Indentures and the Loan Agreements for all Series of Bonds then Outstanding have been made; (2) the aggregate amount on deposit in all Series Pooling Subaccounts within the Liquidity Account, including the Series Pooling Subaccount for such Series of Bonds is not less than the Liquidity Subaccount Requirement, assuming for purposes of this paragraph (f) that all amounts that are scheduled to be paid by a Borrower into the related Series Pooling Subaccount pursuant to the related Supplemental Financing Trust Agreement, Bond Indenture and Loan Agreement have been paid.

The Master Trustee is not required to receive duplicate originals or certified copies pursuant to this section if any of the items required by this section have been received by the Master Trustee, whether as Master Trustee or in its capacity as a Bond Trustee.

Bonds are Limited Obligations of the Issuer and not Obligations of The Regents

Each Series of Bonds, and the interest thereon, will be limited obligations of the Issuer secured by the Collateral pledged under the related Bond Indenture and by the Financing Trust Agreement.

Creation and Custody of Liquidity Account and Subaccounts

(a) So long as any of the Bonds remain Outstanding, the Master Trustee will establish, maintain and hold in trust, a separate trust account to be designated as the "UC Riverside Privatized Housing Financing Trust Liquidity Account" (the "Liquidity Account"). The Master Trustee will deposit amounts to, and transfer amounts from, the Liquidity Account and the subaccounts therein from time to time in accordance with the terms and conditions of the Financing Trust Agreement. Each such deposit and transfer by the Master Trustee will be in lawful money of the United States of America. All such moneys will be promptly deposited by the Master Trustee upon receipt thereof and will be held, disbursed, allocated and applied by the Master Trustee only as provided in the Financing Trust Agreement.

(b) For each Series of Bonds secured pursuant to the Financing Trust Agreement, the Master Trustee will establish and maintain (1) a Series Pooling Subaccount within the Liquidity Account, designated as provided in a Supplemental Financing Trust Agreement for such Series of Bonds, and (2) a Series Redemption Subaccount within the Liquidity Account, designated as provided in a Supplemental Financing Trust Agreement for such Series of Bonds.

Each such subaccount created from time to time under the Financing Trust Agreement will have such further designations as the Master Trustee deems appropriate in order to properly account for all moneys subject to the Financing Trust Agreement or as provided in an Officer's Certificate of The Regents Representative.

(c) As security for the payment of each Series of Bonds, the Borrower for such Series pledges and assigns its related Series Pooling Subaccount and Series Redemption Subaccount and all other funds and accounts created under the related Supplemental Financing Trust Agreement and all amounts from time to time on deposit therein, for the benefit of all Series of Bonds, in the manner and to the extent provided in, and subject to the terms and conditions of, the Financing Trust Agreement.

(d) The pledge and assignment effected by each Borrower through the Financing Trust Agreement will be valid and binding from the date of execution and delivery of the related Supplemental Financing Trust Agreement, the moneys so pledged and assigned and thereafter received by the Master Trustee will be subject to the lien of such pledge and assignment and such lien will be a continuing, irrevocable and exclusive first lien and will be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Master Trustee irrespective of whether such parties have notice thereof.

Deposits to Liquidity Account

(a) On and after the date of issuance of a Series of Bonds the Master Trustee will deposit into the related subaccount of the Liquidity Account the amounts deposited by the related Borrower or the related Bond Trustee, at the times and in the amounts provided for in the related Supplemental Financing Trust Agreement. At the time of issuance of the Series 2019 Bonds, the Liquidity Account Requirement will be \$20,538,750.

(b) The Master Trustee will also deposit into the related subaccount of the Liquidity Account such amounts as will be transferred from the related Bond Trustee pursuant to the related Bond Indenture.

(c) All amounts deposited to such related subaccount of the Liquidity Account, together with earnings thereon, will be applied as provided in the Financing Trust Agreement or a Supplemental Trust Agreement.

As and to the extent required by the Supplemental Financing Trust Agreements, the Borrowers will maintain funds on deposit in the related subaccount of the Liquidity Account in an amount not less than the Liquidity Subaccount Requirement, assuming for purposes of this paragraph that all amounts that are scheduled to be paid by a Borrower into the related Series Pooling Subaccount pursuant to the related Supplemental Financing Trust Agreement, Bond Indenture and Loan Agreement have been paid.

Withdrawals from Liquidity Account

(a) Upon receipt of notice from a Bond Trustee of a Debt Service Account Deficiency relating to a Series of Bonds, the Master Trustee will ascertain if the amount on deposit in the Series Pooling Subaccount for such Series of Bonds is sufficient to pay such Deficiency. If the amounts on deposit in such Series Pooling Subaccount are not less than such Deficiency, the Master Trustee will transfer the amount of such Deficiency to such Bond Trustee for deposit into such Debt Service Account. If the amounts on deposit in such Series Pooling Subaccount are less than such Deficiency, then the Master Trustee will (1) transfer all amounts on deposit in such Series Pooling Subaccount to such Bond Trustee for deposit into such Debt Service Account and (2) thereafter transfer an amount equal to the difference between such amount and the amount of the Deficiency to such Bond Trustee for deposit into such Debt Service Account by withdrawing an amount from each remaining Series Pooling Subaccount equal to the Proportionate Share of such subaccount.

(b) The Master Trustee will notify each Bond Trustee on or before the Business Day prior to any Bond Payment Date with respect to a Series of Bonds for which there is a Debt Service Account Deficiency that (1) an amount necessary to fund a Debt Service Account Deficiency has been requested by a Bond Trustee and whether the amount in the Series Pooling Subaccount related to such Series of Bonds is sufficient to pay the Debt Service Account Deficiency; and (2) if the Debt Service Account Deficiency cannot be entirely paid from the Series Pooling Subaccount related to such Series of Bonds, then the Master Trustee will also notify each Bond Trustee of the Proportionate Share

required to be withdrawn from the Series Pooling Subaccount for such other Series of Outstanding Bonds. On the Business Day prior to any Bond Payment Date with respect to a Series of Bonds for which there is a Debt Service Account Deficiency, the Master Trustee will transfer the Debt Service Account Deficiency to the related Bond Trustee for deposit in the Debt Service Account for the related Series of Bonds in accordance with the Financing Trust Agreement.

(c) If the amounts on deposit in any of the Series Pooling Subaccounts are in excess of the Liquidity Subaccount Requirement, then upon receipt of an Officer's Certificate of The Regents Representative, the Master Trustee will transfer such excess to the related Series Redemption Subaccount as and unless otherwise provided in the related Supplemental Financing Trust Agreement; provided that for purposes of this calculation, the Maximum Annual Debt Service of any Bonds to be redeemed will be excluded.

(d) Each Series Redemption Subaccount will be applied from time to time in accordance with the terms of its related Supplemental Financing Trust Agreement to redeem, purchase or defease the related Series of Bonds in accordance with the terms of the related Bond Indenture.

(e) Each Series Pooling Subaccount may be applied from time to time in accordance with the terms of the related Supplemental Financing Trust Agreement to provide a Proportionate Share of funds in the event of a Debt Service Deficiency and as otherwise permitted by the related Supplemental Financing Trust Agreement.

(f) The amounts required to be on deposit in each Series Pooling Subaccount and each Series Redemption Subaccount may be reduced from time to time in accordance with the terms of a Supplemental Financing Trust Agreement and any amounts withdrawn from such subaccounts after such reduction will be applied in accordance with the terms of such Supplemental Financing Trust Agreement; provided that the amount on in each Series Pooling Subaccount will not be less than the Liquidity Subaccount Requirement, assuming for purposes of this paragraph (f) that all amounts that are scheduled to be paid by a Borrower into the related Series Pooling Subaccount pursuant to the related Supplemental Financing Trust Agreement, Bond Indenture and Loan Agreement have been paid.

(g) If a Series of Bonds is no longer Outstanding, then in accordance with an Officer's Certificate of The Regents Representative for such Series of Bonds, the Master Trustee will transfer all remaining amounts on deposit in the related Series Pooling Subaccount and the related Series Redemption Subaccount in accordance with such Officer's Certificate and thereafter such subaccounts will be closed.

(h) If there are no longer any Bonds Outstanding and all Bond Indentures have been defeased and discharged in accordance with their respective terms, then in accordance with an Officer's Certificate of The Regents Representative for such Series of Bonds, the Master Trustee will transfer all remaining amounts on deposit in the Liquidity Account and any subaccounts therein and any other funds then held by the Master Trustee under the Financing Trust Agreement in accordance with such Officer's Certificate and thereafter the Liquidity Account and all such subaccounts will be closed and the Financing Trust Agreement will be terminated.

Investments

Moneys held in any fund or account created under the Financing Trust Agreement will be invested in Permitted Investments pursuant to an Officer's Certificate of the Borrower, maturing at such times and in such amounts as in the judgment of the Borrower will make cash available for the purposes of such accounts as needed, subject to the restrictions, if any, set forth in the related Tax Agreement. If at any time the Borrower has not directed the Master Trustee to make any such investment, such money will be invested in the Permitted Investments described in clause (10) of the definition thereof.

Amounts on deposit in the Liquidity Account and the subaccounts therein will be valued by the Master Trustee not less than once each year. The trustee may make any or all investments permitted under this section through its own bond or investment department or that of its affiliates.

The Master Trustee

The Borrower appoints Wilmington Trust, National Association, as Master Trustee. The Master Trustee accepts the trusts created by the Financing Trust Agreement, and agrees to perform such trusts, but only upon and subject to the express terms and conditions described in the Financing Trust Agreement, and no implied covenants or obligations will be read into the Financing Trust Agreement against the Master Trustee. The Master Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Financing Trust Agreement.

Intervention by Master Trustee

In any judicial proceeding to which any Issuer, any Borrower or The Regents is a party and which in the opinion of the Master Trustee and its counsel has a substantial bearing on the interests of the Owners of the Bonds with respect to the Financing Trust Agreement, the Master Trustee may, in its discretion, intervene on behalf of the Owners of the Bonds and will do so if requested in writing by the Owners of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding, provided that the Master Trustee will first have been provided indemnity as provided in the related Bond Indenture as it may require against the costs, expenses and liabilities which it may incur in or by reason of such proceedings. The rights and obligations of the Master Trustee described in this paragraph are subject to the approval of a court of competent jurisdiction.

Successor Master Trustee

Any corporation into which the Master Trustee may be merged or with which it may be consolidated or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation resulting from any such merger, consolidation or transfer to which it is a party, ipso facto, will be and become successor Master Trustee under the Financing Trust Agreement and vested with all of the title to the Financing Trust Estate and all the trusts, powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties to the Financing Trust Agreement, anything in the Financing Trust Agreement to the contrary notwithstanding.

Resignation by Master Trustee

The Master Trustee may at any time and for any reason resign and be discharged of the trusts created by the Financing Trust Agreement by executing an instrument in writing resigning such trusts and specifying the date when such resignation will take effect, and mailing the same to The Regents, each Bond Trustee, each Borrower and each Issuer not less than thirty (30) days before the date specified in such instrument when such resignation will take effect, provided the Master Trustee will also resign from its position as Bond Trustee for each Series of Bonds for which the Master Trustee was appointed as Bond Trustee. Subject to the Financing Trust Agreement, such resignation will take effect on the day specified in such instrument and notice, unless previously a successor Master Trustee will be appointed by The Regents, in which event such resignation will take effect immediately on the appointment of such successor Master Trustee. Upon the acceptance of the appointment of a successor Master Trustee, the resigning Master Trustee will receive fees in an amount which represents the proportionate amount of such fees, based on the period of time from the date such fees were paid to the effective date of the Master Trustee's resignation.

Removal of Master Trustee

The Master Trustee may be removed at any time by The Regents by an instrument in writing delivered to the Master Trustee, each Bond Trustee, each Borrower and each Issuer.

Amendments; Supplemental Financing Trust Agreements

The Financing Trust Agreement may be amended by a written instrument executed by the Master Trustee and each Borrower, upon the approval of The Regents, if the Master Trustee receives written confirmation from the Rating Agency that the amendment will not result in the downgrade of its credit rating on any Series of Bonds to less than an Investment Grade Rating. Notwithstanding the preceding sentence, the Financing Agreement may be

supplemented by a Supplemental Financing Trust Agreement from time to time in connection with the issuance of a Series of Bonds in accordance with the Financing Trust Agreement.

Continuing Disclosure

There may be a Continuing Disclosure Agreement entered into by a Borrower and a Bond Trustee, as dissemination agent, with respect to a Series of Bonds to comply with the continuing disclosure requirements of Rule 15c2-12 of the Securities and Exchange Commission. The Master Trustee covenants and agrees that it will cooperate with such Borrower and such Bond Trustee to provide such information as they may reasonably request in order to meet their obligations under such Continuing Disclosure Agreement.

Satisfaction of Conditions Precedent to Issuance of Series 2019 Bonds

It is represented, warranted and covenanted: (1) by the Master Trustee that it has executed and delivered its receipt confirming that it has received all of the documentation required by the Financing Trust Agreement; and (2) by the Series 2019 Borrower that: the Ground Lease provides that payments of Series 2019 Ground Rent by the Series 2019 Borrower pursuant to the Series 2019 Ground Lease are expressly subordinate to (i) the full and timely payment of Annual Debt Service on such Series of Bonds as the same becomes due and payable pursuant to the related Bond Indentures; and (ii) the required use of revenues and other funds of the Series 2019 Borrower to replenish the UCR Series 2019 Bonds Pooling Subaccount and all subaccounts therein in accordance with the terms of the Financing Trust Agreement, the Series 2019 Bond Indenture and the Series 2019 Loan Agreement.

Series 2019 Bonds Constitute Bonds under the Financing Trust Agreement

The Series 2019 Bonds constitute a Series of Bonds within the meaning of the Financing Trust Agreement and are entitled to all of the benefits and security provided in the Financing Trust Agreement.

Series 2019 Borrower Bound by the Financing Trust Agreement

The Series 2019 Borrower agrees to be bound by and to perform all of the covenants, terms and conditions of a Borrower under the Financing Trust Agreement.

Creation of Subaccounts; Pledge

In accordance with the Financing Trust Agreement, the Master Trustee will establish, maintain and hold in trust, separate trust subaccounts within the Liquidity Account, as follows: (1) the UCR Series 2019 Bonds Pooling Subaccount; and (2) the UCR Series 2019 Bonds Redemption Subaccount. Each such subaccount will have such further designations as the Master Trustee may deem appropriate in order to properly account for all moneys subject to the Financing Trust Agreement or as provided in an Officer's Certificate. The Master Trustee will deposit amounts to, and transfer amounts from, such subaccounts in accordance with the terms and conditions of the Financing Trust Agreement. All such moneys will be promptly deposited by the Master Trustee upon receipt thereof and will be held, disbursed, allocated and applied by the Master Trustee only as provided in the Financing Trust Agreement.

As security for the payment of the Bonds, the UCR Series 2019 Bonds Pooling Subaccount and the UCR Series 2019 Bonds Redemption Subaccount and all amounts from time to time on deposit therein, and the UCR Series 2019 Bonds Liquidity Subaccount Loan Payments are pledged for the equal and pro rata benefit of all Series of Bonds, in the manner and to the extent provided in, and subject to the terms and conditions of, the Financing Trust Agreement.

Deposits to UCR Series 2019 Bonds Pooling Subaccount

On the date of issuance of the Series 2019 Bonds, the Series 2019 Bond Trustee on behalf of the Series 2019 Borrower will transfer to the Master Trustee from the proceeds of the Series 2019 Bonds in accordance with the Series 2019 Bond Indenture the sum of \$11,468,750.00 for deposit in the UCR Series 2019 Bonds Pooling Subaccount, which amount will constitute the Liquidity Subaccount Requirement as of such date.

Subject to the Financing Trust Agreement, pursuant to the Series 2019 Bond Indenture, the Series 2019 Loan Agreement and the Financing Trust Agreement, the Series 2019 Borrower will maintain funds on deposit in the UCR Series 2019 Bonds Pooling Subaccounts in an amount not less than the Liquidity Subaccount Requirement, as such amount will be determined by The Regents and reported in writing to the Master Trustee on or before May 15 of each year.

Upon withdrawal from the UCR Series 2019 Bonds Pooling Subaccount due to a Debt Service Account Deficiency, Series 2019 Bonds Liquidity Subaccount Loan Payments will be made by the Borrower into the UCR Series 2019 Bonds Pooling Subaccount as required pursuant to the Series 2019 Loan Agreement.

Interest earnings allocable to proceeds of the Series 2019 Bonds on investments held in the UCR Series 2019 Bonds Pooling Subaccount will, unless otherwise directed by a written direction of The Regents filed with the Master Trustee with the consent of the Series 2019 Borrower, be transferred (i) prior to the Series 2019 Completion Date, to the Bond Trustee for deposit in the 2019 Account of the Construction Fund, notwithstanding anything contrary in the Financing Trust Agreement, and (ii) on and following the Series 2019 Completion Date, to the Bond Trustee for deposit in the 2019 Account of the Bond Fund, notwithstanding anything contrary in the Financing Trust Agreement.

Amounts on deposit in the UCR Series 2019 Bonds Pooling Subaccount in excess of the Liquidity Subaccount Requirement will, upon the written direction of The Regents with the consent of the Series 2019 Borrower filed with the Master Trustee specifying the amounts to be transferred, be transferred to the UCR Series 2019 Bonds Redemption Subaccount; provided that for purposes of this calculation, the Maximum Annual Debt Service of any Series 2019 Bonds to be redeemed will be excluded.

Application of UCR Series 2019 Bonds Redemption Subaccount

Moneys on deposit in the UCR Series 2019 Bonds Redemption Subaccount will, upon the written direction of The Regents, with the consent of the Series 2019 Borrower, filed with the Master Trustee, be transferred to the Series 2019 Bond Trustee deposited into either (x) the 2019 Account of the Bond Fund and applied to pay principal of and interest on the Series 2019 Bonds as it becomes due and payable in accordance with the Series 2019 Bond Indenture or (y) the Redemption Fund and applied to redeem or purchase the Series 2019 Bonds in accordance with the Series 2019 Bond Indenture.

Provisions Relating to the Insured Series 2019 Bonds

Notwithstanding anything to the contrary contained in the Financing Trust Agreement, the following provisions will apply to the Insured Series 2019 Bonds.

Notice and Other Information to be given to BAM. The Borrower will provide BAM with all notices and other information it is obligated to provide to the holders of Insured Series 2019 Bonds or the Master Trustee under the Financing Trust Agreement.

Consent of BAM in Addition to Bondholder Consent. Any amendment, supplement, modification to, or waiver of, any of the Financing Trust Agreement that requires the consent of holders of the Insured Series 2019 Bonds or adversely affects the rights or interests of BAM will be subject to the prior written consent of BAM.

Control by BAM Upon Default. Anything in the Financing Trust Agreement to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM will be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Series 2019 Bonds or the Master Trustee or Series 2019 Bond Trustee for the benefit of the holders of the Insured Series 2019 Bonds under the Financing Trust Agreement. No default or event of default may be waived without BAM's written consent.

BAM as Owner. Upon the occurrence and continuance of a default or an event of default, BAM will be deemed to be the sole owner of the Insured Series 2019 Bonds for all purposes under the Financing Trust Agreement, including, without limitations, for purposes of exercising remedies and approving amendments.

Grace Period for Payment Defaults. No grace period will be permitted for payment defaults on the Insured Series 2019 Bonds. No grace period for a covenant default will exceed 30 days without the prior written consent of BAM.

Special Provisions for Insurer Default. If an Insurer Default will occur and be continuing, then, notwithstanding anything in the preceding paragraphs to the contrary, (1) if at any time prior to or following an Insurer Default (as defined herein), BAM has made payment under the Policy, to the extent of such payment BAM will be treated like any other holder of the Insured Series 2019 Bonds for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM will have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) will control. For purposes of this paragraph, “Insurer Default” means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM will (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality will order the suspension of payments on the Policy or will obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

BAM As Third Party Beneficiary. BAM is recognized as and will be deemed to be a third party beneficiary of the Insured Series 2019 Bond Security Documents and may enforce the provisions of the Insured Series 2019 Bond Security Documents as if it were a party thereto.

Exercise of Rights by BAM. The rights granted to BAM under the Financing Trust Agreement to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Policy. Any exercise by BAM of such rights is merely an exercise of the BAM’s contractual rights and will not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Series 2019 Bonds and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Insured Series 2019 Bonds or any other person is required in addition to the consent of BAM.

Liquidity Account. The prior written consent of BAM will be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Liquidity Account, if any.

THE GROUND LEASE

The following is a summary of the Ground Lease (the “Ground Lease”).

DEFINITIONS

The following terms have the indicated definitions in the Ground Lease.

“*Academic Year*” means the academic year for the Campus which generally commences in late September and ends in mid-June of the following year.

“*Access Easement*” means the non-exclusive easement over and across the Access Easement Tract granted to Lessee by Lessor, for purposes of providing Lessee and its Agents, successors, assigns, invitees, employees, sublessees and guests with non-exclusive vehicular and pedestrian access, ingress and egress to and from the Leased Land and public rights-of-way during the Term.

“*Access Easement Tract*” means those certain portions of parcels of real property adjacent to the Leased Land as described on Exhibit H attached to the Ground Lease.

“Additional Bonds” means such taxable or tax exempt bonds issued subsequent to the issuance of the Series 2019 Bonds pursuant to the terms of the Indenture in order to complete the Series 2019 Project and Offsite Elements, to refund any Bonds or to finance any subsequent expansion of the Series 2019 Project or any student housing facilities and associated site development and related amenities and improvements other than the Series 2019 Project which the Lessee and Lessor subsequently agree that the Lessee shall acquire, develop, finance, construct, equip, furnish, and/or operate on the Campus.

“Additional Occupant Payment” means an additional amount that Lessee may charge Occupants in order for the annual Operating Budget to result in a Fixed Charges Coverage Ratio equal to 1.20.

“Additional Rent” means any amounts designated as Additional Rent pursuant to the Ground Lease which are payable by Lessee to Lessor other than Rent.

“Administrative Procedures” means the Campus’s established rules, regulations and policies and procedures for the Campus, as the same may be amended, supplemented, updated or replaced from time to time (as of the Effective Date, the Campus “Policy and Procedure Manual” may be found at <https://fboapps.ucr.edu/policies/>).

“Affiliate” means any Person that is Controlled by, in Control of or under common Control with any other Person.

“Agents” means, as to any Person, that Person’s officers, employees, contractors, subcontractors, representatives, and successors. With respect to the Series 2019 Project, Lessee’s Agents include the Manager, the Architect, the Developer and other Parties performing Work pursuant to the Construction Documents.

“Alternate Services” means the services that Lessee shall provide or cause to be provided if Lessee fails to achieve Substantial Completion of the Series 2019 Project, (i) on or prior to the Completion Date or, (ii) by the date of commencement of the lease term of any Resident Contract, and, as a result thereof, prospective Occupants of the Series 2019 Project are unable to take occupancy in the Series 2019 Project on or before such Resident Contract Commencement Date.

“Annual Budget” means the Operating Budget and Capital Budget for the Premises and Personalty for each Lease Year developed by the Manager and approved by Lessor and Lessee in accordance with the applicable terms and provisions of the Ground Lease.

“Annual Financial Statements” means complete audited financial statements prepared by an independent certified public accountant following its audit of Lessee’s operations for the previous Lease Year.

“Applicable Law” means all present and future statutes, regulations, ordinances, resolutions, and orders of any Governmental Authority.

“Approving Agency” means and refers to Lessor as the permitting agency, acting in its sovereign and autonomous governmental capacity under Article IX of the California State Constitution, as building official with full power and authority to authorize, approve, permit and inspect the design and construction of buildings and structures, including activities related to design review, building permit issuance, construction inspections, permit sign-off, final inspections, and issuance of Certificates of Occupancy.

“Architect” means a qualified design professional, licensed in the State of California and in good standing approved by Lessor, who performs architectural or engineering services, including analysis of project requirements, creation and development of the design, preparation of drawings, specifications and bidding requirements and general administration of construction contracts. Notwithstanding the foregoing, with respect to the design of any structural, mechanical or electrical elements, Architect means either the Architect, as above-defined, or a licensed professional engineer as approved by Lessor. For the initial improvements comprising the Series 2019 Project and the Offsite Elements, the Architect means, and Lessor has approved, Solomon, Cordwell, Buenz & Associates, Inc., and its permitted successors and assigns.

“Architect’s Agreement” means the Standard Form of Agreement AIA B102-2017, as amended dated March 6, 2019 between the Developer and the Architect, pursuant to which the Architect has agreed to provide certain architectural and engineering services in connection with the design and construction of the Series 2019 Project and the Offsite Elements, and any amendments thereof and/or supplements thereto, which Architect’s Agreement has been subsequently assigned by the Developer to Lessee.

“Assessments” means any and all special assessments or levies or charges made by any local, municipal or regional agency or political subdivision for local improvements.

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

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

“Base Reserve Deposit” means the sum of no less than One Hundred and Seventy-Five Dollars (\$175.00) per bed to be funded by Lessee into the Repair and Replacement Fund each Lease Year following Substantial Completion of the Series 2019 Project.

“Bed Accommodation” means a bed within the Series 2019 Project.

“Bond Collateral” means and refers to the interest of the Issuer, the Bond Trustee, and/or any other Leasehold Deed of Trust Trustee in any Assigned Agreements as granted or provided in any of the Bond Documents.

“Bond Documents” means, collectively, the Indenture, the Loan Agreement, the Issuer Deed of Trust, the Assignment of Construction Documents, the Financing Trust Agreement and all other instruments or agreements executed by the Issuer and/or Lessee in connection with the issuance and delivery of the Bonds (each, a “Bond Document”).

“Bond Trustee” means Wilmington Trust, National Association, as Trustee under the Indenture, and its successors and assigns in such capacity.

“Bonds” means, collectively, the Series 2019 Bonds and Additional Bonds.

“Business Day” means any day other than (i) a Saturday or a Sunday, (ii) a day on which commercial banks in San Francisco, California or where the Bond Trustee is located are authorized or obligated by law, government decree or executive order to be closed or (iii) a day observed as a holiday by the State of California or the Federal government.

“Campus” means any real property owned by Lessor in proximity to its educational facilities in Riverside, California.

“Campus Apartment Housing” means all apartment-style student housing at the Campus that is owned in fee by Lessor and is rented by the bed. As of the date of the Ground Lease, Campus Apartment Housing includes Bannockburn Village, Falkirk, Glen Mor and The Plaza.

“Campus Fee” means a fee to be paid by Lessee to Lessor to as reimbursement to the Campus for its pre-development and development costs with respect to the Series 2019 Project in an amount up to Two Million Nine Hundred Fifty-Seven Thousand Six Hundred Ninety-Six Dollars (\$2,957,696).

“Campus Regulations” means the “Campus Student Housing Policies 2019-2020” and the Administrative Procedures, as such may be amended, supplemented, updated or replaced from time to time.

“Capital Budget” means a budget for such period of expenditures for major repairs, renovations and/or capital improvements and/or replacement of the Personalty in, on or about the Premises, detailing the anticipated

timing and estimated costs of such matters as disclosed in the most recent Condition Assessment and consistent with the O&M Technical Requirements.

“**Certificate of Occupancy**” means the final Certificate of Occupancy issued by the Approving Agency when all Work is complete including any Punch List Items.

“**Claims**” means 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.

“**Clean Electricity Requirements**” means the provisions of Section III.B.3 of the Policy on Sustainable Practices relating to Off-campus Renewable Electricity (but intended to relate to on-campus development) and Clean Electricity provisions.

“**Closing**” means the date of closing identified by Lessor in its notice of exercise for the purchase of Lessee’s Interest.

“**Completion Date**” means the earlier of the date on which the Series 2019 Project shall have reached Substantial Completion, or September 16, 2021.

“**Condition Assessment**” means a property condition assessment performed as an Operating Expense by a mutually agreeable and qualified independent engineer, and prepared in accordance with ASTM E2018-15 Standard Guide for Property Condition Assessments as may be amended, supplemented or replaced from time to time, or such other mutually acceptable industry standard.

“**Construction Contingency**” means funds allocated to that certain line item in the Series 2019 Project’s development budget as set forth in Exhibit C to the Development Agreement.

“**Construction Contract**” means that certain Standard Form of Agreement AIA Document A102-2017, as amended, dated as of July 17, 2019, between Lessee, executed by Developer as agent for Lessee pursuant to the Development Agreement, and the Contractor, pursuant to which the Contractor has agreed to construct the Series 2019 Project and to complete the Offsite Elements and Offsite Demolition and any amendments thereof and/or supplements thereto.

“**Construction Documents**” means, as to the initial improvements, collectively, the Development Agreement, the Construction Contract, the Architect’s Agreement, the Plans and Specifications and the Schedule of Performance, all contracts and/or agreements between Lessee or Developer, as applicable, and, as to any Work in excess of the Threshold Amount performed following the Completion Date, all contracts and/or agreements between Lessee and any person or firm rendering services, performing Work or supplying materials in connection with the design, acquisition, demolition, construction, furnishing, equipping and completion of the Series 2019 Project, the Offsite Elements and the Offsite Demolition, as applicable, as such documents may be amended, supplemented or modified from time to time in accordance with the terms of the Ground Lease.

“**Consumer Price Index**” means the Consumer Price Index for All Urban Consumers, All Items, (CPI-U) Riverside-San Bernardino-Ontario, CA, published by the U.S. Department of Labor, Bureau of Labor Statistics (the “BLS”). If the Consumer Price Index: (i) is not published for a given calendar month, then the Consumer Price Index for that month shall be the Consumer Price Index published for the most recent prior calendar month or other period for which it is so published; (ii) hereafter uses a different standard reference base or is otherwise revised, an adjustment shall be made therein for the purposes of the Ground Lease, using the conversion factor, formula, or table for making that adjustment as is published by the BLS, or if the BLS does not publish the same, then as is published by Prentice-Hall, Inc., the Bureau of National Affairs, Commerce Clearing House, or any other nationally recognized publisher of similar statistical information, as selected by Lessor; or (iii) ceases to be published, then, for the purposes of the Ground Lease, there shall be substituted for it such other index as the Parties may agree upon, or in the absence of such an agreement, the Consumer Price Index first issued for the month and year in question.

“Consumer Price Index Change” means the percentage increase of the Consumer Price Index for the month of the year for which data is available over the same month of the immediately preceding year.

“Contractor” means a qualified general contractor, licensed in the State of California and in good standing, engaged to perform Work on the Premises or with respect to the Offsite Elements. For the initial improvements comprising the Series 2019 Project and the Offsite Elements, the Contractor is, and Lessor has approved, Benchmark Contractors, Inc., a California corporation, with its principal place of business in Santa Monica, California, or any replacement of the foregoing named contractor to the extent duly approved by Lessor and Lessee.

“Control” when used with respect to any specified Person means the power, directly or indirectly, to direct or cause the direction of the decision making, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract, relation to individuals or otherwise; and the terms “Controlling” or “Controlled” have meanings correlative to the foregoing.

“Deed of Trust Trustee Lease” means a lease of the Premises together with grant of the Access Easements entered into between a Leasehold Deed of Trust Trustee, as lessee, and Lessor, as lessor, as a result of a termination of the Ground Lease by reason of any Event of Default for the remainder of the term effective as of the date of termination of the Ground Lease, at the same Rent and upon the same terms, provisions, covenants, and agreements as contained in the 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 and Access Easement Tract.

“Default” means the occurrence of any the events specified under the heading “Events of Default and Remedies” below.

“Developer” means ACC SC Development (California) LP, a Delaware limited partnership, and its successors and assigns.

“Development Agreement” means that certain Development Agreement by and between Lessee and Developer with respect to the development of the Series 2019 Project.

“Dispute” means a conflict, disagreement or dispute between the Parties arising under the Ground Lease.

“Effective Date” means the date of issuance of the Series 2019 Bonds.

“Eligible Occupants” means Permitted Occupants, plus, to the extent Lessor has consented pursuant to the applicable provisions of the Ground Lease, (i) other students enrolled at the Campus (ii) Campus faculty and staff members, and (iii) persons attending a program presented and conducted on the Campus by Lessor or another organization recognized as exempt under Section 501(c)(3) of the Internal Revenue Code whose presence furthers the educational mission of the Lessor.

“Essential Operating Systems” means electrical distribution systems; heating, ventilating, and air-conditioning systems; plumbing and sanitation systems; or communication systems.

“Event of Default” means each of the events specified under the heading “Events of Default and Remedies” below.

“Facilities Manual Requirements” means Lessor’s requirements concerning Code and Regulatory Compliance which are set forth in Chapter 4, Volume 3 of the Facility Manual available at: <https://www.ucop.edu/construction-services/facilities-manual/volume-3/index.html>.

“Fair Market Value” means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (i) buyer and seller are

typically motivated; (ii) both Parties are well informed or well advised, and acting in what they consider their best interests; (iii) a reasonable time is allowed for exposure in the open market; (iv) payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and (v) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

“**Fair Wage Requirements**” means those requirements set forth in Exhibit D to the Ground Lease.

“**Feasibility Tests**” means and refers to the tests to be administered by an independent financial consultant to aid in determining certain matters with respect to the Series 2019 Project.

“**Final Completion**” means the date as of which (a) no additional Work is required to achieve conformance of the initial improvements included in the Series 2019 Project and Offsite Elements with the Plans and Specifications, as evidenced by (i) the issuance by the Approving Agency of a final Certificate of Occupancy for all buildings within the Series 2019 Project, (ii) a certificate of completion with respect to all other improvements, and (b) with respect to the Offsite Demolition, unless Lessee is released from completion obligations pursuant to the provisions of the Ground Lease, issuance of a close-out report (or waiver thereof by Lessor) from an environmental consultant.

“**Final Completion Date**” means the date on which Final Completion occurs.

“**Financial Statements**” means unaudited statements for the Premises reporting results of operations, to be prepared by Lessee or Manager (at Lessee’s direction).

“**Financing Trust Agreement**” means the Financing Trust Agreement dated as of December 1, 2018, between the Master Trustee and Lessee as the same has been or may be amended or further supplemented from time to time in accordance with the provisions thereof.

“**First Class Condition**” means, with respect to the Series 2019 Project, the condition of a comparable high quality student housing facility of similar age and location that is well maintained and in an attractive condition, and managed to satisfy the following Association of Physical Plant Administrators (APPA) standards at all times during the Term: (i) Maintenance: Level 2 - Comprehensive Stewardship; (ii) Cleaning: Level 2 - Orderly Tidiness; provided this standard shall not apply to the exclusive use areas within residential units cleaned by the Occupants.

“**Fixed Charges**” shall have the meaning given that term in the Indenture.

“**Fixed Charges Coverage Ratio**” shall have the meaning given that term the Indenture.

“**Force Majeure**” means an Act of God (e.g., fire, flood, inclement weather, epidemic, earthquake); war or act of terrorism; governmental acts, orders, restrictions and any other reason where failure to perform is beyond the reasonable control of the performing party, including the action or inaction of the other party or the action or inaction of Bond Trustee and Lessor that actually and directly interferes with the performance by the performing party. Lessor actions or inactions shall refer to the actions or inactions of Lessor in its proprietary capacity as landlord or owner under the Ground Lease. Notwithstanding the foregoing, delays caused by the negligence and the intentional conduct and/or misconduct of the performing party (including, as to those contracts the performing party is responsible for administering, the parties to such contracts) shall not constitute Force Majeure and shall not be the basis of a Force Majeure event.

“**Foundation**” means Collegiate Housing Foundation, an Alabama not for profit corporation.

“**Full Taking**” means the Taking of all of the Leased Land.

“**GAAP (or Generally Accepted Accounting Principles)**” means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board and their predecessors, or pronouncements of the American Institute of Certified Public Accountants or those principles of accounting that have other substantial

authoritative support and are applicable in the circumstances as of the date of application, as such principles are from time to time supplemented and amended.

“Governmental Authority” means any and all entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, city or otherwise) whether now or hereafter in existence, with jurisdiction over the Offsite Elements or the Premises, including Lessor acting in its sovereign capacity.

“Handback Condition” means the condition in which the Premises is required to be required to Lessor, as required under the O&M Technical Requirements and Exhibit I to the Ground Lease.

“Hazardous Substance” means any material or substance (a) defined as a “hazardous waste,” “extremely hazardous waste” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control law); (b) defined as a “hazardous substance” under Section 26316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (c) defined as a “hazardous material,” “hazardous substance” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95, “Hazardous Substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (d) petroleum; (e) asbestos; (f) polychlorinated biphenyls; (g) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; (h) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251 et seq. (33 U.S.C. § 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 6903); (i) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9602); (j) defined as a “hazardous waste” pursuant to the Resource Conservation and Recovery Act. 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6901); or (k) found to be a pollutant, contaminant, hazardous waste or hazardous substance in any reported decision of a federal or California state court, or which may give rise to liability under any federal or California common law theory based on nuisance or strict liability.

“Housing Rates” means the rates permitted to be charged to Occupants for each type of Bed Accommodation pursuant to the Ground Lease.

“Incremental Costs” means any increases in the development costs for the Series 2019 Project.

“Indemnitees” means Lessor and all of its Regents, officers, employees and directors.

“Indenture” means that certain Indenture (as the same may be amended or supplemented from time to time in accordance with the provisions thereof) by and between Issuer and Bond Trustee

“Inventory Management Program” means Lessor’s obligation to execute new resident contracts (or the functional equivalent thereof) for Campus Apartment Housing in accordance with a program that prioritizes the execution of Resident Contracts within the Series 2019 Project over resident contracts within the Campus Apartment Housing such that, except as described in the Ground Lease, Lessor shall not execute any resident contracts within Campus Apartment Housing until Manager has delivered written notice in accordance with the Ground Lease.

“Issuer” means California Municipal Finance Authority and its successors and assigns.

“Issuer Deed of Trust” means the Leasehold Deed of Trust and Assignment of Rents and Leases of even date herewith by Lessee in favor of the deed of trust trustee for the benefit of the Bond Trustee, as the same may be amended and/or supplemented from time to time as permitted by the Indenture.

“Issuer Security Interests” means first priority security interests in various items of collateral including the Assigned Agreements and certain rights and remedies with respect thereto.

“Lease Year” means each twelve (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, however, that the first Lease Year shall be determined as follows: (i) if the Final Completion Date occurs after the beginning of the calendar year but before July 1, the first Lease Year shall commence on such date and shall include the period of time from and after such date until June 30 of the immediately succeeding calendar year, and (ii) if the Final Completion Date occurs after July 1 but before the end of the calendar year, the first Lease Year shall commence on such date and shall end on June 30 of the immediately succeeding calendar year.

“Leased Land” means that certain land in Riverside County, California containing approximately 15.175 acres, which is more particularly described in Exhibit A attached to the Ground Lease, located at Lessor’s Riverside Campus.

“Leasehold Deed of Trust” means, collectively, the Issuer Deed of Trust and any other encumbrance of Lessee’s interest in the Ground Lease as security for any indebtedness Lessee or Lessee’s successors and assigns may incur.

“Leasehold Deed of Trust Trustee” means the holder of the indebtedness secured by a Leasehold Deed of Trust (initially, the Bond Trustee) or any agent or fiduciary therefor and any designee thereof for the purpose of taking title to Lessee’s interests in the Ground Lease.

“Lessee” means CHF-RIVERSIDE II, L.L.C., an Alabama limited liability company.

“Lessee’s Fee” means a fee to be paid as an Operating Expense by the Manager to the Foundation on behalf of the Lessor.

“Lessee’s Interest” means Lessee’s entire interest in (i) the Leased Land, (ii) the Series 2019 Project, (iii) the Personalty, and (iv) the Ground Lease.

“Lessor” means The Regents of the University of California, a California public corporation

“Lessor’s Representative” means the acting Director of Real Estate Services and Asset Management and Assistant Vice Chancellor of Planning, Design and Construction Services at the Campus or such other Person (or Persons) designated by Lessor, pursuant to the Notices Section of the Ground Lease, to serve as Lessor’s exclusive representative(s) in connection with the design, acquisition, construction, furnishing, equipping, and operation of the Premises.

“License” means that certain exclusive license granted to Lessor by Lessee for the use of Lessor and the University, to occupy, use, possess and operate the University Space for the Term.

“Licensed Land” means the land described in Exhibit B-2 of the Ground Lease.

“Lien” means 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.

“Loan Agreement” means the Loan Agreement dated as of July 1, 2019 between the Issuer and Lessee, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof.

“Management Agreement” means (i) the Management Agreement dated as of July 17, 2019 between Lessee and the Manager, as the same may be amended and/or supplemented from time to time, and (ii) any management or similar agreement between Lessee and any successor Manager relating to the management of the Premises, as the same may be amended and/or supplemented from time to time.

“Management Plan” means a plan for the management of the Series 2019 Project consistent with the O&M Technical Requirements.

“Manager” means (i) initially ACC SC MANAGEMENT (California) LP, a Delaware limited partnership, or (ii) thereafter, any successor management company employed by Lessee, following Lessor’s consent, to manage the Premises.

“Master Trustee” means Wilmington Trust, National Association, as Master Trustee under the Financing Trust Agreement, and its successors and assigns in such capacity.

“Material Change” means substantial changes to, or deviations from, the approved Plans and Specifications or the Construction Documents including changes that: (i) cost in excess of the Threshold Amount; (ii) affect building code, fire or life safety issues; or (iii) represent a material change to the final designed elevation(s), site plan, floor plan(s) or square footage.

“Material Change Order” means a change order to the Construction Documents resulting from a Material Change.

“Material Change Order Request” means proposed changes to or deviations from the Plans and Specifications and other Construction Documents that constitute a material change.

“Material Matters” means those matters that could reasonably be anticipated to materially impact any of the services provided pursuant to the Ground Lease Article titled University Services, or any of the residential life aspects of the Series 2019 Project

“Monitoring and Coordination Fee” means a fee to be paid by Lessee to Lessor as an Operating Expense of the Series 2019 Project for Lessor’s monitoring of the operation of the Premises throughout the Term of the Ground Lease

“Net Available Cash Flow” means the amount available for release from the Surplus Fund to the Lessor in accordance with the Indenture.

“Net Proceeds” means, when used with respect to an insurance or condemnation award, or with respect to any other recovery on a contractual claim or a claim for damage to or for taking of property, the gross proceeds from such award or recovery less the amounts paid for expenses (including attorneys’ fees and any extraordinary expenses of the Bond Trustee) incurred in the collection of such gross proceeds.

“O&M Technical Requirements” means the most recent Lessor approved version of the Operations and Maintenance Technical Requirements for the Premises. The initial O&M Technical Requirements are attached as Exhibit B to the Management Agreement.

“Occupancy Payments” means and refers to amounts due from Occupants under Resident Contracts.

“Occupancy Rate” means the rate, expressed as a percentage, resulting from dividing the total number of beds in Campus Apartment Housing as to which resident contracts have been executed by the total number of beds that are available for such use in Campus Apartment Housing, as applicable and multiplying the result by 100.

“Occupancy Receipts” means all payments and fees received from Occupants pursuant to the payment provisions of any Resident Contracts, plus all income received by Lessee from all other sources as a result of use of the Premises, including telecommunication income, parking fees, vending machine income or commercial use of the Premises or from any replacement parking pursuant to the applicable provisions of the Ground Lease, during the Term.

“Occupants” means Eligible Occupants who occupy or are entitled to occupy the Series 2019 Project pursuant to a Resident Contract or comparable written agreement.

“Offer” means the written notice that Lessee must deliver to Lessor setting forth all material terms and conditions upon which Lessee proposes to Transfer its Interest, offering to enter into a Transfer with Lessor on the

same terms and conditions (except that if the terms and conditions include financing, Lessor shall have the option to acquire Lessee's Interest for all cash).

"Offsite Demolition" means demolition and abatement of existing buildings and protection of existing trees within the area designated on Exhibit B-1. The Offsite Demolition is not part of the Series 2019 Project.

"Offsite Elements" means any demolition or construction of improvements, including landscaping, hardscaping, utility lines, access roads, and sidewalks and reconfiguring certain parking, which are required by the Plans and Specifications to be located outside of the Leased Land and are located on the property shown in Exhibit B-1 of the Ground Lease. The Offsite Elements are not part of the Series 2019 Project.

"Operating Budget" means the operating budget for the Series 2019 Project, as approved by Lessor from time to time, as part of the Annual Budget in accordance with applicable provisions of the Ground Lease.

"Operating Deficiency" means deficiencies in operating the Premises as more specifically described in the Ground Lease Section titled Failure to Meet Standards of Operations.

"Operating Expenses" means and refers to Expenses, as defined in the Indenture.

"Option" means and refers to the exclusive option of Lessor to purchase all of Lessee's Interest (including all tangible and intangible property and funds) on the terms and conditions set forth in the Ground Lease.

"Parking Rates" means the parking rates established from time to time by the Lessor for residents, faculty, staff, employees and commuter students parking at the Campus.

"Partial Taking" means any portion of the Leased Land shall be taken, or all of the Leased Land shall be temporarily taken.

"Party" means Lessor or Lessee, individually, and the "Parties" means both Lessor and Lessee.

"Payment Schedule" means and refers to the schedule attached hereto as Exhibit F to the Ground Lease.

"Permitted Encumbrances" has the meaning set forth in the Indenture.

"Permitted Occupants" means undergraduate students enrolled at the Campus.

"Person" means natural persons, firms, joint ventures, associations, trusts, partnerships, corporations, limited liability companies, public bodies, and similar entities, whether for-profit or non-profit.

"Personalty" means all furnishings, machinery, equipment, fixtures, appliances, furniture, and any other personal property of any kind or description owned by Lessee and used in connection with the Premises.

"Plans and Specifications" means the detailed plans and specifications for the initial construction of the Series 2019 Project and the Offsite Elements, or detailed plans and specifications for the performance of material Work following the Final Completion, to the extent detailed plans and specifications are required, in each case fully identifying and describing all Essential Operating Systems, materials, signage, design, colors of exterior paints, and other finishes, prepared by the Contractor, as amended from time to time with the consent of Lessor, copies of which are or will be on file with Lessor. With respect to the initial improvements comprising the Series 2019 Project and the Offsite Elements, the Plans and Specifications means the plan set dated June 18, 2019 and prepared by the Architect which are deemed ninety-five percent (95%) complete as of such date.

"Premises" means the Series 2019 Project and the Leased Land and any and all other improvements now or hereafter constructed or installed on the Leased Land during the Term.

“Project Management Plan” means a consolidated development and construction plan for the execution of any material Work that includes, among other things, to the extent applicable, a Schedule of Performance, demolition, construction, sequencing and housing transition plans and schedules, construction areas, laydown areas, contractor employee parking areas and transportation plans to the Leased Land, construction trailer locations, staging and material storage areas, noise restrictions, ingress and egress plans, occupant safety plan, pedestrian and/or bicycling routing or wayfinding during construction, permitted days and hours for construction activities and the terms, restrictions and conditions for certain other development and construction activities.

“Property Taxes” means ad valorem property taxes and assessments.

“Punch List Items” means and refers to minor items which do not affect occupancy or use of a portion of the Series 2019 Project and the Offsite Elements.

“Reference Date” means the date set forth in the preamble of the Ground Lease.

“Release Parcel” means all or a portion of that part of Leased Land that is depicted on Exhibit B-3 of the Ground Lease.

“Replacement Spaces” means the replacement parking spaces to be provided by Lessor to Lessee equal in number to the number of spaces that are located on the Release Parcel and that are within 1,000 feet of the Series 2019 Project, if Lessor requires Lessee to release, at no costs to Lessor, from the Ground Lease the Release Parcel.

“Rent” means the annual rent payable by Lessee to Lessor in accordance with the Ground Lease.

“Rent Commencement Date” means the Substantial Completion Date.

“Repair and Replacement Deposit” means that amount to be deposited into the Repair and Replacement Fund pursuant to the Ground Lease.

“Repair and Replacement Fund” means a fund established with the Bond Trustee pursuant to the Indenture for the purpose of funding expenditures approved in the Capital Budget.

“Resident Contract Commencement Date” means the date of commencement of the lease term of any Resident Contract.

“Resident Contracts” means, collectively, the occupancy agreements of no more than twelve (12) months in duration with Occupants of the Bed Accommodations in a form approved by Lessor (each, a “Resident Contract”).

“Residual Construction Balance” means all funds then remaining in the 2019 Account of the Construction Fund on Final Completion and available for distribution pursuant to the Indenture.

“Schedule of Performance” shall mean, as applicable, either the construction schedule contained in the Construction Contract with respect to the Series 2019 Project and the Offsite Elements, or a customary construction schedule prepared by Lessee or its Agents associated with design, planning, execution and completion of any Work with the exception of routine repair, maintenance and replacement that is reflected in the Operating Budget.

“Seismic Safety Policy” means the requirements of the Seismic Safety Policy, available at: <http://policy.ucop.edu/doc/3100156/>.

“Series 2019 Bonds” means the Student Housing Revenue Bonds (CHF-Riverside II, L.L.C. – UCR North District Phase I Student Housing Project) Series 2019 issued pursuant to the Indenture.

“Series 2019 Project” means an approximately 1,502-bed student housing facility, certain related parking and other related and appurtenant facilities, which are more particularly described in Exhibit B of the Ground Lease, but excluding any Offsite Elements.

“**State**” means the State of California.

“**Subordinated Expenses**” has the meaning set forth in the Indenture.

“**Substantial Completion**” means (a) as to any portion of the buildings and facilities comprising the Series 2019 Project, satisfaction of each of the following conditions: (i) delivery by Lessee of a certificate of Substantial Completion in a customary form, duly executed by the Architect, certifying completion thereof (other than minor Punch List Items which do not affect occupancy or use of any one or more of the buildings), and (ii) the issuance of a Temporary Certificate of Occupancy by the Approving Agency certifying that such portion of the Series 2019 Project is safe, sufficient, suitable, and ready for immediate occupancy for the use intended, and (b) as to the Offsite Elements, completion that is safe and sufficient for the intended use and acceptance by Lessor or the applicable Governmental Authority or the applicable utility provider.

“**Substantial Completion Date**” means the date on which Substantial Completion occurs.

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

“**Taking**” means the appropriation, taking or damage of the Series 2019 Project and/or Leased Land, or any portion thereof or interest therein, by reason of the exercise of the power of eminent domain, whether by condemnation proceedings or otherwise, or any transfer thereof shall be made in avoidance of an exercise of the power of eminent domain.

“**Taxes**” means all Property Taxes, possessory interest taxes and governmental fees and charges, whether general or special, or ordinary or extraordinary (. . .)

“**Temporary Certificate of Occupancy**” means a temporary or partial certificate of occupancy issued by the Approving Agency prior to the Final Completion of the entire Work covered by the building permit provided that the applicable buildings (or portion(s) thereof) are safe for occupancy and only Punch List Items or incidental construction work remains.

“**Term**” means the period commencing on the Effective Date and expiring at the earlier of (i) the 45th anniversary of the Effective Date at 12:00 midnight California time or (ii) 12:00 midnight on the day preceding the first day of the month following the final redemption or defeasance of the Bonds and satisfaction of any and all amounts due under the Loan Agreement or the Indenture, unless the Ground Lease is sooner terminated pursuant to Section titled Events of Default and Remedies.

“**Termination Date**” means the date on which the Term hereof ends by termination or expiration of the Ground Lease, as described in the Ground Lease.

“**Threshold Amount**” means the sum of One Hundred Thousand Dollars (\$100,000.00), which amount shall be increased by Fifteen Thousand Dollars (\$15,000.00) every five years.

“**Transfer**” means Lessee’s assignment or transfer of all or any portion of Lessee’s Interest in the Ground Lease, or any right or privilege appurtenant thereto, or to sublease the Leased Land or any portion thereof .

“**University Access Rights**” means the non-exclusive easement and right of access granted to Lessor by Lessee for the use of Lessor and its respective employees, representatives, sublessees, licensees, and vendors, and their respective invitees to (and the right to use) the sidewalks, entrances, and other common amenities located upon (or within) the Series 2019 Project as are reasonable and appropriate in connection with the License and intended use of the University Space.

“**University Contribution**” means the amount Lessor agrees to provide to pay costs of the Offsite Demolition, in an amount equal to the sum of \$1,500,000.

“*University Space*” means the 2,900 square feet of space in the Series 2019 Project, as more particularly depicted in the site rendering included as Exhibit B-4 attached the Ground Lease.

“*Utility Services*” means all utility services required, used, or consumed on the Premises, including water (including water for domestic uses and for irrigation and fire protection), telephone, electricity, hi-speed internet, sewer service, garbage collection services, or any similar service.

“*Work*” means Lessee’s planning, design, or construction activity with respect to (i) the completion of the Offsite Elements, (ii) the completion of the Offsite Demolition, (iii) the original construction, permitted future expansions, changes, alterations and renovations of the Series 2019 Project, and (iv) in connection with any of the foregoing activities, all applicable site preparation, landscaping, installation of utilities, street construction or improvement and grading or filling. “

CONDITION OF LEASED LAND AND TERM

Condition of Leased Land. Lessee accepts the Leased Land “as is” without representation or warranty from Lessor, except as expressly set forth in the Ground Lease.

Term. Except as specifically otherwise provided in this Section, the term of the Ground Lease shall commence on the Effective Date and expire at the earlier of (i) the 45th anniversary of the Effective Date at 12:00 midnight California time or (ii) 12:00 midnight on the day preceding the first day of the month following the final redemption or defeasance of the Bonds and satisfaction of any and all amounts due under the Loan Agreement or the Indenture, unless the Ground Lease is sooner terminated pursuant to the Section titled “Events of Default and Remedies.” The Ground Lease shall expire without further notice at the expiration of the Term, and no holding over shall be permitted. Any holding over by Lessee after expiration shall not constitute a renewal or extension nor shall it give Lessee any rights in or to the Premises or any part thereof. If on the date the Ground Lease would otherwise terminate under the provisions of this Section, but not under the provisions of the Section concerning Events of Default and Remedies, Rent remains due to Lessor, the Ground Lease shall not then terminate, but shall remain in full force and effect until the day following the date upon which Lessor shall by notice to Lessee elect to terminate the Ground Lease or all such Rent owed to Lessor has been fully paid. Notwithstanding the preceding sentence, in no event shall the Term extend more than fifty (50) years after the Effective Date.

LEASE CONSIDERATION

Construction Obligations. Lessee shall cause the Developer to construct the Series 2019 Project and Offsite Elements strictly in accordance with the terms and conditions set forth in the Ground Lease and in the Construction Documents.

Campus Fees. Lessee shall pay to Lessor as reimbursement to the Campus for its pre-development and development costs with respect to the Series 2019 Project a Campus Fee in an amount up to Two Million Nine Hundred Fifty-Seven Thousand Six Hundred Ninety-Six Dollars (\$2,957,696). A portion of the Campus Fee in the amount of Five Hundred Thirty-Nine Thousand Five Hundred Ninety-Four Dollars and Fifty-Six Cents \$539,594.56 shall be made no later than the Effective Date and the balance thereof shall be paid to the extent and in accordance with the applicable provisions of the Series 2019 Tax Certificate (as defined in the Indenture).

Payment of Rent and Additional Rent. Lessee shall pay Rent and Additional Rent to Lessor as set forth in the Ground Lease and the Indenture, including all payments required to be made to Lessor from the Surplus Fund.

Amount and Adjustment of Rent. Lessee shall pay Rent to Lessor on an annual basis. The initial Rent shall be Eight Hundred Twenty-Four Thousand Dollars (\$824,000) for each Lease Year and shall commence upon the Rent Commencement Date, subject to the provisions of the Ground Lease. Rent shall be subject to increases as set forth below. In those years in which both of the following adjustments occur, only that adjustment which produces the higher rental amount shall be used: (1) Rent shall be increased by two percent (2%) as of each anniversary of the Rent Commencement Date; and (2) on the 10th, 20th, 30th and 40th anniversaries of the Rent Commencement Date, Rent shall be the greater of (a) the Fair Market Value of the Leased Land, as determined in Ground Lease Article titled

Lease Consideration, multiplied by eight one-hundredths (0.08) so as to provide Lessor with an eight percent (8.00%) annual return on the Fair Market Value of the Leased Land; or (b) the Rent resulting from the annual rent escalation as described in (1) above. Not less than one hundred twenty (120) days prior to the tenth, twentieth, thirtieth and fortieth anniversaries of the Rent Commencement Date, Lessor and Lessee shall attempt to agree upon the then Fair Market Value of the Leased Land. For that purpose, the Fair Market Value shall be determined on the basis of the use of the Leased Land for its then current use, and subject to the limitations on Housing Rates set forth in the Ground Lease. If no agreement is reached within thirty (30) days, then either Party may elect to have the Dispute determined as set forth in Ground Lease Article titled Dispute Resolution.

Net Lease. The Rent due under the Ground Lease shall be absolutely net to Lessor and shall be paid without the assertion of any counterclaim, offset, deduction or defense and without abatement, suspension, deferment or reduction, except if and solely to the extent expressly provided elsewhere in the Ground Lease. Lessor shall not be expected or required under any circumstances or conditions whatsoever, whether now existing or hereafter arising, and whether now known or unknown to the Parties, to make any payment of any kind whatsoever with respect to the Premises or be under any obligation or liability hereunder, except if and solely to the extent expressly so provided elsewhere in the Ground Lease.

University Contribution. In consideration of the undertakings by Lessee under the Ground Lease and in recognition of the substantial benefits to Lessor of the Series 2019 Project, Lessor hereby agrees to provide the University Contribution. At the closing of the Series 2019 Bonds, Lessor will deposit the University Contribution with the Trustee under the Indenture. The University Contribution shall be deposited in the 2019 University Contribution Account of the Construction Fund (as defined in the Indenture) and shall not be pledged as security for the Bonds. The University Contribution shall be used solely to pay for Costs of the Offsite Demolition. If the costs of such Offsite Demolition exceed the amount of the University Contribution, Lessor shall promptly, following receipt of written notice thereof, deposit with Trustee for deposit in the 2019 University Contribution Account of the Construction Fund such additional funds as may be reasonably required to pay for the amount of such excess and such additional funds shall be deemed a part of the University Contribution. If the costs of such Offsite Demolition are less than the amount of the University Contribution, then the amount of such excess shall be refunded to Lessor promptly following Final Completion and in accordance with the Bond Documents. If Lessor fails to timely deposit such additional funds as may be reasonably necessary to pay for costs in excess of the initial University Contribution or elects not continue with the Offsite Demolition, Lessee shall be released from all obligation to complete the Offsite Demolition and any amounts in the 2019 University Contribution account of the Construction Fund in excess of the amount due for previously performed Work on the Offsite Demolition shall be refunded to Lessor.

USES AND RESTRICTIONS

Construction Period. Lessee is authorized from the Effective Date until Final Completion Date to construct the Series 2019 Project and the Offsite Elements on the Leased Land, the Licensed Land and the Access Easement Tract in accordance with the Articles within the Ground Lease titled Permitting and Inspection by the Approving Agency, General Conditions of the Work and Construction of the Series 2019 Project.

Balance of Term. Thereafter, the Premises shall, except as otherwise permitted in the Ground Lease, be used by Lessee only to lease space and provide support, amenity, parking and other site improvements necessary for full functionality of the Premises to Permitted Occupants and other Eligible Occupants permitted under the Ground Lease and to operate the common areas and facilities incidental to the Premises for the use and enjoyment of such occupants

Permitted Occupants. Except as provided below, Lessee shall lease Bed Accommodation in the Series 2019 Project to Permitted Occupants. Lessee may adjust the mix of students only following the prior written consent of Lessor (which consent may be granted or withheld in Lessor's sole discretion). Lessee shall, upon the written instruction of Lessor, adjust the mix of students. Notwithstanding the foregoing, in no event shall the mix of students include anyone who is not an Eligible Occupant. If at any time during the Term Lessee is unable to lease all of the Bed Accommodations in the Series 2019 Project to Permitted Occupants, Lessee may seek Lessor's consent, on a case by case basis, to lease Bed Accommodations to Eligible Occupants other than Permitted Occupants. Lessor will not unreasonably withhold, condition or delay its consent provided, however, that it shall be reasonable for Lessor to (i) require Lessee to lease Bed Accommodations to such other Eligible Occupants in an order of priority established by Lessor from among other Eligible Occupants, prior to leasing Bed Accommodations to other persons, and (ii) withhold

consent to any Resident Contract with a person other than a Permitted Occupant expiring later than the August 31st following the commencement date of such lease. Notwithstanding the foregoing, in no event shall Lessee permit or be required to permit any occupancy of the Series 2019 Project that would jeopardize the tax-exempt status of the Bonds or the tax-exempt status of Lessee or the Foundation.

Community Common Areas and University Space. Lessee may permit the use of the community common areas in the Series 2019 Project for meetings, classroom instruction and other events, provided each such event is University related and primarily for the benefit of the Campus community.

Lessee hereby grants to Lessor, for the use of the Lessor and the University, the License to occupy, use, possess and operate the University Space for the Term, unless sooner terminated by Lessor, in its sole discretion, by written notice to Lessee. Lessor may use the University Space free of any rent or other charges, for any purpose in furtherance of its educational mission including, without limitation: (i) classroom, recreational or social, or administrative office space, and/or (ii) to provide goods and services to users of the Series 2019 Project, all in accordance with this Section.

Lessee shall complete the construction, equipping, furnishing and fixturing of the University Space as part of the construction and equipping of the Series 2019 Project, including, but not limited to, the installation of all meters or submeters for utilities serving the University Space. The University Space includes all space within the interior walls shown on Exhibit B-4 attached to the Ground Lease and, subject to (a) Force Majeure, (b) finalization of program scope by August 15, 2019, (c) finalization of all cost, plans, specifications, and other design documents by December 1, 2019, all in accordance with an amendment to the Plans and Specifications approved in accordance with the Ground Lease Section titled Material Change Order, and (d) receipt of all required permits on or before January 2, 2020, possession thereof shall be delivered to Lessor upon Substantial Completion of the Series 2019 Project. Lessee shall provide Lessor a tenant allowance in the amount of \$3,000,000 with respect to the design, permitting, allocable construction and diligence costs, finish work, furniture, fixtures and equipment for the University Space (excluding any meters or submeters which shall be installed at Lessee's expense), it being understood and agreed that Lessor shall be responsible for all costs thereof in excess of the tenant allowance and completion of any work in excess of that described in any amendment to the Plans and Specifications in accordance with this Section or any Material Change Order approved in accordance with the Ground Lease. The location of the University Space shall not be changed without consent of Lessee and Lessor. Upon occupancy of the University Space and until such time as the License is terminated, Lessor shall provide normal janitorial service and maintenance, repair and replacement consistent with that provided for the remainder of the Series 2019 Project and shall be further responsible for the repair, replacement and maintenance of all furniture, fixtures and equipment installed within the University Space and for the cleaning of all areas in the University Space, including all food service and preparation areas. Lessor shall be responsible for the cleaning of all interior window surfaces and Lessee shall be responsible for the repair, replacement and maintenance of all windows.

In connection with the License, Lessee hereby grants Lessor the University Access Rights. The University Access Rights include the right to install and/or use and have access to all necessary plumbing and mechanical services to the Series 2019 Project including: electrical, water, gas and sewage utilities and telecommunication lines; provided that any installation beyond the scope contained in the Plans and Specifications and use of such utilities shall be at the sole cost and expense of Lessor and shall not impair the use and availability of such utilities and services for the benefit of the remaining portions of the Series 2019 Project.

Lessor acknowledges that the University Space was financed with the proceeds of the Bonds and that the excludability of interest on the Bonds is dependent upon use of the University Space only by a governmental unit or 501(c)(3) entity and in furtherance of the Lessor's educational mission, except for (i) use by an entity that is neither a governmental unit nor 501(c)(3) entity or use not in furtherance of the Lessor's educational mission (any such use is collectively referred to as "Unqualified Use") in a de minimis amount as permitted by Section 145 of the Internal Revenue Code such that the excludability of interest on the Bonds is not adversely affected (such de minimis permitted Unqualified Use, "Permitted Unqualified Use") and (ii) any arrangement that does not constitute Unqualified Use under Sections 141 and 145 of the Code. Accordingly, Lessor covenants and agrees that, in addition to complying with the requirements of this Section, it will not assign its interest hereunder to, or lease, sublease, rent or otherwise permit possession of any portion of the University Space by any other person or entity without the prior, written consent of Lessee, which consent will be granted unless the excludability of interest on the Bonds from income for

purposes of federal income taxation is thereby adversely affected. Lessor shall operate directly or may provide for operation and management of the University Space, or any portion thereof, by a third-party vendor or contractor so long as any contract or agreement providing for such operation or management (i) shall contain terms and conditions consistent with Lessor's other contracts for similar services and shall otherwise comply with the limitations on private business use of the Series 2019 Project, (ii) shall not in any manner adversely affect the excludability of interest on the Bonds from income for purposes of federal income taxation, and (iii) shall provide that such contract or agreement is subject to the terms, covenants and conditions of the Ground Lease, and, to the extent that any provision of such contract or agreement is inconsistent with any term, covenant and condition of the Ground Lease, the Ground Lease shall prevail. Not less than thirty (30) days prior to the effective date of any contract or agreement providing for operation or management of the University Space by a third-party, Lessor shall provide to Lessee for its approval (which approval may be withheld only on the basis of noncompliance with this Section) a copy or form of any such contract or agreement, together with a certificate of compliance with item (i) of this paragraph, signed by an authorized officer of Lessor, and an opinion addressed to Borrower of nationally recognized bond counsel reasonably satisfactory to Lessor that (A) the contract or agreement satisfies the guidelines set forth in Revenue Procedure 2017-13 I.R.B. 2017-6, as it may be amended and modified from time to time, or (B) the contract or agreement will not result in any Unqualified Use of the University Space or with respect to the Bonds in excess of Permitted Unqualified Use. The opinion requirement described in the foregoing sentence does not apply to an amendment to an existing management agreement for which an opinion was obtained, or to arrangements which, under the Internal Revenue Code of 1986 as amended and the regulations and rulings thereunder, are not generally treated as management contracts that give rise to Unqualified Use. In connection with any request for the written consent of the Lessee and the delivery of an opinion from nationally recognized bond counsel, the Lessee agrees that it will promptly provide any information reasonably requested for purposes of such opinion, including but not limited to information regarding the allocation of Bond proceeds to and within the University Space and information regarding any existing Unqualified Use.

Lessor assumes any and all risk of personal injury and property damage attributable to the negligent acts or omissions of Lessor and its officers, employees, invitees and agents with respect to the occupancy or use of the University Space. Lessor shall be obligated to pay, without any further action or undertaking, any and all costs, liability, damage or expense arising with respect to the occupancy or use of the University Space. At all times during the term hereof Lessor shall maintain commercial general liability insurance or equivalent self-insurance in accordance with the standard practices of the Lessor, covering all claims for bodily injury and property damage, including loss of use thereof, arising in connection with occupancy or use of the University Space in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate, with deductible provisions not to exceed Twenty-five Thousand Dollars (\$25,000) per occurrence. Such policy shall name Lessee as an additional insured.

Lessor covenants and agrees that at all times prior to termination of its license to operate the University Space it shall comply, and cooperate with the Borrower to demonstrate compliance, with the provisions of the Ground Lease and the Loan Agreement to the extent applicable to the University Space, including, without limitation the following sections of the Loan Agreement: relating to disposal of property; the environmental condition of the Project; maintenance and modification of the Project; removal of equipment; taxes, governmental charges and utility charges; access to premises and records; operation of the Project; sale, encumbrance of conveyance of the Project.

Environmental Requirements. Lessee shall not use or store, nor permit the use or storage of any Hazardous Substance on, under, or about the Series 2019 Project and/or the Leased Land in violation of any Applicable Law, including any storage, handling, release, emission, discharge, generation, abatement, disposition or transportation of any Hazardous Substance from, on or otherwise relating to the Premises. Lessee shall, at its own cost and expense, comply, and cause all Occupants and tenants of the Series 2019 Project, licensees and/or concessionaires to comply, with all Applicable Laws relating to any Hazardous Substance, including obtaining and filing all applicable notices, permits, licenses and similar authorizations. Lessee shall establish and maintain a policy to assure and monitor continued compliance by Lessee and all others occupying space in the Series 2019 Project and/or Leased Land with all such Applicable Laws. Notwithstanding the foregoing, Lessee may, subject to Applicable Laws, use or store materials or substances (including office and cleaning supplies) normally associated with the operation of a multi-unit residential facility, so long as Lessee uses or stores such materials or substances in quantities customary for such use.

Environmental Remediation and Indemnification.

Hazardous Substances. If, during the Term, Lessee discovers Hazardous Substances on the Premises in violation of any Applicable Law, it shall immediately report the discovery in writing to Lessor, and the Parties will meet and confer in an attempt to resolve the violation. If Hazardous Substances were present in the soil of the Leased Land as of the Effective Date, Lessor will undertake, at Lessor's expense, to remediate the presence of Hazardous Substances in compliance with Applicable Laws to the extent necessary to permit construction of the improvements and use of the Premises for the uses permitted hereunder to proceed. If Hazardous Substances are released onto the Premises in violation of any Applicable Law during the Term as the result of Lessor's negligent or willful acts, Lessor will remediate the presence of such Hazardous Substances in accordance with the standards in the preceding sentence. If Lessor fails to take reasonable measures to remediate such Hazardous Substances, such failure shall constitute a default.

Indemnification. Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor, but only to the extent Lessee is able to select or approve the insurer's counsel), protect and hold Indemnitees harmless from and against any and all Claims arising directly or indirectly from any breach of Sections of the Ground Lease titled Environmental Requirements. The foregoing indemnity includes any required remediation or disposal of any Hazardous Substance, and reasonable consultants' fees and charges, attorneys' fees and charges, investigation costs and expenses and other similar costs and expenses incurred by any of the Indemnitees. The obligation of Lessee under this Section shall survive the expiration or earlier termination of the Ground Lease.

Community and Other Meetings Upon the request of Lessor from time to time, Lessee shall, in coordination with and the participation of such Agents as it may choose to involve, prepare for and participate in all meetings and presentations with or to Governmental Authorities, community members and stakeholders, Campus officials, personnel and other Persons relating to the Series 2019 Project and/or the Offsite Elements. Lessee shall, in coordination with and the participation of such Agents as it may choose to involve, provide such materials to, and shall be accompanied by such Agents at, such meetings and presentations, in each case as Lessor may reasonably request from time to time.

Advertising and Signs. Lessor has approved the comprehensive signage and graphic program set forth in the Plans and Specifications included in the Construction Documents. Lessee shall prepare and submit to Lessor, for Lessor's review and approval, any modifications to the signage and graphic program included in the Plans and Specifications. Lessee may coordinate and delegate performance of the activities described in this Section to its Agents. Except as set forth in the Plans and Specifications included in the Construction Documents, Lessee acknowledges and agrees that it shall have no right to place or allow to be placed any sign above the first floor of any portion of the Premises. Lessee shall not have the right to place, construct or maintain on the glass panes or supports of the windows, the doors, or the exterior walls or roofs thereof or any interior portions thereof that may be visible from the exterior of the Premises, any signs, advertisements, names, insignia, trademarks, descriptive material, or any other similar item, except for such items which have been authorized in writing by Lessor in its sole and absolute discretion. Any sign that Lessee has the right to place, construct and maintain shall comply with all Applicable Laws and Permitted Encumbrances, and Lessee shall obtain any required approvals. Lessee shall not have or acquire any property right or interest in Lessor's name or the University's name, including the name "University of California," "THE REGENTS OF THE UNIVERSITY OF CALIFORNIA," "UC," "University of California Riverside," "UC Riverside" or any permutation thereof, which may imply any connection of Lessee or the Premises with Lessor. Lessor reserves the reasonable right to change the address of the Premises or any portion thereof at any time, and Lessee waives all claims for damages caused by any such change.

Parking and Parking Rates. Lessee hereby grants to Lessor, for the use of Lessor and the University and their respective invitees and designees, at no charge, an exclusive license with respect to fourteen (14) parking spaces within the Series 2019 Project for use in accordance with the University's educational mission. Such parking spaces shall be provided to Lessor at no cost and the location thereof shall be designated upon Substantial Completion and permits shall be issued with respect thereto. Lessor acknowledges that twenty (20) parking spaces will be reserved for use, at no charge, by Manager and that five (5) parking spaces will be reserved for use, at no charge, by prospective residents of the Series 2019 Project. Lessee may also license and permit, at the then applicable Parking Rate, an individual space (including any Replacement Spaces) for use by the designated vehicle of an Occupant who requests a space in conjunction with his or her Resident Contract. Any remaining parking spaces in the Series 2019 Project or

Replacement Spaces shall be licensed and permitted, each academic quarter, for use by the vehicles of University staff, faculty, employees and commuter students. At no time shall any rate charged for parking exceed the Parking Rate. Lessor shall provide Lessee with notice of the Parking Rates for each academic year no later than January 10th of that year.

HOUSING RATES

Initial Rent. Lessee shall initially charge Occupants the monthly Housing Rates set forth in Exhibit G of the Ground Lease, the Payment Schedule. Without the prior written consent of Lessor, which may be withheld in Lessor's sole and absolute discretion, Lessee shall not charge Occupants any amounts in addition to the Housing Rates, except for security deposits, late charges, interest, reimbursement for damages and utility usage, and Additional Occupant Payment, if any, determined pursuant to the Ground Lease. Housing Rates shall be subject to adjustment pursuant to Sections of the Ground Lease titled Notification, Arbitration of Rates and Alternate Rates. In those years in which both the adjustment set forth in the Section concerning Notification and the adjustment in the Section concerning Arbitration of Rates would occur, the rates determined pursuant to the Arbitration of Rates shall be considered the Housing Rates; provided, however, at any time in which Housing Rates are determined pursuant to the Section concerning Alternate Rates, such determination of Housing Rates shall govern. Housing Rates that have been adjusted as provided herein shall, from the time of adjustment, be deemed to be Housing Rates for purposes of subsequent adjustments. In no event shall the Housing Rates be adjusted to amounts insufficient to pay all debt service, Operating Expenses and perform all of Lessee's obligations under the Loan Agreement.

Notification. Lessor shall notify Lessee and Manager in writing of the applicable Housing Rates for the following academic year no later than January 10th of each year.

Arbitration of Rates. If Lessee believes the Housing Rates determined by Lessor are unreasonable, Lessee may submit the determination of Housing Rates as a Dispute under Ground Lease Article titled Dispute Resolution, with directions to the arbitrator(s) to provide reasonable estimates of each such Housing Rate. If Lessee submits the determination of such Housing Rates for Dispute resolution under Ground Lease Article titled Dispute Resolution, Lessee shall set Housing Rates for the Lease Year commencing the following July 1st based upon the Housing Rates determined by Lessor, and the Housing Rates determined by Dispute resolution under Ground Lease Article titled Dispute Resolution shall govern Housing Rates for the Lease Years thereafter.

Additional Occupant Payment. From and after the end of the first full Lease Year, the following provisions shall apply if the annual Operating Budget prepared in accordance with the Ground Lease does not result in a Fixed Charges Coverage Ratio equal to or greater than 1.20.

Notwithstanding any other provisions of Ground Lease Article titled Housing Rates, to the contrary, Lessee shall re-budget and use all reasonable efforts to reduce the Operating Expenses for the Premises wherever possible, without impacting necessary maintenance and services, in order to result in a Fixed Charges Coverage Ratio equal to or greater than 1.20.

If, after the re-budgeting, the Operating Budget does not result in a Fixed Charges Coverage Ratio equal to or greater than 1.20 then, notwithstanding the Housing Rates Article of the Ground Lease, Lessee may charge Occupants additional rent in the amount required for the annual Operating Budget the Additional Occupant Payment.

The necessity for and amount of Additional Occupant Payment charged Occupants under this Section shall be determined each Lease Year. In no event shall Additional Occupant Payment be merged into Housing Rates, and Housing Rates shall be computed under the Housing Rates Article of the Ground Lease without respect to the necessity for, or amount of, Additional Occupant Payment.

Alternate Rates. Notwithstanding any other provisions of Ground Lease Article titled Housing Rates to the contrary, Lessee may charge Occupants, approved by Lessor under the provisions of the Permitted Occupant Section of the Ground Lease, rates which are different from the Housing Rates then in effect; provided such rates shall be subject to Lessor's prior written approval, which shall not be unreasonably withheld.

FINANCING OF PROJECT

Lessee's Bond Financing. Lessee shall, at its own cost and expense, obtain all financing required for the design, acquisition, construction, furnishing, and equipping and operation of the Series 2019 Project and the Offsite Elements, including the issuance of the Bonds in connection therewith. Lessor has reviewed the Bond Documents and, as of the Effective Date, shall provide to Lessee and the Bond Trustee Lessor's certificate confirming its review of the Bond Documents and consenting to the financing of the Series 2019 Project and the Offsite Elements on the terms set forth therein. Except for the financing contemplated by the Bond Documents, all financing which encumbers Lessee's Interest in this Lease, or any amendment, renewal, refinancing, or refunding of any such financing, during the Term of this Lease shall be subject to the prior approval of Lessor, which approval Lessor may grant or withhold at its sole discretion.

Lessor's Financing Trust Covenants. Capitalized terms used in this Section and not otherwise defined within the Ground Lease, shall have the meanings set forth in the Financing Trust Agreement. Pursuant to the Financing Trust Agreement, Lessor covenants that: (1) It has approved the use of the Financing Trust Agreement to provide additional security for the Bonds and agreed to perform certain ministerial acts described in the Financing Trust Agreement; (2) Payments of Rent are expressly subordinate to (i) the full and timely payment of Annual Debt Service (as defined in the Indenture) on the Bonds as the same becomes due and payable pursuant to the Indenture; and (ii) the required use of revenues and other funds of Lessee to replenish the UCR Series 2019 Bonds Pooling Subaccount and all subaccounts under the related Supplemental Financing Trust Agreement in accordance with the terms of the Financing Trust Agreement, the Indenture and the Loan Agreement; and (3) The Ground Lease is a "Ground Lease" under the Financing Trust Agreement and satisfies all of the requirements for a Ground Lease set forth in the Financing Trust Agreement.

Additional Bonds. Upon issuance of Additional Bonds in accordance with the Indenture the Lessor and Lessee shall enter into an amendment to this Lease to provide for such Additional Bonds as may be appropriate, including such provisions as shall be necessary to include any facilities financed with such Additional Bonds within the Ground Lease, including, without limitation, the budget, financial reporting requirements, maintenance, operation and management provisions hereof.

DISTRIBUTIONS OF SURPLUS FUND BALANCES

Disposition of Residual Construction Balance. Unless Lessor otherwise directs, by notice to Lessee, promptly after the Final Completion Date as permitted under the Indenture, Lessee shall cause an amount equal to the Residual Construction Balance to be applied in accordance with the Indenture.

Distributions of Surplus Fund Balance. Subject to provisions of the Ground Lease, addressing Distributions of Cash Flow, and the Indenture, and commencing twelve months after the Series 2019 Completion Date, Lessee shall apply, or cause the Bond Trustee to apply, the amounts in the Surplus Fund in accordance with the Indenture, such payments in respect of each Lease Year to be made within sixty (60) days after receipt by Lessee and the Bond Trustee of the Annual Financial Statements as described in the Ground Lease Section titled Annual Financial Reports to Lessor for the corresponding fiscal year of Lessee. Amounts shall be withdrawn from the Surplus Fund and distributed in an order agreed upon by Lessor and in compliance with the Indenture.

Distributions from Cash Flow in Initial Lease Years. The Rent and the Repair and Replacement Deposit shall be paid in equal monthly installments commencing with the first full month following Final Completion of the Series 2019 Project, in accordance with the Indenture.

Distributions from Cash Flow in Final Lease Year. Distributions from the Surplus Fund shall be paid in accordance with the Indenture. Lessee shall pay, or cause to be paid, the amounts set forth in this Section within one hundred eighty (180) days following the Termination Date.

TAXES AND ASSESSMENTS

Taxes and Assessments. The Parties intend and expect that the leasehold estate of Lessee created by the Ground Lease and the Premises will be eligible for exemption, under California law, from Property Taxes. Nonetheless, neither Lessee nor Lessor makes any representation or warranty regarding Property Taxes, and Lessor shall bear no responsibility for the payment of any assessment thereof.

Maintenance of Exemption. Lessee shall diligently pursue and attempt to maintain exemption of the Premises from Property Taxes. Provided Lessor incurs no liability, cost, expense, or fees in doing so, Lessor shall cooperate with Lessee in pursuing and maintaining such exemption. Nothing contained in the Ground Lease is intended to change the degree to which the interest or estate of Lessee created by the Ground Lease is subject to Property Taxes; however, to the extent such Property Taxes are assessed, Lessee and Lessor shall have the responsibilities and rights set forth in Ground Lease Article titled Taxes and Assessments..

Tax Obligations. In the absence of an applicable exemption, Lessee will pay prior to the delinquency date thereof all Taxes, which may be levied, assessed, charged or imposed, or may become a lien or charge upon the Premises or any part or parts thereof, or upon Lessee's Interest, including Taxes on land, any buildings, any parking facilities or any other improvements now or hereafter at any time during the Term located at or on the Premises. Lessee's obligation to pay Taxes includes the obligation to pay all real estate taxes, taxes upon or measured by rents, personal property taxes, privilege taxes, gross receipts taxes, excise taxes, parking taxes, business and occupation taxes, gross sales taxes, occupational license taxes, water charges, sewer charges, or environmental taxes or assessments of any kind and nature whatsoever, levied by the State of California, the government of the United States, or any agency thereof, or any other governmental body or assessment district during the Term, whether or not now customary or within the contemplation of the Parties hereto and regardless of whether the same shall be foreseen or unforeseen, similar or dissimilar to any of the foregoing. Lessor specifically calls to Lessee's attention the fact that the Ground Lease may create a possessory interest subject to property taxation, and, in the absence of a valid exemption, Lessee may be subject to Taxes levied on such interest. Lessee alone shall pay such Taxes.

Assessment Obligations. Specifically, and without in any way limiting the generality of the foregoing, Lessee shall pay, before they become delinquent, any and all Assessments, and as required by the act and proceedings under which any such Assessments or levies or charges are made, and Lessee shall furnish to Lessor written proof of such payment upon written request. If the right is given to pay any of the Taxes, Assessments, or other impositions which Lessee is obligated to pay either in one sum or in installments, Lessee may elect either mode of payment.

Tax Indemnity. Lessee shall defend (with counsel reasonably acceptable to Lessor), indemnify and hold Lessor harmless from and against the payment of all Taxes and Assessments to the extent of Lessee's Interest in the Premises. Subject to the provisions of the Ground Lease Section titled Right to Contest, Lessee further agrees to prevent said Taxes and Assessments from becoming delinquency liens upon the Premises or any part thereof. Lessor shall in no way be obligated to pay such delinquent Taxes and Assessments, but Lessee authorizes Lessor to make such payment, and, if Lessor makes such payment, it will become immediately due and payable to Lessor by Lessee and shall bear interest at the rate provided for in the Ground Lease Section titled Interest on Unpaid Amounts.

Right to Contest. Lessee, and any successor in interest, shall have the right, at its own expense, to contest the amount or validity of any Taxes and Assessments by appropriate proceedings, diligently conducted in good faith, which shall operate to prevent the collection of any such Tax or Assessment so contested or the sale of the Premises or any part thereof to satisfy the same. Lessee shall, if requested by Lessor to do so in order to protect Lessor from any sale or foreclosure against the Premises or any part thereof, provide a good and sufficient surety bond or other security deemed appropriate by Lessor in the amount of such Tax or Assessment plus estimated penalties and interest which may be imposed, provided further that Lessee shall bear any and all costs, liability, or damage, including attorneys' fees and costs arising out of such contest. Lessor's Cooperation. Provided Lessor incurs no liability, cost, expense, or fees in doing so, Lessor shall cooperate with Lessee in any proceedings brought by Lessee to contest the validity or the amount of any Taxes or Assessments or to recover any Taxes or Assessments paid by Lessee. If Applicable Law at the time in effect shall require that such proceedings be brought by or in the name of Lessor, then, provided Lessor incurs no liability, cost, expense, or fees in doing so, Lessor shall join in any such proceedings or permit the same to be brought in its name. If any such proceedings shall be brought by Lessee, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold the Indemnitees harmless from and against

any and all Claims of any kind that may be imposed upon the Indemnitees in connection therewith, including reasonable attorneys' fees and costs.

Exclusion of Certain Taxes. Lessee's obligation to pay Taxes and Assessments levied and assessed against the Premises or any part thereof shall exclude business, income, or profits taxes levied or assessed solely against Lessor by federal, state, or other governmental agencies, unless such Tax or Assessment is levied in lieu of Taxes and Assessments which would have been otherwise payable by Lessee under the Ground Lease.

UTILITY SERVICES

Lessor Utility Obligations. Lessor shall provide, at no expense to the Series 2019 Project, connection points for fire alarm services for the Series 2019 Project which services shall be connected to the Campus infrastructure. Upon completion of the Series 2019 Project, including the utility lines included in the Offsite Elements, Lessor shall grant such easements and rights to the utilities providing the utility facilities as are necessary to allow the operation, maintenance and repair of such utility infrastructure in a manner sufficient to provide such utility facilities in a consistent, uninterrupted manner and in compliance with applicable laws or, alternatively, shall itself keep such infrastructure in good and operable condition.

Utility Installation and Services. With respect to the Series 2019 Project, Lessee shall install all utility facilities. The utility facilities shall be provided through the utility lines to be constructed as required by the Plans and Specifications and include lines that are part of the Offsite Elements and other utility infrastructure located on the Campus but outside the Leased Land. Lessee shall apply for, obtain and pay for, and be solely responsible for, all Utility Services required, used, or consumed on the Premises. Lessee shall not enter into any contract or agreement with any government agency or body or public utility for Utility Services without the prior written consent of Lessor, which consent shall be subject to the Ground Lease Section titled Submission of Matters to Lessor for Approval. Copies of such executed contracts or agreements shall be provided to Lessor upon execution. In the event that any charge for any Utility Service supplied to the Premises is not paid by Lessee to the utility supplier when due, then Lessor may, ten (10) days after written notice to Lessee, but shall not be required to, pay such charge for and on behalf of Lessee, with any such amount paid by Lessor being repaid by Lessee to Lessor, as Additional Rent.

OPTION TO PURCHASE, RIGHT OF FIRST REFUSAL AND PARKING RECONVEYANCE

Option. As further consideration for Lessor's execution of the Ground Lease, Lessee hereby grants to Lessor the Option which shall be binding on successors and assigns of Lessee, to purchase Lessee's Interest (including all tangible and intangible property and funds referenced in the Ground Lease Article addressing Holding Over; Expiration or Termination, below) on the following terms and conditions:

Beginning one hundred twenty (120) days prior to the commencement of the tenth (10) year following the Effective Date and continuing through the balance of the Term, Lessor may give notice to Lessee of Lessor's exercise of its Option to purchase Lessee's Interest, at the price as set forth below. The closing of such purchase shall be not sooner than one hundred twenty (120) nor later than one hundred eighty (180) days after the date of delivery of the notice of exercise to Lessee. Following receipt of such notice, Lessee shall not be permitted to convey, lien, or otherwise encumber Lessee's Interest or any portion thereof, and shall not permit the conveyance, lien or encumbrance of Lessee's Interest. Any attempted lien, conveyance, or encumbrance of Lessee's Interest prohibited by Ground Lease Article titled Option to Purchase, Right of First Refusal and Parking Reconveyance shall be null and void.

If the Option to purchase is exercised, in accordance with the Ground Lease Section titled Exercise of Option, the purchase price for Lessee's Interest shall be equal to all amounts due under the Bond Documents including the principal balance then outstanding of all sums secured by any Leasehold Deed of Trust then in effect, plus costs of defeasance or any premium payable on such indebtedness, plus all interest accrued or to accrue on such indebtedness through the date of payment of such indebtedness. This provision for Lessor's Option shall not be in derogation of Lessor's power of eminent domain.

If the Option to purchase is exercised or Lessee accepts a Modified Terms Offer pursuant to the applicable provisions of the Ground Lease, Lessor shall designate, in its notice of exercise, the date of the Closing, which shall

occur within the period described in Ground Lease Section titled Exercise of Option. At Closing, upon payment of the purchase price to the Bond Trustee and the amounts payable by Lessor pursuant to the Ground Lease Section pertaining to Closing Costs below, title to Lessee's Interest shall be conveyed to Lessor by an assignment of Lessee's Interest and a grant deed, each in recordable form executed by Lessee, and a bill of sale as to all personal property included in Lessee's Interest. Lessee shall convey its interest in the Resident Contracts by an assignment of lease reasonably satisfactory to Lessor and Lessee, and its interest in all other assets associated with the Premises, as required by the Ground Lease Article addressing Holding Over, Expiration and Termination.

Lessee's Interest shall be conveyed free and clear of all loans, and shall be subject only to the Resident Contracts, Permitted Encumbrances, all matters approved by Lessor occurring subsequent to the Reference Date and physical conditions that would be disclosed by an accurate survey and inspection of the Premises.

Lessor shall pay all recording fees for satisfaction of Lessee's loans, all reasonable, out-of-pocket costs incurred by Lessee in connection with such closing, any transfer taxes in connection with the sale of Lessee's Interest and all recording fees in connection with the recording of the deed and assignment. The purchase price shall be paid to Bond Trustee on behalf of Lessee in cash at Closing. No broker's fees shall be due or payable by the Parties in connection with the Lessor's exercise of the Option.

Right of First Refusal. Lessor shall have a recurring right of first refusal ("Right of Refusal") with respect to the sale or assignment of any portion of Lessee's Interest, as follows:

If at any time Lessee receives an unsolicited bona fide offer to purchase Lessee's Interest which Lessee wishes to pursue ("Purchase Offer"), Lessee shall provide Lessor with written notice ("Pending Sale Notice") specifying the purchase price and other terms set forth in such Purchase Offer ("Available Terms").

If Lessor elects to pursue the exercise of the Right of Refusal, then within thirty (30) days following receipt of a Pending Sale Notice, Lessor shall deliver written notice ("Purchase Election Notice") and the Parties shall thereafter proceed with the transfer of Lessee's Interest to Lessor in accordance with the terms of Ground Lease Section 9.2.3 titled Right of First Refusal.

If Lessor rejects the Available Terms set forth in said Pending Sale Notice or Lessor does not respond to a Pending Sale Notice within the thirty (30) day period specified above, then, subject to Lessor's approval rights over any assignee of Lessee's Interest set forth in in the Ground Lease, Lessee may proceed with the sale of Lessee's Interest as specified in the Pending Sale Notice.

Notwithstanding anything to the contrary within the Ground Lease, Lessee shall not be permitted to sell Lessee's Interest at a price and on terms which are less favorable to Lessee than the Available Terms, unless Lessee has first given Lessor written notice ("Modified Terms Notice") of Lessee's intention and provided Lessor with the opportunity to agree to purchase Lessee's Interest upon such modified terms (herein, the "Modified Terms Offer") for a period of fifteen (15) days following the date of delivery of such Modified Terms Notice. If Lessor accepts the Modified Terms Offer, then Lessor shall deliver a Purchase Election Notice to Lessee stating Lessor's acceptance of the Modified Terms Offer within such fifteen (15) day period and the Parties shall thereafter proceed with the transfer of Lessee's Interest to Lessor in accordance with the applicable provisions of Ground Lease Section titled Option. If Lessor rejects the offer set forth in said Modified Terms Notice or does not respond to such Modified Terms Notice within such fifteen (15) day period, then Lessee may proceed to sell Lessee's Interest upon the Modified Terms offered to Lessor pursuant to such Modified Terms Notice; provided, however, Lessee shall not be permitted to sell Lessee's Interest at a purchase price and on terms which are less favorable to Lessee than the Modified Terms Offer without once again providing Lessor with a Modified Terms Notice specifying such new modified terms and proceeding to offer Lessee's Interest for sale to Lessor pursuant to the preceding sentence. For the purposes of this Section, (x) to the extent that the subject offer includes taxable seller carry back financing, Lessor shall receive a credit against the purchase price commensurate with the tax exempt nature of its debt service payments; and (y) as transfer and other documentary taxes will not be payable in a transfer to Lessor due to Lessor's status as a public agency, Lessor shall receive a credit against the purchase price in an amount equal to the transfer and other documentary taxes which would otherwise be payable, and the respective credits against the purchase price to be afforded Lessor shall be taken into consideration in determining the requirement for Lessee's delivery of a Modified Terms Notice to Lessor and the Modified Terms Offer to be set forth in such Modified Terms Notice.

This Right of Refusal shall survive any sale or assignment of Lessee's Interest and apply in connection with any subsequent sale or assignment of Lessee's Interest occurring thereafter.

Parking Reconveyance. From time to time as the Series 2019 Project is built out, Lessor may desire to utilize all or a portion of the surface parking lots serving the Series 2019 Project in order to build other improvements. To that end, upon twelve (12) months' notice, Lessor shall have the right, to require Lessee to release, at no cost to Lessor, from the Ground Lease all or a portion of the Release Parcel. As a condition to the consummation of such release, Lessor shall lease or otherwise provide to Lessee, at no additional charge, cost or expense to Lessee, Replacement Spaces. If the Replacement Spaces are located in to be constructed parking lot or garage, Lessor may satisfy its obligation to provide Replacement Spaces through temporary parking spaces that will ultimately be replaced with permanent parking spaces in such garage or lot. Concurrently with Lessor's provision of the Replacement Spaces, Lessee shall promptly take any and all action and execute any and all documents that may be reasonably required to effect the release and reconveyance of all or a portion of the Release Parcel from the Ground Lease, the Bond Documents and the Leasehold Deed of Trust. From and after such reconveyance, notwithstanding anything in the Ground Lease the contrary, any portion of the Release Parcel shall not constitute or be deemed to be part of the Leased Land or otherwise subject to the terms and provisions of the Ground Lease, the Bond Documents or the Leasehold Deed of Trust. Notwithstanding the foregoing, any portion of the Leased Land may only be released pursuant to this Section upon receipt, by the Lessor and Lessee, of a written opinion of nationally recognized bond counsel to the effect that such release shall not, in and of itself, materially adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

PERMITTING AND INSPECTION BY THE APPROVING AGENCY

Jurisdiction. Lessee and its Agents shall comply with and give notices required by any Applicable Law bearing on the Work on the Premises whether under jurisdiction of the building officials for the Campus, or other Governmental Authorities. The Parties acknowledge and agree that Lessor holds separate functions under the Ground Lease (a) as landlord or owner, in its proprietary capacity, under the Lease, and (b) as the Approving Agency, as building official with full power and authority to authorize, approve, permit and inspect the design and construction of buildings and structures, including activities related to design review, building permit issuance, construction inspections, permit sign-off, final inspections, and issuance of Certificates of Occupancy.

The Approving Agency. The Campus officials responsible for compliance and enforcement of Campus facilities, as Approving Agency, are the Campus Certified Building Official and Campus Designated State Fire Marshal who provide compliance oversight and enforcement of all Applicable Laws for building and codes and standards (including California Code of Regulations, Title 24) as well as fire and life safety under delegated authority from the California State Fire Marshal. Official acts as the Approving Agency issued or taken under the authority of the Campus Certified Building Official or the Campus Designated State Fire Marshal shall be made under each official's signature authority, or such other Campus official designated by written notice from time to time under the Ground Lease Section titled Notices. Lessee shall pay or cause its Agents to pay all reasonable and customary fees and costs for performing the services provided for in Ground Lease Article titled Permitting and Inspection by the Approving Agency..

Permitting. Lessee accepts the rules governing the permitting of the Work and will file, or cause its Agents to file, all submittals reasonably requested by the Approving Agency required in order to ensure compliance of the Work. Lessee agrees to abide by the jurisdiction of the Approving Agency throughout the Term and shall perform, or cause its Agents to perform, all Work and construct, or cause its Agents to construct, any improvements or alterations in conformance with the approved Plans and Specifications, Construction Documents and Applicable Law. The Approving Agency shall review the Plans and Specifications and any other documents required for approval of, and permit issuance for, the Work at key stages of their development. If the Approving Agency reasonably believes that any submittals do not conform to Applicable Law, the Approving Agency will promptly advise Lessee and its Agents in writing of any questions or objections. In such event, Lessee or its Agents shall make subsequent submissions in order to address such questions or reasonable objections the Approving Agency may have.

Access for Inspections. The Approving Agency shall, at all times during which construction or any activities are occurring on the Premises, be afforded reasonable access to the Premises for the purpose of observing and inspecting the Work, and observing any testing or inspections performed by other Governmental Authorities,

independent inspection firms and testing laboratories hired by Lessee or its Agents. The Approving Agency shall at all times have the right to review and inspect all Work to assess conformance with all Applicable Laws and the approved Construction Documents. Such review and inspection will not relieve Lessee from the obligation during the Term to be in full compliance with all Applicable Laws and in substantial compliance with the Construction Documents and the Ground Lease.

Inspections. Upon receipt of verification by the Architect that the Work or improvements have been completed, the Approving Agency shall conduct an inspection and may, to the extent applicable to the subject Work, either issue a Temporary Certificate of Occupancy subject to completion of minor items which do not affect occupancy or use of a portion of the Series 2019 Project and the Offsite Elements or shall advise Lessee of any deficiencies or additional Work that Approving Agency determines must be completed to achieve full conformance with the permitted final approved Plans and Specifications (if required) and all Applicable Laws and regulations.

Final Inspections. Upon receipt of verification by the Architect that the Work or improvements, or Punch List Items, have been completed, as applicable, the Approving Agency shall conduct a final inspection and either issue a Certificate of Occupancy or advise Lessee of any deficiencies or additional Work that the Approving Agency determines must be completed to achieve conformance with the permitted final approved Plans and Specifications (if required) and all Applicable Laws and regulations. When the Approving Agency determines that the Work has been completed in accordance with all Applicable Laws and regulations, Approving Agency shall issue a duly executed Certificate of Occupancy on a customary and legally compliant form.

Disputes. In the event of any Dispute regarding the Approving Agency's approval of any previously submitted Plans and Specifications or other acts and omissions, the Approving Agency's decision shall be final and binding and not subject to the Dispute resolution process set forth in Ground Lease Article titled Dispute Resolution.

Disclaimer. The Approving Agency's reviews, comments, approvals or disapprovals of any submittals made by Lessee or its Agents, including submittals made prior to execution of the Lease, shall not constitute an opinion or warranty by Lessor or the Approving Agency of their adequacy, shall not make Lessor or the Approving Agency responsible for the Work or its design, and shall not constitute a waiver of any claim by Lessor or the Approving Agency for any defect or deficiency with respect to the Plans and Specifications or any portion of the Work.

COMPLIANCE BY LESSEE WITH APPLICABLE LAWS AND ORDINANCES

General Compliance Obligations of Lessee. At all times during the Term of the Ground Lease, Lessee shall, and shall cause its Agents to, conform to, obey and comply with all Applicable Laws, and all policies, procedures, and regulations promulgated by Lessor, as reasonably applied, pertaining to, the use of Lessor's owned or leased property generally and to activities taking place on the Campus, including those relating to health, safety, and traffic enforcement, existing at any time during the Term of the Ground Lease; provided any such policies, procedures, rules, and/or regulations are not applied or enforced in a manner that discriminates against or results in a prejudice to Lessee. Such requirements include, but are not limited to, the Fair Wage Requirements, the Seismic Safety Policy, the Policy on Sustainable Practices, the Facilities Manual Requirements, other policies set forth in Exhibit D of the Ground Lease, Sections 425, 450-496, 850, 900-03, and 900-04 of the Administrative Procedures, and other policies as applicable. Each of the Fair Wage Requirements, the Seismic Safety Policy, the Policy on Sustainable Practices, the Facilities Manual Requirements, other policies set forth in Exhibit D of the Ground Lease, Sections 425, 450-496, 850, 900-03, and 900-04 of the Administrative Procedures, and other policies may be amended, supplemented, updated or replaced from time to time provided Lessee receives actual notice of such amendments, supplements, updates or replacements and for which Lessor approves an adjustment to the Annual Budget, if reasonably necessary for compliance. The Parties acknowledge that the provisions of the Clean Electricity Requirements pertain to Campus wide initiatives and the Series 2019 Project shall only be required to comply with such provisions to the extent that the Lessor has entered into an arrangement with a utility provider which will result in 100% of the electricity provided to the Series 2019 Project being compliant with the Clean Electricity Requirements. 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 Ground Lease Article titled Compliance by Lessee with Applicable Laws and Ordinances with Lessor's consent, which shall not be unreasonably withheld.

Nuisance. Lessee shall not use, suffer or permit the Premises, or any part thereof to be used for hazardous purposes in violation of Applicable Laws or in any manner that would constitute a legal nuisance or an unreasonable annoyance. Lessee shall promptly take all measures necessary and proper to remove or otherwise abate any conditions or circumstances that constitute or, with the passage of time, could constitute a nuisance. In the event, at any time during the Term of the Ground Lease, or thereafter, as the result of Lessee's acts or omissions during the Term of the Ground Lease, any addition, alteration, change, or repair or other Work of any nature, structural or otherwise, be lawfully required or ordered by an applicable Governmental Authority or become necessary on account of any Applicable Law 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 Lessee and, in no event, shall Lessor be called upon to contribute thereto or do or pay for any Work of any nature whatsoever on or relating to the Premises. To the extent achievable in compliance with the Operating Budget, Lessee further agrees at all times during the Term of the Ground Lease, at its sole cost and expense, to do all things necessary to maintain the Series 2019 Project in a good, clean and sanitary order, and in a First Class Condition and as otherwise required pursuant to the O&M Technical Requirements.

Construction Period Compliance Obligations of Lessee. Notwithstanding the above, during the period from the Effective Date until the issuance of the Certificate of Occupancy, Lessee shall comply and shall cause Developer to comply only with the Construction Documents, the Fair Wage Requirements, the Seismic Safety Policy, the Policy on Sustainable Practices, Chapter 4 of Volume 3 of Lessor's Facility Manual, each as attached to the Construction Contract and Architect's Agreement, and all Applicable Laws. Nothing in this Section shall limit Lessor's (i) right to exercise its police powers and impose reasonable policies, procedures, and regulations to ensure the public health, safety, order, and welfare on the Premises and the Campus (including, without limitation, the Access Easement Tract), or (ii) authority and obligation to act in its sovereign capacity as the Approving Agency.

ENVIRONMENTAL IMPACT MITIGATION MEASURES

Lessee represents and warrants that, with respect to the environmental impact mitigation measures identified in Exhibit C to the Ground Lease as the responsibility of Lessee, it will (i) cause the Developer to incorporate such measures in the construction of the Series 2019 Project and the Offsite Elements, and (ii) Lessee shall perform or cause the Manager to perform or comply with such measures in the operation of the Premises during the Term of the Ground Lease.

GENERAL CONDITIONS OF THE WORK

General Conditions. Except to the extent approved and included in the Construction Documents or a Capital Budget, neither Lessee nor its Agents shall commence any Work on the Premises that (a) as to the initial construction of the improvements, requires the implementation of any Material Change Order or (b) as to any Work to be completed after the Final Completion Date, is anticipated to have a cost in excess of the Threshold Amount without the prior written approval of Lessor in accordance with the Ground Lease Sections concerning Design Approval, Architect and Contractor, Project Management Plan, and Material Change Orders, as applicable. The approved Work shall be performed at Lessee's sole cost and expense and in accordance with the terms and conditions specified in Ground Lease Article titled General Conditions of the Work.. The following provisions shall govern the permitting, construction and inspection processes to be utilized by Lessee and its Agents during the Term of the Ground Lease.

Design Approval. This Section shall not apply to or otherwise govern any Work completed prior to the Final Completion Date or included in an approved Capital Budget. Before Lessee or Lessee's Agents shall commence any Work on the Premises with a cost in excess of the Threshold Amount, Lessee or its Agents, as applicable, shall obtain Lessor's prior written approval of the design in accordance with the design review process described below.

Conceptual Design. Lessee or its Agents shall initiate the design approval process by submitting to Lessor a set of schematic plans and preliminary specifications showing the nature of the proposed Work. The submittals shall include two (2) sets of schematic plans and preliminary specifications showing in reasonable detail, as appropriate, the location, extent, materials, colors, size, system design and elevation of the proposed Work, including any affected landscaping, exterior lighting effects or parking. If the submittals conform with the then-current Campus design framework and will not materially, adversely affect the value of the Premises, Lessor will not unreasonably withhold its approval of the proposed Work. However, without limiting the generality of the foregoing, Lessor may disapprove

any proposed Work which is not in compliance with (i) any term or provision of the Ground Lease or the long-range development plan or entitlements for the Campus, (ii) any Applicable Laws, or (iii) the Campus physical design framework applicable as of the date of the proposed Work, and (iv) the general aesthetic standards for the Premises.

Detailed Design. If Lessor approves the Work presented in the schematic plans and preliminary specifications submittal, Lessee or its Agents shall prepare, or cause the preparation of detailed Plans and Specifications for the Work and shall provide Lessor the reasonable opportunity to review and comment upon progress versions of the Plans and Specifications as reasonably requested. Lessor and Lessee and its Agents shall confer and develop a reasonable design review process including a level of effort commensurate with the nature of the proposed Work and shall use their commercially reasonable efforts to diligently pursue the design work to completion. Lessee acknowledges that prior to approving a permit set of Plans and Specifications for the proposed Work, Lessor may be obligated to meet and consult with certain committees and other persons within Lessor's organization. Lessee or its Agents shall (i) provide Lessor with such information and materials (to the extent reasonably available) as Lessor may reasonably request, (ii) at reasonable times and upon reasonable notice attend committee and other meetings with Lessor and other persons associated with Lessor, and (iii) otherwise respond to the reasonable requirements of such committees and other persons within Lessor's organization in connection with Lessee's request for approval of the proposed Work.

Final Design. If there are any Material Changes to Plans and Specifications submitted for Lessor's review pursuant to the Ground Lease Section pertaining to Conceptual Design, then prior to submittal to the Approving Agency, Lessee or its Agents shall submit to Lessor, for Lessor's review, four (4) duplicates of the permit set of Plans and Specifications for the proposed Work, whether or not such items are required by the Approving Agency to commence the application for governmental design approval. Lessee or its Agents shall not apply for any governmental approvals until after obtaining Lessor's prior written approval of any Material Changes to the permit set of Plans and Specifications.

Design Changes and Disputes. Prior to finalizing any Construction Documents that include any Material Changes to Construction Documents previously approved by Lessor, Lessee or its Agents shall submit to Lessor for Lessor's prior written approval four (4) duplicate sets of such documents, upon which any changes shall be indicated. If Lessor disapproves any item pursuant to the Ground Lease Article titled General Conditions of Work, Lessee or its Agents shall make the changes reasonably necessary to address the disapproved item and shall resubmit it for Lessor's approval. Neither Lessee nor its Agents shall proceed with the disapproved item, or any item affected by the disapproved item, until Lessor has approved (or is deemed to have approved) Lessee's changes. If Lessor and Lessee are unable to agree upon a resolution, Lessor and Lessee shall attempt in good faith to resolve the Dispute in accordance with the applicable terms of the Ground Lease.

Approvals. All Plans and Specifications and other Construction Documents required to be submitted for Lessor approval in accordance with this Section shall be approved or disapproved in accordance with the procedure set forth in the Ground Lease Section pertaining to Material Change Orders.

Architect and Contractor. Prior to entering into or materially modifying or amending any contract with any Architect, Contractor or Agent for any Work requiring Lessor's approval, Lessee shall obtain Lessor's prior written approval including the identity of each, which approval shall not be unreasonably withheld, conditioned or delayed. Each such contract shall contain provisions reasonably acceptable to Lessor that permit the contract to be assumed by Lessor or its designee, at Lessor's sole discretion, following a termination of the Ground Lease. Any such assumption shall be on the same terms and conditions (including fees and prices) as set forth in the contract but shall not impose any obligation on Lessor to assume responsibility for Lessee's acts or omissions.

Building Permits. No physical Work shall be undertaken until all permits and authorizations of the Approving Agency (or any other applicable Governmental Authority having jurisdiction over the Work) required to commence the Work shall have been procured and paid for, so far as the same may be required, from time to time, with respect to such portion of the Work being undertaken. All permits, authorizations, reviews, and any documentation obtained in connection with the Ground Lease or the use of the Premises shall be obtained at Lessee's sole cost and expense.

Insurance. Prior to commencement of any Work, Lessee shall deliver, or cause to be delivered the applicable certificates of Insurance and endorsements evidencing satisfaction of the insurance requirements set forth within the Ground Lease which must be maintained, at Lessee's sole cost and expense, at all times when Work is in progress.

Performance and Payment Bonds. Prior to commencement of any Work, Lessee shall obtain, or cause to be obtained, performance and payment bonds in an amount equal to the value of the Construction Contract for the purpose of securing performance of the Contractor's Work and obligation to pay for all labor and materials in connection with the Work. The bonds shall include a multiple obligee rider and name Lessee as the primary obligee, and Lessor, Issuer, and Bond Trustee as additional obligees. The bonds must be issued by a surety or an insurance company authorized to issue bonds in the State that is rated in the top two categories by two of the three nationally recognized rating agencies, or at least "A" or better and "Class VIII" or better according to A.M. Best's Financial Strength Rating and Financial Size Category.

Project Management Plan. With respect to any Work that may be proposed after the Final Completion Date, Lessor shall have the right, but not the obligation to require that Lessee provide, or cause to be provided, a Project Management Plan for Lessor's review, comment and approval. Upon approval, the Project Management Plan may not be amended, restated, modified, supplemented and/or waived without the prior written consent of the Parties in each instance (such consent not to be unreasonably withheld, conditioned or delayed). Notwithstanding any provision to the contrary, in no event shall Lessor be responsible or liable for any obligations, undertakings or liabilities set forth in the Project Management Plan that Lessor has not expressly undertaken under the terms of the Ground Lease.

Pre-Conditions to Commencement. No Work of any kind shall be commenced on, and no building or other materials shall be delivered to the Premises until: (1) Lessee or Lessee's Agents shall have given to Lessor written notice of the proposed commencement date of Work, in order to permit Lessor to take all necessary actions under California Civil Code Section 8444; (2) Lessor shall have received and approved (such approval not to be unreasonably withheld), Lessee's written Schedule of Performance for completion of the Work which must show the projected date of Substantial Completion; and dates and durations, if any, during which Work will be suspended for any reason; (3) Lessor shall have received and approved Lessee's written Project Management Plan, if applicable for completion of the Work; and (4) Lessor shall have approved the Work or issued a notice to proceed with the Work.

Payment of Bills for Construction. Lessee covenants and agrees to pay or cause to be paid, as a construction cost, currently as they become due and payable in accordance with the terms of any 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 Work in or on the Premises; provided, however, that Lessee may, in good faith, in its own name, dispute and contest any such bill, fee, cost, Lien or expense, and in such event, any such item need not be paid until adjudged to be valid. Unless so contested by Lessee, Lessee shall pay all such items 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. Any such contest shall be prosecuted with due diligence, and Lessee shall promptly pay (or cause payment of) the amount as finally determined, together with all interest and penalties payable in connection therewith. Notwithstanding any provision of this Section to the contrary, Lessee shall pay or bond any amount which it might otherwise be entitled to contest if a lien is filed with respect to such amount. If Lessee refuses to pay or bond any such amount, Lessor may (but shall not be obligated to) make such payment or bond and Lessee shall reimburse Lessor on demand for all such amounts.

Payments and Lien Releases. Lessee will provide Lessor with copies of each application for payment submitted by Contractors, each certificate of payment issued by the Architect prior to payment thereof and evidence of payment of each such Application for Payment. In addition to the payment procedure described in the Loan Agreement, Lessee shall include, or cause its Agents to include as part of any submittal to Lessor of applications for payment, conditional lien waivers pending construction payments to contractor, subcontractors, and material suppliers, and unconditional lien waivers for all prior construction payments that have been made to contractor, subcontractors, and material suppliers.

All Liens and Rights are Subordinate to Lessor. Lessee's rights, as well as the rights of anyone else, including the rights of the Issuer, and/or another permitted Leasehold Deed of Trust Trustee, or 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 Lessor's

title, interest, and estate in the Leased Land. Except as otherwise expressly permitted hereunder, Lessee shall not create or permit to be created or to remain and shall promptly discharge or bond over, any 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 Lessor in the Leased Land or any part thereof, or the income therefrom. Nothing in the Ground Lease shall be deemed or construed in any way as constituting the consent or request of Lessor, express or implied, by inference or otherwise, to the filing of any Lien against the Series 2019 Project and/or the Leased Land 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 Series 2019 Project, the Leased Land or any part thereof.

Reports and Information. Lessee or its Agents shall provide or otherwise make available for review at the main construction office within the Licensed Land, the location of which is depicted on Exhibit B-4 attached to the Ground Lease and incorporated herein by this reference, copies of all material documents, meeting minutes, and material correspondence provided to or generated in connection with the performance of the Work including those related to the progress of the Work and satisfaction of the items in the Schedule of Performance. Lessee shall provide, or cause Lessee's Agents to provide, Lessor with copies of progress reports, including any updates to the Schedule of Performance, on or before the tenth (10th) day of each month during the course of the Work in a form reasonably satisfactory to Lessor demonstrating compliance with the requirements of the Ground Lease for the previous month. Such reports shall include a report reasonably satisfactory to Lessor as to whether Lessee has knowledge of the presence of any Hazardous Substances on the Premises in violation of Applicable Law, whether or not by accident, Lessee shall notify, or cause Lessee's Agents, to notify Lessor in writing of such presence of Hazardous Substances. Upon Lessor's request, Lessee or its Agents shall deliver or cause to be delivered to Lessor copies of all soil reports, surveys, Hazardous Substance reports, feasibility studies, and other similar written materials prepared for Lessee pursuant to the Construction Documents with respect to the Leased Land within ten (10) days after receipt by Lessee.

Meetings. Lessor may attend and observe routine meetings concerning the design or construction of the Work. Upon Lessor's request therefor, but not less frequently than two times per month after the commencement of the Work, Lessee shall meet, or cause Lessee's Agents to meet with Lessor to review and discuss the progress of the Work.

Monitoring. Subject to compliance with applicable construction safety protocols and safety procedures established by Lessee or its Agents and in addition to the rights of the Approving Agency, Lessor shall be afforded reasonable access to the Premises during the performance of any Work for purposes of inspecting, monitoring, observing, making inquiries, and taking samples of materials for testing as may be necessary to evaluate the physical characteristics of the Work as well as such other matters as Lessor deems to be reasonably necessary for Lessor to determine Lessee's compliance with the requirements of the Construction Documents and performance of Lessee's obligations; provided, however, in no event shall any such inspection, monitoring, observation, inquiry or testing interfere with construction activities. The Parties expressly understand and agree that: (i) any such activities by Lessor shall not relieve Lessee of its responsibility for performing the Work pursuant to and substantially in accordance with the Construction Documents; (ii) failure of Lessor to engage in any such activities (including, but not limited to, making any on-site inspection or conducting testing) shall not limit or be construed to limit any of Lessor's rights, powers or remedies under the Ground Lease, nor shall such failure to engage in any such activities (including, but not limited to inspection or conducting testing) be deemed an approval of any activity or work; and (iii) no action by Lessor shall be deemed to be confirmation that the Work shown in the Plans and Specifications complies with Applicable Laws except to the extent such confirmation is expressly provided by the Approving Agency.

Material Change Orders. Lessor's approval shall be required for all Material Change Order Requests. All Material Change Order Requests shall be specifically noted, in writing, in the cover sheet of a submittal from Lessee (or Developer on behalf of Lessee) to Lessor containing the proposed Material Change Order Request. Lessor shall approve or disapprove any Material Change Order Request requiring Lessor's approval within five (5) Business Days after Lessor's receipt of the proposed Material Change Order Request; provided, however, if Lessor fails to respond within such five (5) Business Day period, Lessee (or Developer on behalf of Lessee) shall send a second notice to Lessor by electronic mail to Lessor's Representatives (and/or such other parties as may be specified to Lessee by Lessor, from time to time) which notice shall state, in **CAPITALIZED, BOLD-FACED, 12-POINT TYPE THAT: "FAILURE TO RESPOND TO THIS NOTICE OF PROPOSED CHANGE WITHIN 3 BUSINESS DAYS SHALL RESULT IN LESSOR'S DEEMED APPROVAL OF SUCH CHANGE"**. If Lessor does not

provide Lessee with written notice of the action taken by Lessor on the Material Change Order Request within such three (3) Business Day period, Lessor shall be deemed to have approved the requested Material Change Order Request. If Lessor disapproves any Material Change Order Request requiring Lessor's approval, then, within three (3) days of such disapproval, Lessor, Lessee and any Agents (including, but not limited to, Developer) that it may require or deem necessary, shall, in good faith, meet and confer in an effort to resolve any Lessor's objections. For the avoidance of doubt, Lessor shall have no right to approve or withhold approval of any changes that are required by any governmental, quasi-governmental or regulatory authority as a condition to obtaining any approvals, permits, licenses or other consents or authorizations from such governmental, quasi-governmental or regulatory authority. Lessor will not unreasonably withhold its approval of proposed Material Change Order Requests.

Construction Documents. All contracts and subcontracts involving the Work shall specifically provide that the contractor and subcontractor(s) agree to indemnify, defend (with counsel reasonably acceptable to Lessor) and hold Lessor harmless from any claims, damages, costs (including reasonable attorney's fees), liability or loss arising from personal injury, death or property damage resulting from the willful or negligent acts, errors, or omissions of the contractor or subcontractor(s) as the case may be. No contracts and subcontracts involving the Work may contain provisions purporting to shorten the statutory limitations period for commencing any action, including actions for recovery due to patent and latent design or construction defects. Lessee will include, and require its agents to include, the foregoing indemnification obligation as well as all other applicable requirements of the Construction Documents in any contracts and subcontracts involving the Work performed on the Premises or the Campus to ensure such contractors comply with the Campus rules for construction site access, safety, work hours and other customary items included in the Construction Documents or Project Management Plan, as applicable. All matters of ingress, egress, haul routes, laydown areas, construction activity and disposition of excavated material in connection with the Ground Lease shall be subject to the Construction Documents or Project Management Plan, as applicable.

Standard of Work. Work shall be designed, constructed, and performed in a good and workmanlike manner. All building materials for the Work and any Offsite Elements shall be of good quality and substantially in accordance with the approved Plans and Specifications.

Correction of Non-Conformance. In addition to the rights of the Approving Agency, Lessor may reject any Work which does not substantially conform to the approved Construction Documents or with Applicable Law. Lessee shall, at Lessor's request and at its sole cost and expense, correct or cause its Agents to correct with reasonable promptness, any Work that is not in substantial conformity with the Construction Documents.

Substantial Completion. When Lessee deems it has achieved completion of Work requiring Plans and Specifications, other than Punch List Items for any one or more of the buildings comprising the Series 2019 Project, Lessee shall cause or cause its Agents to provide Lessor with a certificate of Substantial Completion signed by the Architect of record for the associated Work. The certificate of Substantial Completion may be in the form of AIA Document G704 certificate of Substantial Completion or other customary construction industry form. When Lessee determines that it or its Agents have achieved completion of all Work including any Punch List Items, Lessee shall cause or cause its Agents to provide Lessor and the Approving Agency with a final certificate of payment issued by the Architect in accordance with the Construction Documents.

Notice of Completion. Within thirty (30) days after the Approving Agency issues a Final Certificate of Occupancy for the last portion of the Work, Lessee shall file or cause its Agents to file on behalf of Lessee (as Owner) a notice of completion as defined and provided for in California Civil Code Sections 8180 through 8190.

Deliverables Following Completion. As soon as practicable, but no longer than four (4) calendar months after the Substantial Completion of the applicable Work, with respect to any Work requiring Plans and Specifications, Lessee shall furnish, or cause its Agents to furnish, to Lessor: (1) Two complete sets of final record document plans and specifications of the completed Work in AutoCAD format, and two "as-built" documents to be in redlined PDF format; (2) A narrative summary prepared by the Architect describing material changes in the Work that differ from the approved Plans or Specifications; (3) Two current, accurate, properly labeled "as-built" ALTA survey, prepared and certified by a California registered land surveyor or professional engineer, depicting to scale the location of the completed Work, as constructed; and (4) One complete set of operations and maintenance manuals for all Essential Operating Systems, equipment, and Personalty relating to the Work.

Non-Responsibility. Lessor shall not be deemed to have incurred or assumed any obligation or responsibility in connection with any Work performed on the Premises regardless of any approvals which Lessor may have made. Nothing in the Ground Lease nor any act or failure to act on the part of Lessor shall be construed as a warranty or representation as to the adequacy or fitness of the Premises, the Campus, or any Work, or as a waiver of a claim by Lessor for any defect or deficiency with respect to the any aspect of the Work.

CONSTRUCTION OF SERIES 2019 PROJECT

Lessee shall enter into the Development Agreement with Developer, and in accordance with Developer's obligations thereunder, Developer will execute on behalf of Lessee as agent for Lessee, the Construction Contract with Contractor, and enter into and assign to Lessee the Architect's Agreement. Lessor has approved the Construction Contract, including, specifically (a) the "guaranteed maximum price" for the Series 2019 Project, the Offsite Elements and the Offsite Demolition, and (b) the cost, pricing, and economic assumptions included in Exhibit H (Contractor's Qualifications and Exclusions) to the Construction Contract and each and every qualification, assumption and exclusion set forth therein. Lessee shall at all times comply with the terms of the Ground Lease Article entitled General Conditions of the Work and communicate with Lessor's Representative with respect to all consents sought, or approvals required, under the Ground Lease. The terms and provisions of Ground Lease Article titled Construction of Series 2019 Project shall only apply to the initial construction of the Series 2019 Project and the Offsite Elements.

Default in Construction. In the event of a default by Developer under the Development Agreement, the Contractor under the Construction Contract, or the Architect under the Architect's Agreement in connection with the design and/or construction of the Series 2019 Project and the Offsite Elements, Lessee shall exercise, and cause the Developer to exercise, such rights and remedies available to Lessee and/or Developer as reasonably required to complete construction in accordance with the Development Agreement and Construction Contract, in each such instance, after consultation with Lessor. If an Event of Default shall occur or if Lessee or Developer shall default under the Development Agreement, the Construction Contract or the Architect's Agreement, Lessor may, subject to the rights of the Bond Trustee pursuant to the Bond Documents, assert the rights of Lessee under the terms of the Development Agreement, the Construction Contract and the Architect's Agreement. As security for Lessee's performance of the Work, Lessee grants to Lessor a security interest in the Construction Documents.

Commencement of Construction. Lessee shall, under the terms of the Development Agreement cause the Developer and Contractor to commence and pursue to Final Completion the construction of the Series 2019 Project and the Offsite Elements, in accordance with the Construction Documents and in accordance with the Schedule of Performance. Lessee shall enforce or cause Developer to enforce the Construction Documents, and Lessee shall not make Material Changes or modifications or terminate the Construction Contract or the Architect's Agreement without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned, or delayed. Lessee may make (or allow to be made) customary field changes and adjustments.

Completion of Construction by Lessor. Lessor acknowledges that Lessee intends to assign to the Issuer all of Lessee's right, title, interest, and remedies in and to the Construction Documents pursuant to the Assignment of Construction Documents. If (i) Lessee shall abandon or fail to complete the construction of the Series 2019 Project and the Offsite Elements in accordance with all material requirements of the Ground Lease, and (ii), the Issuer or the Bond Trustee (as assignee of the Issuer) shall not elect to complete such Work pursuant to the terms of the Assignment of Construction Documents, Lessor may, at its option (but without any obligation so to do and without prejudice to any other rights Lessor may have under the Ground Lease) complete the Work undertaken by Lessee as an expense of the Series 2019 Project and, as nearly as practicable and proper, according to the final Plans and Specifications previously approved by Lessor.

Title to the Series 2019 Project. Title to the Series 2019 Project including any modifications or additions thereto during the Term shall be vested in Lessee until the Termination Date, at which time all title to and ownership of the Series 2019 Project shall automatically and immediately vest (without the necessity of any further action being taken by Lessee or Lessor or any instrument being executed and delivered by Lessee to Lessor) in Lessor. Notwithstanding the foregoing, Lessee shall execute and deliver any documents reasonably requested by Lessor evidencing conveyance and transfer of title.

Offsite Elements to be Transferred to Lessor. Lessee shall notify Lessor when it believes it has achieved Substantial Completion of the Offsite Elements and has fulfilled all mitigation measures required in the Ground Lease Article entitled Environmental Impact Mitigation Measures. Subject to the following sentence, Lessor shall, within ten (10) Business Days after Lessor's receipt of such notice from Lessee, execute the Acceptance of the Offsite Elements substantially in the form attached the Ground Lease as Exhibit E with respect to those Offsite Elements that are located on land owned by the Lessor. In the event that Lessor finds Final Completion of the Offsite Elements not to have been achieved, or all mitigation measures have not been fulfilled, Lessor shall deliver to Lessee a description of measures to be taken by Lessee that will result in Lessor's finding Final Completion to have been achieved. Upon receipt of such description, Lessee shall diligently pursue such measures to Final Completion.

Architects, Engineers, and Professional Consultants. Lessee shall, under the terms of the Development Agreement, cause the Developer to require any architects, engineers, and professional consultants engaged in connection with the construction of the Series 2019 Project and/or the Offsite Elements to perform their respective obligations under the terms of the Construction Documents to be licensed in accordance with law and to obtain and maintain professional (errors and omissions) liability insurance. Lessor shall engage and pay all fees and charges for inspections and approvals under this Agreement and to perform the role of "Inspecting Engineer" under the Loan Agreement and the Indenture.

Failure to Provide Series 2019 Project on Schedule.

Alternate Services. If Lessee fails to achieve Substantial Completion of the Series 2019 Project, (1) on or prior to the Completion Date or, (2) by the Resident Contract Commencement Date, ("Late Delivery"), and, as a result thereof, prospective Occupants of the Series 2019 Project are unable to take occupancy in the Series 2019 Project on or before such Resident Contract Commencement Date, then Lessee shall provide or cause to be provided the Alternate Services: (i) make available bed spaces to Occupants who have executed Resident Contracts, in comparable substitute living quarters which contain, in the aggregate, at least an equal number of bed spaces required under each such executed Resident Contract to be available on such date, but which, in fact, are not available; (ii) move Occupants from the substitute living quarters into the Series 2019 Project as units become available therein; (iii) provide Occupants occupying any substitute living quarters with regular dedicated transportation to and from the Campus for classes and meals, Monday through Friday every half hour during the hours from 7:00 AM to 9:00 PM and Saturdays every half hour during the hours from 7:00 AM to 3:00 PM; and (iv) take such additional ameliorative actions as the Parties and Developer shall mutually agree upon.

Lessee's obligation to provide Alternate Services will terminate five (5) days after the later of Substantial Completion of all Bed Accommodations, or the date all prospective Occupants have moved into the Series 2019 Project. The obligation of Lessee and Developer to provide Alternate Services will not affect the Occupants' Resident Contracts, which shall remain in full force and effect, and each such Occupant must make Occupancy Payments under his or her Resident Contract during the time Developer is providing Occupant with substitute living quarters and transportation services. In compliance with the procedures set forth in the Development Agreement, Lessee shall disburse or cause to be disbursed to Developer an amount equal to (x) the amount budgeted in the Annual Budget (as defined in the Indenture) for Operating Expenses of the Series 2019 Project for such applicable period during which Developer is providing Alternate Services, less (y) the amount, if any, of Operating Expenses actually incurred at the Series 2019 Project during such period.

Development Agreement Enforcement. Lessee shall enforce all provisions of the Development Agreement, and Lessee shall not amend, modify or terminate the Development Agreement without the prior written consent of Lessor, which consent shall not be unreasonably withheld or delayed. If, with the consent of Lessor, Lessee terminates the Development Agreement with the initial Developer, Lessee shall promptly identify and engage a replacement Developer satisfactory to Lessor, on such terms and conditions as may be reasonably satisfactory to Lessor. Lessor and Lessee acknowledge and agree that (i) under certain circumstances it may not be reasonable to require the replacement Developer to be responsible for the payment of the Incremental Costs, and (ii) under such circumstances Lessor shall not withhold its approval of the terms and conditions of the replacement Development Agreement solely as a result of the fact that the replacement Development Agreement may not require the replacement Developer to pay the Incremental Costs.

LICENSES AND EASEMENTS

Access to Leased Land. Lessor agrees and does hereby grant to Lessee a non-exclusive easement over and across the Access Easement Tract for purposes of providing Lessee and its Agents, successors, assigns, successors-in-title, invitees, employees, sublessees and guests with the Access Easement. Lessor shall at its sole cost and expense, keep, repair, replace and maintain the Access Easement Tracts in a good and open condition sufficient to maintain vehicular and pedestrian ingress and egress and in compliance with Applicable Law at all times. Such access granted shall expire automatically on the Termination Date.

Construction Access. Lessor agrees and does hereby grant to Lessee and its Agents and their respective agents, employees, and contractors a non-exclusive, temporary license on, over, across, and through the Licensed Land for vehicular ingress, egress, storage, parking, landscaping, staging and construction activities in connection with the Series 2019 Project and the Offsite Elements. Lessor further agrees and does hereby grant to the Bond Trustee a non-exclusive, temporary license on, over, across, and through the Leased Land and Licensed Land for the sole and limited purpose of exercising its rights pursuant to the Assignment of Construction Documents. Such construction license shall expire automatically upon the Final Completion Date.

Reservation of Rights. Lessor reserves to itself the right to grant to others in the future nonexclusive easements over, under, through, across or on the Leased Land in locations that will not unreasonably interfere with Lessee's use of the Leased Land. Any interference shall be temporary, and all work on the Leased Land shall proceed expeditiously. Lessee shall be given reasonable notice before commencement of any work on the Leased Land. If installation or maintenance of such easements causes any damage to the Leased Land, or any portion thereof, including but not limited to pavement, curbs and sidewalks, Lessor shall repair the same, or cause the same to be repaired, at Lessor's expense. Lessor shall hold harmless and indemnify Lessee from claims arising out of the grant or use of such easement, but only in proportion and to the extent they result from the negligence or wrongful act or omission of Lessor or Lessor's employees, agents or invitees.

Landscape and Utility Easements. Lessor shall grant such easements in favor of Lessee and any utility providers as are reasonably necessary for the installation and operation of utilities serving the Series 2019 Project and for the relocation of utilities existing on the site as of the Reference Date, provided that the location of such easements shall be subject to Lessor's prior written approval, which shall not be unreasonably withheld.

Cross-Licenses. Lessor and Lessee shall each grant to the other, and their respective successors, assigns, successors-in-title, invitees, employees, and sublessees, non-exclusive licenses and rights of way on, over, across and through those portions of the Leased Land and the adjacent land along the boundaries of the Series 2019 Project sites for pedestrian and vehicular ingress, egress, and access as shall be reasonably required for operating the Series 2019 Project and for operating adjacent Campus facilities.

OPERATION OF THE SERIES 2019 PROJECT

Lessee's Obligation to Operate. Upon Substantial Completion of each building within the Series 2019 Project, Lessee shall operate, or cause the Manager to operate, the Premises (or completed portion thereof) in accordance with the requirements of Ground Lease Article titled Compliance by Lessee with Applicable Laws and Ordinances and the Campus Regulations, as such Campus Regulations may be amended, supplemented, updated or replaced from time to time, which Campus Regulations are incorporated herein by reference (provided Lessee and Manager receive actual notice of such amendments, supplements, updates or replacements by Lessor and provided such regulations are enforced on a Campus-wide basis and are not applied or enforced in a manner that discriminates or results in prejudice to Lessee). If approved by Lessor, an adjustment shall be made to the Annual Budget in connection with any amendment, supplement, update or replacement of the Campus Regulations, if reasonably necessary for compliance with the requirements imposed by such amendment, supplement, update or replacement of the Campus Regulations

Management of Premises. Lessee shall cause the preparation of a Management Plan, which Management Plan shall include an on-site staffing plan appropriate to the size and nature of the Series 2019 Project; provide for the enforcement of the Campus Regulations; and provide for the Manager to commence (i) active marketing of the Series 2019 Project no later than November 30, 2020 (ii) taking reservations for the Series 2019 Project no later than March

31, 2021, and entering into Resident Contracts for the Series 2019 Project no later than June 30, 2021. Lessee shall submit or cause the Manager to submit the Management Plan to Lessor prior to June 28, 2020 for Lessor's approval, which shall not be unreasonably withheld. Lessee shall enter into the Management Agreement in connection with the operation of the Series 2019 Project, which shall contain terms and provisions consistent with this Agreement and shall further specify the rights, responsibilities and obligations of Manager and the circumstances under which Manager may be terminated and which shall require Manager to provide a Management Plan. Lessee shall enforce all provisions of the Management Agreement. Additionally, Lessee shall not amend the Management Agreement without the prior consent of Lessor, nor shall Lessee enter into any other management agreement for the Series 2019 Project, without the prior consent of Lessor, and as provided in Ground Lease Section titled Expiration or Termination of Management Agreement.

Standards of Operation. Lessee shall perform its obligations under Ground Lease Article titled Operation of the Series 2019 Project, or cause them to be performed through the Management Agreement, in a manner which demonstrates managerial skill, knowledge, judgment, and practice which is standard for the management of comparable residential multi-tenant facilities student housing facilities, public or private, in the Campus area which are maintained in First Class Condition and as otherwise required pursuant to the O&M Technical Requirements. Lessor, in agreeing to the terms of the Ground Lease, is relying on the expertise, experience, and reputation of Lessee and Manager to cause the Series 2019 Project to be operated, maintained and managed in such condition. In recognition of the fact that the Occupants of the Premises are anticipated to be Campus students, Lessee shall, in good faith use its best economically reasonable efforts to provide, and shall require its Manager to provide, a level of professionalism and dedication to serving Permitted Occupants no less than to that provided by Campus housing staff to its student occupants, including the following: (1) Respect all students and Permitted Occupants and treat them in a dignified and polite manner; (2) Create, foster and maintain a safe, comfortable living environment within the Series 2019 Project that compliments the Campus' mission; (3) Be sensitive to, and assist students in transitioning into campus life; (4) Refer Occupants or other students who (i) have created difficulties for either the Manager or for other Occupants or (ii) suffer from extraordinary or special personal circumstances to the Campus Housing Department before taking other remedial actions against such Occupants; and (5) Maximize coordination of management of the Series 2019 Project with other Campus student residential facilities.

Failure to Meet Standards of Operation. If Lessor reasonably believes that the operation of the Premises is materially deficient in (i) observing the Campus Regulations, (ii) meeting the standards of operation set forth in Ground Lease Section titled Standards of Operations or the Management Plan, (iii) maintaining the Premises as provided for in the Ground Lease Section titled Maintenance Standards, or (iv) otherwise causing an Event of Default under the Ground Lease relating to the operation of the Premises, such Operating Deficiency shall be resolved by the following process:

Lessor shall notify Lessee in writing of the nature and specific circumstances or events causing such Operating Deficiency. Lessor and Lessee shall meet and confer within five (5) Business Days following such notification to discuss the existence of the Operating Deficiency and to agree upon a mutually agreeable cure of the Operating Deficiency.

If Lessee agrees that such Operating Deficiency exists, Lessee shall cure, or cause to be cured, the Operating Deficiency within twenty (20) Business Days following such notification, or such other time period as Lessor and Lessee agree is appropriate, provided that if such Operating Deficiency cannot reasonably be cured within such period, Lessee shall not be in breach of this obligation if it starts reasonable curative efforts in good faith within twenty (20) Business Days, and thereafter diligently prosecutes such cure to completion.

If Lessee does not agree that such Operating Deficiency exists, then either Party may submit the Dispute for resolution as provided for in the Ground Lease Article titled Dispute Resolution. If the arbitrator finds that an Operating Deficiency exists, the arbitrator shall also be required to determine the curative action and the period within which Lessee shall be required to cure such Operating Deficiency.

If Lessee fails to cure, or cause to be cured, the Operating Deficiency within the applicable time period, Lessor may take any one or more of the following actions: (a) cure such Operating Deficiency, (b) require Lessee to obtain new management of the Premises, if such Operating Deficiency resulted from the fault, error or omission of Manager, or (c) pursue the remedies set forth in the Ground Lease Section titled Remedies.

Expiration or Termination of Management Agreement. Not less than 180 days prior to the expiration of the Management Agreement, and the expiration of each subsequent Management Agreement as applicable: (a) Lessee and Lessor shall meet and confer to determine whether the best interests of the Series 2019 Project would be served by renegotiating the then existing Management Agreement (if then any), or by soliciting proposals for a new Management Agreement, and (b) if Lessor concludes that obtaining such proposals would be desirable, Lessee shall solicit and use its best efforts to obtain three (3) proposals for a new Management Agreement, from entities which Lessor and Lessee have agreed have material experience in managing university-related housing. Proposals may be submitted by the then-current Manager (if any), and by Lessee itself. Lessee shall engage the Manager designated by Lessor from among those entities submitting proposals. If Lessee shall terminate the Management Agreement for any reason prior to its expiration, Lessee shall solicit proposals as required by clause (b), above.

Resident Contracts. Any other provisions of this Ground Lease to the contrary notwithstanding, Lessee shall, without the consent or approval of Lessor, have the right, in the ordinary course of business, to enter into, modify and terminate Resident Contracts in accordance with the criteria set forth in the Management Plan and Management Agreement.

Base Reserve Deposit. In addition to Lessee's obligations under the Loan Agreement to fund the Reserve and Replacement Fund, Lessee agrees during the Term to Deposit the Base Reserve Deposit. The Base Reserve Deposit deposited by Lessee with respect to the first Lease Year shall be prorated. The Base Reserve Deposit shall be increased by three percent (3%) per annum each year during the Term unless otherwise required in accordance with the Loan Agreement.

Lessor's Commitment. Lessor will: (1) Include the Series 2019 Project in all information and marketing materials regarding student housing that it provides to students and prospective students to the same extent it provides such information and materials for other housing not owned by Lessor; (2) In the Lessor's mail outs, catalogues, informational brochures, housing website and other literature, identify the Series 2019 Project as residential housing available to students to the same extent it identifies other housing not owned by Lessor; and (3) Execute new resident contracts (or the functional equivalent thereof) for Campus Apartment Housing in accordance with the Inventory Management Program. Lessor's obligation to comply with such Inventory Management Program shall commence on November 30 of the Lease Year prior to the Lease Year which the Substantial Completion Date is reasonably anticipated to occur and shall automatically terminate when the aggregate Occupancy Rate at Campus Apartment Housing exceeds 95% for two (2) consecutive years, as measured on October 15. Notwithstanding the foregoing, Lessor may execute resident contracts with respect to beds in Campus Apartment Housing in the following circumstances (i) where such resident contracts are renewals of existing resident contracts, or (ii) where Applicable Law requires that such resident contracts be made available. Until Lessor's obligation to comply with such Inventory Management Program has terminated, (a) as to each Academic Year, Lessee shall cause Manager to provide written notice to Lessor at such time as Resident Contracts for at least 95% of the 1,502 Bed Accommodations have been executed by an Eligible Occupant for that Academic Year, and (b) Lessor shall provide to Lessee and Manager a certification regarding Occupancy Rate as of each October 15 setting forth in reasonable detail Lessor's calculation of the Occupancy Rate for October 15.

Condition Assessment. At the conclusion of the fifth (5th) complete Lease Year and each fifth (5th) anniversary thereafter during the Term and as an Operating Expense, Lessee shall commission or cause the Manager to commission the preparation of a Condition Assessment of the Series 2019 Project. Lessee shall coordinate with the Manager to provide the Lessor the opportunity to review and comment upon the draft Condition Assessment report, including associated exhibits, cost estimates, and immediate repair and replacement reserve tables. Lessee shall promptly provide the Lessor a copy of the Condition Assessment report upon completion and utilize the Condition Assessment in the development and preparation of subsequent Capital Budgets.

Application to University Space. Notwithstanding anything in the Ground Lease to the contrary, the terms and provisions of the Ground Lease Sections pertaining to Lessee's obligation to operate, management of premises, standards of operation, and failure to meet standards of operation, shall not apply to the University Space.

SECURITY INTEREST

Pledge, Assignment, and Grant of Security. As security for Lessee's performance of its obligations hereunder and subject to the rights of the Issuer, the Bond Trustee (as assignee of the Issuer), or the Master Trustee, Lessee hereby collaterally assigns and pledges to Lessor, and hereby grants to Lessor a security interest in, all of Lessee's right, title, and interest in and to the Assigned Agreements, including: (i) all rights of Lessee to receive moneys due and to become due under or pursuant to the Assigned Agreements; (ii) all rights of Lessee to receive proceeds of any insurance, indemnity, warranty, or guaranty with respect to the Assigned Agreements; (iii) claims of Lessee for damages arising out of or for breach of or default under the Assigned Agreements; and (iv) the right of Lessee to terminate the Assigned Agreements, to perform thereunder, and to compel performance and otherwise exercise all remedies thereunder. Notwithstanding the foregoing assignment, pledge, and grant of security, so long as no Event of Default has occurred and is continuing, Lessee shall be entitled to all of the benefit and right under the Assigned Agreements. Lessor acknowledges that, pursuant to the Assignment of Construction Documents, the Financing Trust Agreement and Issuer Deed of Trust, Lessee will grant to Issuer, the Issuer Security Interests. Any and all security interests granted to Lessor by Lessee pursuant to the Ground Lease (including the security interest granted in this Section) shall be subject to the provisions of the Ground Lease Article titled Encumbering the Leasehold and subordinate in all respects to the Issuer Security Interests and the interests of the Bond Trustee, the Master Trustee and any permitted Leasehold Deed of Trust Trustee, including the Bond Trustee.

Further Action and Documents. Lessee agrees that from time to time, at the expense of Lessee, Lessee will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that 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 Lessor to exercise and enforce its rights and remedies hereunder with respect to any Assigned Agreements.

Financing Statements. Lessee hereby authorizes 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 Lessee where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the Assigned Agreements or any part thereof shall be sufficient as a financing statement where permitted by law.

Lessor May Perform. If Lessee shall fail to perform any agreement contained within the Ground Lease, and if such failure shall continue uncured after the giving of notice and the expiration of any applicable cure period, Lessor may itself perform, or cause performance of, such agreement, and the reasonable expenses of Lessor incurred in connection therewith shall be payable by Lessee to Lessor as Additional Rent hereunder. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact, with full authority in the place and stead of Lessee and in the name of Lessee or otherwise, if an Event of Default shall have occurred, to take any action and to execute any instrument which Lessor may deem necessary or advisable to accomplish the purposes of this Agreement, subject in all cases to the rights of the Issuer and the Bond Trustee (as assignee of the Issuer), including:

to obtain insurance required pursuant to the Ground Lease in the event Lessee shall fail to obtain such insurance;

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

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

Lessee shall provide written notice to Lessor if an Event of Default has occurred, as well as any events that constitute "defaults" or "events of default" under the Assigned Agreements to the extent Lessee has knowledge of such "defaults" or "events of default."

Lessor's Duties. The powers conferred on 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. Lessor shall have no duty to take any necessary steps to preserve rights against prior parties or any other rights pertaining to the Assigned Agreements.

ASSIGNMENT AND SUBLETTING

Assignment. Except as otherwise provided in the Ground Lease, Lessee shall not have the right to make a Transfer, without the prior written consent of Lessor, which consent may be granted or withheld in Lessor's sole and absolute discretion. A sale of all or any portion of Lessee's Interest and the transfer, assignment or hypothecation of any interest in Lessee shall each be deemed an assignment within the meaning of Ground Lease Article titled Assignment and Subletting. Except as otherwise provided in the Ground Lease, Lessee shall not be entitled to Transfer less than all of Lessee's Interest under the Ground Lease (other than as sublease) or to Transfer its title to the improvements separately from its interest under the Ground Lease.

Time and Conditions of Lessor's Actions. Lessor shall grant or deny its approval of, or request additional information or documentation with respect to, a proposed Transfer within thirty (30) days following Lessor's receipt of notification from Lessee regarding the proposed Transfer. Following a request from Lessor for additional information and/or documentation as provided under the Ground Lease, Lessor shall have thirty (30) days from Lessor's receipt of such additional information or documentation in which to grant or deny its approval with respect to the proposed Transfer and/or the proposed assignee. Lessee's notice to Lessor under the Ground Lease Sections pertaining to Right of First Offer and Closing of Transfer shall constitute Lessee's notification to Lessor for the purposes of this Section, and the time periods set forth therein shall run concurrently.

Assumption in Writing. Upon any Transfer permitted under the Ground Lease, Lessee shall deliver to Lessor a fully executed copy of the assignment instrument, pursuant to which the proposed transferee shall unconditionally assume and agree to perform and observe all covenants and conditions to be performed and observed by Lessee under the Ground Lease. The consent by Lessor to any Transfer shall not relieve Lessee from the obligation to obtain Lessor's express consent to any other Transfer requiring Lessor's consent. Any Transfer or attempted Transfer that fails to comply with the Ground Lease Article titled Assignment and Subletting shall be void and, at the option of Lessor, shall constitute an Event of Default. No Transfer shall relieve Lessee from liability under the Ground Lease.

Right of First Offer. If Lessee desires to enter into a Transfer, it shall first, before commencing any marketing activity in anticipation of a Transfer, deliver to Lessor an Offer and offering to enter into a Transfer with Lessor on the same terms and conditions (except that if the terms and conditions include financing, Lessor shall have the option to acquire Lessee's Interest for all cash). Lessor shall have thirty (30) days after receipt in which to accept the Offer by written notice to Lessee. If Lessor does not give Lessee written notice accepting the Offer within such period, Lessee may at any time within the ensuing twelve (12) month period after the expiration of such thirty (30) day period, subject to all of the applicable terms and conditions of the Ground Lease Article titled Assignment and Subletting,, Transfer its interest to a third party without reoffering the interest to Lessor, provided that the terms and conditions of such Transfer shall not be "materially more favorable" to the proposed transferee than those set forth in the Offer. If Lessee does not enter into a Transfer before the expiration of the aforesaid twelve (12) month period, but Lessee still desires to enter into a Transfer, Lessee shall again deliver to Lessor an Offer in accordance with this Section (but offering the interest to Lessor on the same terms as were being offered to a third party), and Lessor shall have the right of first offer for another period of thirty (30) days after receipt of such Offer. This right of first offer shall be ongoing and shall apply to all Transfers proposed at any time during the Term.

Closing of Transfer. If Lessor accepts an Offer, Lessor and Lessee shall work in good faith to complete a purchase and sale agreement, together with such other appropriate documentation as may be necessary to effect the Transfer to Lessor, and any applicable due diligence within thirty (30) days after Lessor's written notice of acceptance of the Offer. Lessor will promptly deposit in escrow with the title company, as escrow agent, an earnest money deposit upon execution of the purchase and sale agreement, which shall become nonrefundable if the agreement is not terminated prior to the end of any diligence period, and thereafter to effect the Closing such Transfer within thirty (30) Business Days after the expiration of the diligence period. The Transfer shall be consummated by Lessor's payment of the required consideration and Lessee's delivery to Lessor of such documentation as Lessor may elect consistent with the Offer at the Closing as described in the Ground Lease Article titled Option to Purchase, Right of First Refusal and Parking Reconveyance.

MAINTENANCE OF PROPERTY; ALTERATIONS

Maintenance Standards. Lessee shall, subject to the Annual Budget, at all times during the Term of the Ground Lease, as an Operating Expense, keep and maintain the Series 2019 Project and all adjoining areas out to the perimeter pavement, and appurtenances and every part thereof, and all buildings, other structures or improvements that may exist on, in, or be made a part of the Series 2019 Project in a safe, sanitary, clean and structurally sound condition in accordance with the Management Plan, and substantially equivalent to or in better than a First Class Condition and that condition required pursuant to the O&M Technical Requirements. All normal maintenance and repair during the Term shall be performed as required under the Ground Lease.

Failure to Perform. If Lessee fails to perform any of its obligations as required hereunder, after notice and right to cure, Lessor may (but shall not be required to) perform and satisfy same, and Lessee hereby agrees to reimburse Lessor, as Additional Rent, for the reasonable cost thereof promptly upon demand.

Alterations. Following the Substantial Completion of the Series 2019 Project, Lessee shall make no material alterations or additions to the Premises with a cost in excess of the Threshold Amount except as specifically provided in this Section or approved in the most recent Capital Budget, or otherwise by Lessor. Lessee may make any alteration with an aggregate cost less than the Threshold Amount without Lessor's prior consent, provided that (a) no Essential Operating Systems shall be materially or adversely affected thereby, and (b) such alteration does not violate any requirements of Applicable Laws. Lessee may not make any additions without Lessor's prior consent. Before Lessee shall commence any alterations or additions requiring Lessor's approval, Lessee shall submit to Lessor the submittals as reasonably required by Lessor for the nature of the proposed Work and otherwise comply with the provision of the Ground Lease Article titled General Conditions of the Work.

CAPITAL ANNUAL BUDGETS; FINANCIAL STATEMENTS

In General. No later than ninety (90) days prior to the Residential Date, and one-hundred twenty (120) days prior to the commencement of each Lease Year thereafter, Lessee shall prepare and submit, or cause Manager to prepare and submit, for approval a proposed Annual Budget and Management Plan for the following Lease Year, which Annual Budget shall include the Operating Budget and, in accordance with the O&M Technical Requirements, a Capital Budget. The Annual Budget shall not include revenues derived by the University from operation of the University Space, costs or expenses to be incurred by Lessor pursuant to the Ground Lease Section titled Community Common Areas and University Space with respect to the University Space or parking fines retained as part of monitoring of the parking on within the Series 2019 Project.

Submission and Approval. Lessee shall provide Lessor with a copy of the proposed Annual Budget and Management Plan and Lessor shall review, comment and approve or reject such items within thirty (30) days following submission. Any proposed Annual Budget and Management Plan submitted by Lessee to Lessor shall be deemed approved unless, within the thirty (30) day period, Lessor provides written disapproval or provides Lessee with its proposed revisions and adjustments. The Parties agree to use commercially reasonable efforts to promptly meet, confer, discuss and resolve any disputed items or amounts prior to commencement of the next Lease Year and further agree to supply any supporting documentation or information reasonably necessary to support the Annual Budget and Management Plan. In the event the Management Plan submitted by Lessee to Lessor is disapproved, Lessee shall continue to operate the Series 2019 Project subject to the most recently approved Management Plan until a Management Plan is approved by Lessor. Lessee shall provide Lessor a copy of any final Annual Budget for review and comment not less than fifteen (15) days prior to Lessee's adoption of such Annual Budget. Lessee shall provide Lessor with a copy of the Annual Budget and Management Plan approved by Lessee within ten (10) days after Lessee's approval. Lessor's approval shall not be required to the extent of any exceptions provided in the Management Agreement.

Budget Disputes. If the Parties are unable to resolve their differences or disputes related to the Annual Budget to Lessor's reasonable satisfaction, Lessor may submit the Annual Budget to Dispute resolution in accordance with the Ground Lease, with directions to the arbitrator(s) to provide reasonable estimates of life spans, costs, and funding levels. If the Parties are unable to resolve their differences or disputes related to the Annual Budget at least (30) days prior to the commencement of a Lease Year, the Annual Budget for the then current Lease Year, as increased by a

factor equal to the Consumer Price Index Change, shall be implemented for the next Lease Year until agreement is reached on a new Annual Budget.

Annual Financial Reports to Lessor. Lessee shall engage an independent certified public accountant to perform an audit of Lessee's operations for the previous Lease Year and prepare Annual Financial Statements, including all required footnotes to the Annual Financial Statements, using Generally Accepted Accounting Principles. The Annual Financial Statements, complete with the independent certified public accountant's opinion, shall be provided to Lessor no later than one hundred (120) days after the end of each fiscal year of Lessee during the Term. The Annual Financial Statements shall be accompanied by a separate certification by an independent certified public accountant, in the form attached to the Ground Lease as part of Exhibit E or any replacement thereof that may, from time to time, be adopted by Lessor, evidencing compliance with Lessor's Fair Wage Requirements. In addition to the foregoing, Lessee shall provide to Lessor, no later than August 30 of Lease Year during the Term, (i) unaudited financial statements, and (ii) a conversion worksheet that translates, converts or otherwise provides a means pursuant to which the income statement and balance sheet included in such Annual Financial Statement can be interpreted and conformed to the pronouncements of the Governmental Accounting Standards Board.

Financial Statements. Lessee shall prepare, or cause the Manager to prepare Financial Statements, the form and content of which shall be generally consistent with the financial statements required pursuant to the Loan Agreement. Lessee shall provide Lessor with copies of such Financial Statements within forty-five (45) days after the end of each calendar following the Final Completion Date.

INDEMNIFICATION BY LESSEE

Subject to certain limitations in the Ground Lease Article titled Limitation of Liability, Lessee hereby releases and agrees to indemnify, defend (with counsel reasonably acceptable to Lessor) and hold harmless (and will cause the Developer, Architect and Contractor, respectively to release, indemnify and hold harmless) the Indemnitees of and from any and all Claims caused by, growing out of, or otherwise happening in connection with the Ground Lease to the extent that such Claims result from (i) any negligence or intentional act or omission on the part of Lessee, its officers, agents, or employees, or (ii) the violation of any Applicable Law by Lessee, its officers, agents, or employees; or (iii) any condition or defect in the Series 2019 Project. This indemnification extends to the successors and assigns of Lessee, and this indemnification survives the expiration or termination of the Ground Lease and the dissolution or, to the extent allowed by law, the bankruptcy of Lessee.

UNIVERSITY SERVICES

Campus Monitoring and Coordination. Lessor, through its Campus Student Housing Office and/or Campus Assets, will monitor the operation of the Premises throughout the Term of the Lease. Lessee will pay Lessor the Monitoring and Coordination Fee in the amount of Forty-Five Thousand Sixty Dollars (\$45,060) per Lease Year (which amount shall be increased on an annual basis by the greater of three percent per annum (3%) or the Consumer Price Index Change) in advance, as an Operating Expense of the Series 2019 Project, a fee for such monitoring, and for meeting Lessor's commitments set forth in this Section with the first such prorated payment due and payable within thirty (30) days after the first deposit is made into the Operating Account as described in the Bond Documents, and subsequent payments due and payable on October 1 of each Lease Year thereafter.

Police. The Premises shall be subject, at all times during the Term of the Ground Lease, to the jurisdiction of Lessor's Campus police. Lessee will pay Lessor in the amount of One Hundred Forty Four Thousand Dollars (\$144,000.00) per Lease Year: (which amount shall be increased on an annual basis by the greater of three percent per annum (3%) or the Consumer Price Index Change), in advance, for such police service for the Premises, with the first such prorated payment due and payable within thirty (30) days after the first deposit is made into the Operating Account as described in the Bond Documents, and subsequent payments due and payable on October 1 of each Lease Year thereafter.

Parking. Lessor shall provide parking permits and monitor parking with respect to vehicles parked on the Premises during the Term. For the foregoing service, Lessee will pay Lessor in the amount of Thirty Thousand Dollars (\$30,000.00) per Lease Year (which amount shall be increased on an annual basis by the greater of three percent per annum (3%) or the Consumer Price Index Change), in advance, for parking services to be provided for the Premises,

with the first such prorated payment due and payable within thirty (30) days after the first deposit is made into the Operating Account as described in the Bond Documents, and subsequent payments due and payable on October 1 of each Lease Year thereafter. Lessee will, upon request by Lessor, cause the Manager to (a) provide parking permits for the Premises only to parties permitted to use such parking under the Ground Lease Section titled Parking and Parking Rates, and (b) use the permits provided by Lessor. Lessor shall have the right to retain parking fines collected as part of monitoring of the parking on within the Series 2019 Project.

Marketing. Lessor shall provide support necessary for marketing of the Series 2019 Project including, without limitation, (a) permitting Lessee to advertise the Series 2019 Project in areas of the Campus reasonably designated by Lessor, (b) including information regarding the Series 2019 Project in Lessor's housing information provided to students to the same extent it includes information for other on-campus student housing, subject to Lessor's approval of the content of such information, which approval shall not be unreasonably withheld, conditioned or delayed, (c) permitting Lessee to participate in athletic events, housing fairs and similar events, and (d) except to the extent prohibited by FERPA or similar replacement, providing information containing reasonably requested contact information for potential Occupants.

Community Service Officer. Lessor shall provide two (2) Community Service Officers seven (7) days per week between the hours of 11PM to 4AM. Such Community Service Officers shall provide security services with respect to the Series 2019 Project. Lessee will pay Lessor in the amount of Eighty-Five Thousand Dollars (\$85,000.00) per Lease Year: (which amount shall be increased on an annual basis by the greater of three percent per annum (3%) or the Consumer Price Index Change), in advance, with the first such prorated payment due and payable within thirty (30) days after the first deposit is made into the Operating Account as described in the Bond Documents, and subsequent payments due and payable on October 1 of each Lease Year thereafter.

Information. Unless otherwise obligated to provide such information to Lessee or its Agents pursuant to other documents, subject to appropriate limitations and restrictions concerning confidentiality, use and dissemination, Lessor shall, within ten (10) days of written request therefor, provide Lessee and its Agents such information concerning Eligible Occupants as may be reasonably required to facilitate and enable Lessor and its Agents to perform the services described in the Ground Lease.

INSURANCE

General. It is the intent of the Parties that all risk of loss be shifted to insurance to the maximum extent practicable. Accordingly, unless Lessor otherwise agrees, Lessee shall maintain, or cause to be maintained, insurance covering the risks enumerated below to the extent that such insurance is available on commercially reasonable terms.

Property Loss Coverage. From the Effective Date until the expiration or earlier termination of the Ground Lease, Lessee shall keep, or cause to be kept, the Series 2019 Project, Personalty and all of Lessee's personal and real property which may be situated on Leased Land, insured by an all-risk or special form policy of insurance subject to standard exclusions and sub-limits (which may be in the form of a blanket policy covering multiple locations) for the greater of: (i) the then current cost of demolition and removal of the Series 2019 Project, and (ii) One Hundred Percent (100%) of the full, undepreciated replacement cost from time to time of the Series 2019 Project.

Lessor shall be named as Named Insured as to any builders' risk policy procured for the Series 2019 Project, on an "all risk of loss or damage basis" subject to standard exclusions and sublimits including perils of earth movement, flood, windstorm, collapse, boiler and machinery accidents, strikes, riot, civil commotion and sabotage to the full replacement costs of the Series 2019 Project. The Earth Movement/Earthquake and Flood coverage in the builder's risk policy for the Series 2019 Project shall have a sublimit of \$25,000,000 per occurrence/aggregate. Such insurance coverage may provide for the exclusion from the afforded coverage of up to the first One Hundred Thousand Dollars (\$100,000) of the amount of any loss or damage. With regard to the Earth Movement/Earthquake coverage the lowest commercially available deductible provisions, but only if and to the extent that Lessor and Lessee agree, in their mutual good faith discretion that the cost of such coverage is financially feasible.

Liability Coverage. Lessee will, at all times during the Term, maintain, or cause to be maintained, insurance to cover all activities in connection with the Ground Lease, for bodily injury, wrongful death, personal injury, property damage, and contractual liability as follows:

Business Auto Liability: for autos owned, hired, scheduled or non-owned with a minimum combined single limit of One Million Dollars (\$1,000,000) per accident, subject to terms no less broad than the Insurance Services Office (ISO) CA 0001;

To the extent Lessee or any of its subcontractors or subconsultants are involved in the transportation or hauling of hazardous materials or waste to or from Leased Land and if coverage is not provided through the Pollution Liability policy required under this Section, such Business Auto Liability policy shall be endorsed to amend the pollution exclusion of ISO Form CA 00010 6/92 (or its equivalent) in the following manner:

(a) Delete Section a. (1) a.: (Pollution) "being transported or towed away by, or handled for movement into, onto or from the Covered Auto."

(b) Delete Section a. (1) b.: "Otherwise in the course of transit by the insured." Coverage shall include MCS-90 endorsement with Lessor as Additional Insured and shall be endorsed to specifically limit the reimbursement provisions of the MCS-90 to the Named Insured.

Commercial General Liability:

(a)	annual per project general aggregate (bodily injury, property damage)	\$ 2,000,000
(b)	per project product/completed operations aggregate	\$ 2,000,000
(c)	personal and advertising injury	\$ 1,000,000
(d)	each occurrence	\$ 1,000,000

Any deductible/self-insured retention under such policy shall not exceed One Hundred Thousand Dollars (\$100,000). Coverage shall be subject to terms no less broad than the Insurance Services Office's (ISO) form CG 0001 (2004 or later edition). Limits specified above are minimum and policy shall not include a residential/apartment exclusion.

Workers' Compensation insurance, in an amount and form sufficient to meet all applicable governmental requirements, and Employer's Liability coverage with limits of not less than one million dollars (\$1,000,000) for bodily injury or death to any one or more persons per accident, one million dollars (\$1,000,000) bodily injury by disease each employee, and one million dollars (\$1,000,000) policy limit for bodily injury by disease. Such policies shall cover all persons providing labor or services to or on behalf of Lessee, its contractors, subcontractors, or consultants and all risks to such persons arising out of construction, use or occupancy of Leased Land, repair of or entry onto the Leased Land, prior to the Final Completion Date. Waiver of subrogation clause and/or endorsement shall apply in favor of Lessor.

Umbrella or Excess Liability:

combined single limit per occurrence: \$25,000,000

annual aggregate: \$25,000,000

Coverage shall follow form or otherwise be at least as broad as the primary underlying coverage terms.

Professional Liability (Errors & Omissions) insurance, when any architect, engineer, or consultant is employed by Lessee and/or Developer to perform professional services for the Premises. Lessee and/or Developer shall cause Professional Liability (Errors & Omissions) Insurance, to be carried by each architect, engineer, or consultant hired directly or indirectly by Lessee and/or Developer to perform professional services for any part of the Premises. To the extent possible, all Professional Liability Insurance Policies shall include Lessor as an indemnified party for vicarious liability caused by professional services performed under the Ground Lease. The Architect of record shall provide a minimum coverage limit per claim of not less than three million dollars (\$3,000,000) for each claim and five million dollars (\$5,000,000) in the annual aggregate, or such lesser amount as Lessor may approve in writing. Lower tier architects, engineers, and professional consultants shall carry limits not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the annual aggregate. Such policy shall have a maximum deductible of one hundred and fifty thousand dollars (\$150,000). Such policy may be written on a "claims made" basis provided it has a retroactive date of placement prior to or coinciding with the commencement of any professional services performed on any part of the Premises, and shall remain continuously in effect for five (5) years after Substantial Completion. In the event professional errors and omissions liability insurance is canceled or not renewed, an extended reporting period endorsement or tail coverage shall be purchased for the required five (5) years.

Such policy shall provide coverage against loss or liability arising out of willful, negligent or innocent errors, omissions and misfeasance of the insured party in performing its contractual and professional obligations relating to the design, engineering and construction of the Premises, as the case may be, or subsequent alteration or work of

Pollution Liability: Developer or its Contractor shall procure and maintain Contractor's Pollution Liability Insurance on an occurrence basis with a minimum limit of five million dollars (\$5,000,000) for each loss and five million dollars (\$5,000,000) in the annual aggregate, for bodily injury, property damage, cleanup costs, and claim expenses resulting from the operations of Developer and its Contractor and their respective employees, agents and subcontractors performed on the Leased Land, including coverage for microbial matter, which coverage may be granted on a claims made basis. Such coverage shall extend to any non-owned disposal site and any activities involving transportation and/or hauling of hazardous materials. Coverage shall remain in force during the term of the Series 2019 Project, and for ten (10) years beyond the Final Completion Date. To the extent that microbial matter coverage is written on a "claims made" basis, coverage shall include a retroactive date of placement prior to or coinciding with the commencement of activities on any part of the Premises, continue until the completion of the construction of the Work, and include at least a ten (10) year discovery period for submitting claims following the Final Completion Date. Lessor shall be endorsed as Additional Insured under such policy.

Such other insurance as may be required by the Loan Agreement.

If not otherwise insured under the builder's risk or commercial property policies, flood insurance under the National Flood Insurance Program within the minimum requirements and amounts required for federally financed or assisted loans under the Flood Disaster Protection Action of 1973, as amended, if the Premises is eligible under such program.

Lessee, Developer or Contractor Controlled Insurance Program. Provided Lessor approves in writing and receives copies of the policies for review, Lessee or Developer may purchase and secure insurance meeting the insurance requirements of the Ground Lease, referenced to protect Lessor, Lessee, Developer, contractor and subcontractors of all tiers under a Controlled Insurance Program (wrap-up insurance program) which shall include (in a combined policy or as a separate policy) at least a ten (10) year completed operations coverage period for submitting claims following the Final Completion Date.

Insurance coverage required shall be provided by insurance carriers with A.M. Best rating of not less than A-VIII. Lessee acknowledges that the coverages required under the Ground Lease shall not in any way limit the liability of Lessee. Notwithstanding any provision within the Ground Lease to the contrary, the liability of Lessee with respect to its obligations under the Ground Lease shall be limited as set forth under Ground Lease Article titled Limitation of Liability.

Additional Insureds. With the exception of the Worker's Compensation, Employer's Liability, and Professional Liability policies to be provided pursuant to Ground Lease Section titled Liability Coverage, the insurance policies to be provided or caused to be provided by Lessee and/or Developer hereunder shall be endorsed to name Lessor, each of its representatives, consultants, officers, agents, directors, members, shareholders and employees as Additional Insureds for completed and ongoing operations, by endorsement ISO form CG 2037 (7/04) in combination with CG 2010 (7/04) or their equivalents (provided that any such policies maintained by any subcontractors and consultants of Lessee, Developer, and its Contractor shall be so endorsed utilizing the same endorsements or their equivalents) during the coverage terms specified. Lessee and Developer (and any of their respective subcontractors and consultants and Contractor) agree that the amount of insurance available to the Lessor or the Additional Insureds shall be for the full amount of the loss up to the available policy limits and shall not be limited to any minimum requirements stated in the Lease. It is expressly agreed and understood that all additional insured coverage afforded by Lessee or Developer (and any of their respective subcontractors and consultants and Contractor) shall be primary and noncontributing with respect to any other insurance or self-insurance purchased directly by Lessor and any Additional Insured(s). Any other insurance or self-insurance purchased directly by Lessor shall be excess of, and noncontributory with, the additional insured coverage afforded by Lessee and Developer (and any of their respective subcontractors', consultants' and/or Contractor's) policies, if any. Further, to the extent that umbrella/excess policies are used to satisfy the required minimum limits, the "other insurance" provision of such policies shall be amended to provide additional insured coverage on a primary noncontributory basis once the underlying coverage is exhausted.

Rental Interruption Coverage. Lessee will, at all times during the Term maintain a policy of rental interruption insurance for the Series 2019 Project in an amount not less than twenty-four (24) months of Annual Debt Service (as defined in the Indenture) of the Series 2019 Bonds.

QUIET ENJOYMENT

Lessor covenants and agrees that, throughout the Term of the Ground Lease, Lessee may peaceably and quietly enjoy the Leased Land, subject, however, to any applicable use restrictions, the Permitted Encumbrances, and Lessee's fulfillment of the conditions, covenants, warranties and agreements contained in the Ground Lease.

DAMAGE AND DESTRUCTION

Subject to the insurance provisions of the Ground Lease, the following provisions shall apply upon the occurrence of a casualty event.

Insured Risk. If, after Substantial Completion and during the Term the Series 2019 Project is wholly or partially damaged or destroyed by a risk covered by insurance, or required to be covered by insurance under any term of the Ground Lease, Lessee shall promptly give written notice of such damage or destruction to Lessor, the Bond Trustee, and the Issuer. Such damage or destruction shall not terminate the Ground Lease, and Lessee shall, to the extent of the sum of (i) the funds, if any, in the Repair and Replacement Fund and (ii) the Net Proceeds, promptly repair and restore the Series 2019 Project to substantially the same floor area and nature as existed immediately prior to such damage or destruction unless Lessor gives its prior written approval to do otherwise which approval may be withheld in Lessor's sole and absolute discretion. Such restoration shall be commenced promptly and prosecuted with due diligence. Lessor shall cooperate with Lessee in the procurement and issuance of all necessary permits, licenses, and approvals to commence and complete such restoration, provided that it shall incur no expense or cost in doing so.

Restoration Feasibility. Notwithstanding any other provisions of the foregoing Section, if the Series 2019 Project is wholly or partially damaged or destroyed, and Net Proceeds exceeds One Million Dollars (\$1,000,000), the provisions of this Section shall apply.

Within thirty (30) days of the loss, Lessee shall employ an independent financial consultant acceptable to Lessor and Bond Trustee, which financial consultant shall determine the following Feasibility Tests:

(1) Whether or not the Net Proceeds, together with (i) the funds, if any, in the Repair and Replacement Fund; (ii) any additional funds which Lessee is willing to contribute; (iii) any funds which can be obtained through the financing contemplated in the Ground Lease Section titled Subordinate Financing; (iv) any funds which are otherwise available, are sufficient to repair, reconstruct, restore, or replace the damage or destruction.

(2) Whether or not the proceeds from any rental interruption insurance (or similar insurance), together with any other funds which are or will be available to Lessee, are sufficient to satisfy Fixed Charges and anticipated Operating Expenses during the period of repair, reconstruction, restoration or replacement.

(3) Whether or not, after the repair, reconstruction, restoration, and replacement of the damage or destruction has been completed, the Operating Budget will result in a Fixed Charges Coverage Ratio equal to or greater than 1.20, taking into particular account (i) the feasibility of the Housing Rates necessary to achieve such Operating Budget, and (ii) the Fixed Charges resulting from the use of any of the sources of funds listed in subsection (1) above. The financial consultant shall be required to submit its determinations in a written report to Lessee, Lessor, and the Bond Trustee within ninety (90) days of the loss.

If the financial consultant makes an affirmative determination as to each of the three Feasibility Tests, then Lessee shall promptly proceed to repair and restore the Series 2019 Project as provided for in the Insured Risk Section.

If the written report of the financial consultant contains a negative determination as to any one of the three Feasibility Tests, Lessor shall have the right, but not the obligation by written notice to the Bond Trustee and the Lessee, to elect to use Net Proceeds (if any) to prepay all or a portion of the outstanding Bonds, which election shall

be made within sixty (60) days of the financial consultant rendering its report. If Lessor elects to use such Net Proceeds to prepay all or a portion of the outstanding Bonds, and if no other amounts are owed and payable under the Indenture, the Lease shall terminate, and the provisions of Ground Lease Section titled Procedure Upon Termination shall apply. If the Lessor elects to prepay a portion of the outstanding Bonds and, after such repayment, there are Bonds which remain outstanding, or other amounts are owed and are payable under the Indenture, the Lease shall remain in effect, and Lessee shall continue to operate the undamaged portions of the Series 2019 Project.

Damage During Last Five Years. During the last five years of the Term:

If the Series 2019 Project is partially damaged or destroyed by a risk covered by insurance or required to be covered by insurance under any term of the Ground Lease, Lessee may, subject to Lessee's obligations, if any, under the Loan Agreement, and approval by Lessor, elect not to restore the Series 2019 Project as otherwise required by the Section titled Insured Risk. To the extent that Lessee so elects, then Lessor, after notice to and consultation with Lessee and written notice to the Trustee, may elect whether the Net Proceeds (if any) shall be used to prepay all or a portion of the outstanding Bonds. If Lessor elects to use such Net Proceeds to prepay all of the outstanding Bonds, and if no other amounts are owed and payable under the Indenture, the Lease shall terminate, and the provisions of Ground Lease Section titled Procedure Upon Termination shall apply. If Lessor elects to prepay a portion of the outstanding Bonds and, after such repayment, there are Bonds which remain outstanding or other amounts are owed and payable under the Indenture, the Lease shall remain in effect and Lessee shall continue to operate the remaining undamaged portions of the Series 2019 Project.

If the Series 2019 Project is wholly damaged or destroyed by a risk covered by insurance, or which is required to be covered by insurance under any term of the Ground Lease, either Lessee or Lessor may elect not to restore the Series 2019 Project as otherwise required by the Section titled Insured Risk. The Ground Lease shall terminate, and the provisions of Ground Lease Section titled Procedure Upon Termination shall apply.

Then Applicable Laws. If Applicable Laws existing at the time of loss do not permit restoration to at least substantially the same usable square feet as existed immediately prior thereto, then, Lessee shall elect, within thirty (30) days of the loss either (i) to terminate the Ground Lease or (ii) at its sole cost and expense, to restore the Series 2019 Project to the maximum usable square feet permitted by Applicable Laws, and immediately commence such restoration in accordance with the provisions hereof.

Procedure Upon Termination. If the Ground Lease is terminated by an election made by the Lessor to prepay all of the outstanding Bonds, or by an election made by Lessee to not restore the Series 2019 Project, the following provisions shall apply:

Lessee shall be obligated, to the extent of the Net Proceeds, to immediately demolish the Series 2019 Project, at its cost and expense. However, Lessee shall not demolish the Series 2019 Project (or any portion thereof) if Lessor notifies Lessee, in writing, that it (or such portion thereof) is not to be demolished.

Net Proceeds shall first be applied to pay the Leasehold Deed of Trust Trustee (or, if required by the Indenture, the Bond Trustee), the amount then owing under the Bonds; they shall next be applied as follows:

If Lessee elects not to restore the Series 2019 Project, and Lessor elects not to have the Series 2019 Project demolished, Net Proceeds remaining after the aforementioned payment to the Leasehold Deed of Trust Trustee (or Bond Trustee) shall be paid to Lessor.

If Lessee elects not to restore the Series 2019 Project, and Lessor elects to have the Series 2019 Project demolished, the Net Proceeds remaining after payment of all amounts owing to any Leasehold Deed of Trust Trustee shall be held in a mutually acceptable escrow. At such time as Lessee has completed one-third of the demolition of the Series 2019 Project and restoration of the Leased Land to its original condition Lessee shall be entitled to a partial payment equal to the percentage of completion of such work. A similar payment shall be authorized upon completion of two-thirds of the work, and upon completion of such demolition and restoration, the balance of the actual cost of the work shall be disbursed to Lessee from the Net Proceeds to reimburse Lessee. Lessor shall receive the Net Proceeds remaining after all payments to the Leasehold Deed of Trust Trustee and Lessee have been made.

Lessee Performance. Lessee's elections under the preceding sections shall be made within thirty (30) days of the loss, and restoration shall be prosecuted with due diligence. Lessor will reasonably cooperate with Lessee in the procurement and issuance of all permits, licenses, and approvals necessary to commence and complete such restoration, provided that Lessor shall not be required to incur any cost or expense in doing so.

Uninsured Risk. If during the Term, the Series 2019 Project is wholly damaged or destroyed by a risk not required to be insured under the Ground Lease, Lessee shall promptly give written notice of such damage or destruction to Lessor detailing facts that qualify the casualty under this provision, and Lessee shall restore the Series 2019 Project unless both (i) the reasonable estimate of the cost for restoration is more than the amount then in the Repair and Replacement Fund, and (ii) Lessee elects not to restore. If both of these conditions have been met, Lessee shall demolish the Series 2019 Project, as applicable, unless Lessor has given notice to Lessee that the Series 2019 Project is to remain, and the Ground Lease shall terminate. If during the Term, the Series 2019 Project is partially damaged or destroyed by a risk not required to be insured under the Ground Lease, Lessee shall promptly give written notice of such damage or destruction to Lessor detailing facts that qualify the casualty under this provision, and to the extent of (i) the amount in the Repair and Replacement Fund, and (ii) additional amounts, if any, which Lessee elects to borrow, restore the Series 2019 Project to the maximum usable square feet.

Subordinate Financing. Notwithstanding anything to the contrary contained within the Ground Lease, if Lessee determines in Lessee's reasonable discretion that the Net Proceeds from insurance or condemnation awards are not sufficient to repair, replace, rebuild, restore and/or re-equip the Series 2019 Project to substantially the same condition that existed prior to the taking or the event that caused such damage, and if Lessee shall elect (subject to its obligations under the Loan Agreement) to repair, replace, rebuild, restore and/or re-equip the Series 2019 Project, then Lessee shall have the right to obtain financing which shall be subordinate to the Ground Lease in order to repair, replace, rebuild, restore and/or re-equip the Series 2019 Project, which financing may be secured by lien and/or leasehold deed of trust on Lessee's Interest, provided that (a) no such financing shall extend beyond the Term and (b) no such financing shall result in a Fixed Charges Coverage Ratio of less than 1.20. Lessor will execute such consents or other documents as shall be reasonably required for such subordinate financing.

Bond Documents. Notwithstanding anything else contained within the Ground Lease, the provisions of the Bond Documents shall control in all respects the receipt, handling, and application of any and all casualty proceeds with respect to Lessee's interest in the Series 2019 Project, it being acknowledged and agreed that the Issuer, the Bond Trustee, and any other permitted Leasehold Deed of Trust Trustee, as their respective interests may appear, shall have a first and prior security interest therein.

CONDEMNATION

General Rights and Obligations. If, during the Term there shall be a Taking, the rights and obligations of Lessor and Lessee with respect to said Taking shall be as hereinafter provided..

Notices. The Party receiving any of the following kinds of notices shall promptly give the other Party notice of the receipt, contents, and date of the notice received. These notices are: (i) notice of intended Taking; (ii) service of any legal process relating to a Taking; (iii) notice in connection with any proceedings or negotiations with respect to such a Taking; or (iv) notice of intent or willingness to make or negotiate a private purchase, sale, or transfer in lieu of a Taking.

Full Taking. In the event of a Full Taking, the Ground Lease shall terminate as of the date on which title vests in the condemning authority and Lessee shall thereupon be released from any liability thereafter accruing hereunder with respect thereto.

Partial Taking. In the event a Partial Taking, the Ground Lease shall continue in full force and effect except as provided in the next Section.

Economic Viability. If (i) Lessee and Lessor shall jointly determine that the remainder of the Series 2019 Project, or the remainder of the Term, or any interest in them, after application of Lessee's award to the restoration of the Series 2019 Project as required in the next Section would not, because of the Partial Taking, constitute an

economically viable project of the type contemplated by the Ground Lease, or, (ii) in the event Lessee and Lessor shall disagree and an arbitration under Ground Lease Article titled Dispute Resolution shall determine that, because of such Partial Taking, such economic viability could not be achieved, then the Ground Lease shall terminate as of the date of the Partial Taking with the same results as above described in the case of a Full Taking, and Lessee shall demolish and remove the remaining portion of the Series 2019 Project, at its expense, to the extent possible using the Net Proceeds, unless instructed not to do so by Lessor.

Taking Without Termination. In the event of any Taking which does not result in the termination of the Ground Lease in accordance with the foregoing, then: (i) each Party hereto shall be entitled to prosecute claims in such condemnation proceedings for the value of their respective interests, and (ii) Lessee shall, to the extent of its receipt of any award, with due diligence following the Taking, commence all work required to remedy any physical damage done by such Taking to restore the Series 2019 Project and the Leased Land for the continuation of the use being made thereof prior to such Taking, and thereafter prosecute the same to completion with all diligence in accordance with the Ground Lease Article titled General Conditions of the Work.

Taking With Termination. In the event of any Taking which results in the termination of the Lease in accordance with the foregoing, each Party hereto shall be entitled to prosecute claims in such condemnation proceedings for the value of its respective interest.

Bond Documents. Notwithstanding anything else contained within the Ground Lease, the provisions of the Bond Documents shall control in all respects the receipt, handling, and application of any and all condemnation proceeds with respect to Lessee's Interest, it being acknowledged and agreed that the Issuer, the Bond Trustee, and any other permitted Leasehold Deed of Trust Trustee, as their respective interests may appear, shall have a first and prior security interest therein.

ESTOPPEL CERTIFICATES

Execution and Delivery. No later than ten (10) Business Days following receipt of written request therefor, Lessor and Lessee will execute, acknowledge and deliver to the other promptly upon request, a certificate reasonably satisfactory to the recipient certifying as to validity of the Ground Lease; the Effective Date, the Rent Commencement Date, the Termination Date, or other material date under the Ground Lease; payment of rent, amount of rent due; defaults by Lessee; and such other matters as may be reasonably requested by the requesting Party.

Reliance on Certificates. Certificates from Lessor and Lessee pertaining to the same matters may be relied upon by the Parties and their affiliates, the Bond Trustee, any prospective Leasehold Deed of Trust Trustee, any prospective assignee of an interest under the Ground Lease, or by any prospective sublessee as to all or any portion of the Series 2019 Project.

LESSOR'S ACCESS

Lessor, its authorized representatives, agents, employees, and attorneys may, but shall be under no duty to, enter the Leased Land (including the Series 2019 Project) at reasonable times and hours, subject to the rights of occupants in possession, if any, to inspect the Leased Land (including the Series 2019 Project) in order to determine whether Lessee is complying with its undertakings, duties, and obligations under the Ground Lease, to make such necessary repairs, additions, improvements, changes, or alterations to the Leased Land (including the Series 2019 Project) as Lessor may elect to make in accordance with the terms and provisions of the Ground Lease (Lessor agrees to provide five (5) days' written notice of its intent to make such necessary repairs, additions, improvements, changes, or alterations to the Leased Land (including the Series 2019 Project), 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 lessees of the Leased Land. Such entry, inspection, and repairs, additions, improvements, changes, or alterations as Lessor may make of the Leased Land (including the Series 2019 Project) shall not constitute an eviction of Lessee in whole or in part, and the Rent shall in no way abate by reason of loss or interruption of the business of Lessee or otherwise while such work is being done. Lessor agrees to employ its reasonable efforts to minimize any interruption to the business operations of Lessee resulting from Lessor's (or its designated representatives') work in or on the Leased Land (including the Series 2019 Project). Nothing contained within the Ground Lease, however, shall be deemed or construed to operate as a limitation upon the authority of the Approving Agency to access or inspect the Leased Land

(including the Series 2019 Project), or impose upon Lessor any obligation or liability whatsoever for care, supervision, repair, improvement, additions, improvement, change, or alteration to the Leased Land (including the Series 2019 Project) other than as expressly provided in Ground Lease Article titled University Services.

DISPUTE RESOLUTION

Negotiation. Except as otherwise provided in the Ground Lease Article titled Dispute Resolution,, at any time following the receipt by one Party of a written notice from the other Party of a Dispute, the receiving Party may require that an authorized representative of each Party (each with authority to settle) meet, confer, and attempt to resolve such Dispute. If the Dispute is not resolved during such meeting or within five (5) Business Days thereafter, neither Party may seek arbitration under the Ground Lease Article titled Dispute Resolution unless the Dispute is first subjected to mediation. This requirement for mediation may only be waived in a written instrument.

Mediation. Disputes not resolved through negotiation shall be subject to mandatory mediation. A request for mediation shall be filed in writing by a Party with the other Party, and the Parties shall promptly attempt to mutually agree upon a mediator. If the Parties have not reached agreement on a mediator within five (5) days of the request, either Party may file the request with JAMS in Riverside, California, with a copy to the other Party, and the mediation shall, unless another location is mutually agreed upon, be administered by JAMS and held in Riverside, California by a single mediator having demonstrated expertise regarding the subject of the Dispute and appointed in accordance with JAMS Rules. Mediation shall proceed in advance of arbitration, which shall be stayed pending mediation unless stayed for a longer period by agreement of the Parties or court order. The Parties to the mediation shall share the mediator's fee and any filing fees equally. Representatives of the Parties must attend the mediation session in person with authority to settle the dispute and with authority to adjust pre-existing settlement authority if necessary. To the extent there are other parties in interest, such as the architect, insurers, contractors or subcontractors, their representatives, also with authority to settle the dispute and to adjust pre-existing settlement authority if necessary, shall also attend the mediation session in person. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

Right to Submit Dispute. Upon completion of the negotiation and mediation procedures set forth in the Ground Lease Article titled Dispute Resolution, either Party shall have the right to submit any Dispute under the Ground Lease to binding arbitration, except for Disputes where Lessor is acting in its role as the Approving Agency. Unless otherwise agreed upon by the Parties, such arbitration shall be conducted as follows: The Party demanding arbitration shall give written notice of its demand to the other Party stating the subject matter of the Dispute and the name and address of a qualified person to act as its arbitrator. Within fifteen (15) days after the receipt of such notice, the receiving Party shall give notice to the demanding Party stating the name and address of a qualified person to act as its arbitrator. The two arbitrators named by the Parties must be experienced in the field of the matter in Dispute. The Developer shall be given notice of and an opportunity to participate in any arbitration hereunder which may affect its interests under the Development Agreement.

Appointment of Third Arbitrator. If within thirty (30) days following the appointment of the latter of the arbitrators, they are unable to agree in respect of the matter in dispute, they shall appoint by instrument in writing as a third arbitrator a similarly qualified person, who shall proceed with the two arbitrators first appointed to determine the matter in dispute. The written decision of any two of the arbitrators shall be binding and conclusive upon the Parties hereto. If either Party fails to appoint an arbitrator or if the two arbitrators fail to agree within the above-specified periods and, upon such failure, fail to appoint a third arbitrator, the appointment shall be made by the then Presiding Judge of the Superior Court of the State of California in and for the County of Riverside acting in his/her individual and nonofficial capacity on the application of either Party and on ten (10) days' notice to the other Party; provided that either Party may, by notice given before commencement of the arbitration hearing, consent to arbitration by the arbitrator appointed by the other Party. In that event, no further appointment of arbitrators shall be made and any other arbitrators previously appointed shall be dismissed.

Replacement. The foregoing procedure shall also apply if any arbitrator appointed as aforesaid by said Presiding Judge, or by the other two arbitrators so appointed, shall die, resign, be disqualified or incapacitated, or shall fail or refuse to act before such matter shall have been determined. An arbitrator appointed in such manner who dies is disqualified or incapacitated or who fails or refuses to act shall be replaced promptly with another arbitrator by the Party selecting the displaced arbitrator.

Procedures. Other than as set forth within the Ground Lease, the arbitration shall be in conformity with and subject to the applicable rules and procedures of the American Arbitration Association. If the American Arbitration Association is not then in existence, the arbitration shall be in conformity with and subject to the provisions of the California Code of Civil Procedure relating to arbitration as they shall stand amended at the time of the notice of demand to arbitrate.

Exceptions. Notwithstanding any other provisions of the Ground Lease, the Dispute resolution processes set forth above shall not apply to any disputes arising out of, or related to, the acts, omissions, decisions and activities of Lessor acting in its sovereign capacity as the Approving Agency.

EVENTS OF DEFAULT AND REMEDIES

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

Lessee shall fail to pay the Rent and Additional Rent at the times specified within the Ground Lease and such failure shall continue for fifteen (15) days after written notice thereof from Lessor.

Lessee shall fail to correct any Operating Deficiency within the periods provided for in the Ground Lease.

Subject to Force Majeure, Lessee shall fail to either (i) diligently pursue completion of the Series 2019 Project and the Offsite Elements, which may be evidenced by a stoppage of Work of a duration and nature reasonably likely to delay Substantial Completion beyond the Substantial Completion Date, or (ii) achieve Substantial Completion of the entire Series 2019 Project by March 15, 2022, unless extended by Lessor, in its sole discretion

Except to the extent of delay caused by Force Majeure, Lessee shall fail to perform or cause to be performed any other term, covenant, condition, or provision hereof, other than as referred to in the three immediately preceding subsections above, and to correct such failure within thirty (30) days after written notice specifying such failure is given to Lessee by Lessor. In the case of any such failure that cannot with due diligence be corrected within such thirty (30) day period but can be wholly corrected within a period of time not materially detrimental to the rights of Lessor, it shall not constitute an Event of Default if corrective action is instituted by Lessee within the applicable period and diligently pursued until the failure is corrected.

Lessee shall be adjudicated bankrupt.

A permanent receiver shall be appointed for Lessee’s interest in the Series 2019 Project and/or the Leased Land and such receiver shall not be removed within ninety (90) days after notice from Lessor to Lessee to obtain such removal.

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 ninety (90) days after notice from Lessor to Lessee to obtain such dismissal.

Lessee shall make a general assignment for benefit of creditors.

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

A default by Lessee shall have occurred and continued beyond any applicable notice and cure periods under any of the Construction Documents.

An event of default shall have occurred pursuant to any of the Bond Documents and the Trustee shall have provided written notice of such event of default and its intent to exercise its remedies pursuant to the Bond Documents.

Remedies. Subject to the provisions of the Ground Lease Sections titled Notice and Right to Cure, Additional Cure, Limitation on Termination Rights of Lessor and Subordination, upon the occurrence of an Event of Default, Lessor may pursue one of the following remedies:

Subject to the written notice to and the rights of the Bond Trustee under the provisions of the Ground Lease Sections titled Additional Cure and Limitation on Termination Rights of Lessor below, terminate the Ground Lease immediately upon written notice thereof to Lessee, and thereafter, without legal process, enter upon and take possession and control of the Series 2019 Project and the Leased Land to the complete exclusion of Lessee. Lessor may also demand, collect, and retain all rents due from Persons occupying the Series 2019 Project, and Lessor may otherwise treat and occupy the Series 2019 Project, the Leased Land and the Access Easement Tract as if the Ground Lease had expired of its own limitation. The failure of Lessor to exercise such rights after one or more Events of Default shall not be a waiver of the rights of Lessor upon the occurrence of any subsequent Event of Default; or

As Lessee's legal representative, without terminating the Ground Lease, re-let the Series 2019 Project and the Leased Land upon obtaining the written consent of any Bond Trustee. Such re-letting may be accomplished without advertisement and by private negotiations for such term or terms and at such rental or rentals as Lessor in its sole discretion may deem proper and advisable, with the right to make alterations and repairs to the Series 2019 Project. Upon each such reletting:

subject to the limitations in set forth in the Ground Lease Article titled Limitations of Liability, Lessee shall be immediately liable to pay to Lessor, in addition to any sums due hereunder, the reasonable cost and expenses of such reletting and of such alterations and repairs incurred by Lessor; and,

subject to applicable law, rents received by Lessor from such reletting shall be applied: First, to the payment of any costs and expenses of such re-letting and of such alteration and repair; Second, to the payment of Rent due and unpaid under the Ground Lease; and Third, the residue, if any, shall be held by Lessor, in escrow, and (1) applied to the payment of the Rent as the same shall become due under the Ground Lease and (2) if any balance shall then remain, paid to Lessee at the termination of the Ground Lease. Lessor shall in no event be liable to Lessee for any interest on the said residue.

HOLDING OVER; EXPIRATION OR TERMINATION

Holding Over. Lessee shall not use or remain in possession of the Series 2019 Project, the Leased Land and/or the Access Easement Tract after the termination of the Ground Lease. Any holding over, or continued use or occupancy by Lessee after the termination of the Ground Lease, without the written consent of Lessor, shall not constitute a tenancy-at-will interest on behalf of Lessee, but Lessee shall become a tenancy-at-sufferance and liable for all Rent, Additional Rent and all other expenses, obligations and payments in effect for the immediately preceding year of the term of the Ground Lease. There shall be no renewal whatsoever of the Ground Lease by operation of law.

Extinguishment of Lessee's Rights. Subject to the paragraph below, upon the termination or expiration of the Ground Lease from any cause, all rights and interests of Lessee, and all persons whomsoever claiming by, through or under Lessee, shall immediately cease and terminate, and the Access Easement Tract, the Leased Land, and the Series 2019 Project, including all buildings, improvements, Personalty including engines, machinery, 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 Series 2019 Project and/or the Leased Land, and all personal property of Lessee located thereon, shall thence forward constitute and belong to and be the absolute property of Lessor or Lessor's successors and assigns, without further act or conveyance, and without liability to make such compensation to 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 Lessee at any time. Lessee agrees, at the termination of the Ground Lease, to surrender unto 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 Lessee shall be relieved of Lessee's obligation to repair, reconstruct, restore or replace damaged or destroyed buildings, other structures or improvements pursuant to the Ground Lease Article titled Damage and Destruction.

Condition at Handback. Lessee agrees to use best efforts to return the Premises to Lessor in the Handback Condition at the conclusion of the Term. Approximately eight (8) calendar years prior to the scheduled expiration of the Term or such other time as the Parties may agree, Lessee shall engage, or cause its Agents to engage, as an Operating Expense, a qualified Architect or engineer to perform a Condition Assessment in conformity with industry standards to determine (i) the current condition and remaining useful life of the Premises structures, Essential Operating Systems and other key elements necessary to satisfy the Handback Condition and (ii) an estimate of the costs to deliver the Premises to Lessor at the expiration of the Term in the Handback Condition. Upon completion of the assessment the Parties shall meet and confer as part of the annual Capital Budget process to determine the sufficiency of revenues or reserves and the schedule for completing any Work for preparing the Premises for surrender at the conclusion of the Term. The provisions of this Section shall not apply to delivery of a portion of the Premises upon exercise of rights by Lessor pursuant to Ground Lease Section titled Parking Reconveyance.

Prepaid Items Assigned. Upon the termination or expiration of the Ground Lease from any cause, all expense items prepaid by Lessee with respect to constructing, operating, maintaining, and protecting the Premises, including prepaid insurance premiums, any tax and utility deposits, shall inure to the benefit of and become the property of Lessor and to this extent Lessee shall be deemed to have automatically transferred, assigned and conveyed any such prepaid expense items to Lessor effective as of such termination or expiration.

Amounts Remaining in Funds and Accounts. Upon the termination or expiration of the Ground Lease from any cause, and subject to the interest of the Issuer, the Bond Trustee, and/or Leasehold Deed of Trust Trustee, and if all amounts secured by the Leasehold Deed of Trust have been satisfied, any amounts remaining in any fund, account or reserve created in connection with the Bonds, the maintenance of the Premises, or the management of the Series 2019 Project and the Premises, including prepaid Occupancy Receipts and the Surplus Fund, shall inure to the benefit of and become the property of Lessor, and to this extent Lessee shall be deemed to have automatically transferred, assigned and conveyed any such prepaid expense items to Lessor effective as of such termination or expiration.

Other Documents and Intangibles. Upon the termination or expiration of the Ground Lease from any cause, Lessee shall transfer to Lessor all documents pertaining to or useful in the ownership, operation and maintenance of the Premises together with all contracts (to the extent Lessor desires to accept the same), contract rights, warranties and other intangibles related to, or useful in, the ownership, operation or maintenance of the Premises.

ENCUMBERING THE LEASEHOLD

Lessor's Consent. Lessor hereby consents to Lessee's encumbrance of its interest in the Ground Lease pursuant to the Issuer Deed of Trust, which shall secure outstanding principal indebtedness of no more than Two Hundred Twenty Million Dollars (\$220,000,000). Lessor hereby acknowledges that the Issuer has pledged, assigned and transferred its right, title and interest in and to the Ground Lease to the Bond Trustee pursuant to the Indenture and that the Bond Trustee is vested with all of the rights and benefits accorded the Issuer within the Ground Lease or otherwise.

General Limitation on Encumbrance. Except as provided in the Ground Lease Sections titled Subordinate Financing and Lessor's Consent, Lessee, every successor and assign of Lessee, shall have no right to encumber its interest in the Ground Lease without Lessor's consent.

No Modifications. There shall be no cancellation, surrender or modification of any portion of the Ground Lease by Lessor or Lessee without the prior written consent of the Leasehold Deed of Trust Trustee. Notwithstanding the foregoing (but, in any event, subject to the Leasehold Mortgagee/Deed of Trust Trustee's rights set forth in the Ground Lease Sections titled Notice and Right to Cure, Additional Cure and Limitation on Termination Rights of Lessor), nothing within the Ground Lease shall be deemed to prohibit Lessor from terminating the Ground Lease in accordance with its terms. There shall be no material modification in the Leasehold Deed of Trust, the Indenture, or related documentation without Lessor's prior written consent.

Notice and Right to Cure. Lessor, upon serving Lessee with any notice of an Event of Default, failure to comply, or termination, shall simultaneously serve a copy of such notice on the Leasehold Deed of Trust Trustee. If Lessor shall serve Lessee with a notice of a failure to comply with any term, covenant, condition, or provision hereof, the Leasehold Deed of Trust Trustee shall then have the same period after service of the notice on it as is given to

Lessee hereunder to remedy or cause to be remedied such failure, and Lessor shall accept performances by or at the instigation of the Leasehold Deed of Trust Trustee as if it had been done by Lessee. Any notice required to be given to the Leasehold Deed of Trust Trustee shall be posted in the United States mail, postage prepaid, certified, return receipt requested (or transmitted by facsimile transmission) and addressed to the Leasehold Deed of Trust Trustee at the address and to the attention of the person designated to Lessor by the Leasehold Deed of Trust Trustee 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 the Leasehold Deed of Trust Trustee.

Additional Cure. In addition to the rights granted to any Leasehold Deed of Trust Trustee hereunder, the Leasehold Deed of Trust Trustee shall have an additional period of ninety (90) days to remedy or cause to be remedied any Event of Default of which they shall receive notice.

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

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

Deed of Trust Trustee Leases. Lessor agrees that in the event of a termination of the Ground Lease by reason of any Event of Default, and subject to the rights within the Ground Lease granted to the Leasehold Deed of Trust Trustee, the Leasehold Deed of Trust Trustee shall have the option, but not the obligation, to enter into a Deed of Trust Trustee Lease (or appoint a designee to enter into a Deed of Trust Trustee Lease); provided: (1) the Leasehold Deed of Trust Trustee shall enter into a Deed of Trust Trustee Lease on the same terms within the six (6) month period specified in the Ground Lease Article titled Encumbering the Leasehold; (2) the Leasehold Deed of Trust Trustee shall perform and observe all covenants contained in the Deed of Trust Trustee Lease on Lessee's part to be performed during such period of time commencing with the date of the execution of the Deed of Trust Trustee Lease and terminating upon the abandonment or surrender of possession of the Leased Land under the said Deed of Trust Trustee Lease; and (3) the Leasehold Deed of Trust Trustee, as lessee under the Deed of Trust Trustee Lease, shall have the same right, title, and interest in and to the Leased Land and the right to use the buildings and improvements thereon as Lessee had under the Ground Lease.

Non-Subordination. Lessee's rights, as well as the rights of anyone claiming under Lessee, shall always be and remain subordinate, inferior, and junior to Lessor's title, interest, and estate in the Leased Land and the Access Easement Tract. Lessor's reversionary interest in the Series 2019 Project and Lessor's interest in the Ground Lease shall be superior and prior in interest to any loans, mortgages, deeds of trust, other leases, liens and encumbrances that may hereafter be placed on the Series 2019 Project, the Leased Land and/or Lessee's easement interests in the Access Easement Tract, or any part thereof, by, against or as a result of the acts of Lessee or anyone deriving any interest in the Series 2019 Project, the Leased Land and/or Lessee's easement interests in the Access Easement Tract, or any part thereof or interest therein, through Lessee. Any loan, mortgage, deed of trust, lease, lien or encumbrance placed by Lessee on the Series 2019 Project, the Leased Land and/or Lessee's easement interests in the Access Easement Tract, or any part thereof or interest therein, shall not adversely affect Lessor's interest under the Ground Lease. Lessee

agrees, without any cost or expense to Lessor, to execute any instrument which is necessary or is reasonably requested by Lessor to further confirm the non-subordination of Lessor's reversionary interest in the Series 2019 Project and/or the Leased Land and Lessor's interest in the Ground Lease.

Subordination. Notwithstanding anything else contained within the Ground Lease, Lessor agrees that the financing of the construction and furnishing of the Series 2019 Project and the Offsite Elements will directly benefit Lessor's operations and Lessor agrees that its interest in and to the rents, revenues, issues and profits relating to the operation of the Series 2019 Project, including all insurance proceeds, reserve funds and Project Gross Revenues, as well as any and all rights to any and all Assigned Agreements shall be junior and subordinate to the interest of the Issuer, the Bond Trustee, and/or any other Leasehold Deed of Trust Trustee in any Bond Collateral. So long as any of the indebtedness created, evidenced, or secured by any of the Bond Documents remains outstanding and unpaid, Lessor shall not exercise any rights or remedies with respect to the Bond Collateral without either (i) complying with the provisions of the Ground Lease Article titled Encumbering the Leasehold, or (ii) obtaining in each instance the prior written consent of the Issuer, the Bond Trustee, or Leasehold Deed of Trust Trustee, as applicable.

Agreement Between Lessor and Leasehold Deed of Trust Trustee. Lessor, upon request, shall execute, acknowledge, and deliver to the Leasehold Deed of Trust Trustee an agreement, in form reasonably satisfactory to the Leasehold Deed of Trust Trustee and Lessor, by and among Lessor, Lessee, and the Leasehold Deed of Trust Trustee (provided the same has been previously executed by Lessee and Leasehold Deed of Trust Trustee) agreeing to all of the provisions of the Ground Lease Article titled Encumbering the Leasehold.

Limitation on Liability of Leasehold Deed of Trust Trustee. Notwithstanding any other provision of the Ground Lease, Lessor agrees that the Leasehold Deed of Trust Trustee permitted under the Ground Lease shall in no manner or respect whatsoever be (i) liable or responsible for any of Lessee's obligations or covenants under the Ground Lease (nor shall any rights of such Leasehold Deed of Trust Trustee be contingent on the satisfaction of such obligations or covenants), or (ii) required to cure any Event of Default, provided; however, that if the Leasehold Deed of Trust Trustee becomes the owner of the leasehold estate created hereunder or becomes Lessee under a Deed of Trust Trustee Lease, then such Leasehold Deed of Trust Trustee shall be responsible and liable for all obligations and covenants accruing during such Leasehold Deed of Trust Trustee's tenure as owner of such leasehold estate or as lessee under a Deed of Trust Trustee Lease. Notwithstanding the foregoing, the liability of a Leasehold Deed of Trust Trustee with respect to its obligations under the Ground Lease or any Deed of Trust Trustee Lease shall be "non-recourse" and, accordingly, Lessor's source of satisfaction of such obligations shall be limited to the Surplus Fund and Lessor shall not seek to obtain payment through any judicial process or otherwise from any person or entity comprising such Leasehold Deed of Trust Trustee or from any assets of such Leasehold Deed of Trust Trustee other than the Surplus Fund.

SUBMISSION OF MATTERS TO LESSOR FOR APPROVAL

General. Any matter which must be submitted to and consented to or approved in writing by Lessor or any matter which must be submitted to Lessor which may become effective if not denied by Lessor, as required under the Ground Lease, shall be submitted to Lessor by hand, mailed by United States certified or registered mail return receipt requested, or by e-mail, to the address of Lessor designated for the giving of notice to Lessor and shall either be approved or rejected by Lessor within ten (10) Business Days after receipt unless a different period of time is expressly stated elsewhere within the Ground Lease. Except as otherwise expressly provided in the Ground Lease and except for Material Matters, if Lessor should fail to approve or reject within the relevant period as provided for within the Ground Lease, Lessor shall be deemed to have disapproved the same. With respect to Material Matters only, if Lessor should fail to approve or reject within the relevant period as provided for within the Ground Lease, Lessor shall be deemed to have approved the same. Lessor shall inform Lessee in writing of its rejection or approval of such submitted matter by United States certified or registered mail, return receipt requested, or by e-mail, to the address of Lessee designated for the giving of notice to Lessee. Any review by Lessor of any matter submitted to Lessor is for Lessor's own convenience and purpose only. By undertaking such review, Lessor does not obtain or have any liability to Lessee or any other person, including the insurers and lenders of Lessee.

Authority of Lessor's Representative. The Lessor's Representative shall have full authority to approve or consent to any and all actions of the Lessor under Ground Lease Articles titled Utility Services, General Conditions of the Work, Construction of the Series 2019 Project in the Ground Lease relating to the initial design and construction,

or any subsequent work, alterations, or improvements to the Series 2019 Project and the Offsite Elements, and the operation of the Premises.

LIMITATION OF LIABILITY

Exclusion of Consequential Damages. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN The GROUND LEASE, NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL LOSSES OR DAMAGES, FOR LOST REVENUES OR LOST PROFITS, OR FOR ANY OTHER SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES, IN EACH CASE ARISING OUT OF, RELATING TO OR RESULTING FROM (A) AN ACTUAL OR ALLEGED DEFAULT OR BREACH OF THE GROUND LEASE, (B) THE TRANSACTIONS CONTEMPLATED UNDER THE GROUND LEASE OR (C) THE RELATIONSHIP OF THE PARTIES HEREUNDER, IN EACH CASE EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND EACH PARTY HEREBY EXPRESSLY, IRREVOCABLY AND UNCONDITIONALLY RELEASES THE OTHER PARTY THEREFROM.

Non-Recourse to Lessee. Notwithstanding anything within the Ground Lease to the contrary, the liability of Lessee hereunder (including its indemnity obligations) under the Ground Lease shall be limited and Lessor's sole source of satisfaction of such obligations shall be limited to Lessee's Interest and Net Available Cash Flow, and Lessor shall not seek to obtain payment from any person or entity comprising Lessee, or from any assets of Lessee other than those described within the Ground Lease (which shall include, but shall not be limited to, the indemnity rights under, and proceeds of, any insurance policies required under the Ground Lease), notwithstanding the survival of any obligation of Lessee beyond the term hereof. No recourse under or upon any obligation, covenant or agreement contained in the Ground Lease or for any claim based thereon, or under any judgment obtained against Lessee, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, statute or otherwise or under any other circumstances, under or independent hereof, shall be had against any incorporator, shareholder, member, or any partner or member of such member, the shareholders of such member, or the trustees, officers, directors, employees or agents of Lessee, past present or future, either directly or through Lessee or any successor entity, or otherwise, for any sum that may be due and unpaid by Lessee under the Ground Lease.

Non-Recourse to Lessor. Notwithstanding anything within the Ground Lease to the contrary, the liability of Lessor under the Ground Lease shall be limited and, accordingly, Lessee's sole source of satisfaction of such liability shall be limited to Lessor's interest in the Premises and the rents, issues, revenues and surplus related to or arising under any of the foregoing, and Lessee shall not seek to obtain payment from Lessor or any Person comprising Lessor or from any assets of Lessor other than those assets of Lessor described above. Notwithstanding anything to the contrary contained within the Ground Lease, Lessor's incorporators, shareholders, members, the partners or members of such members, the shareholders of such members, and the Regents, trustees, officers, directors, employees, and agents of Lessor and its members shall have no personal liability for any acts, omissions or obligations of Lessor, and their individual assets shall not be subject to any claims of any person relating to such acts, omissions or obligations.

Lessor Not Liable for Injury or Damage. Lessor is not liable for any injury or damage to Lessee or to any Person happening on, in or about the Premises or its appurtenances, nor for any injury or damage to the Premises or to any property belonging to Lessee or to any other Person that may be caused or that may arise from any other cause whatsoever, except to the extent caused by the gross negligence or intentionally tortious acts of Lessor, or its officers, employees or agents.

Sovereign Immunity. Notwithstanding any provision to the contrary in the Ground Lease, nothing in the Ground Lease shall operate (or be deemed or construed to operate or constitute) as a waiver of the sovereign immunity of Lessor with respect to matters in which it is acting in its sovereign capacity, including the decisions, acts or omissions of the Approving Agency.

Transfer of Lessor's Interest. Notwithstanding anything within the Ground Lease to the contrary, provided that Lessor complies with all applicable terms and provisions of the Ground Lease, including, but not limited to the terms and provisions of this Section, Lessor shall have the right to transfer the Premises or its interest in the Ground Lease to an Affiliate without the prior written consent of Lessee. If the original Lessor named in the Ground Lease, or any successor to the original Lessor's interest in the Leased Land, conveys or otherwise disposes of its interest in

the Leased Land, then upon such conveyance or other disposition all liabilities and obligations on the part of the original Lessor, or such successor Lessor, as Lessor under the Ground Lease, which accrue after such conveyance or disposition shall cease and terminate and each successor Lessor shall, without further agreement, be bound by Lessor's covenants and obligations under the Ground Lease, but only during the period of such successor Lessor's ownership of the Leased Land provided, however, that any such conveyance or disposition shall only be made if in the reasonable discretion of Lessee, the conveyance or disposition shall not adversely affect the tax exempt status of the Foundation. A copy of the recorded deed conveying the interest in the Leased Premises shall be satisfactory evidence of a successor Lessor's interest.

Validity of Covenants. The Parties acknowledge and agree the waivers and disclaimers of liability, releases from liability, limitations, and apportionments of liability, and indemnities throughout the Ground Lease shall apply even in the event of the negligence (in whole or in part), strict liability, tort liability, or fault of the Party whose liability is released, disclaimed or limited.

Exceptions. Subject to the limitations set forth in the Ground Lease Section titled Nonrecourse to Lessee, Lessee shall be liable to Lessor for all losses and damages actually incurred by Lessor due to: (i) fraud, intentional misrepresentation or willful misconduct by Lessee or any Agents of Lessee in connection with the Ground Lease; or (ii) intentional misapplication or intentional misappropriation by Lessee or its Agents of Occupancy Receipts collected in advance, or received after the occurrence and during the continuance of an Event of Default.

MISCELLANEOUS

Recordation of Memorandum of Lease and Option. Lessor and Lessee agree that the Parties shall execute, seal, acknowledge and deliver simultaneously with the execution of the Ground Lease, in recordable form, a memorandum of lease setting forth the basic terms hereof, which shall include a statement of the option rights granted to Lessor under the Ground Lease Article titled Option to Purchase, Right of First Refusal and Parking Reconveyance. The memoranda shall be recorded by Lessor at the expense of Lessee in the appropriate records of Riverside County, California.

Preservation of Tax Exemption. Lessor shall not take any action with respect to the Series 2019 Project that would adversely affect the exemption 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 Lessee as set forth in the Bond Documents. Notwithstanding the foregoing, this Section shall not prevent Lessor from enforcing any of its rights under the Ground Lease or any other instruments or agreements in connection with the Series 2019 Project.

Payments for Lessee by Lessor. If Lessee fails to procure or cause to be procured the insurance required by Lessor under the Ground Lease or fails to pay any insurance premium, Tax, or any other sum in the Ground Lease required to be paid by Lessee (other than Rent), Lessor may, after expiration of the applicable cure period and after notifying Lessee and the Bond Trustee, at Lessor's option, elect to follow one of the options provided in the Ground Lease or may, without declaring an Event of Default, procure on behalf of Lessee any such insurance, and pay on behalf of Lessee any such payment or payments as may be necessary. Any sum(s) so paid or expended by Lessor on behalf of Lessee shall immediately be reimbursed and paid by Lessee to Lessor within twenty (20) days after demand by Lessor.

Membership in Foundation. In recognition of the assistance to be provided by the Lessee and the Foundation to the Lessor to provide needed housing for the Lessor's students and to otherwise assist the Lessor in furthering its educational mission, Lessor acknowledges and agrees that upon execution hereof, the Lessor shall be deemed to be a member of the Foundation and that it shall remain such a member until the termination of the Ground Lease provided, however, notwithstanding anything within the Ground Lease or in the Foundation's bylaws to the contrary, the Lessor shall in no event be liable for the obligations of the Foundation or have any other obligations as a result of being a member of the Foundation other than those explicitly imposed by this Section. In consideration for entering into the Ground Lease, the Foundation shall be entitled to payment of the following compensation: (i) an acquisition fee in the amount of One Hundred Thousand Dollars (\$100,000) payable from either taxable proceeds of the Series 2019 Bonds upon issuance thereof, if any, and if none, as an Operating Expense of the Series 2019 Project during the first year of operation thereof, and (ii) the Lessee's Fee. Lessee's Fee shall be paid s by the Manager as an Operating Expense of the Series 2019 Project. Lessor further represents, warrants and agrees that at all times during the Term of the Ground

Lease it shall be and remain an organization which is described in either Section 511(a)(2)(B) of the Internal Revenue Code, or Section 501(c)(3) and 170(b)(1)(A)(ii) of the Internal Revenue Code that is not a private foundation within Section 509 of the Internal Revenue Code.

Force Majeure. Neither Party shall be liable or responsible for any delay or failure in the performance of their obligations hereunder (“Delay”) resulting from Force Majeure events if the Party whose performance is affected by any such event shall provide written notice thereof to the other Party on the day of occurrence of the event giving rise to such Delay. In the event of such a Delay, provided such notice is given, the performance of the Parties hereunder shall be extended or adjusted, but only to the extent of the length of time actually and directly caused by such occurrence; provided however, that such extension of time shall be net of any delays caused by or due to the fault or negligence of the Party whose performance is affected.

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APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

_____, 2019

California Municipal Finance Authority
Carlsbad, California

California Municipal Finance Authority
Student Housing Revenue Bonds
(CHF–Riverside II, L.L.C. – UCR North District Phase I Student Housing Project),
Series 2019

(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the California Municipal Finance Authority (the “Issuer”) in connection with the issuance by the Issuer of \$175,065,000 aggregate principal amount of California Municipal Finance Authority Student Housing Revenue Bonds (CHF–Riverside II, L.L.C – UCR North District Phase I Student Housing Project), Series 2019 (the “Bonds”). The Bonds are issued pursuant to an Indenture (the “Indenture”), dated as of July 1, 2019, between the Issuer and Wilmington Trust, National Association, as trustee (the “Trustee”). The Indenture provides that the Bonds are issued for the stated purpose of making a loan of the proceeds thereof to CHF–Riverside II, L.L.C. (the “Borrower”), a limited liability company whose sole member is the Collegiate Housing Foundation, an Alabama nonprofit corporation, pursuant to a Loan Agreement (the “Loan Agreement”), dated as of July 1, 2019, between the Issuer and the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Loan Agreement, the Financing Trust Agreement, the Tax Certificate dated the date hereof, among the Issuer, the Borrower and Collegiate Housing Foundation, opinions of counsel to the Issuer, The Regents, the Trustee and the Borrower, certificates of the Issuer, the Trustee, The Regents, the Borrower and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have relied on the opinion of Hand Arendall Harrison Sale LLC, counsel to the Borrower, regarding, among other matters, the current qualification of Collegiate Housing Foundation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) and the use of the facilities financed or refinanced with the proceeds of the Bonds in activities that are not considered unrelated trade or business activities of Collegiate Housing Foundation within the meaning of Section 513 of the Code. We note that such opinion is subject to a number of qualifications and limitations. Failure of Collegiate Housing Foundation to be organized and operated in accordance with the Internal Revenue Service’s requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or use of the bond-financed or refinanced facilities in activities that are considered unrelated trade or business activities of Collegiate Housing Foundation within the meaning of Section 513 of the Code, may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Bonds.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform

any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second and third paragraphs hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Loan Agreement, the Financing Trust Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Loan Agreement, the Financing Trust Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against joint powers agencies in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or as subject to the lien of the Indenture or the Loan Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Issuer.
2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Trust Estate and any other amounts held by the Trustee in any fund or account established pursuant to the Indenture, except the Rebate Fund, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
3. The Loan Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Issuer.
4. The Bonds are not a lien or charge upon the funds or property of the Issuer except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California, and said State is not liable for the payment thereof.
5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (the “Continuing Disclosure Agreement”) is entered into on _____, 2019, by and between CHF–Riverside II, L.L.C. (the “Borrower”) and Wilmington Trust, National Association (the “Dissemination Agent”).

RECITALS:

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the California Municipal Finance Authority (the “Authority”) of \$175,065,000 of its Student Housing Revenue Bonds (CHF–Riverside II, L.L.C. – UCR North District Phase I Student Housing Project), Series 2019 (the “Series 2019 Bonds”), pursuant to an Indenture, dated as of July 1, 2019 (the “Indenture”), between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”). The proceeds of the Series 2019 Bonds are being loaned by the Authority to the Borrower pursuant to a Loan Agreement, dated as of July 1, 2019 (the “Loan Agreement”), between the Authority and the Borrower.

2. The Borrower and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Owners and Beneficial Owners of the Series 2019 Bonds and in order to, among other things, assist the Underwriters (as defined below) in complying with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended (the “1934 Act”). The Borrower acknowledges that the Underwriters have deemed the Borrower to be the only “obligated person” under the Rule with respect to the Series 2019 Bonds with responsibility for continuing disclosure, and the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement and is not deemed to have any liability to any person, including any Beneficial Owner of the Series 2019 Bonds, with respect to the Rule (as defined below).

In consideration of the mutual covenants and agreements herein, the Borrower and the Dissemination Agent covenant and agree for the benefit of the Owners and Beneficial Owners of the Series 2019 Bonds as follows:

SECTION 1. Definitions. Capitalized terms, unless otherwise defined herein, shall have the meanings set forth in the Indenture.

“Annual Report” shall mean any annual report provided by the Borrower pursuant to, and as described and defined in Section 3(c) of this Continuing Disclosure Agreement.

“BAM” shall mean Build America Mutual Assurance Company.

“Beneficial Owner” shall mean any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2019 Bonds (including persons holding Series 2019 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2019 Bonds for federal income tax purposes.

“Business Day” shall mean a day which is not a Saturday, a Sunday or a legal holiday on which banking institutions in the State of California are closed.

“Disclosure Representative” shall mean the president of the Borrower's sole member, Collegiate Housing Foundation, or his or her designee, or such other officer or employee as the Borrower shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean Wilmington Trust, National Association, or any successor Dissemination Agent designated in writing by the Borrower.

“Financial Obligation” shall mean, for purposes of the Notice Events set out in Section 4(a)(xv) and Section 4(a)(xvi), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Financial Statements” shall have the meaning set forth in Section 3(c)(ii) hereof.

“Fiscal Year” shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official Fiscal Year period of the Borrower and certified to the Dissemination Agent in writing by an authorized representative of the Borrower.

“Monthly Report” shall mean the monthly report described and defined in Section 3(a) hereof.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 1.5B(b)(1) of the 1934 Act, as amended.

“Notice Event” shall mean any of the events listed in Section 4(a) of this Continuing Disclosure Agreement.

“Official Statement” shall mean the Official Statement relating to the Series 2019 Bonds dated July 11, 2019.

“Owner” or “Bond Owner,” whenever used herein with respect to a Bond, shall mean the Person in whose name the ownership of such Bond is registered on the bond register maintained pursuant to the Indenture.

“Periodic Report” shall mean any periodic report provided by the Borrower pursuant to, and as described and defined in, Section 3(b) hereof.

“Person” shall mean an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Repository” shall mean the MSRB or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (“EMMA”) website of the MSRB, currently located at <http://emma.msrb.org>.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the 1934 Act, as the same may be amended from time to time.

“Trustee” shall mean Wilmington Trust, National Association, or any successor trustee under the Indenture.

“Underwriters” shall mean Goldman Sachs & Co. LLC, Barclays Capital Inc., Academy Securities, Inc., Stifel, Nicolaus & Company, Incorporated, UBS Financial Services Inc. and The Williams Capital Group, L.P.

SECTION 2. Purpose of the Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Borrower for the benefit of the Owners and the Beneficial Owners, and in order to assist the Underwriters in complying with the Rule.

SECTION 3. Provision of Periodic and Annual Financial and Operating Information. The Borrower shall, or shall cause the Dissemination Agent to, provide to the Repository and BAM each of the following:

(a) During the construction of the Series 2019 Project, within 30 days of the end of each calendar month, the monthly construction progress reports for the Series 2019 Project received by the Borrower from the Developer (each, a “Monthly Report”).

(b) Not later than thirty (30) days following the beginning of each academic Fall Quarter, Winter Quarter and Spring Quarter, commencing with the Fall Quarter immediately following the Series 2019 Completion Date, the housing occupancy report(s) for the Project for such academic quarter received by the Borrower from the Manager (each, a “Periodic Report”).

(c) Not later than one hundred twenty (120) days following the end of the Fiscal Year, commencing with the Fiscal Year ending June 30, 2022, an annual report (each, an “Annual Report”) that is consistent with the requirements of this Section 3 and contains or includes by reference the following:

(i) The following information with respect to the Project for the Academic Year (consisting of Fall Quarter, Winter Quarter and Spring Quarter) completed during such Fiscal Year; provided the Borrower shall not be required to provide information for any portion of the Project under construction prior to its respective completion date:

THE PROJECT

Completed Facility	No. of Beds	Housing Occupancy	Cost/Month (Range Given Unit Type)	Students Housed
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(ii) The audited general purpose financial statements of the Borrower prepared in accordance with generally accepted accounting principles for the Fiscal Year ended (the “Financial Statements”); provided, however, that in the event that such Financial Statements are not available by the time the Annual Report is required to be filed pursuant to this Section 3(c), unaudited financial statements or updated projected operating results covering the previous Fiscal Year, in a format that complies with current generally accepted accounting principles, may be substituted therefor; provided, further, that audited Financial Statements shall be filed in the same manner as the Annual Report as soon as such Financial Statements become available.

(d) Each Annual Report, Periodic Report or Monthly Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the Repository, and may include by reference other information as provided in subsection (i) below; provided that the audited Financial Statements of the Borrower may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report as set forth in subsection (c) above. Copies of each Annual Report, Periodic Report or Monthly Report shall be furnished to the Authority at the same time the information and data are furnished to the Repository. If the Fiscal Year of the Borrower changes from that in effect as of the date hereof, it shall give notice of such change in the same manner as for a Notice Event under Section 4(e) hereof. If any party other than the Dissemination Agent provides an Annual Report, Periodic Report or Monthly Report to the Repository, it shall notify the Dissemination Agent that it has done so.

(e) Not later than five (5) Business Days prior to the date specified in subsection (a) for providing the Monthly Report to the Repository and BAM, the Borrower shall (i) provide such Monthly Report to the Dissemination Agent, if any, with written instructions to file such Monthly Report as specified in this Section 3, or (ii) provide written notice to the Dissemination Agent that the Borrower has provided such Monthly Report to the Repository, BAM and the Authority. Not later than fifteen (15) Business Days prior to each date specified in subsection (b) or (c) above for providing an Annual Report or Periodic Report, as applicable, to the Repository and BAM, the

Borrower shall (i) provide such Annual Report or Periodic Report to the Dissemination Agent, if any, with written instructions to file such Annual Report or Periodic Report as specified in this Section 3, or (ii) provide written notice to the Dissemination Agent that the Borrower has provided such Annual Report or Periodic Report to the Repository, BAM and the Authority.

(f) If by any date specified in subsection (e) above, the Dissemination Agent has not received the applicable Annual Report, Periodic Report or Monthly Report or such written notice, the Dissemination Agent shall contact the Borrower to determine if the Borrower is in compliance with this Section 3.

(g) If the Dissemination Agent is unable to verify that an Annual Report, Periodic Report or Monthly Report has been provided to the Repository by the date required for such report in subsection (a), (b) or (c) above, as the case may be, the Dissemination Agent shall send a notice, in electronic format unless otherwise designated by the SEC and the Repository, in substantially the form attached as Exhibit A, with a copy to BAM and the Authority.

(h) The Dissemination Agent shall:

(i) determine, prior to each date for providing an Annual Report, Periodic Report or Monthly Report, the name and address of the Repository, if any;

(ii) file a report with the Borrower, BAM, the Authority and (if the Dissemination Agent is not the Trustee) the Trustee, certifying that such Annual Report, Periodic Report or Monthly Report has been provided pursuant to this Continuing Disclosure Agreement and stating the date it was provided to the Repository, and

(iii) use its best effort to file each Periodic Report, each Monthly Report and each Annual Report electronically to the Repository.

(i) The financial information and operating data required to be provided by this Section 3 may be set forth in full in one or more documents or may be incorporated by specific reference to any document or specific part thereof (including official statements of debt issues with respect to which the Borrower is an “obligated person” (as defined by the Rule), that theretofore has been filed with the Repository or the SEC. Each such other document so included by reference shall be clearly identified.

SECTION 4. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 4, the Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2019 Bonds, not in excess of ten (10) Business Days after the occurrence of such Notice Event to the MSRB through EMMA:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2019 Bonds, or other material events affecting the tax status of any Series 2019 Bonds;

(vii) modifications to rights of security holders, if material;

- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Series 2019 Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Borrower;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets thereof, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Borrower, any of which affect security holders, if material; or
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Borrower, any of which reflect financial difficulties.

Note: For the purposes of the event identified in subparagraph (xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer therefor in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business thereof, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business thereof).

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Notice Events, contact the Disclosure Representative, inform such person of the event, and request that the Borrower promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d) below. For purposes of this Continuing Disclosure Agreement, “actual knowledge” of the occurrence of such Notice Events shall mean actual knowledge at the corporate trust office of the Dissemination Agent by an officer of the Dissemination Agent with responsibility for matters related to the administration of the Indenture. The Dissemination Agent shall not be responsible for determining the materiality of such Notice Event in notifying a Disclosure Representative of such Notice Event.

(c) Whenever the Borrower obtains knowledge of the occurrence of a Notice Event that is subject to materiality under subsection (a) above, because of a notice from the Dissemination Agent pursuant to subsection (b) above or otherwise, the Borrower shall as soon as possible determine if the occurrence of such Notice Event would be material under applicable federal securities laws.

(d) If the Borrower has determined that knowledge of the occurrence of a Notice Event that is subject to materiality under subsection (a) above would be material under applicable federal securities laws, the Borrower shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (e) below.

(e) If the Dissemination Agent has been instructed by the Borrower to report the occurrence of a Notice Event, the Dissemination Agent shall file a notice of such occurrence with the Repository in electronic format, accompanied by such identifying information as is prescribed by the Repository, with a copy to the Borrower, BAM, the Trustee and the Authority. Notwithstanding the foregoing, notice of Notice Events described in subsections (a)(vii) and (ix) of this Section 4 need not be given under this subsection (e) any earlier than the notice, if any, of the underlying event is given to the Owners of affected Bonds pursuant to the Indenture.

SECTION 5. Termination of Reporting Obligation. The Borrower's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2019 Bonds. If such termination occurs prior to the final maturity of the Series 2019 Bonds, the Borrower shall give notice of such termination in the same manner as for a Notice Event under Section 4(e) hereof.

SECTION 6. Dissemination Agent. The Borrower may, from time to time, appoint or engage a successor Dissemination Agent to assist it in carrying out their obligations under this Continuing Disclosure Agreement, and may discharge any such Dissemination Agent. Upon such discharge, however, a new Dissemination Agent must be appointed within sixty (60) days. The Dissemination Agent may resign by providing sixty (60) days written notice to the Borrower. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Borrower pursuant to this Continuing Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The Dissemination Agent shall receive reasonable compensation for its services delivered and shall be reimbursed for any reasonable out-of-pocket costs and expenses pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent shall be Wilmington Trust, National Association.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower may amend this Continuing Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Borrower that does not adversely affect its rights or increase its duties under this Continuing Disclosure Agreement), and any provision of this Continuing Disclosure Agreement may be waived, provided that any of the following conditions is satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(c), 4, or 5 herein, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2019 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2019 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; or

(c) The amendment or waiver either (i) is approved by the Owners of the Series 2019 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners of the Series 2019 Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Series 2019 Bonds. The Borrower also may amend or terminate this Continuing Disclosure Agreement without approval by the Owners of the Series 2019 Bonds to the extent permitted by rule, order or other official pronouncement of the SEC expressly permitting such action or approved by an opinion of nationally recognized bond counsel.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower shall describe such amendment in the next Periodic Report or Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Notice Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in

quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 8. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Periodic Report, Monthly Report, Annual Report or notice of occurrence of a Notice Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Periodic Report, Monthly Report, Annual Report or notice of occurrence of a Notice Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Periodic Report, Monthly Report, Annual Report or notice of occurrence of a Notice Event.

SECTION 9. Default. In the event of a failure of the Borrower to comply with any provision of this Continuing Disclosure Agreement, the Dissemination Agent may (and, at the request of the Underwriters or the Owners of at least 25% of aggregate principal amount of the Series 2019 Bonds then Outstanding, shall but only to the extent indemnified to its satisfaction from any liability or expense, including fees of its attorneys), or any Owner or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an Event of Default under the Indenture, the Loan Agreement or any related document, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be an action to compel performance, and no Person shall be entitled to recover monetary damages under this Continuing Disclosure Agreement.

SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the Borrower agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, or its employees and agents, harmless against any loss, expense and liabilities which he or she may incur arising out of or in the exercise or performance of his or her powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct.

SECTION 11. Notices. Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given as follows:

To the Borrower:

CHF–Riverside II, L.L.C.
P.O. Box 1385
Fairhope, Alabama 36533-1384
Fax: (251) 928-9342

To the Dissemination Agent:

Wilmington Trust, National Association
505 20th Street North, Suite 1750
Birmingham, Alabama 35203
Attention: Corporate Trust
Telephone: (205) 986-7606
Fax: (205) 327-5642
Email: coakes@wilmingtontrust.com

with copies to (if Dissemination Agent is no longer the Trustee):

Wilmington Trust, National Association
505 20th Street North, Suite 1750
Birmingham, Alabama 35203
Attention: Corporate Trust
Telephone: (205) 986-7606
Fax: (205) 327-5642
Email: coakes@wilmingtontrust.com

To BAM:

Build America Mutual Assurance Company
200 Liberty Street, 27th Floor
New York, New York 10281
Attention: Surveillance, Re: Policy No. _____
Telephone: (212) 235-2500
Fax: (212) 235-1542
Email: notices@buildamerica.com

Any Person may, by written notice to the other Persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent. Notices to the Trustee shall be effective on the actual receipt thereof.

SECTION 12. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the Borrower, the Dissemination Agent, BAM, the Underwriters, the Owners and Beneficial Owners from time to time of the Series 2019 Bonds, and shall create no rights in any other person or entity.

SECTION 13. Governing Law. THIS CONTINUING DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF CALIFORNIA DETERMINED WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAW.

IN WITNESS WHEREOF, the Borrower and the Dissemination Agent each have caused this Continuing Disclosure Agreement to be executed and attested by its proper officer thereunto duly authorized, as of the day and year first above written.

CHF-RIVERSIDE II, L.L.C.

By: Collegiate Housing Foundation,
its sole member

By: _____
Name: William B. Givhan
Title: President

**WILMINGTON TRUST, NATIONAL ASSOCIATION, as
Dissemination Agent**

By: _____
Name:
Title:

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE PERIODIC OR ANNUAL REPORT

Name of Obligated Person: CHF–Riverside II, L.L.C.
Name of Issuer: California Municipal Finance Authority
Name of Bond Issue: Student Housing Revenue Bonds (CHF–Riverside II, L.L.C. – UCR North District Phase I Student Housing Project), Series 2019 (the “Series 2019 Bonds”)
Date of Issuance: July 17, 2019

NOTICE IS HEREBY GIVEN that CHF–RIVERSIDE II, L.L.C. (the “Borrower”) has not provided for the [Monthly][Periodic][Annual] Report with respect to the above-named Series 2019 Bonds as required by Section 3 of the Continuing Disclosure Agreement, dated July 17, 2019, entered into by the Borrower for the benefit of the Owners of the Series 2019 Bonds. The Borrower anticipates that the [Monthly][Periodic][Annual] Report will be filed by _____.

Dated: _____

Wilmington Trust, National Association,
as Dissemination Agent

By: _____
Title: _____
Phone: _____

cc: CHF–Riverside II, L.L.C.
Wilmington Trust, National Association
Goldman Sachs & Co. LLC, as representative of the Underwriters
California Municipal Finance Authority
Build America Mutual Assurance Company

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC. NONE OF THE ISSUER, THE REGENTS OR THE BORROWER TAKES ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

So long as Cede & Co is the registered holder of the Series 2019 Bonds, as nominee of DTC, references in the Official Statement, including the Appendices thereto, to the Owners of the Series 2019 Bonds (other than as set forth under "TAX MATTERS") shall mean Cede & Co., and shall not mean the Beneficial Owners (as defined herein) of the Series 2019 Bonds.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019 Bond certificate will be issued for each maturity of the Series 2019 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information contained in such websites is not incorporated by reference herein.

Purchases of Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

SO LONG AS CEDE & CO., AS THE NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2019 BONDS, THE ISSUER AND THE BOND TRUSTEE WILL TREAT CEDE & CO. AS THE ONLY REGISTERED OWNER OF THE SERIES 2019 BONDS FOR ALL PURPOSES UNDER THE INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL OF, AND REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2019 BONDS, RECEIPT OF NOTICES, VOTING, AND REQUESTING

OR DIRECTING THE BOND TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE INDENTURE.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond Documents. For example, Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2019 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy (the "Omnibus Proxy") to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Series 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Bond Trustee on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the Issuer or the Bond Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered in accordance with the provisions set forth in the Indenture.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2019 Bond certificates will be printed and delivered in accordance with the provisions set forth in the Indenture.

The information in this section concerning the DTC and the DTC's book-entry system has been obtained from sources that the Issuer and Borrower believe to be reliable, but the Issuer and Borrower take no responsibility for the accuracy thereof.

THE ISSUER, THE BORROWER AND THE BOND TRUSTEE DO NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE SERIES 2019 BONDS; (B) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (C) THE PAYMENT OF DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER WITH RESPECT TO THE PRINCIPAL OF AND INTEREST ON THE SERIES 2019 BONDS; (D) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO OWNERS; (E) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2019 BONDS; OR (F) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE, CEDE & CO., AS OWNER.

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APPENDIX F

STUDENT HOUSING MARKET STUDY

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Student Housing Market Study

for

University of California Riverside

December 14, 2018



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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

UC Riverside (UCR) retained MGT Consulting Group to provide a student housing market analysis to verify demand for the proposed addition of new Campus Apartments in the North District area of campus, planned for transfer students and returning residential students. UCR has planned the new housing due to its changing academic profile, projected enrollment growth, and persistent demand for additional apartment-style on campus. The project is to be developed by American Campus Communities (ACC) and JLL is advising UCR on the project.

MGT participated in a brief project initiation conference call with stakeholders, conducted an off-campus market analysis of properties in Riverside, and administered a student survey with more than 1,500 current student responses. MGT determined that there is substantial demand for the proposed apartments; more than 2,800 students—sophomores and above—would prefer to live in the proposed housing if it were available and priced consistently with current on-campus housing for similar accommodations, as proposed. While there is substantial competition in the off-campus market, its high occupancy rates and tight market support UCR’s plans to develop additional housing on campus.

* * *

In fall 2018, UCR housed 6,404 students on campus. Despite not requiring that freshmen live on campus, more than half of on-campus residents were first-time freshmen and just under half were returning, transfer, or graduate students. About 17% of full-time returning, transfer, and graduate students live on campus; most residents move off campus after freshman year.

UCR offers three types of housing: residence halls, campus apartments, and family housing. Most freshmen live in one of the residence halls and, if they choose to remain living on campus, progress to one of the campus apartments thereafter. The cost of a meal plan is included in room rates for all UCR residence hall rates and the Glen Mor apartment complex’s rates; meal plans are neither included nor offered at the other campus apartments.

In fall 2018, UCR Campus Apartments had 2,953 residents with a design capacity of 2,964, for a 99% occupancy rate. In addition, 2,223 returning residents and other undergraduates were waitlisted and did not receive housing assignments.

Enrollment has risen since 2013, despite a small dip in fall 2015, when freshman enrollment also declined. There has been consistent growth in the number of graduate students, however. Overall enrollment at UCR is expected to increase by 5,175 students, or 22%, by 2027. Demand for housing should grow commensurately.

Government data suggests Riverside’s apartment market conditions are tight as of October 2018. The 3.3% apartment vacancy rate in the third quarter of 2018 was down 50 basis points from 3.8% the year before and apartment rents averaged \$1,472, up 5% from \$1,398 a year ago.”

Construction of large multi-family housing peaked in 1986 and again in 2003 and 2014. For the city of Riverside, peaks were in 1983, 2003 and the number is trending upward in 2018. The 813 units permitted in 2018 in the City of Riverside through the first three quarters show an upward trend.



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The City of Riverside Department of Planning would welcome additional purpose-built off-campus student housing, as “residents in nearby neighborhoods have complained about the number of student home rentals, and additional apartment units could help relieve some of this impact.” The Department currently has no pending student housing projects in the university area, although several potential redevelopment sites have attracted some interest, including an 84-unit mixed use project at 1445 University Ave, a 200+-unit site at the corner of Spruce and Rustin, and another site at 950 Spruce. The city recently rezoned several properties to allow higher density multi-family use, including at the University Plaza shopping center at 741 Blaine St, the northwest and southeast corners of Iowa and University Ave, the old Kmart site at 3101 Iowa Ave, and the Town Square shopping center at Chicago Ave and University.

At least six properties in Riverside offer purpose-built student housing with individual leases and have features, amenities, and policies designed for college student renters, while most properties in the Riverside market offer conventional leases (by the unit, with all tenants having joint and several liability), some also appeal mainly to student renters. Most are to the northwest of the UCR campus.

The median occupancy rate for conventional apartments for 2018 was 97%, with a range between 87% and 100%. Most properties offer one- and two-bedroom units, although several offer three-bedroom units and studios. Median rents range from \$1,068 for a one-bedroom apartment to \$2,480 for a three-bedroom unit. Survey response data shows that about 20% of renters in conventional apartments share a bedroom with a roommate.

Median occupancy at individually leased properties was 100% for 2018; median monthly rents range from \$376 per person for a shared bedroom in a two-bedroom unit to \$1,780 for a single occupant in a two-bedroom unit. Sharing a bedroom is generally more affordable than having a private bedroom. Almost a third of survey respondents who live in one of the six identified individual lease properties share a bedroom.

For survey respondents who rent housing on their own or with roommates and have a private bedroom, the median housing cost per person for one-bedroom apartments are on the high end at \$1,250 per month. Single students who live with a roommate save on rent and expenses. For married students and students with children, total median monthly cost of housing, per unit, ranges from \$1,460 for a one-bedroom apartment unit to \$2,083 for a three-bedroom house.

Almost half (45%) of student renters have found rentals that include at least some utilities. Of these, nearly half include water/sewer and trash services; about one-third include gas and/or electricity. Four of the six individual-lease properties include electricity, basic cable TV, and gas in the rent, typically with a monthly cap on electricity, while five include water/sewer and Internet. Renters’ average utility costs—the costs of electricity, gas, water, sewer, and trash—vary by unit type.

At the median, single survey respondents who do not share a bedroom are paying less than the conventional or individual lease median rents for all unit types. Students who are married and/or have children pay slightly more, which makes sense for units that are shared by two or more individuals. Rates reported by students on the survey are lower than those in the conventional market properties studied; a portion of students included in the survey likely live further away or in smaller properties with fewer units and lower pricing.



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About 38% of survey respondents live off campus. Of those who live off campus, 73% rent their housing and 27% live at home, own a home, or have some other living situation, 76% of whom would consider living in campus housing.

Most renters live in Riverside ZIP Code 92507. Together, the six individual lease properties house about 42% of renter respondents. More than half of apartment-renting students are dispersed around Riverside or about 54% of renters live in a unit with three or more persons. Most renters have a private bedroom, but about 16% share a bedroom with a roommate to save on rent or to live with friends. Most students drive or carpool to class, but more than a third walk or bike to campus. More than three-quarters of respondents live within 10 miles of campus; more than half come from a distance between one and two miles.

When looking for housing for the 2018–19 academic year, affordable rent was the top decision-making factor for both on- and off-campus students. For those living off campus, having a private bedroom, location relative to campus, and adequate living space follow, while for those living on campus, location relative to campus, adequate living space, and the Internet connection follow affordable rent. The main reason students want to move off campus is that campus housing is too expensive. They are also motivated by a desire for more privacy, a desire for more independence, small bedrooms in campus housing, and rules and regulations.

When considering individual unit features and housing policies, high-speed wireless Internet ranked highly as being something respondents would not live in housing without. Temperature control in each unit, having utilities included in the rent, “soundproof walls,” and storage space also ranked highly as having a positive influence on a student’s decision to live there. When considering community amenities, the most important feature is on-site laundry facilities; other amenities that would have a positive influence on students’ decision to live in campus housing include convenient parking, quiet study areas, and a convenience store in or near housing.

On-campus residents overall show a higher level of being satisfied and being very satisfied with their current housing compared to off-campus residents. Certain on-campus properties have higher satisfaction: Lothian, Aberdeen-Inverness, Pentland Hills, and Glen Mor have the highest satisfaction among UCR options.

The survey described the proposed North District Campus Apartments and specifically stated the housing options—two-double-bedroom apartment and a four-single-bedroom apartment—and their associated rents. The survey instructed all respondents to assume that the estimated rents will cover a range of amenities.

Respondents were asked their likelihood of living there if their preferred housing choice had been available during the current academic year. The unit descriptions from which they selected their preference included pricing information, so this level of interest is associated with that pricing. About 21% of off-campus respondents and 43% of on-campus respondents definitely would have lived there and another 35% of off-campus respondents and 44% of on-campus respondents indicated they might have lived there (50/50 chance). The cost of the proposed housing was the main reason students indicated disinterest in



EXECUTIVE SUMMARY

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living in the housing, followed by a preference for their current housing and concern about rules and regulations in campus housing.

For off-campus residents (omitting freshmen), demand for the proposed North District apartments from those living off campus would amount to 2,845 beds, while demand from those living on campus in existing housing would amount to 1,890 beds. For each unit type, demand at the proposed price level greatly exceeds the 1,502 proposed beds.



INTRODUCTION

Overview

UC Riverside (UCR) retained MGT Consulting Group (MGT) to provide a student housing market analysis. The primary goal of the study is to verify demand for the proposed addition the new North District Campus Apartments for returning and transfer students on the UCR campus. The project is to be developed by American Campus Communities (ACC) and JLL is advising UCR on the project.

Methodology

Project Initiation

MGT discussed project specifics and an approximate timeline with JLL and requested fall 2018 enrollment and housing data.

Off-Campus Market Analysis

MGT collected updated data from 25 apartment complexes on a list of properties compiled based on Internet research, visual observation, and assistance from ACC; data included unit types, size, rent, policies, amenities, and occupancy. In addition to previously collected data, MGT collected data on the available parking at the local properties. The sample represents over 1,000 units; 22 are located within two miles of campus. The listing can be found in Attachment 1. MGT also reviewed relevant news articles, researched multi-family permit history, contacted the Riverside Department of City Planning, and interviewed property managers about trends in the rental market.

Student Survey

MGT designed a survey with input from JLL, ACC, and UCR. The purpose of the survey was to collect students' demographic information, information on students' current housing situation, and information on desired unit types at estimated rents. The Web survey was officially posted from October 17 to October 28, 2018.¹ To invite students, the university sent an email message to students.

As an incentive to respond to the survey, four Amazon Gift Card prizes totaling \$500 were awarded to randomly-selected survey respondents. With 1,507 valid responses from full-time students and UCR's headcount of 23,297 full-time students, the survey achieved a 6.47% response rate.² Survey responses were tabulated by living situation: students who live on campus and students who live off campus. Tabulations of survey responses are in Attachment 2.

Demand Analysis

MGT's demand methodology considers demand from full-time students who live off campus as well as students who live on campus. The methodology for calculating demand uses the responses to Question 33 on the student survey asking if respondents would have lived in their preferred unit if it had been available

¹ An additional 49 responses were received after the posted deadline and were included as valid in the analysis.

² MGT assumed that all students had equal access to the survey.



INTRODUCTION

at the start of the 2018–19 academic year. The first step in calculating demand is to determine a capture rate for each class level using the following equation:

$$\text{Capture Rate} = \frac{\text{Number of Full-time Off-Campus Respondents Definitely Interested in Housing}}{\text{Number of Full-time Respondents}}$$

The capture rate for each class level reflects the percentage of respondents of each enrollment status (i.e., freshman, sophomore) at two levels of interest (e.g., definitely interested, might be interested). A “closure” rate is necessary to reflect that not all students who express interest in housing will sign a lease. For incremental demand, a 50% closure rate for those who indicated that they “definitely would have lived” in the housing and a 25% closure rate for those who indicated that they “might have lived” in the housing (or 50% of those with 50/50 interest) was used. The full-time enrollment is multiplied by the capture rate, and then the closure rate is applied to yield the demand range.³ This demand is explicitly based on the description of the units that included the rental rates proposed for the housing.

³ The level of response to the survey and the size of UCR’s enrollment result in a confidence interval in the results of plus or minus 2.97% at a 95% confidence level—the plus-or-minus figure seen in many survey or poll results, for example, if the confidence interval is 3.0% and 50% percent of the sample picks an answer; it is 95% certain that if the entire population had been asked the same question, between 47% (50%-3%) and 53% (50%+3%) would have picked that answer. MGT uses the midpoint of the range as an estimate of demand.



EXISTING ON-CAMPUS HOUSING

EXISTING ON-CAMPUS HOUSING

Housing Options

In fall 2018, UCR housed almost 6,500 students on campus, as Table 1 shows. UCR does not require that freshmen live on campus and only guarantees housing to newly admitted single students who meet all application deadlines. More than half of on-campus residents were first-time freshmen, and more than 70% of full-time first-time freshmen lived on campus. Most residents move off campus after freshman year.

	Housing Residents	Full-Time Headcount Enrollment	% On Campus
First-Time Freshmen	3,251	4,525	72%
Returning or Other Freshmen	121	704	17%
Sophomores	1,090	4,363	25%
Juniors	953	5,981	16%
Seniors	787	4,637	17%
Masters	34	791	4%
Ph.D.	165	2,058	8%
Medical e.g. MD, resident, School of Med.	3	238	1%
Total	6,404	23,297	27%

Table 1: Headcount of Fall 2018 UCR Housing Residents and Full-Time Enrollment

UCR offers three types of housing: residence halls, apartments, and family housing, as shown in Table 2. Most freshmen live in one of the residence halls and, if they choose to remain living on campus, progress to one of the campus apartments.

Type	Option	Design Capacity	Fall 2018 Capacity	Eligibility	Description
Residence Halls	Aberdeen-Inverness	792	1,000	Incoming freshmen	Traditional w/ community baths
	Lothian	1,019	1,030	Incoming freshmen	Traditional w/ community baths
	Pentland Hills	1,132	1,390	Incoming freshmen	Suite-style w/ 8–12 residents/suite
UCR Campus Apartments	Bannockburn Village	393	420	Continuing, TR, GR	Furnished suites & unfurnished apartments
	Falkirk	536	565	Continuing, TR, GR	Unfurnished apartments
	Glen Mor	1,300+	1312	Continuing, TR, GR	Fully furnished apartments
	International Village	100	100	Continuing, TR, GR	Fully furnished apartments
	The Plaza	183	180	Continuing, TR, GR	Unfurnished apartments
	Stonehaven	486	455	Continuing, TR, GR	Fully furnished apartments
Family Housing	Oban Family Housing	134	136	Students w/ families	Unfurnished apartments

Table 2: UCR Housing Options

All UCR residence hall rates include the cost of utilities and a meal plan. Campus apartments except Glen Mor—designed to bridge the gap between residence halls and independent apartment living—neither require nor offer a meal plan. All residence hall rates as well as those for Bannockburn, Glen Mor, and Oban include all utilities; the other campus apartments include a “utility allowance” cap above which residents



EXISTING ON-CAMPUS HOUSING

must pay their own utility expenses in addition to rent. The residence halls, Glen Mor, International Village, Stonehaven, and Oban all include Internet, while it is available for an additional fee at the other campus apartments. UCR’s published rates⁴ for the 2018–19 academic year are shown in Table 3, Table 4, and Table 5.

Unit Option	Aberdeen-Inverness	Lothian	Pentland Hills
Triple	\$15,705+/academic year	\$15,705+/academic year	\$16,380+/academic year
Double	\$16,605+/academic year	\$16,605+/academic year	\$17,280+/academic year

Table 3: 2018–19 UCR Residence Hall Rates, per Person, Quarterly Payments

	Bannockburn Village	Falkirk	Glen Mor	International Village	The Plaza	Stonehaven
Bannockburn Suite Furnished	Sgl: \$710/mo					
Scots Suite Furnished	Sgl: \$640/mo					
Loft Suite Furnished	Sgl: \$680/mo					
4-Bedroom/2-Bathroom			Sgl: \$1,260–\$1,761/mo			
3-Bedroom/3-Bathroom				Sgl: \$1,258/mo Dbl: \$629/mo		
2-Bedroom/1-Bath	Sgl: \$710/mo Dbl: \$355/mo		Sgl: \$1,260–\$1,761/mo			
2-Bedroom/1¼-Bath		Sgl: \$830/mo Dbl: \$415/mo			Sgl: \$770/mo Dbl: \$385/mo	
2-Bedroom Deluxe/1-Bath	Sgl: \$740/mo Dbl: \$370/mo					
2-Bedroom/2-Bath		Sgl: \$870/mo Dbl: \$435/mo		Sgl: \$1,258/mo Dbl: \$629/mo	Sgl: \$850/mo Dbl: \$425/mo	Sgl: \$1,278/mo Dbl: \$639/mo
2-Bedroom Deluxe/2-Bath		Sgl: \$900/mo Dbl: \$450/mo				
Studio (GR Only)	Sgl: \$900/mo	Sgl: \$1,035/mo				
1-Bedroom/1-Bath	Sgl: \$1,090/mo Dbl: \$545/mo	Sgl: \$1,240/mo Dbl: \$620/mo			Sgl: \$1,180/mo Dbl: \$590/mo	Sgl: \$1,278/mo Dbl: \$639/mo
Loft Apartment	Sgl: \$1,230/mo Dbl: \$615/mo					

Table 4: 2018–19 UCR Campus Apartment Rates, per Person

Oban Family Housing	
One-Bedroom	\$935/month
Two-Bedroom	\$960/month

Table 5: 2018–19 UCR Family Housing Rates, per Unit

⁴ Rates are accompanied by a disclaimer that rates “may vary.”



EXISTING ON-CAMPUS HOUSING

Occupancy and Enrollment

As Figure 1 shows, since 2014, UCR has placed an increasing number of students on the waitlist for Campus Apartments each year since 2014. The number of returning residents who are waitlisted has grown to nearly 900 in fall 2018.

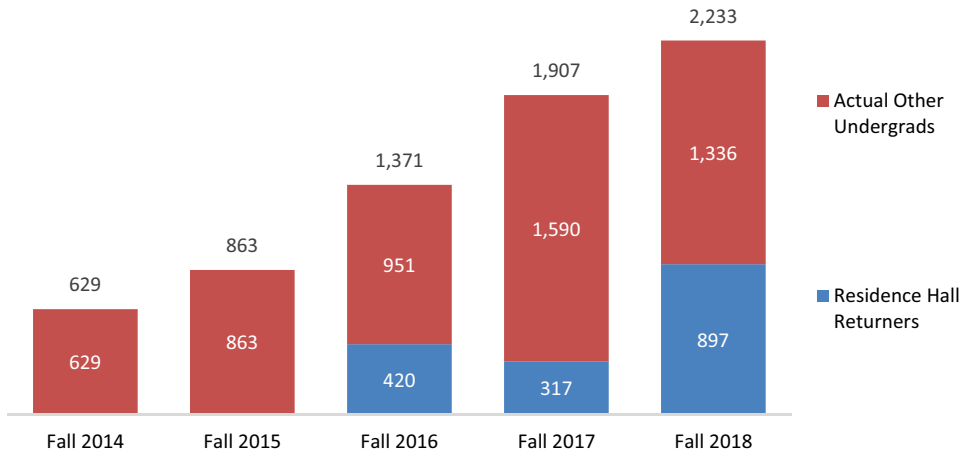


Figure 1: Campus Apartments Waitlist, by Source, 2014–18

As Figure 2 shows, total enrollment has risen since 2014, despite a small dip in fall 2015, when freshman enrollment also declined. There has been consistent growth in the number of graduate students, however.

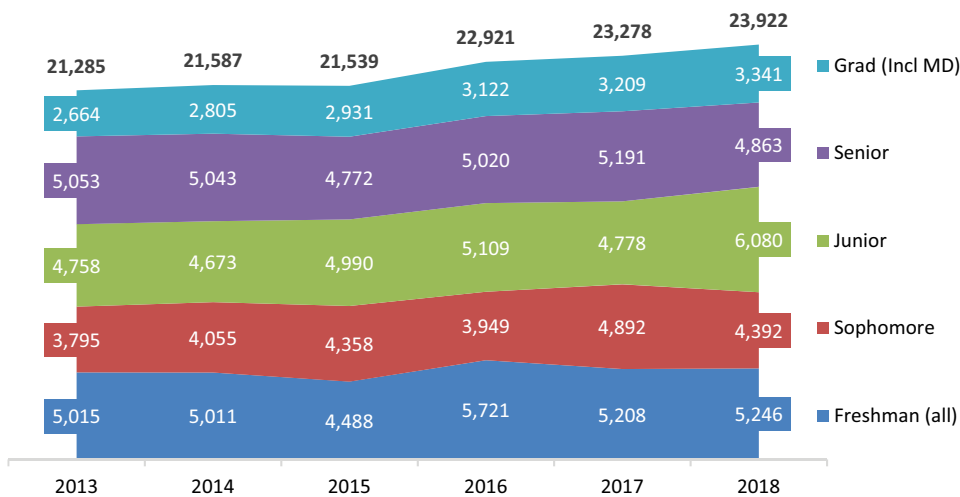


Figure 2: UCR Enrollment, 2013–18, Fall Census



EXISTING ON-CAMPUS HOUSING

Enrollment Projections

Overall enrollment at UCR is expected to increase by 5,175 students, or 22%, by 2027, as Figure 3 shows. Demand for housing should grow commensurately.

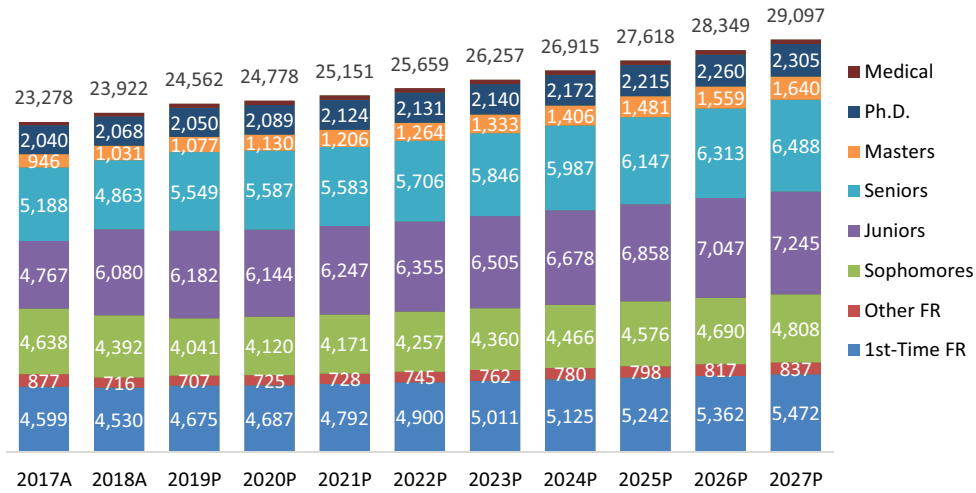


Figure 3: UCR Enrollment Actual 2017–18, Projections 2019–2027⁵

⁵ Source: UCR Institutional Research, “Projections based on scenario 20180223-162811_s42_201810_201810 (most recent scenario as of 1 MAR 2018)” Overall enrollment includes full-time and part-time enrollment.



OFF-CAMPUS MARKET

Market Overview

At least six properties offer purpose-built student housing with individual leases and have features, amenities, and policies designed for college student renters. Many more properties in the Riverside market offer conventional leases (by the unit, with all tenants having joint and several liability), although they also appeal mainly to student renters. MGT collected data on the six properties with individual leases and on 19 conventional market properties.

As Figure 4 shows, most of the properties MGT studied, both individual-lease (orange) and conventional market (blue) are to the northwest of UCR. A complete map and key to property names is in Attachment 1.

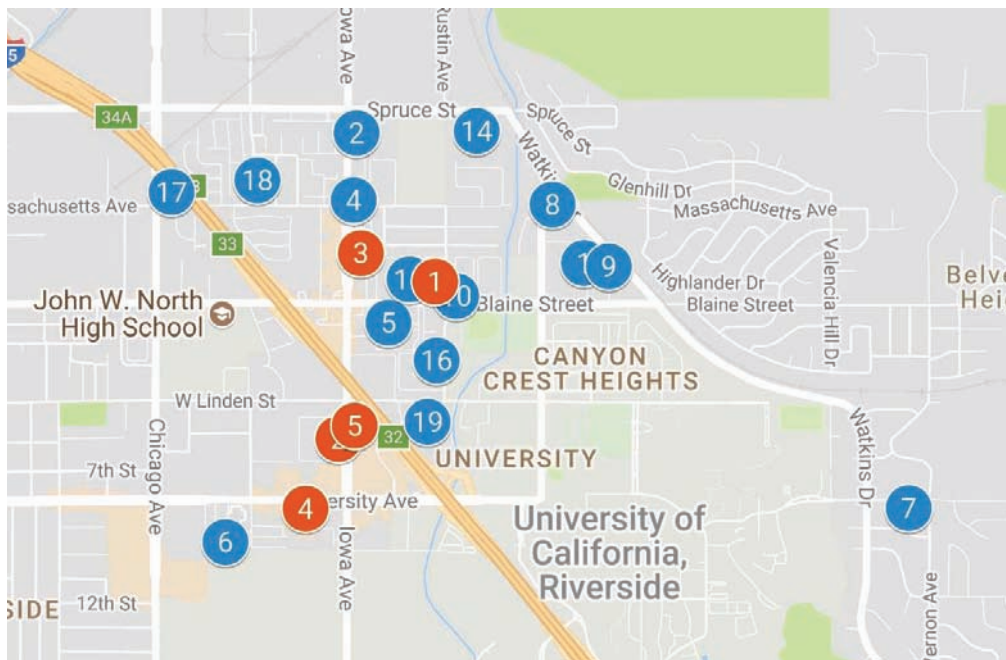


Figure 4: Map of Included Properties Nearest UCR

According to the Department of Housing and Urban Development,⁶ in the Riverside–San Bernardino–Ontario, CA MSA (Metropolitan Statistical Area):

Apartment market conditions are tight as of October 2018. The apartment vacancy rate during the third quarter of 2018 was 3.3%, down from 3.8% during the third quarter of 2017 ((Source: RealPage, Inc.). Apartment rents averaged \$1,472, up 5% from \$1,398 a year ago.

⁶ U.S. Department of Housing and Urban Development, Office of Policy Development and Research (PD&R) / Economic & Market Analysis Division (EMAD), Pacific Regional Office Market at a Glance, Riverside–San Bernardino–Ontario, CA MSA, https://www.huduser.gov/portal/MCCharts/MsasCharts.html?msaID=064014_40140&msaName=Riverside-San%20Bernardino-Ontario,%20CA%20MSA&dt=December%205,%202018, retrieved December 5, 2018



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A total of 3,775 multifamily units were permitted during the 12 [months ending] August 2018, compared with 3,625 units permitted during the previous 12 months (preliminary data). An average of 2,750 units permitted annually from 2013 through 2016, up from an average of 1,325 units permitted a year from 2009 through 2012. Developments underway include the 1,000-unit Resort at Empire Lakes Apartments, which is expected to be complete during 2020. Rents have not yet been determined.

The Resort at Empire Lakes Apartments mentioned in the description is situated about 20 miles from UCR in Rancho Cucamonga and while luxurious, is likely to be unappealing to most UCR students.

Pipeline

Construction of larger—with five or more units—multi-family housing in Riverside County peaked in 1986 and again in 2003 and 2014. For the city of Riverside, peaks were in 1983, 2003, and the number is trending upward in 2018. Figure 5 shows the number of approved building permits since 1980 for the city and for the remainder of the county for multi-family structures of five or more units. The 481 units permitted in 2017 in the City of Riverside are more than the 330 permitted in the first three quarters of 2018, but the 582 permitted elsewhere in the county in 2017 have already been surpassed by the 813 permitted so far in 2018.

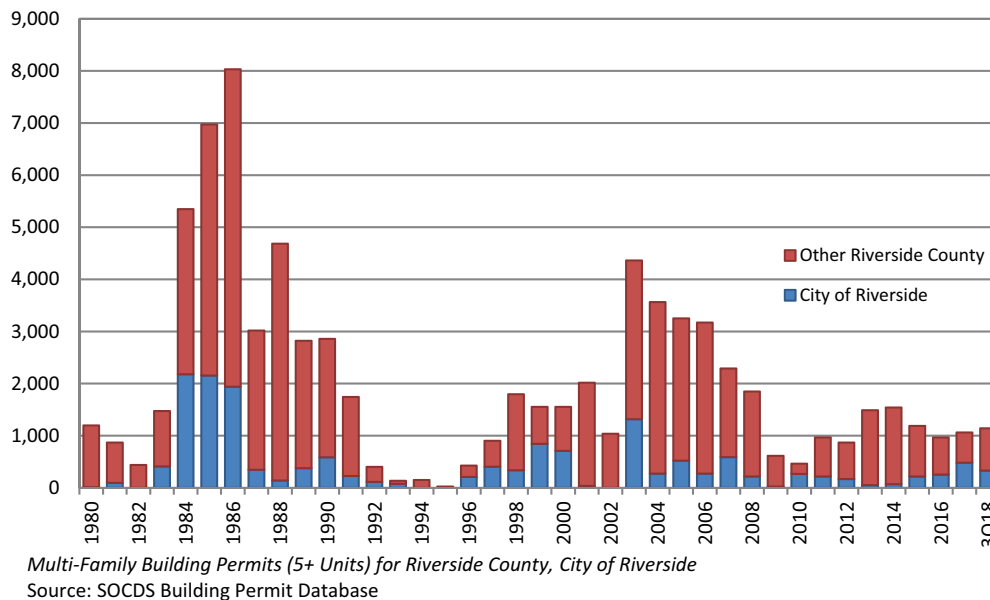


Figure 5: Multi-Family Building Permit Approval History

According to Federal Government experts, Riverside’s “Apartment market conditions are tight as of October 2018. The apartment vacancy rate during the third quarter of 2018 was 3.3%, down from 3.8% during the third quarter of 2017 (RealPage, Inc.). Apartment rents averaged \$1,472, up 5% from \$1,398 a year ago. A total of 3,775 multifamily units were permitted during the 12 ME [months ending] August 2018, compared with 3,625 units permitted during the previous 12 months (preliminary data). An average of 2,750 units permitted annually from 2013 through 2016, up from an average of 1,325 units permitted a



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year from 2009 through 2012. Developments underway include the 1,000-unit Resort at Empire Lakes Apartments, which is expected to be complete during 2020. Rents have not yet been determined.⁷

The City of Riverside Department of Planning would welcome additional purpose-built off-campus student housing, as “residents in nearby neighborhoods have complained about the number of student home rentals, and additional apartment units could help relieve some of this impact.” The Department currently has no pending student housing projects in the university area, although several potential redevelopment sites have attracted some interest. Their description of the relevant sites follows.⁸

In May 2017 there was a conceptual development review for a mixed-use student apartments with 84 units and restaurant space at 1445 University Avenue, but they have not submitted as of now for full entitlements, just a preliminary review. Several corrections were needed including rezoning the site and improved drive isle circulation and meeting minimum development standards.

For pre-planning projects, there has been some interest in student apartments at the northeast corner of Spruce and Rustin, due to the 7.5-acre space that could yield 200+ units and easy access to campus. The site is located within the Hunter Business Park Specific Plan, and the parcels would have to be rezoned from industrial and the specific plan amended to allow its use. The same group who has inquired about this site also has also expressed interest in the church property across the street at 950 Spruce Street, but no concepts have been submitted to Planning as of yet and nothing formalized on our end. From my understanding the church has not wanted to sell, but the parties involved have not ruled out the possibility of this location. These sites could be more favored in the area due to the relatively low impact on the nearby single-family neighborhood across the train tracks. Again, though, there has not been formal submittals of any kind for either of these sites.

Finally, in February of this year the City rezoned several properties around the city, including around UCR, for higher density multi-family and mixed-use as an update to the city’s General Plan. The existing uses are still allowed; however, they give the ability for future owners to propose these types of projects by right. Rezone sites into Mixed Use-Village in proximity to UCR include the University Plaza shopping center at 741 Blaine St, The northwest and southeast corners of Iowa and University Ave, the old Kmart site at 3101 Iowa Ave, and the Town Square shopping center at Chicago Ave and University. The complete list of citywide rezone sites are on our website: <https://www.riversideca.gov/planning/pdf/2017/Complete-Booklet-Candidate-Rezone-Sites.pdf>.

The Dinerstein Companies recently sold Sterling Highlander to Horizon Realty Advisors for an undisclosed sum. The 658-bed, 216-bed student housing community is located in Riverside at 3080 Iowa Ave.

⁷ US Department of Housing and Urban Development, PD&R/Economic & Market Analysis Division (EMAD), 4/20/2018, <<https://www.huduser.gov/portal/MCCharts/MsasCharts.html?msaID=064014.40140&msaName=Riverside-San%20Bernardino-Ontario,%20CA%20MSA&dt=April%2020,%202018>>

⁸ Email to MGT dated 1 May 2018 from Jack Cartledge, Planning Technician, City of Riverside, 3900 Main Street, Riverside, CA 92522, (951) 826-5592, jcartledge@riversideca.gov



and has been rebranded—“New name. New Management”—as Highlander at North Campus, although Horizon has not publicly announced any plans to alter or renovate the property.

Rental Rates and Occupancy

Market Properties

The median occupancy rate for conventional apartments for spring 2018 was 97%, with a range between 87% and 100%. Most properties in the sample offer one- and two-bedroom units, although several offer three-bedroom units and studios. None offer four-bedroom units. Figure 6 shows the ranges by unit type with the median rents ranging from \$1,068 for a one-bedroom apartment to \$2,480 for a three-bedroom unit; “n” is the number of properties offering each unit type.

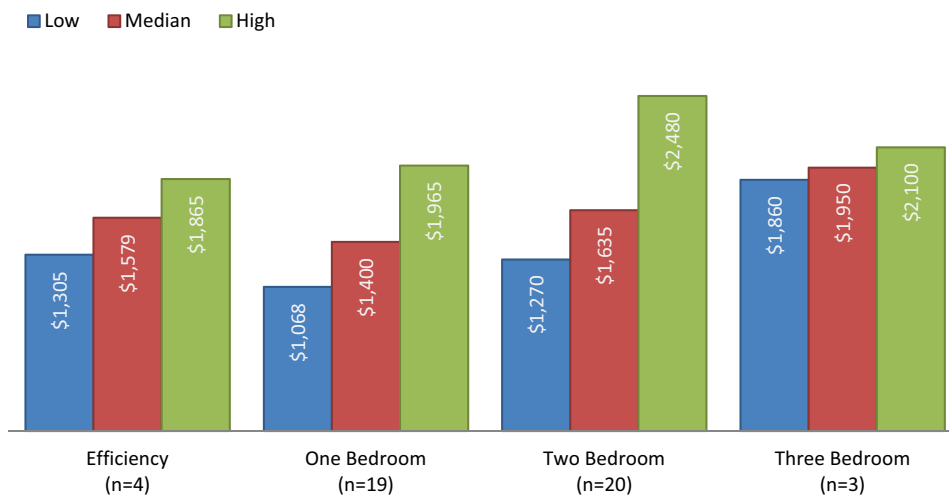


Figure 6: Market Data: Rents, Per Unit

Survey response data shows that about 48% of renters in conventional apartments have their own bedroom, 18% share with a spouse and/or children, 13% share with a partner or significant other, and 20% share with a roommate. However, 48% of respondents reported the same number of bedrooms as persons living in their unit, 49% reported more persons than bedrooms, and 3% reported more bedrooms than persons. Interestingly, for survey respondents who rent houses, 27% have the same numbers of persons and bedrooms, 45% have more persons, and 28% have more bedrooms. Taking the data from Figure 6 and dividing by the number of bedrooms in the unit, Figure 7 shows the rents per bedroom, the amounts that each renter would contribute to the total unit rent if the units were occupied with one renter per bedroom and unit rent split evenly between occupants.



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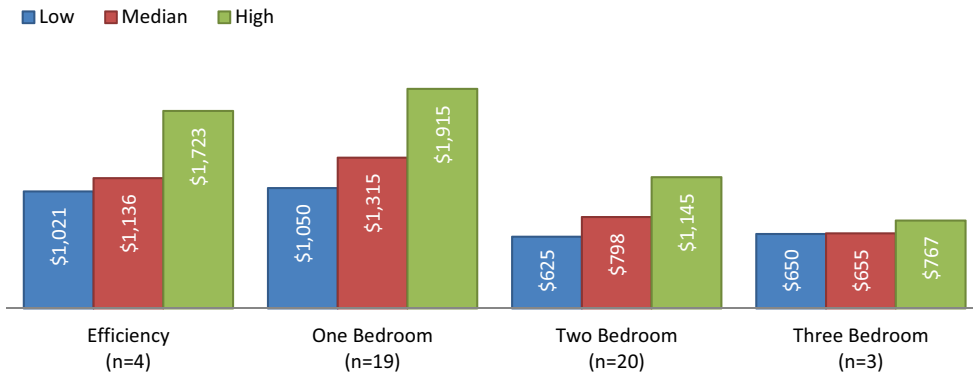


Figure 7: Market Data: Rents, per Bedroom

Individual Lease Properties

Median occupancy of 100% for fall 2018—with all properties at 97% or above—shows the popularity of these student-oriented complexes that rent by the bed and most commonly offer apartments with one to four bedrooms. Median monthly rents range from \$376 per person for a shared bedroom in a two-bedroom unit to \$1,780 for a single occupancy two-bedroom unit. Sharing a bedroom is generally more affordable than having a private bedroom.

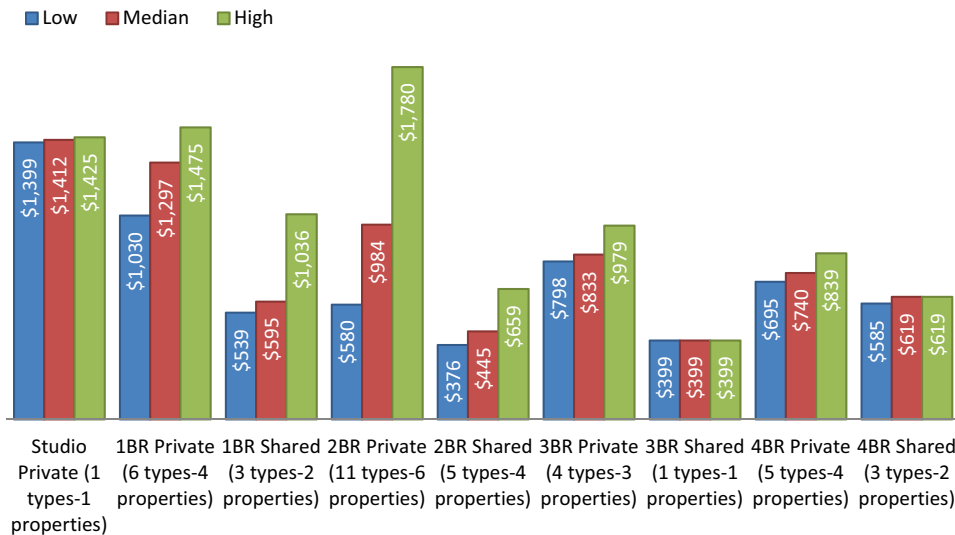


Figure 8: Market Data: Individual Lease Property Rent, Per Person

Almost a third of survey respondents who live in one of the six identified individual lease properties share a bedroom as Table 6 shows. There are two (8%) of those who share a bedroom who share with their spouse/partner/significant other/children/parents, while the remainder share with a roommate.



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Property	Respondents	Private Bedroom (Not Shared)
Grand Marc	31	74%
Sterling Highlander/Highlander at North Campus	19	74%
University Village Towers	15	93%
The Palms on University	12	100%
Campus Crossings	10	0%
University Crest	5	20%
	92	70%

Table 6: Bedroom Sharing at Individual Lease Properties

At the market properties with more than five respondents, more resident respondents share a bedroom, as Table 7 shows. A third of those who share a bedroom in the market properties share with their spouse/partner/significant other/children/parents, however.

Property	Respondents	Private Bedroom (Not Shared)
Windwood	10	40%
Highlander Park	9	56%
Berkdale Apartments	8	88%
University Riverside Gardens	7	29%
University Village Apartments	6	67%
	40	55%

Table 7: Bedroom Sharing at Market Properties

For survey respondents who rent housing on their own or with roommates and have a private bedroom (not sharing a bedroom), the median for per-person housing costs are lower for those renting houses. One-bedroom apartments are on the high end at \$1,250 per month (\$1,100 rent, \$150 other housing costs). Other housing costs include utilities (electricity, gas, water, sewer, trash), local telephone, Internet, and cable television. Respondents pay a premium to live in a four-bedroom apartment compared to a house, with the median level of utility costs—\$0—suggesting mostly these are at individual-lease properties with the cost of utilities included in the rent. Single students who live with a roommate save on rent and expenses. Four-shared-bedroom units are higher due to the pricing for shared occupancy at the individual lease properties not reflecting the same level of savings as sharing a bedroom in the conventional market. Figure 9 shows the median per-person monthly cost of housing where “n” is the number of respondents.



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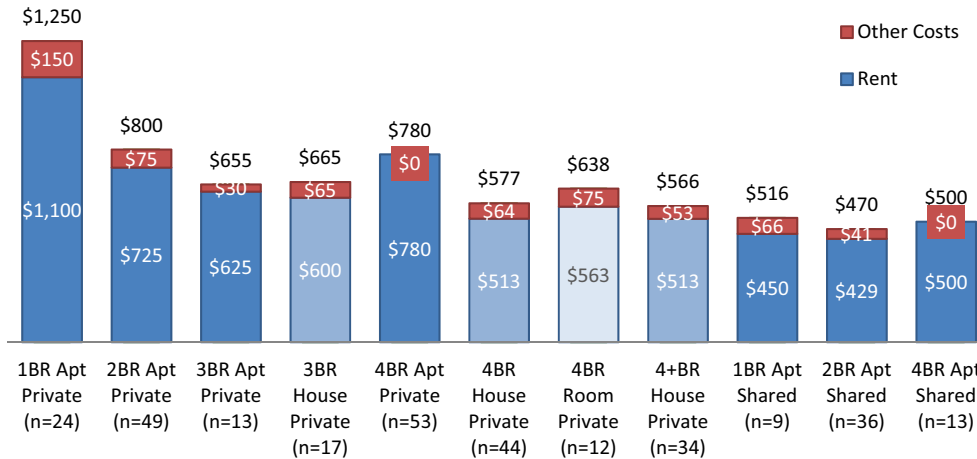


Figure 9: Single Survey Respondents with Private Bedrooms – Median Monthly Housing Cost by Unit Type, Per Person

When married students and students with children were asked to list their housing expenses on the survey, the information was collected “per unit.” For this cohort, total median monthly cost of housing ranges from \$1,260 per month for a one-bedroom house (\$1,145 rent and \$115 other expenses) to \$2,083 per month for a four-bedroom unit (\$1,820 rent and \$263 other expenses). Figure 10 shows the median monthly cost of housing where “n” is the number of respondents.

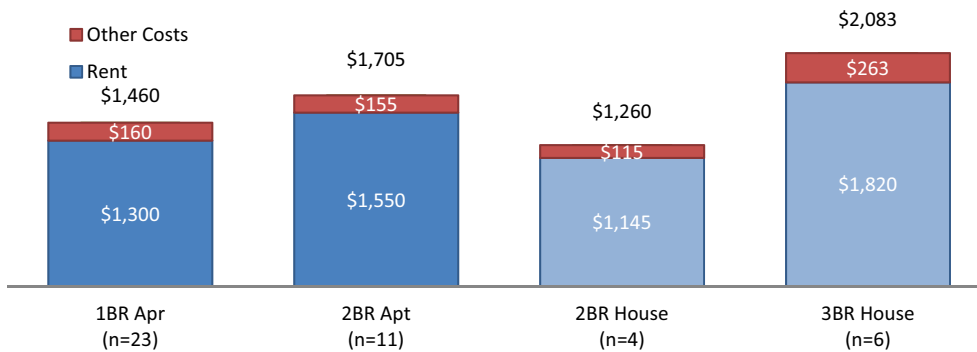


Figure 10: Families – Total Median Monthly Housing Costs by Unit

Over half (53%) of student renters have found rentals that include at least some utilities. Nearly half or respondents’ rentals include water/sewer and trash services; about one-third include gas and/or electricity. See Figure 11. Four of the six individual-lease properties include electricity, basic cable TV, and gas in the rent, typically with a monthly cap on electricity, while five include water/sewer and Internet.



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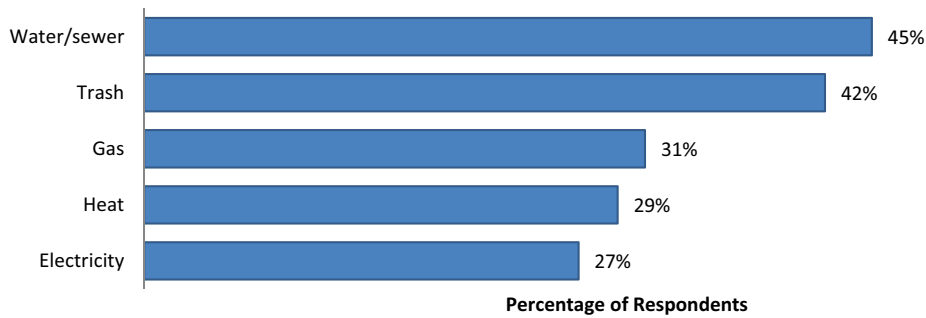


Figure 11: Utilities Included in Rent

Renters’ self-reported average utility costs—the costs of electricity, gas, water, sewer, and trash—vary by unit type, as Figure 12 shows. The lowest costs are found with residents of four-bedroom units, predominantly in individual lease properties.

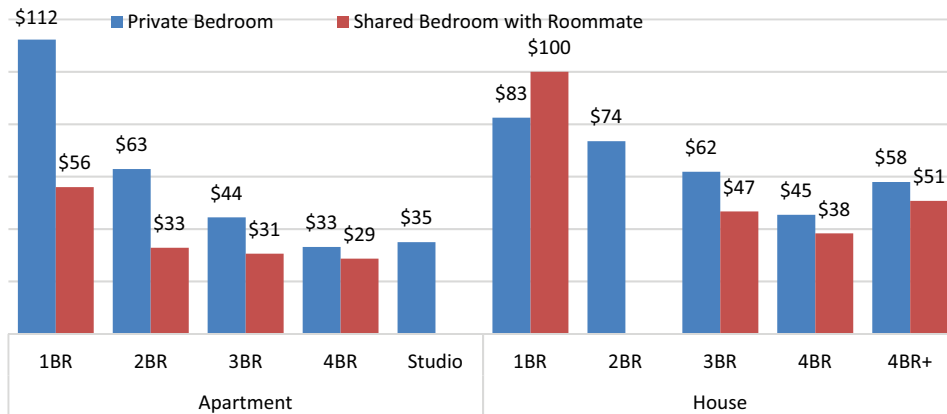


Figure 12: Average Monthly Utility Cost by Unit Type and Bedroom Sharing

The only lease term available in conventional apartments is a 12-month lease, while the individual lease properties offer shorter term leases, typically at a premium. Individual lease properties, however, are much more likely to include some or all utility costs in the monthly rent, as Figure 13 shows.



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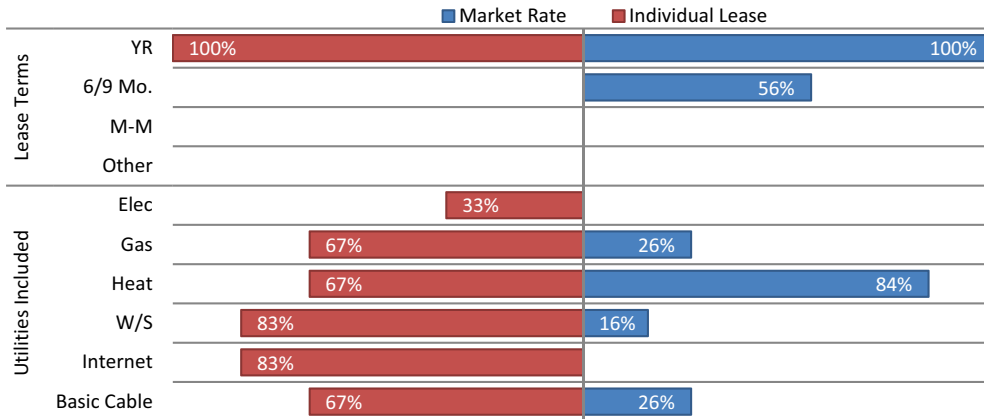


Figure 13: Individual Lease and Conventional Market Apartments' Utilities and Terms

Individual lease and conventional properties vary in their amenity packages as well. Only individual lease properties offer furnished units, while market rate apartments are more likely to offer garage parking and allow pets, as Figure 14 shows.

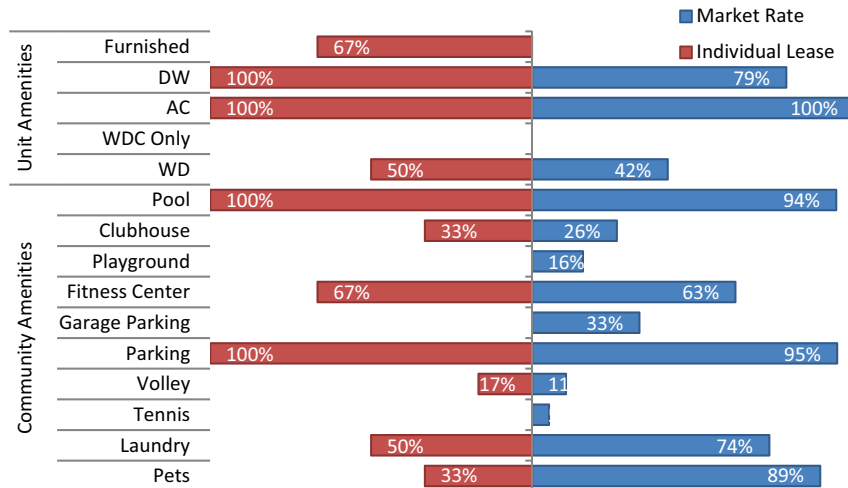


Figure 14: Individual Lease and Conventional Market Apartments' Unit & Community Amenities

The most common features and services included in survey respondents' rent are parking, air conditioning, a dishwasher, and Internet. The least common are local telephone and shuttle services, as seen in Figure 15. All but two of each property type permit pets with restrictions or rules regarding the number, weight, and type of pet (generally up to two pets are allowed per unit). Refundable pet deposits range from \$250 to \$500. Most require additional rent between \$25 and \$50 per month.



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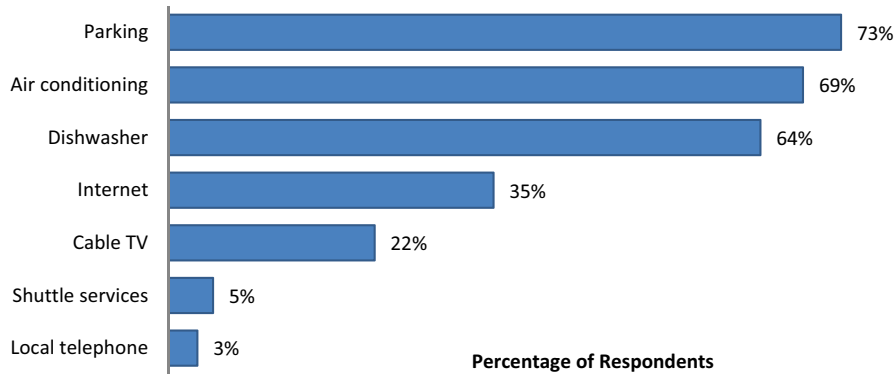


Figure 15: Features Included in Rent

At the median, single survey respondents who do not share a bedroom are paying less than the conventional or individual lease median rents for all unit types. Students who are married and/or have children pay slightly more at the median, which makes sense for units that are shared by two or more individuals. Table 8 shows a per-unit rent comparison (utilities and other costs excluded) using median rents based on a 12-month lease. Rates reported by students on the survey are lower than those in the conventional market properties studied; a portion of students included in the survey likely live further away or in smaller properties with fewer units and lower pricing.

Market	1BR	2BR	3BR	4BR
MGT Research, Conventional	\$1,400	\$1,635	\$1,950	N/A
MGT Research, Individual Lease, Shared Bedroom (fully occupied maximum)	$\$1,150$	$\$1,780$	$\$2,394$	$\$4,952$
	$(\$575 \times 2)$	$(\$445 \times 4)$	$(\$399 \times 6)$	$(\$619 \times 8)$
MGT Research, Individual Lease, Private Bedroom	$\$1,297$	$\$1,968$	$\$2,499$	$\$2,960$
		$(\$984 \times 2)$	$(\$833 \times 3)$	$(\$740 \times 4)$
Survey - Single Students, Apts, Shared BR ⁹	$\$900$	$\$1,716$	$\$2,310$	$\$4,000$
Survey - Single Students, Apts, Private BR	$\$1,100$	$\$1,450$	$\$1,875$	$\$3,240$
Survey - Families	$\$1,300$	$\$1,550$	N/A	N/A

Table 8: Comparison of Median Monthly Housing Costs, Per Unit

Where Students Live

There were 1,507 valid survey responses; 38% live off campus. Of those who live off campus, 73% rent their housing and 27% live at home, own a home, or have some other living situation, 76% of whom would consider living in campus housing. The breakdown of all respondents is shown in Figure 16 with ‘n’ being the number of survey respondents.

⁹ Absent complete information on the disposition of the other bedrooms in a unit, determination of unit rent based on the amount paid by one resident sharing a bedroom in a multi-bedroom unit is not possible. Rents shown are the maximum assuming all bedrooms in the unit are shared at the same rate as the respondent provided (e.g., 8 residents in a 4BR unit each paying the median of \$572 would total \$4,176). In practice, it is more likely that one or more of the bedrooms would be private. It is unlikely that three students sharing a two-bedroom apartment would allocate the rent costs 25%/25%/50%. Individual lease properties are likely to distribute rather than concentrate shared bedrooms and typically have a limit on the number of available shared bedrooms.



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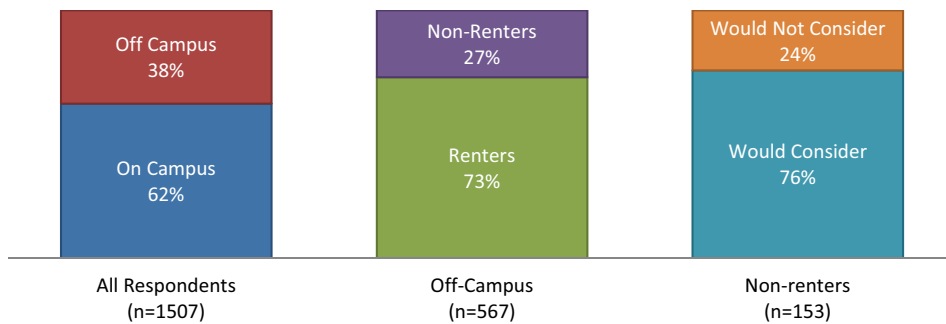


Figure 16: Current Living Situation

Most renters live in Riverside ZIP Code 92507. ZIP Codes where more than three renters live are listed in Figure 17. An additional 48 respondents lived in 36 ZIP Codes with only three or fewer respondents each.

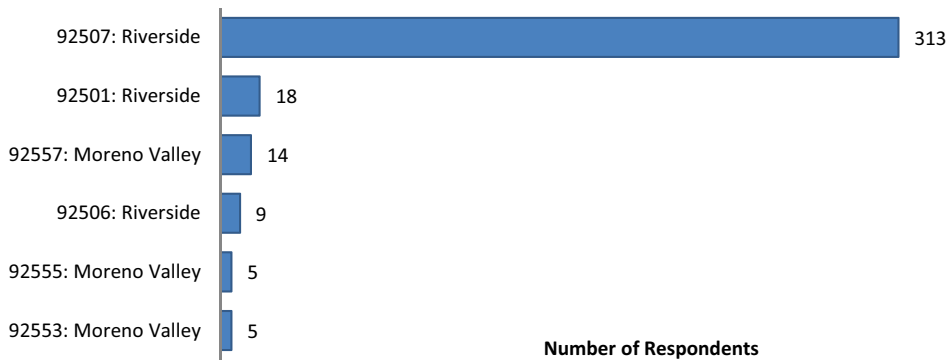


Figure 17: Renter ZIP Codes

The most renter respondents live in the GrandMarc at University Village, as Figure 18 shows, but Sterling Highlander (now known as Highlander at North Campus), University Village Towers, and Palms on University also had 10 or more respondents out of the 163 shown. In addition, there were 58 respondents who named another 50 properties with one or two resident respondents each, suggesting that about a quarter of apartment-renting students live in the large student-focused properties and the remainder are dispersed around Riverside at properties with a minority of renters that are students. There were 92 respondents who named their apartment as being in one of the six individual lease properties—Campus Crossings, GrandMarc at University Village, Palms on University, Sterling Highlander, University Crest, and University Village Tower—representing 42% of renter respondents.



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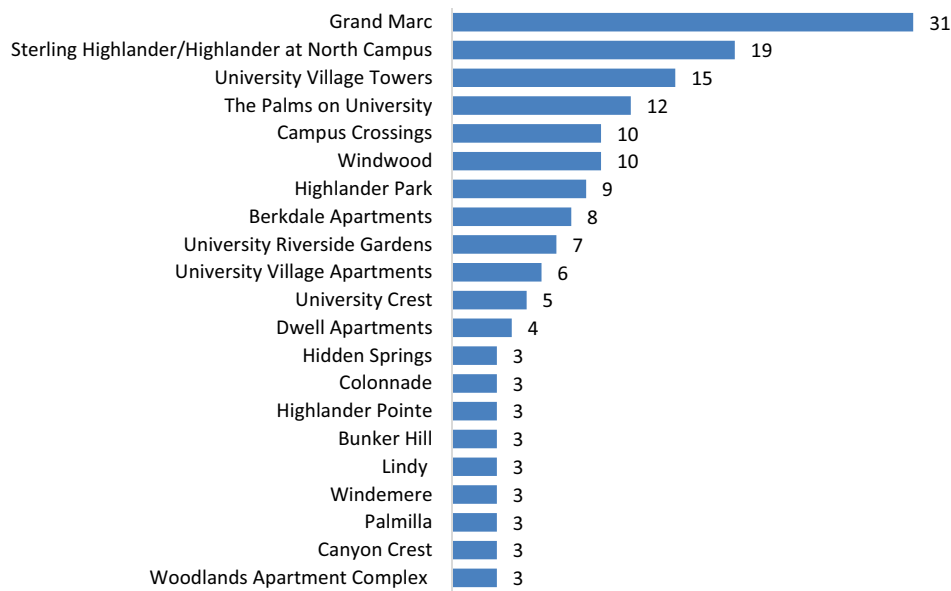


Figure 18: Most Common Survey Respondent Rental Properties

Of those who rent housing:

Type of Housing

- Over half rent an apartment (61% in an apartment complex and 2% in a “one-of-a-kind” apartment), while 30% rent a house (where the house is rented by one or more students), 7% rent a bedroom in a private home, and less than 1% have some other living arrangement.
- 16% live in a one-bedroom unit, 26% in a two-bedroom unit, 13% in a three-bedroom unit, 32% in a four-bedroom unit, and 11% in a unit with more than four bedrooms. Another 1% rent an efficiency or studio.

Sharing

- Just 7% live alone, while 22% live with one other, 17% live with two others, 31% live with three others, and 23% live with more than three others.
- Most renters, 68%, have a private bedroom, 16% share a bedroom with a roommate, and 16% share with a spouse/partner/significant other/children/parents. MGT’s survey experience nationally has led us to use a rule of thumb of 10% median for students who share a bedroom with a roommate (but not a spouse or partner). At UCR, most do so to save on rent (94%), but 18% wanted to live with friends and 18% could not find housing with a private bedroom.¹⁰

¹⁰ Respondents could select all that apply; responses sum to over 100%.



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- One-quarter of renters have a private bathroom, 66% share a bathroom with no more than one other, and 10% share with more than one other.

Policies and Amenities

- Most renters signed a 12-month lease (69%); 11% signed a month-to-month lease (including 4% who started a month-to-month agreement at the end of a 12-month lease term), 15% signed an academic-year lease (9 or 10 months), 1% signed a six-month lease, and 3% have some other lease arrangement.
- Over half, 58%, rent an unfurnished unit, 27% rent a furnished unit, and 15% a partially-furnished unit.

Getting to Campus

As Figure 19 shows, the most students drive to campus. Almost a quarter, however, walk to campus. More respondents take public transportation (12%) than bike to campus (10%), while few (7%) carpool.

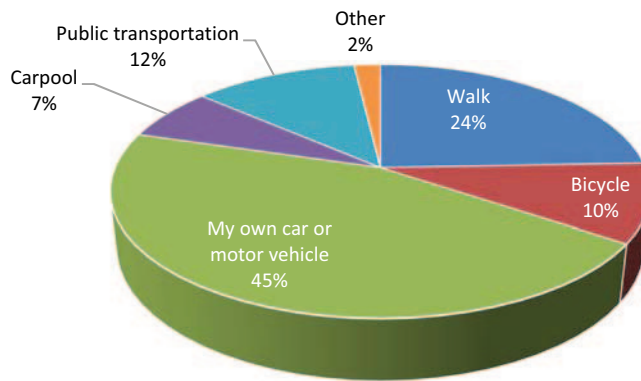


Figure 19: Primary Method of Transportation to Campus

More than two-thirds of respondents come from five miles or less distance to get to class, as Figure 20 shows. More than half come from a distance of two miles or less.

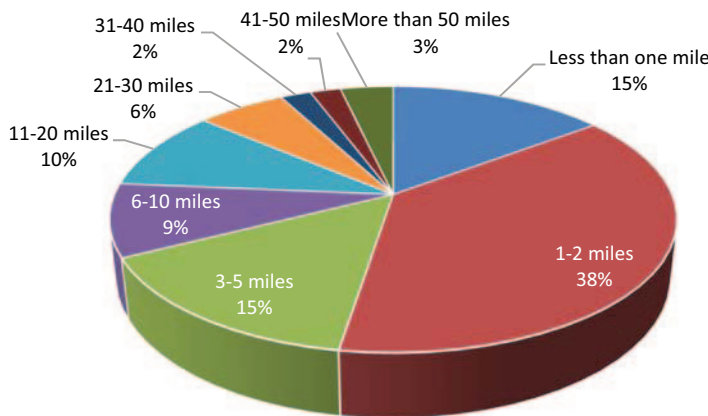


Figure 20: Distance to Classes



Decision-Making Factors

When looking for housing for the 2018–19 academic year, affordable rent is the top decision-making factor for both on- and off-campus students. For those living off campus, affordable rent is followed by having a private bedroom, location relative to campus, and adequate living space. For those living on campus, affordable rent is followed by location relative to campus, adequate living space, and the Internet connection. The top 10 responses, from a list of 21, are sorted by on- and off-campus survey responses in Figure 21.¹¹ The availability of parking ranked seventeenth for those living off campus but seventh for on-campus respondents.

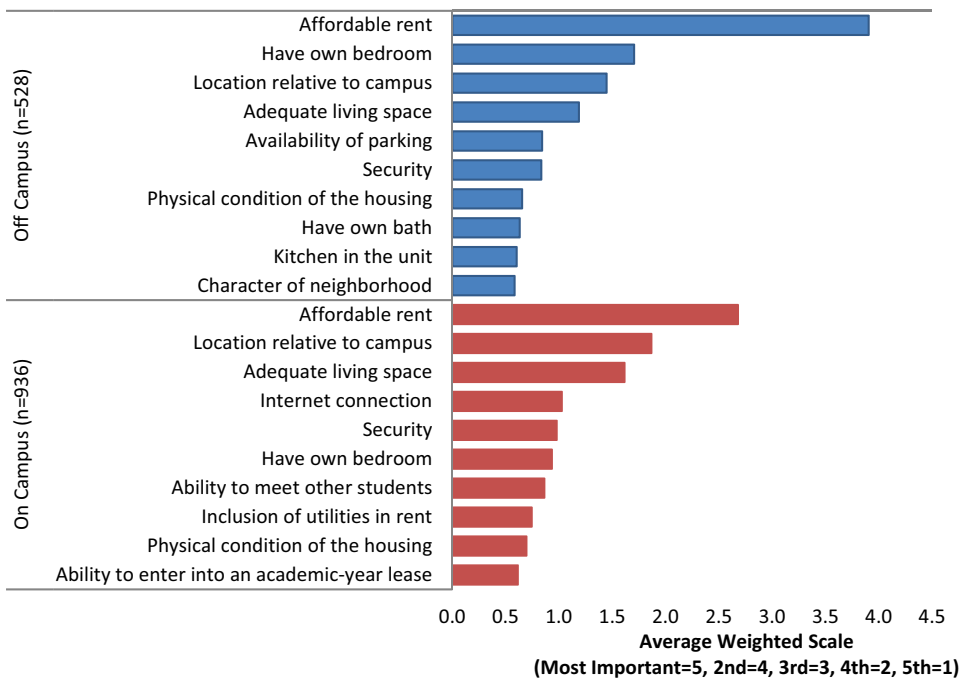


Figure 21: Factors Used in Deciding Where to Live

Of those currently living off campus, 39% had previously lived on campus. The number one reason students wanted to move is that campus housing is too expensive. This is followed by a desire for more privacy, a desire for more independence, size of bedrooms, rules and regulations, and the lack of living space. Reasons listed on the survey are ranked in Figure 22.

¹¹ Survey respondents were asked to select the five most important factors in deciding where to live for the 2018–19 academic year. Responses were ranked using a weighted scale.



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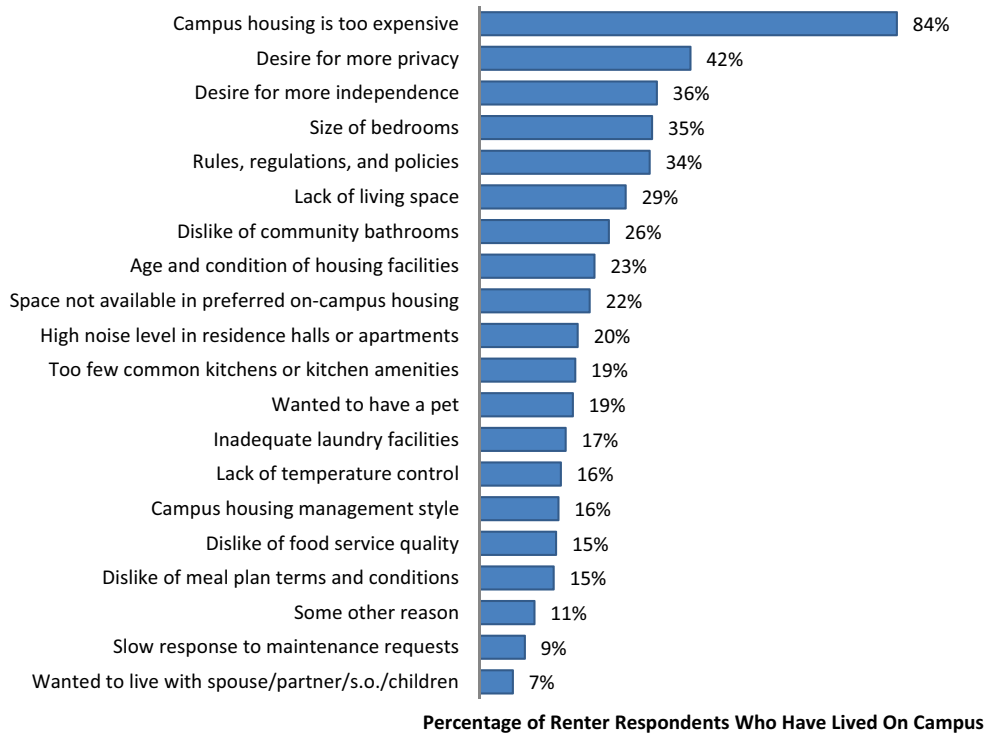


Figure 22: Reasons Students Move Off Campus



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Living Preferences

The survey asked respondents how itemized housing features would influence their interest in living in their preferred unit. Four possible responses were offered: (1) Would not live in new housing without it, (2) Would have a positive influence on my decision, (3) Would have no effect on my decision, and (4) Would have a negative influence on my decision.

When considering individual unit features and housing policies, high-speed wireless Internet ranked highest as being something students would not live in housing without. Temperature control in each unit, having utilities included in the rent, “soundproof walls,” and storage space also ranked highly as having a positive influence on a student’s decision to live there. All features are ranked in Figure 23.

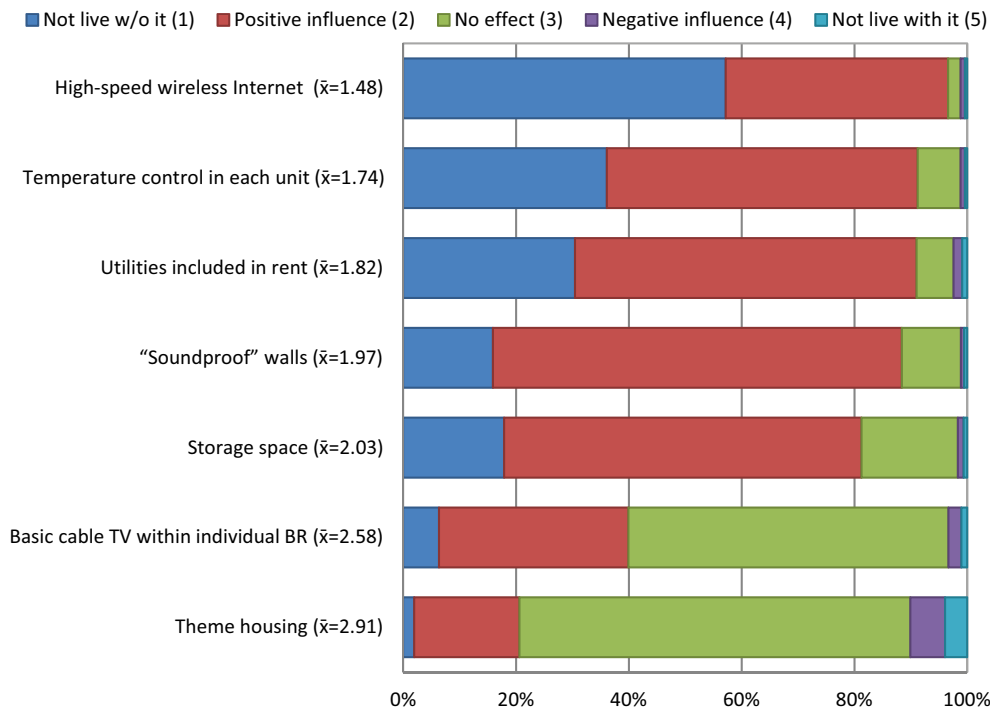


Figure 23: Importance of Unit Features and Housing Policies

When considering community amenities, the most important feature is on-site laundry facilities as shown in Figure 24. There are other amenities that would have a positive influence on students’ decision to live in campus housing such as convenient parking, quiet study areas, and a convenience store in or near housing. None of the features would have a great negative impact.



HOUSING PREFERENCES

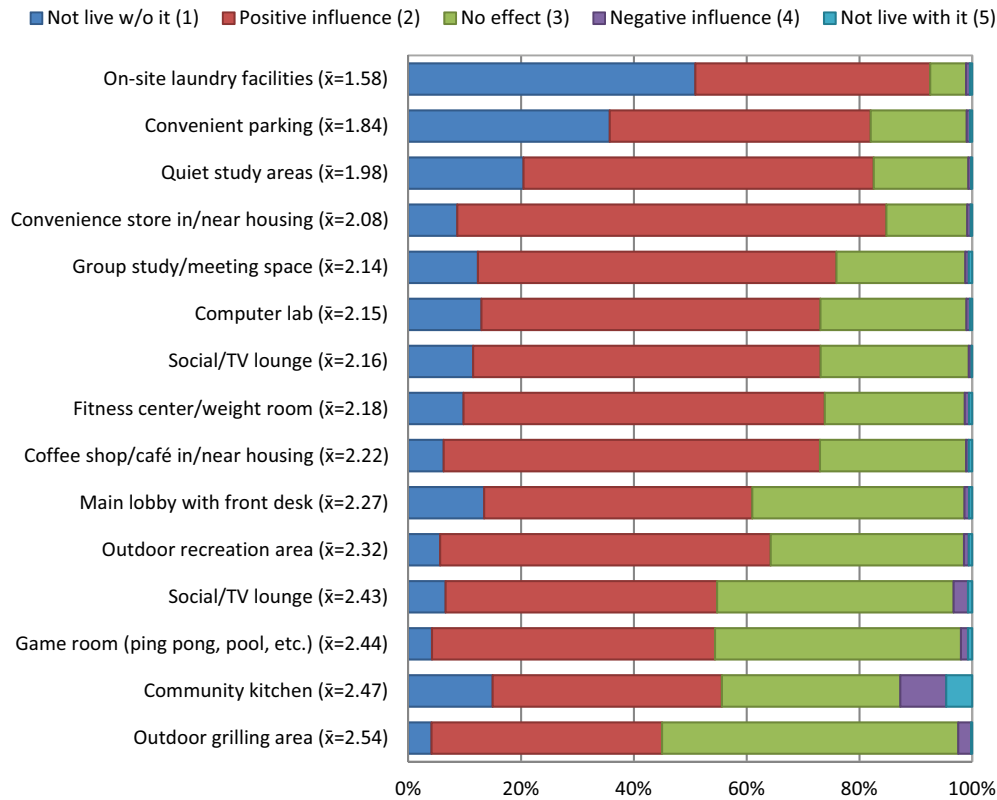


Figure 24: Importance of Community Features

Housing Satisfaction

The survey asked respondents how satisfied they were with their current housing; Figure 25 shows the results. On-campus residents overall show a higher level of both being satisfied and being very satisfied compared to off-campus residents.

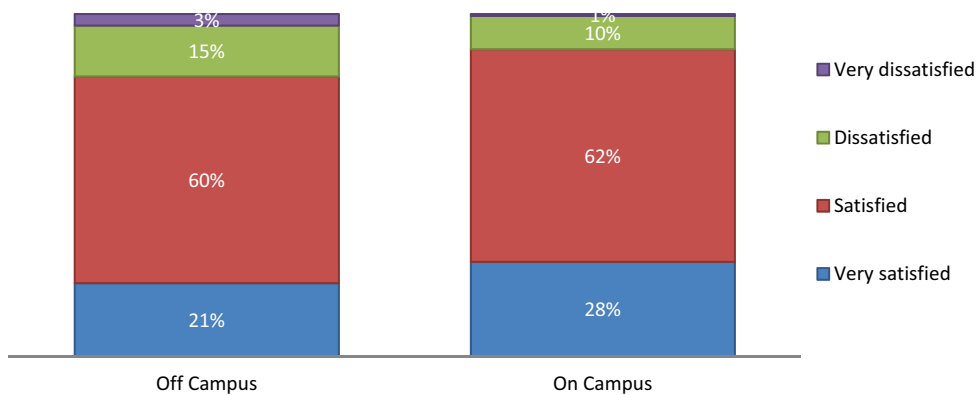


Figure 25: Overall Satisfaction with Current Residence



HOUSING PREFERENCES

Certain on-campus properties have higher satisfaction: Lothian, Aberdeen-Inverness, Pentland Hills, Glen Mor, and Oban Family Housing have the highest satisfaction among UCR residential facilities, as Figure 26 shows. Plotting satisfaction level by residential situation may help explain the lower off-campus satisfaction. While mean renter satisfaction is about the median of on-campus satisfaction, mean satisfaction from homeowners and those who live with their parents and would consider living on campus is considerably lower.

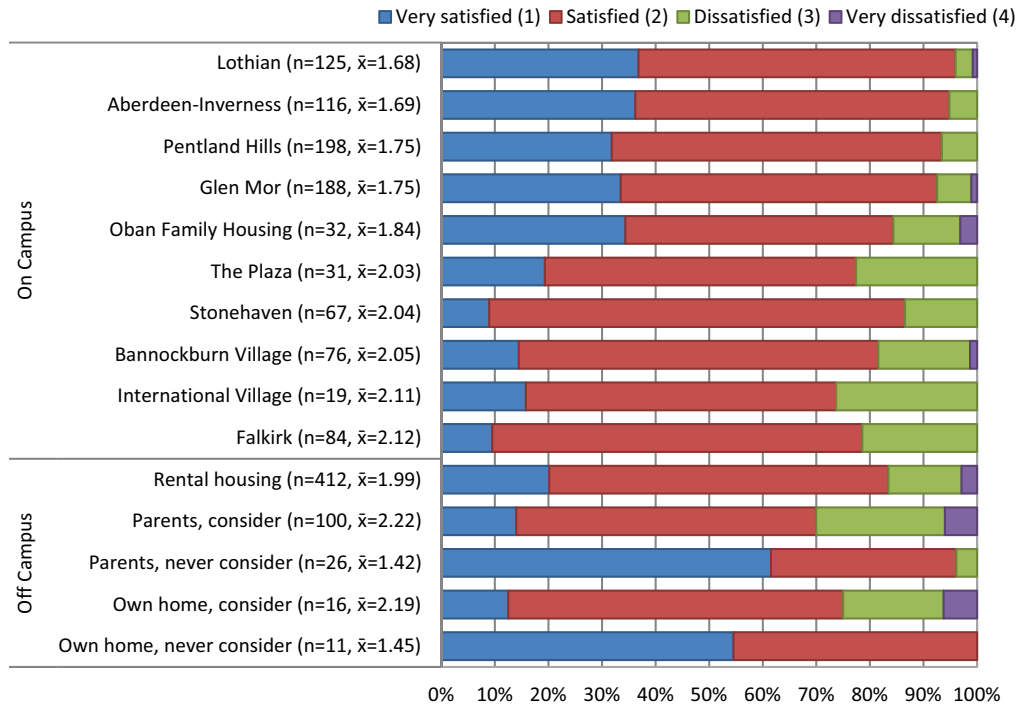


Figure 26: Satisfaction by Residence

Interest in New Campus Apartments

UC Riverside is considering the development of new student apartments for returning and transfer students on campus in an area known as the North District. The new housing under consideration consists of two five- and six-story apartment buildings with a total of 1,502 apartment beds. In addition to housing, the development may include various amenities, including fitness, food service, lounge, study and seminar spaces, and significant courtyard spaces and an extension of the Aberdeen Mall. The new housing will be supported by 617 surface parking spaces. The image below is intended to provide an illustrative visual for the new housing.



HOUSING PREFERENCES



Figure 27: Preliminary Project Rendering

The survey specifically stated that the housing options were for returning and transfer students. Two unit options were tested on the survey: a two-double-bedroom unit and a four-single-bedroom unit.¹² The survey instructed all respondents to assume that the estimated rents will cover furnishings, utilities, basic cable TV, and Internet and that the rents were based on an academic year lease (with summers free for returning students) and did not include meal plan charges.

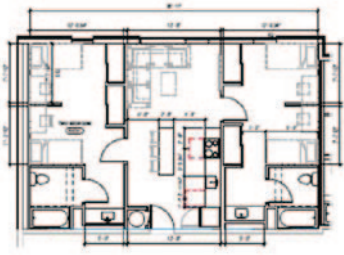

	
<p>Two-Double-Bedroom Apartment Rent per person: \$11,368 per academic year (equivalent of 12 months at \$947 per month)</p>	<p>Four-Single-Bedroom Apartment Rent per person: \$12,493 per academic year (equivalent of 12 months at \$1,041 per month)</p>

Table 9: Survey Unit Options

The unit preference question gauges relative interest in the two unit types. Results are shown in

¹² The first option was titled “Two-Double-Bedroom Apartment” and the illustrative floorplan clearly shows two bedrooms with two beds in each. However, the description likely introduced some ambiguity and some respondents may have interpreted this as a unit with two private bedrooms, so MGT discounted the unit preference to be conservative.



HOUSING PREFERENCES

Figure 28. The survey instructed respondents to select only one as “Preferred,” select “Acceptable” for any units they would live in if their preferred unit were not available, and to select “Would Not Live There” for units they find unacceptable. MGT combined “preferred and acceptable” as “Would Live There.” About 19% of respondents selected “Would Not Live There” for both units; while about 28% of respondents marked at least one unit as acceptable but did not mark either as preferred.

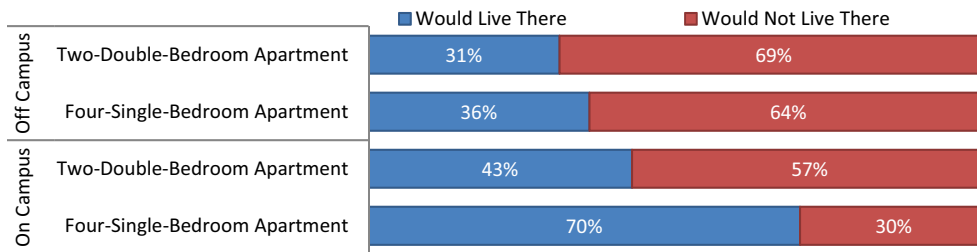


Figure 28: Unit Preference, All Respondents

To quantify the actual interest in living in the housing, respondents were asked their likelihood of living there if their preferred housing choice had been available when they were selecting their housing for the 2018–19 academic year. Since the unit descriptions from which they selected their preference included pricing information, this level of interest is connected with that pricing. About 21% of off-campus respondents and 43% of on-campus respondents definitely would have lived there and another 35% of off-campus respondents and 42% of on-campus respondents indicated they might have lived there (50/50 chance). Figure 29 shows results sorted by on-campus and off-campus survey respondents.

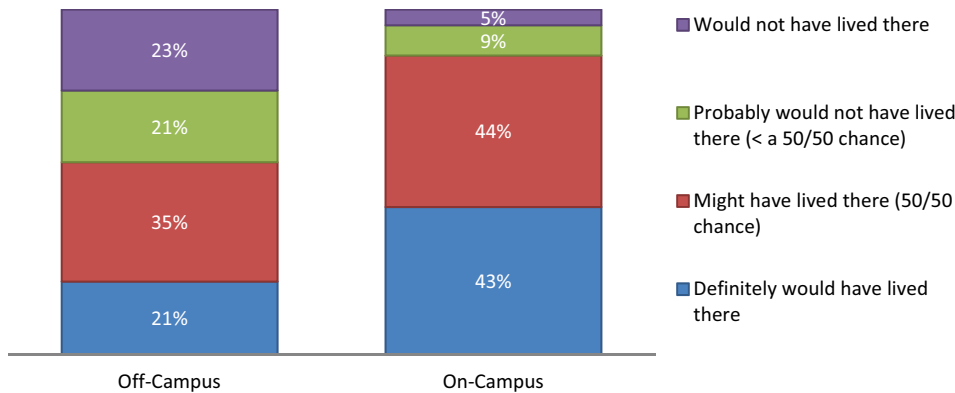


Figure 29: Interest in Proposed Student Housing, Fall 2017

We would expect that interest in this housing would be lower among students who live off campus than among those who live on campus. Figure 30 shows that there is a decline in off-campus residents’ interest, especially at the 50/50 level, as they progress academically. On-campus seniors are more interested than sophomores, while off-campus sophomores are more interested than seniors.



HOUSING PREFERENCES

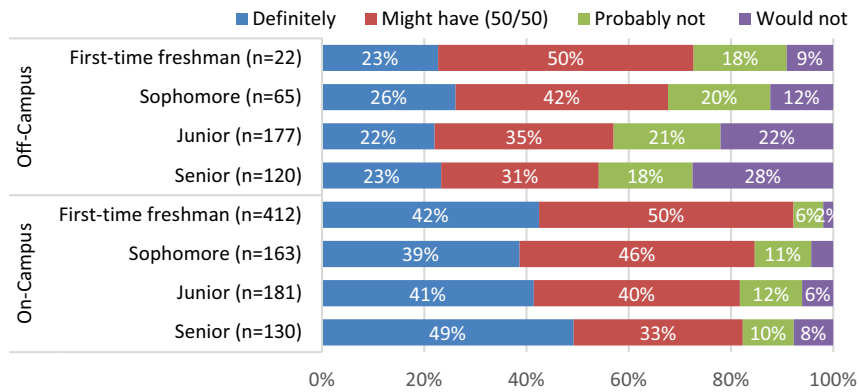


Figure 30: Interest in Proposed First-Year Housing by Class Level

The cost of the proposed housing was the main reason students indicated disinterest in living in the housing, followed by concern about the level of rules and regulations in campus housing. Figure 31 represents responses for all reasons listed in the survey.¹³

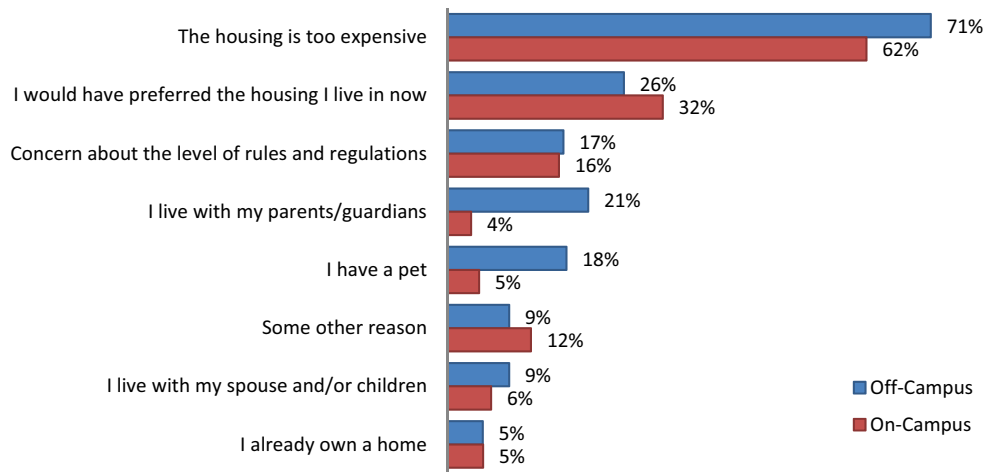


Figure 31: Reasons for Lack of Interest in Proposed Housing

¹³ Survey respondents were permitted to select all reasons that applied.



DEMAND ANALYSIS

Overview

The demand analysis takes into consideration survey respondents expressing interest (see Figure 29, above) in their preferred option and cost (see Figure 28 above) for the proposed housing. The first step in calculating demand is to determine a capture rate for each class level at two levels of interest: those indicating they would have “definitely” and those who indicated they “might have” lived in the proposed housing had it been available at the start of current academic year, using the following equation:

$$\text{Capture Rate} = \frac{\text{Number of Full-time Respondents Definitely Interested in Housing}}{\text{Number of Full-time Respondents}}$$

A “closure” rate based on MGT empirical results is used to reflect that not all students who express interest in housing would actually sign a lease. MGT modified approach for off- and on-campus students. For off-campus students, the demand calculation uses a 50% closure rate for those who indicated that they “definitely would have lived” in the housing and a 25% closure rate for those who indicated 50/50 interest. For on-campus students, the closure rates are less conservative, 100% and 50%. Off- and on-campus, for each class level, the full-time enrollment is multiplied by the capture rate; then the closure rate is applied to yield the projected demand. This demand is explicitly based on the description of the units that included the rental rates proposed for the housing.

Off-Campus Demand

For off-campus residents, Table 10 shows the mid-point of demand based on their choice of unit and the pricing quoted (without meal plan). Demand from those living off campus would amount to 3,325 beds, the midpoint of a range of 2,848 to 3,820 based on the sample size and the total population.¹⁴ If UCR had the proposed housing online for this academic year, about 2,845 eligible residents (omitting freshmen) who live off campus would have preferred to live on campus in the new North District housing.

¹⁴ The level of response to the survey and the size of UCR’s enrollment result in a confidence interval in the results of plus or minus 2.97% at a 95% confidence level—the plus-or-minus figure seen in many survey or poll results, for example, if the confidence interval is 3.0% and 50% percent of the sample picks an answer; it is 95% certain that if the entire population had been asked the same question, between 47% (50%-3%) and 53% (50%+3%) would have picked that answer. The “Potential Incremental Demand” represents our best estimate and the midpoint of this range.



DEMAND ANALYSIS

FALL 2018 Class	Full-Time Off- Campus	Definitely Interested		Might Be Interested		Potential Incremental Demand	Range	Potential Demand 95% Confidence Interval		
		Capture Rate	50% Closure	Capture Rate	25% Closure					
First-Time Freshmen	1,293	23%	147	50%	162	309	±39	269	to	348
Returning/Other Freshmen	687	0%	0	100%	172	172	±7	165	to	193
Sophomores	3,578	27%	475	42%	377	853	±109	744	to	962
Juniors	3,854	22%	425	35%	337	762	±117	645	to	879
Seniors	4,043	24%	480	31%	308	788	±123	665	to	911
Masters	727	24%	87	24%	44	131	±22	109	to	153
Ph.D.	1,874	15%	139	34%	158	298	±57	240	to	355
Medical	215	0%	0	25%	13	13	±2	11	to	20
	16,271		1,753		1,572	3,325	±477	2,848	to	3,820

Table 10: Off-Campus Demand, Fall 2018

On-Campus Demand

For on-campus students who already live in UCR housing, Table 11 shows the mid-point of demand at the price level quoted. Demand from those living on campus would amount to 4,102 beds, the midpoint of a range of 3,824 to 4,388 based on the sample size and the total population. If UCR had the proposed housing online for this academic year, about 1,890, or 63% of sophomores, juniors, seniors, or above who live on campus would have preferred to live in the new North District housing rather than in the existing housing that they live in now.

FALL 2018 Class	Campus Apartments Residents	Definitely Interested		Might Be Interested		Potential Incremental Demand	Range	Potential Demand 95% Confidence Interval		
		Capture Rate	100% Closure	Capture Rate	50% Closure					
First-Time Freshmen	3,284	42%	1,395	50%	817	2,212	±145	2,067	to	2,357
Returning/Other Freshmen	177	0%	0	0%	0	0	±0	0	to	8
Sophomores	1,023	39%	395	46%	235	631	±45	585	to	676
Juniors	857	41%	355	40%	173	528	±38	490	to	566
Seniors	920	49%	453	33%	152	605	±41	564	to	646
Masters	37	60%	22	40%	7	30	±2	28	to	31
Ph.D.	156	43%	67	32%	25	93	±7	86	to	100
Medical	5	75%	4	25%	1	4	±0	4	to	5
	6,459		2,692		1,411	4,102	±278	3,824	to	4,388

Table 11: On-Campus Demand, Fall 2018

The strong demand from residents of current Campus Apartments will not harm their occupancy. An applicant who would prefer the North District apartments but is not selected for one of the 1,502 beds would still live in the existing Campus Apartments beds. Similarly, waitlisted and other off-campus students who were unable to secure on-campus housing this year because of missed deadlines or late applications would likely accept assignment to one of the other Campus Apartments.



DEMAND ANALYSIS

Unit Preference

Based on the stated preference among the three options, the demand may be distributed as Table 12 shows. For each unit type, demand at the proposed price level exceeds the number of proposed units. In total, more than 4,700 UCR students—coverage of 3.3 times as many as needed—would prefer to live in the 1,499 proposed North District beds. Since respondent indicated that they would prefer a unit or find it acceptable, this results in great flexibility in unit distribution. While more would prefer the single-bedroom option, there is such demand that any unit mix of the 1,424 student beds would meet demand.

Unit Type	Academic Year Rent (No Meal Plan)	<u>Off-Campus</u>		<u>On-Campus</u>		Total Maximum Potential by Unit	Proposed Unit Mix	Coverage
		Interested & Preferred or Acceptable	Maximum Potential Demand	Interested & Preferred or Acceptable	Maximum Potential Demand			
Overall			2,845		1,890		1,424	3.33 X
Two-Double-Bedroom Apartment	\$11,368	57%	1,625	60%	1,126	2,751	520	5.3 X
Four-Single-Bedroom Apartment	\$12,493	71%	2,023	100%	1,890	3,913	904	4.3 X

Table 12: Distribution of Demand by Unit Type

Parking Demand

The North District Campus Apartments are planned with up to 617 parking spaces and 1,502 beds, or spaces for up to 41% of the occupants. The survey included two questions specifically related to the need for parking. The first asked for respondents’ current car ownership and parking situation. Filtered to remove freshman respondents and only include those who expressed interest in living in the proposed housing, Figure 32 shows current on-campus residents are far less likely to own cars or have them with them at school; only 34% park on campus. However, 45% of off-campus residents park at their residence and on campus at UCR and another 24% park only at their residence; only 31% have no car at school. About 73% of those who do not have a car at school live on campus.



DEMAND ANALYSIS

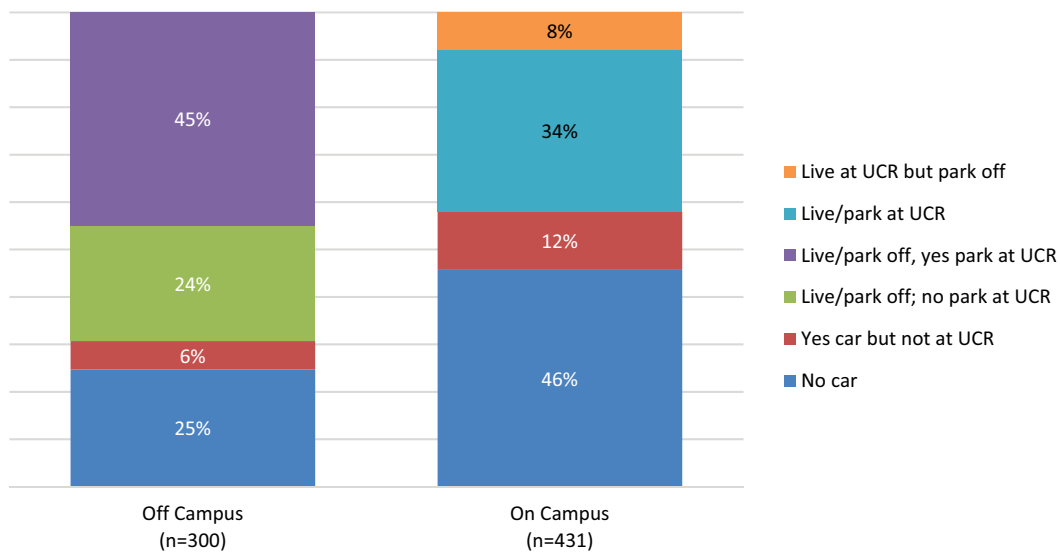


Figure 32: Upper-Class and Graduate Cars and Parking

The second parking question asked respondents what parking arrangement they would prefer if they lived on campus: 1) No parking—I would not bring a car if I lived there (no cost), 2) On-site parking on a surface lot near the new housing for a fee (less expensive), or 3) Garage parking near the new housing for a fee (more expensive). Filtered to omit freshmen and those disinterested in housing, Figure 33 shows that compared to their current parking situation, the preferences for parking are much more consistent between those who live off and on campus. About 85% of off-campus residents and 76% of on-campus residents would be willing to pay to park near the new housing, and more than 20% of those willing to pay to park nearby would be willing to pay a premium to park in garage parking.

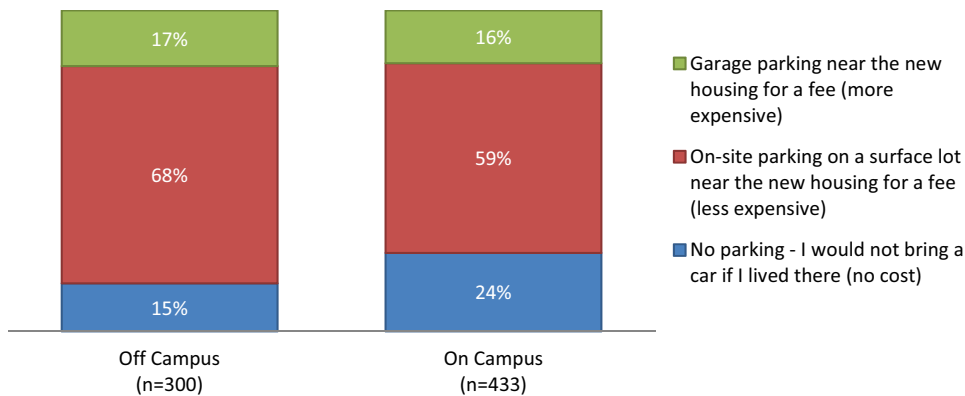


Figure 33: Eligible and Interested Respondents' Parking Preference

For both responses to be credible, half of those who do not have a car at UCR now would have one if they lived in the new housing. Indeed, as Figure 34 shows with an extra level of detail, more than half of those without a car at UCR indicated they would prefer one of the parking options.



DEMAND ANALYSIS

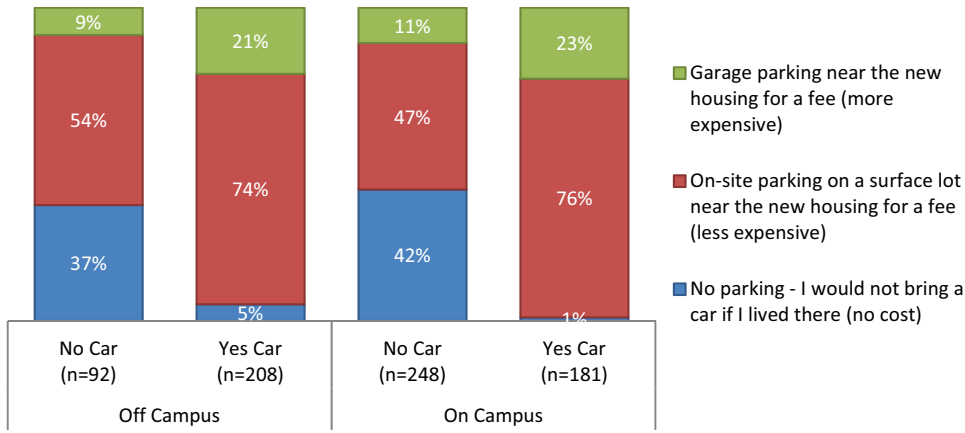


Figure 34: Parking Preference by Residence and Car Ownership

This change in car ownership driven by housing seems unlikely. A more realistic explanation is that survey respondents who do not have cars overestimate their need for parking. If they have no cars and no need for parking, Figure 35 shows the adjusted parking preference. Overall, 66% of off-campus residents and 42% of on-campus residents would need parking. The proposed project’s 41% is consistent with the need for current on-campus residents.

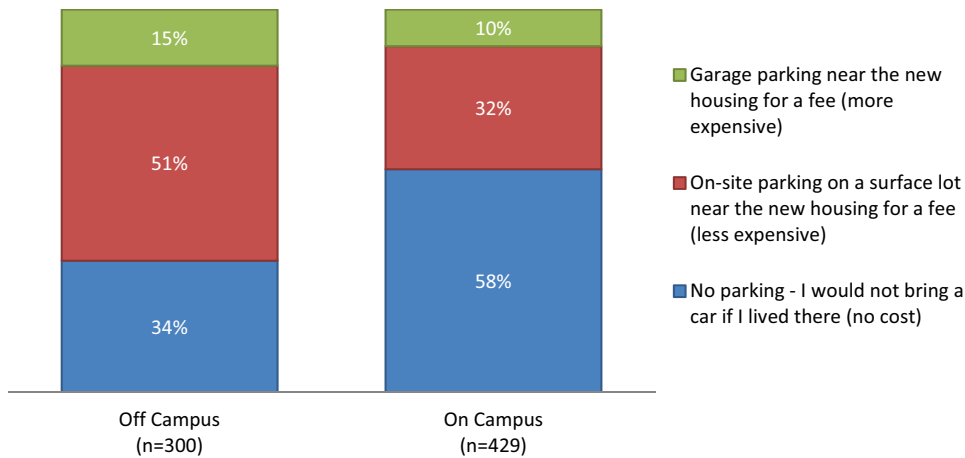


Figure 35: Parking Preference Adjusted for Car Ownership



CONCLUSION

CONCLUSION

UCR has considerably more demand for campus apartment beds than will be in the proposed housing. While the project has enough capacity to house all students on the fall 2018 waitlist, many more off-campus residents than are on the waitlist are interested in living in the proposed apartments. Although the North District apartments may well be more attractive to many returning students than the existing Campus Apartments, the demand is enough to fill the North District apartments and all existing apartment beds.

While there is substantial competition in the off-campus market, its continued high occupancy rates and tight market support UCR's plans to develop additional housing on campus. Students, if given their preference, might prefer a mix more heavily weighted towards single-occupancy units, but the demand for doubles well exceeds their proposed quantity. Demand for the North District apartments is sufficient to allow it to reach full occupancy at opening while allowing the existing apartments to maintain full occupancy at their design capacity.



ATTACHMENTS

UC RIVERSIDE ■ STUDENT HOUSING MARKET STUDY

ATTACHMENT I: OFF-CAMPUS MARKET DATA



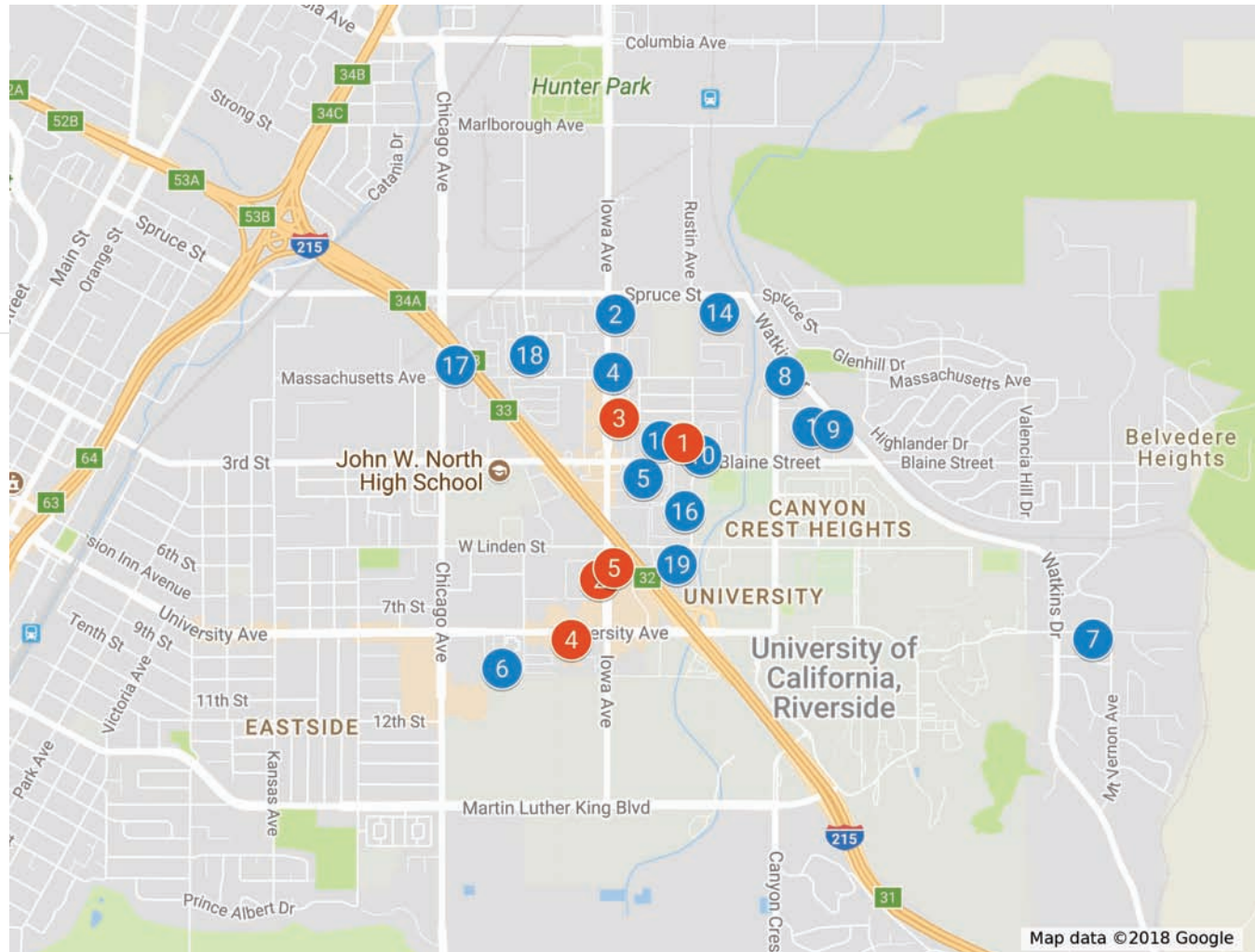
UCR Off-Campus Apartment Housing

Individual Lease

- 1 Campus Crossings
- 2 GrandMarc
- 3 Sterling Highlander
- 4 The Palms on University
- 5 University Village Towers
- 6 University Crest Apartments

Conventional Market

- 1 807 West
- 2 Boulder Creek Apartments
- 3 CastleRock
- 4 Concord Square Apartments
- 5 Copper Canyon
- 6 Cranford Court Apartments
- 7 Dwell Apartment Homes
- 8 Falcon Pointe
- 9 Highlander Park Apt Homes
- 10 Highlander Pointe
- 11 Los Arbolitos & the Timbers
- 12 Metro Gateway
- 13 Mission Grove Park
- 14 Spruce Village
- 15 Stone Canyon
- 16 Summer Meadows
- 17 Summit Pointe Apartments
- 18 The Met
- 19 Windwood Apartments



OFF CAMPUS MARKET ANALYSIS
Property Listing

Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF
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Individual Lease Complexes																					
Apartment Complex	Address	Phone	Studio						One Bedroom						Two Bedroom						
			Private/Shared	Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF	Private/Shared	Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF	Private/Shared	Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF	# baths
Campus Crossings	1133 W Blaine St	(951) 686-5843							S	\$539	\$539	\$539	504	\$1.07	S	\$419	\$419	\$419	849	\$0.49	1
									P	\$1,030	\$1,030	\$1,030	504	\$2.04	P	\$1,660	\$1,660	\$1,660	849	\$1.96	2
									S	\$595	\$595	\$595	701	\$0.85	S	\$445	\$445	\$445	1003	\$0.44	
									P	\$1,190	\$1,190	\$1,190	701	\$1.70	P	\$1,780	\$1,780	\$1,780	1003	\$1.77	
GrandMarc	3549 Iowa Ave								P	\$1,475	\$1,475	\$1,475	677	\$2.18	P	\$984	\$984		452	\$2.18	2
Sterling Highlander	3080 Iowa Avenue		P	\$1,399	\$1,412	\$1,425	561	\$2.52							P	\$1,019	\$1,019	\$1,019	856	\$1.19	2
											S	\$659	\$659	\$659	889	\$0.74	2				
											P	\$1,019	\$1,019	\$1,019	889	\$1.15	2				
											P	\$1,029	\$1,029	\$1,029	811	\$1.27	d				
The Palms on University	1400 University Ave													P	\$959	\$959	\$959	440	\$2.18	2	
University Village Towers	3500 Iowa Avenue	(951) 276-2929							P	\$1,290	\$1,290	\$1,290	410	\$3.15	P	\$915	\$915	\$915	779	\$1.17	2
									P	\$1,380	\$1,380	\$1,380	610	\$2.26	P	\$940	\$940	\$940	822	\$1.14	2
											S	\$580	\$580	\$580	779	\$0.74	2.5				
											P	\$580	\$580	\$580	941	\$0.62	2.5				
University Crest Apartments	3170 Canyon Crest Dry								S	\$1,036	\$1,036	\$1,036	425	\$2.44	P	\$752	\$752	\$752	250	\$3.01	1
									P	\$1,304	\$1,304	\$1,304	850	\$1.53	S	\$376	\$376	\$376	250	\$1.50	1
			Low	\$1,399						\$539			410	\$0.85		\$376			250	\$0.44	
			Median	\$1,412						\$1,190			610	\$2.04		\$928			836	\$1.18	
			High	\$1,425						\$1,475			850	\$3.15		\$1,780			1,003	\$3.01	
			complex count	1	1	1				4	4	4				\$6	\$6	\$5	6		
			unit count	1	1	1				9	9	9				\$16	\$16	\$15	13		

6

OFF CAMPUS MARKET ANALYSIS
Property Listing

Individual Lease Comp																		
Apartment Complex	Three Bedroom							Four Bedroom							Lease Terms			
	Private/ Shared	Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/\$	# baths	Private/ Shared	Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/\$	# baths	YR	6/9 Mo.	M-M	Other
Campus Crossings	S	\$399	\$ 399	\$ 399	849	\$0.47	2								Y	N	N	10-mo
	P	\$798	\$ 798	\$ 798	849 1003 1003	\$0.94	2											
GrandMarc								P	\$785	\$785	\$785	356	\$2.20	4	Y	N	N	10-mo
Sterling Highlander	P	\$979	\$979	\$979	384	\$ 2.6	3	S	\$619	\$619	\$619	380	\$1.63	4	Y	N	N	
								P	\$839	\$839	\$839	380	\$2.21	4				
								S	\$619	\$619	\$619	348	\$1.78	4				
								S	\$839	\$839	\$839	348	\$2.41	4				
The Palms on University								P	\$735	\$735	\$735	359	\$2.05	4	Y	N	N	N
University Village Towers	P	\$825	\$825	\$825	234	\$ 3.5	3	P	\$695	\$718	\$740	372	\$ 1.93	3	Y	N	N	10mo
	P	\$840	\$840	\$840	346	\$ 2.4	3	S	\$585	\$585	\$585	440	\$ 1.33	3				4 mo.
								P	\$740	\$740	\$740	440	\$ 1.68	3				
University Crest Apartments														Y	N	N	10 mo. 11 mo.	
6		\$399			234	\$0.47			\$585			348	\$1.33					
		\$825			849	\$2.43			\$735			372	\$1.93					
		\$979			1,003	\$3.53			\$839			440	\$2.41					
		3	3	3	3				\$4	\$4	\$4	4	6					
		5	5	5	5				\$9	\$9	\$9	9	9					

OFF CAMPUS MARKET ANALYSIS
Property Listing

Individual Lease Comparison																										
Apartment Complex	Security Deposit	Utilities Included						Unit Amenities						Community Amenities								Pets	Miles from Campus	2018 Occ.	Year built	# of Units
		Elec	Gas	Heat	W/S	Inter-net	Basic Cable	Furn.	DW	AC	WDC Only	WD	Pool	Club-house	Play-ground	Fitness Ctr	Garage Parking	Parking	Volley	Tennis	Laundry					
Campus Crossings	\$100 (shared) \$200 (single)	N	N	N	Y	N	N	N	Y	Y	N	N	Y	N	N	N	Y	N	N	N	Y	Y(\$)	1	100%	1978	348
GrandMarc	2-mo rent	Y*	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	N	Y	N	N	N	N	N	0.9	100%	2002	212
Sterling Highlander	\$0	Y*	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	N	Y	N	N	N	\$350 dep	1.4	97%	2012	658 beds	
The Palms on University	\$150	Y*	Y	N	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N	Y	Y(\$)	Y	Y	N	N	\$250 dep, \$25/mo/pet	0.9	100%	2006	152
University Village Towers	\$0	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	N	N	Y	N	Y	N	N	Y	N	0.5	100%	2005	148
University Crest Apartments	\$400	N	N	Y	N	Y	N	N	Y	Y	N	N	Y	N	N	N	N	Y	N	N	Y	Y	1	98%	1977	92(Units) 4 beds

OFF CAMPUS MARKET ANALYSIS
Property Listing

Individual Lease Complex							
Apartment Complex	Parking Options, Rates, Number of Spaces						Notes
	Gated or Open?	Surface	Covered	Garage	Reserved Space	Cost	
Campus Crossings	G	Y	1 space		A		private patio/balconies; reserved parking available; roommate matching service; monthly resident events; BBQ area *prices for plan show shared room and private room prices
GrandMarc	O (Gated sections)	Y				Free	*\$30/mo. elec cap/rm; pat/balc; tanning, parking; movie theater, b-ball, game rm, comp ctr; outdoor lounge/grill; roommate matching; allow dble occ; deposit is 2 mo. rent if on own, if w/guarantor, depends on credit
Sterling Highlander	O/enclosed sections		Y	Y		Free	2 story parking garage b-ball, tanning dome, study rms, computer ctr, bum-a-bike prog, roommate matching, carports (A), patio/balcony, LEED certified; \$30 electricity cap must show income 4x rent w/ guarantor, 3x rent w/o one
The Palms on University	G			\$ 15	Y (\$25)		bus ctr, study rms; tanning; BBQ sta; social events; Parking: reserved \$25, garage \$15; *\$30/person/month allowance; private balc; roommate matching
University Village Towers	O/Controlled Access	1 space			Y	Free	comp lab, hydrotherapy message, tanning, BBQ area, study rms, movie theater, roommate matching; elec controlled key card door, balcony & patio*, cable w/HBO included
University Crest Apartments	G	\$25	\$50		Y(\$)		1 bedroom: shows shared price then private price 2 bedroom townhome: 1 private rm, one shared rm; shows shared room price; private room price Renovated townhomes 2016-17 yr. and switched to by bed pricing; roommate matching, community events; balconies &/or yards;

UC RIVERSIDE
 STUDENT HOUSING MARKET STUDY
 OFF CAMPUS MARKET ANALYSIS
 Property Listing

Market Complexes																	
Apartment Complex	Address	Phone	Studio					One Bedroom					Two Bedroom				
			Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF	Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF	Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF
807 West	807 Blaine Street	(951) 823-0777						\$1,315 \$1,400	\$1,325 \$1,413	\$1,335 \$1,425	585 659	\$2.26 \$2.14	\$1,525 \$1,525 \$1,550 \$1,575	\$1,550 \$1,550 \$1,563 \$1,600	\$1,575 \$1,575 \$1,575 \$1,625	912 943 877 966	\$1.70 \$1.64 \$1.78 \$1.66
Boulder Creek Apartments	2442 Iowa Avenue	(951) 682-4104	\$1,305 \$1,330	\$1,524 \$1,587	\$1,742 \$1,843	500 500	\$3.05 \$3.17	\$1,265 \$1,325 \$1,335 \$1,360 \$1,410 \$1,430	\$1,464 \$1,539 \$1,550 \$1,556 \$1,752 \$1,627 \$1,648	\$1,663 \$1,753 \$1,764 \$1,752 \$1,843 \$1,865	715 715 715 715 715 715	\$2.05 \$2.15 \$2.17 \$2.18 \$2.27 \$2.30	\$1,525 \$1,640 \$1,760	\$1,787 \$1,907 \$2,031	\$2,049 \$2,173 \$2,301	986 986 986	\$1.81 \$1.93 \$2.06
CastleRock	5700 Lochmoor Drive	(951) 263-7494						\$1,445 \$1,540 \$1,890	\$1,558 \$1,665 \$1,928	\$1,670 \$1,790 \$1,965	815 829 944	\$1.91 \$2.01 \$2.04	\$1,790 \$1,765	\$1,895 \$2,025	\$2,025	1,118 1,042	\$1.60 \$1.82
Concord Square Apartments	2700 Iowa Avenue	(951) 682-3340	NA	\$1,120	NA	500	\$2.24	NA	\$1,400	NA	700	\$2.00	NA	\$1,400	NA	900	\$1.56
Berkdale (formerly Copper Canyon)	1234 W. Blaine St.	(951) 335-8904	NA	\$1,130	NA	400	\$2.83	NA NA	\$1,120 \$1,370	NA NA	400 529	\$2.80 \$2.59	\$1,600	\$1,608	\$1,615	729	\$2.21
Cranford Court Apartments	3939 Cranford Avenue	(951) 787-4940						NA	\$1,235	NA	623	\$1.98	\$1,270	\$1,402	\$1,533	713 755 860	\$1.97
Dwell Apartment Homes	160 W Big Springs Rd	(877) 451-4110						\$1,225 \$1,225	\$1,225 \$1,225	\$1,225 \$1,225	700 750	\$1.75 \$1.63	\$1,625 \$1,545	\$1,625 \$1,585	\$1,625 \$1,625	900 950	\$1.81 \$1.67
Falcon Pointe	2934 Canyon Crest Dr	(951) 369-8889						\$1,068	\$1,068	\$1,068	650	\$1.64	\$1,470	\$1,470	\$1,470	850	\$1.73
Highlander Park Apt Homes	3131 Watkins Drive	(951) 683-1422						\$1,325	\$1,325	\$1,325	710	\$1.87	\$1,525 \$1,635	\$1,525 \$1,635	\$1,525 \$1,635	1,175 1,030	\$1.30 \$1.59
Highlander Pointe	1055 West Blaine St	(951) 683-1422						\$1,345 \$1,435	\$1,345 \$1,435	\$1,345 \$1,435	612 701	\$2.20 \$2.05	\$1,550 \$1,760	\$1,550 \$1,760	\$1,550 \$1,760	849 1,003	\$1.83 \$1.75
Los Arbolitos and the Timbers	1175 W Blaine	(951) 289-5531						\$1,365 \$1,355 \$1,475	\$1,365 \$1,378 849	\$1,365 \$1,400	578 713	\$2.36 \$1.93	\$1,595 \$1,755 \$1,795 \$1,975	\$1,615 \$1,129 \$1,795 \$1,975	\$1,635 \$1,795 \$1,795 \$1,975	986 1,003 1,129 1,156	\$1.64 \$1.13 \$1.59 \$1.71
Metro Gateway	3411 Grande Vista Pkwy	(844) 342-0181	\$1,579 \$1,865	\$1,579 \$1,865	\$1,579 \$1,865	649 859	\$2.43 \$2.17	\$1,690 \$1,740 \$1,840 \$1,786	\$1,690 \$1,740 \$1,840 \$1,786	\$1,690 \$1,740 \$1,840 \$1,786	729 732 750 806	\$2.32 \$2.38 \$2.45 \$2.22	\$2,045 \$2,480 \$2,132 \$2,205	\$2,045 \$2,480 \$2,132 \$2,205	\$2,045 \$2,480 \$2,132 \$2,205	1,076 1,309 1,094 1,205	\$1.90 \$1.89 \$1.95 \$1.83
Mission Grove Park	7450 Northrop Drive							\$1,615	\$1,615	\$1,615	773	\$2.09	\$1,690	\$1,813	\$1,935	1,015 1,152 1,440	0.00 1.57
Spruce Village	1046 Spruce St							\$1,155	\$1,235	\$1,315	660	\$1.87	\$1,415	\$1,485	\$1,555	900	\$1.65
Stone Canyon	5100 Quail Run Road	(888) 746-5097						\$1,625	\$1,625	\$1,625	792	\$2.05	\$2,145 \$2,220 \$2,180	\$2,145 \$2,220 \$2,180	\$2,145 \$2,220 \$2,180	984 1,121 1,260	\$2.18 \$1.98 \$1.73
Summer Meadows	3429 Rustin Avenue	(951) 339-2643						\$1,243	1243	\$ 1,243.00	720	\$1.73	\$1,619	\$1,619	\$1,619	975 995	\$1.66
Summit Pointe Apartments	2800 Chicago Avenue	(951) 781-6606						\$1,215	\$1,225	\$1,235	600	\$2.04	\$1,330	\$1,330	\$1,330	860	\$1.55
The Met	2770 Atlanta Avenue	(951) 274-9722											\$1,475	\$1,500	\$1,525	920	\$1.63
Windwood Apartments	1120 W Linden	(833) 703-1253						\$1,265 \$1,295	\$1,265 \$1,295	\$1,265 \$1,295	615 635	\$2.06 \$2.04	\$1,660	\$1,660	\$1,660	886	\$1.87
			Low	\$1,305		\$400	\$2	\$1,068			400	\$1.63	\$1,270			713	\$0.00
			Median	\$1,579		\$500	\$3	\$1,400			714	\$2.05	\$1,635			986	\$1.73
			High	\$1,865		\$859	\$3	\$1,965			944	\$2.80	\$2,480			1,440	\$2.21
			complex count	4				18			\$18	\$18	18	17	17	19	
			unit count	4				31			\$34	\$34	35	35	34	41	

Market Complexes																										
Apartment Complex	Three Bedroom					Four Bedroom					Lease Terms				Security Deposit	Utilities Included						Unit Amenities				
	Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF	Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF	YR	6/9 Mo.	M-M	Other		Elec	Gas	Heat	W/S	Inter-net	Basic Cable	Furn.	DW	AC	WDC Only	WD
807 West											YR				\$600	N	Y	Y	N	N	N		Y	Y	N	Y
Boulder Creek Apartments											Y	Y	N	2-12mo	\$500	N	Y	Y	N	N	N	N	Y	Y	N	S
CastleRock											Y	Y	N	1-14mo	\$400	N	N	Y	N	N	N	Y	Y	Y	N	Y
Concord Square Apartments											Y	N	N	N	\$199-\$500	N	N	Y	N	Y	Y	N	Y	S	N	N
Berkdale (formerly Copper Canyon)	\$1,860	\$1,860	\$1,860	1,229	\$1.51						Y	Y	N	6-18 mo.	\$300 \$500	N	N	Y	N	N	N	N	Y	Y	N	N
Cranford Court Apartments											Y	N	N	10-mo 11-mo	\$500	N	N	Y	N	N	Y	N	Y	Y	N	N
Dwell Apartment Homes											Y	Y	N	3-mo	\$99*	N	N	Y	N	N	Y	N	N	Y	N	
Falcon Pointe											Y	Y	N	3-12 mo.	\$300 (1BR) \$500(2BR)	N	N	N	N	N	Y	N	Y	Y	N	N
Highlander Park Apt Homes											Y	N	N	N	\$400 (1BR), \$500 (2BR)	N	N	Y	N	N	N	N	Y	Y	N	N
Highlander Pointe	\$1,950	\$1,950	\$1,950	1,156	\$1.69						Y	Y	N	6-18mo	\$300	N	N	Y	N	N	N	N	Y	Y	N	Y
Los Arbolitos and the Timbers											Y	Y	N	1-14 mo.	\$500	N	Y	Y	N	Y	N	N	N	Y	N	N
Metro Gateway											Y	N	N	9-13mo	\$500 - rent	N	N	Y	N	N	N	N	Y	Y	N	Y
Mission Grove Park	\$2,100	\$2,100	\$2,100	1,440	\$1.46						Y	Y	N	2-12mo	\$500	N	N	Y	N	N	N	N	Y	Y	N	Y
Spruce Village											Y	N	N	7mo- 13mo	\$300	N	N	N	Y	N	N	N	Y	Y	N	S
Stone Canyon											Y	Y	N	2-11mo	\$500	N	N	Y	N	N	Y	A	Y	Y	N	Y
Summer Meadows				1,180	\$0						Y	N	N	13 mo.	\$600 99*	N	N	Y	N	N	N	N	Y	Y	N	N
Summit Pointe Apartments											NY	N	N	N	\$250	N	Y	Y	Y	N	N	N	Y	Y	N	N
The Met											Y	N	N	N	\$300	N	Y	N	Y	N	N	N	N	Y	N	N
Windwood Apartments											Y	Y	N	3-13mo	\$750	N	N	Y	N	N	N	N	N	Y	N	N
	\$1,860			#####	\$0.00																					
	\$1,950			#####	\$1.49																					
	\$2,100			#####	\$1.69																					
	3	3	3	4																						
	3	3	3	4																						

Market Complexes																						
Apartment Complex	Community Amenities									Pets	Miles from Campus	2018 Occ.	Year built	# of Units	Parking Options, Rates, Number of Spaces							
	Pool	Club-house	Play-ground	Fitness Ctr	Garage Parking	Parking	Volley	Tennis	Laundry						Gated or Open?	Surface	Carport	Garage	Reserved Space	Cost	# Spaces	
807 West	Y	N	N	Y	Y(S)	Y	N	N	N	N	N	1	89%	2015	55	G	Y	Y	\$50	1 space, some		
Boulder Creek Apartments	Y	N	N	Y	Y(S)	Y	N	Y	Y	Y	Y	1.8	97%	1982	264	G		1 space	Y			
CastleRock	Y	N	N	Y	N	Y	N	N	N	N	2 max, wt & breed restr, \$400 dep, \$25/mo/pet	2.9	93%	2000	272	G	1 space	\$50	\$95	Covered		
Concord Square Apartments	Y	N	N	N	Y\$	Y	N	N	Y	Y	\$500 dep, \$25/mo./pet	1.6	99%	1986	78	G		Y	\$50	Garage		
Berkdale (formerly Copper Canyon)	Y	Y	Y	N	N	Y	Y	N	Y	Y	2max, \$500 dep (\$750 if pet is <1 yr. age)	1.2	100%	1986	301	G						
Cranford Court Apartments	Y	N	N	Y	Y\$	Y	N	N	Y	Y	2 max, >6mo old, \$300 dep, \$50/mo	1.2	97%	2002	69	G	Y	Y	\$50	1 space		
Dwell Apartment Homes	Y	N	N	Y	N	Y	N	N	Y	Y	max 2, \$300 dep; \$50/pet	0.9	97%	1964	116	G	Y(street			Y - 1 space (street)		
Falcon Pointe	Y	N	N	Y	Y	Y	N	N	Y	Y	2max, \$500 dep, \$25/mo/pet	1.1	92%	1986	148	G	Y (covered		Y (indvl - twn			townhou
Highlander Park Apt Homes	Y	Y	N	Y	Y\$	Y	Y	N	Y	Y	\$350 dep, 1max(dogs, reptiles) or 2(cats, birds, fish)	1	98%	1972	92	G	Y-space		\$50, 1 space			
Highlander Pointe	Y	N	N	N	Y	Y	N	N	Y	Y	Y	1	87%	1975	133	G	1 space					
Los Arbolitos and the Timbers	Y	N	N	N	N	Y	N	N	Y	Y	\$500 dep, \$40/mo./pet	1.2	96%	1974	112	O	1 space	1 per apt		No charge		
Metro Gateway	Y	Y	N	Y	Y	N	N	N	N	N	Y	10.9	97%	2017	187	G		Y	Y			
Mission Grove Park	Y	Y	Y	Y	N	Y	N	N	N	N	Y	4.9	97%	2001	432	G			A	A - covered		
Spruce Village	Y	N	N	Y	Y\$	Y	N	N	Y	Y	\$250 dep, 2 max	1.4		1991	207	O	Y	Y	Y (\$)	1 space-covered		
Stone Canyon	Y	N	N	Y	A	Y	N	N	N	N	2 max	1.8	96%	2006	208	G	Y		A(indvl)			
Summer Meadows	Y*	N	N	N	N	Y	N	N	Y	Y	2max, \$300 dep, \$25/mo/pet, 25lb wt limit	0.9	98%	1977	123	O	Y		\$50	Y (\$20 surface,		
Summit Pointe Apartments	N	N	N	N	N	Y	N	N	Y	Y	N	2	97%	1984	38	O				Covered		
The Met	Y	N	Y	N	Y	Y	N	N	Y	Y	Y	1.8	97%	1965	72	G	\$25	\$25		Y - 1 covered		90+
Windwood Apartments	Y	Y	N	Y	N	Y	N	N	Y	Y	Dogs, \$500 dep, \$50/mo/pet; Cats, \$250 dep, \$25/mo/pet	0.6	92%	1985	221	G	Y -	Y				

OFF CAMPUS MARKET ANALYSIS
Property Listing

Market Complexes	
Apartment Complex	Notes
807 West	Pets: service animals accepted; garage parking \$; private patios
Boulder Creek Apartments	Business center, onsite recycling program, personal patio/balconies*
CastleRock	coffee station, outdoor fireplace and BBQ, private balcony/patio's
Concord Square Apartments	small pets welcome, private patio/balcony, storage areas available; Free RTA & Trolley rides to UCR Students
Berkdale (formerly Copper Canyon)	printing services, serenity garden, private patios, upgraded units available
Cranford Court Apartments	have covered parking; business center, BBQ areas, garages \$50/mo., furniture rentals available, private patio/balconies; App fee: \$45
Dwell Apartment Homes	balcony and view; smart apartments
Falcon Pointe	Patio/Balcony; BBQ/grilling area; new interiors
Highlander Park Apt Homes	Patio/balcony, spa, grill and picnic area
Highlander Pointe	
Los Arbolitos and the Timbers	private backyards/balconies; new/renovated interiors; cable ready
Metro Gateway	Income Requirement: Must have 2.5x the rent in total household income ; renters insurance required; app fee \$46; media room; key fob access; BBQ/grill area
Mission Grove Park	balcony/patios(S); open concept living areas; BBQ areas; dog park; business center ***No 3 BR available, price is based on last unit signed
Spruce Village	balcony/patio; BBQ area
Stone Canyon	movie theater, basketball court, billiards table, cyber lounge, horseshoe pit, green friendly community; patios and balcony; newly renovated
Summer Meadows	computer center w/ printer; bas BBQ/picnic areas; enclosed backyard or patio
Summit Pointe Apartments	balcony/patios
The Met	over 90 parking spaces including 4 garages
Windwood Apartments	patio/balcony; BBQ and picnic area, community events, TV lounge, carport, additional apt storage, refrigerator rental available

ATTACHMENTS

UC RIVERSIDE ■ STUDENT HOUSING MARKET STUDY

ATTACHMENT 2: STUDENT SURVEY TABULATION



Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
1. What is your academic class level for the 2018-19 academic year?						
1. First-time freshman	22	4%	412	44%	434	29%
2. Returning or other freshman	1	0%	2	0%	3	0%
3. Sophomore	65	11%	163	17%	228	15%
4. Junior	177	31%	181	19%	358	24%
5. Senior	120	21%	130	14%	250	17%
6. Master's	25	4%	10	1%	35	2%
7. Ph.D.	148	26%	37	4%	185	12%
8. Medical (e.g. MD, resident, School of Medicine)	4	1%	1	0%	5	0%
9. Other (e.g., non-degree, credential, certificate)	5	1%	4	0%	9	1%
Grand Total	567	100%	940	100%	1,507	100%
2. What is your status?						
1. Full-time (undergraduate 12 or more credits; graduate 9 or more credits)	563	99%	936	100%	1,499	99%
2. Part-time	4	1%	4	0%	8	1%
Grand Total	567	100%	940	100%	1,507	100%
3. Where did you live prior to enrolling at UC Riverside?						
1. Imperial County	4	1%	5	1%	9	1%
2. Los Angeles County	108	19%	358	38%	466	31%
3. Orange County	45	8%	106	11%	151	10%
4. Riverside County	111	20%	83	9%	194	13%
5. San Bernardino County	67	12%	90	10%	157	10%
6. San Diego County	41	7%	56	6%	97	6%
7. Elsewhere in California	85	15%	189	20%	274	18%
8. Elsewhere in the United States	58	10%	18	2%	76	5%
9. Another country	48	8%	35	4%	83	6%
Grand Total	567	100%	940	100%	1,507	100%
4. What is your [age]? (Calculated from date of birth entered)						
17	3	1%	56	6%	59	4%
18	33	6%	343	36%	376	25%
19	69	12%	170	18%	239	16%
20	116	20%	131	14%	247	16%
21	64	11%	84	9%	148	10%
22	34	6%	26	3%	60	4%
23	35	6%	13	1%	48	3%
24	28	5%	10	1%	38	3%
25	36	6%	7	1%	43	3%
26	22	4%	7	1%	29	2%
27	28	5%	7	1%	35	2%
28	15	3%	10	1%	25	2%
29	10	2%	4	0%	14	1%
30	12	2%	3	0%	15	1%
31	7	1%	4	0%	11	1%
32	4	1%	4	0%	8	1%
33	3	1%	2	0%	5	0%
34	4	1%	1	0%	5	0%
35	3	1%	4	0%	7	0%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
36		0%	2	0%	2	0%
37	2	0%	4	0%	6	0%
38	2	0%		0%	2	0%
40	1	0%	1	0%	2	0%
41	3	1%		0%	3	0%
47	1	0%		0%	1	0%
48	1	0%	1	0%	2	0%
50	1	0%		0%	1	0%
58	1	0%		0%	1	0%
[blank]	29	5%	46	5%	75	5%
Grand Total	567	100%	940	100%	1,507	100%

5. What is your gender?

1. Female	348	61%	620	66%	968	64%
2. Male	197	35%	306	33%	503	33%
3. Other	10	2%	3	0%	13	1%
4. Decline to state	11	2%	8	1%	19	1%
(blank)	1	0%	3	0%	4	0%
Grand Total	567	100%	940	100%	1,507	100%

6. Where do you live?

1. Aberdeen-Inverness		0%	119	13%	119	8%
2. Lothian		0%	126	13%	126	8%
3. Pentland Hills		0%	198	21%	198	13%
4. Bannockburn Village		0%	76	8%	76	5%
5. Falkirk		0%	84	9%	84	6%
6. Glen Mor		0%	188	20%	188	12%
7. International Village		0%	19	2%	19	1%
8. The Plaza		0%	31	3%	31	2%
9. Stonehaven		0%	67	7%	67	4%
10. Oban Family Housing		0%	32	3%	32	2%
11. Rental housing off campus	414	73%		0%	414	27%
12. With parents/relatives, but would consider living on campus	100	18%		0%	100	7%
13. With parents/relatives and would never consider living on campus	26	5%		0%	26	2%
14. Own my home, but would consider living on campus	16	3%		0%	16	1%
15. Own my home and would never consider living on campus	11	2%		0%	11	1%
Grand Total	567	100%	940	100%	1,507	100%

7. What is your primary method of transportation for getting to campus?

1. Walk	129	23%		0%	129	9%
2. Bicycle	53	9%		0%	53	4%
3. My own car or motor vehicle alone	239	42%		0%	239	16%
4. Carpool	36	6%		0%	36	2%
5. Public transportation	62	11%		0%	62	4%
6. Other	10	2%		0%	10	1%
(blank)	38	7%	940	100%	978	65%
Grand Total	567	100%	940	100%	1,507	100%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
8. What is your vehicle and parking situation?						
1. I do not have a car	123	22%		0%	123	8%
2. I have a car but do not have it with me at school	29	5%		0%	29	2%
3. I have a car and park only where I live locally but not on campus	131	23%		0%	131	9%
4. I have a car and park both where I live and on campus	246	43%		0%	246	16%
(blank)	38	7%	940	100%	978	65%
Grand Total	567	100%	940	100%	1,507	100%
9. What is your vehicle and parking situation?						
1. I do not have a car		0%	508	54%	508	34%
2. I have a car but do not have it with me at school		0%	195	21%	195	13%
3. I have a car and park on campus		0%	178	19%	178	12%
4. I have a car but do not park on campus		0%	50	5%	50	3%
(blank)	567	100%	9	1%	576	38%
Grand Total	567	100%	940	100%	1,507	100%
10. How far is your current housing from your on-campus classes?						
1. Less than one mile	78	14%		0%	78	5%
2. 1-2 miles	200	35%		0%	200	13%
3. 3-5 miles	79	14%		0%	79	5%
4. 6-10 miles	47	8%		0%	47	3%
5. 11-20 miles	52	9%		0%	52	3%
6. 21-30 miles	32	6%		0%	32	2%
7. 31-40 miles	11	2%		0%	11	1%
8. 41-50 miles	11	2%		0%	11	1%
9. More than 50 miles	19	3%		0%	19	1%
(blank)	38	7%	940	100%	978	65%
Grand Total	567	100%	940	100%	1,507	100%
11. How satisfied are you with your current housing situation?						
1. Very satisfied	121	21%	259	28%	380	25%
2. Satisfied	341	60%	581	62%	922	61%
3. Dissatisfied	84	15%	91	10%	175	12%
4. Very dissatisfied	19	3%	5	1%	24	2%
(blank)	2	0%	4	0%	6	0%
Grand Total	567	100%	940	100%	1,507	100%
12. What is your ZIP Code?						
90066	1	0%		0%	1	0%
90260	1	0%		0%	1	0%
90802	1	0%		0%	1	0%
91024	1	0%		0%	1	0%
91101	1	0%		0%	1	0%
91352	1	0%		0%	1	0%
91504	1	0%		0%	1	0%
91710	1	0%		0%	1	0%
91730	2	0%		0%	2	0%
91739	1	0%		0%	1	0%
91766	2	0%		0%	2	0%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
92057	1	0%		0%	1	0%
92119	1	0%		0%	1	0%
92253	2	0%		0%	2	0%
92324	1	0%		0%	1	0%
92346	1	0%		0%	1	0%
92373	3	1%		0%	3	0%
92399	1	0%		0%	1	0%
92501	18	3%		0%	18	1%
92503	2	0%		0%	2	0%
92504	3	1%		0%	3	0%
92505	2	0%		0%	2	0%
92506	9	2%		0%	9	1%
92507	313	55%		0%	313	21%
92508	1	0%		0%	1	0%
92509	1	0%		0%	1	0%
92512	1	0%		0%	1	0%
92521	2	0%		0%	2	0%
92527	1	0%		0%	1	0%
92553	5	1%		0%	5	0%
92555	5	1%		0%	5	0%
92557	14	2%		0%	14	1%
92577	1	0%		0%	1	0%
92590	1	0%		0%	1	0%
92592	1	0%		0%	1	0%
92596	1	0%		0%	1	0%
92597	1	0%		0%	1	0%
92602	1	0%		0%	1	0%
92617	1	0%		0%	1	0%
92704	1	0%		0%	1	0%
92832	1	0%		0%	1	0%
92879	3	1%		0%	3	0%
(blank)	155	27%	940	100%	1,095	73%
Grand Total	567	100%	940	100%	1,507	100%

13. What type of housing unit do you live in?

1. Apartment - in an apartment complex/building or a condominium	251	44%		0%	251	17%
2. Other kind of apartment not in an apartment complex or apartment building or condominium unit	8	1%		0%	8	1%
3. House or duplex - where you (or a group) rent the whole living unit	123	22%		0%	123	8%
4. A bedroom only (not a separate unit) - in a private home	31	5%		0%	31	2%
5. Greek Organization Chapter House		0%		0%		0%
6. Other	1	0%		0%	1	0%
(blank)	153	27%	940	100%	1,093	73%
Grand Total	567	100%	940	100%	1,507	100%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
14. What is the name of your apartment complex or building, if applicable?						
807 West	1	0%	0%		1	0%
Alvista	1	0%	0%		1	0%
Alvista Canyons	1	0%	0%		1	0%
Alvista Towngate Moreno Valley	1	0%	0%		1	0%
Amber	1	0%	0%		1	0%
Amber Crest	1	0%	0%		1	0%
Annex Apartments	1	0%	0%		1	0%
Berkdale Apartments	8	1%	0%		8	1%
Bunker Hill	3	1%	0%		3	0%
Burbank Town Center	1	0%	0%		1	0%
Campus Crossings	10	2%	0%		10	1%
Canyon Court Condominiums	1	0%	0%		1	0%
Canyon Crest	3	1%	0%		3	0%
Canyon Crest Village	1	0%	0%		1	0%
Canyon Villa	1	0%	0%		1	0%
Casa De Oro	1	0%	0%		1	0%
Colonnade	3	1%	0%		3	0%
Concord Square Apts	1	0%	0%		1	0%
Crown Point	1	0%	0%		1	0%
Cypress Villas	1	0%	0%		1	0%
Dwell Apartments	4	1%	0%		4	0%
Emerald Pointe	1	0%	0%		1	0%
Foothills at Old Town Temecula	1	0%	0%		1	0%
Granada Pueblo Apartments	2	0%	0%		2	0%
Grand Marc	31	5%	0%		31	2%
Hidden Springs	3	1%	0%		3	0%
Highlander Park	9	2%	0%		9	1%
Highlander Pointe	3	1%	0%		3	0%
Imperial Hardware Lofts	1	0%	0%		1	0%
Ironwood at Empire Lakes	2	0%	0%		2	0%
Ironwood Villas	1	0%	0%		1	0%
Jefferson Point	1	0%	0%		1	0%
Kapi Residences	1	0%	0%		1	0%
La Pacifica Apartments	1	0%	0%		1	0%
Legends at Rancho Belago	1	0%	0%		1	0%
Lindy	3	1%	0%		3	0%
Los Arbolitos	1	0%	0%		1	0%
Melrose Manor Apartments	1	0%	0%		1	0%
Monarch Terrace	1	0%	0%		1	0%
Palm Place	1	0%	0%		1	0%
Palmilla	3	1%	0%		3	0%
Palmyra	1	0%	0%		1	0%
Park Hill Apt	1	0%	0%		1	0%
Philadelphia	1	0%	0%		1	0%
Pinewood Apartments	1	0%	0%		1	0%
Serrano Apartments	1	0%	0%		1	0%
Sierra Vista Apts	1	0%	0%		1	0%
Spruce Village	1	0%	0%		1	0%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
Sterling Highlander/Highlander at North Campus	19	3%	0%		19	1%
Stone Canyon	2	0%	0%		2	0%
Summer Meadows	2	0%	0%		2	0%
The Hills at Quail Run	2	0%	0%		2	0%
The Overlook at Rancho Belago	2	0%	0%		2	0%
The Palms on University	12	2%	0%		12	1%
Timbers	2	0%	0%		2	0%
UCLA Family Housing	1	0%	0%		1	0%
University Crest	5	1%	0%		5	0%
University Gardens	1	0%	0%		1	0%
University Riverside Gardens	7	1%	0%		7	0%
University Village Apartments	6	1%	0%		6	0%
University Village Towers	15	3%	0%		15	1%
University Villages	2	0%	0%		2	0%
Verano Place @ UCI	1	0%	0%		1	0%
Viano at Riverwalk	1	0%	0%		1	0%
Victoria Woods Apartments	1	0%	0%		1	0%
Villas at Towngate	1	0%	0%		1	0%
Windemere	3	1%	0%		3	0%
Windwood	10	2%	0%		10	1%
Woodland Condominiums	1	0%	0%		1	0%
Woodlands Apartment Complex	3	1%	0%		3	0%
(blank)	346	61%	940	100%	1,286	85%
Canyon Crest Villas	1	0%	0%		1	0%
Grand Total	567	100%	940	100%	1,507	100%

15. Do you live alone or with others?

1. I live by myself; I am the only one who lives in my housing unit	31	5%	0%		31	2%
2. Other people live with me and share my housing unit	383	68%	0%		383	25%
(blank)	153	27%	940	100%	1,093	73%
Grand Total	567	100%	940	100%	1,507	100%

16. Including yourself, how many people live in the housing unit where you live?

1. Two (myself and one other)	91	16%	0%		91	6%
2. Three (myself and two others)	70	12%	0%		70	5%
3. Four (myself and three others)	127	22%	0%		127	8%
4. More than four (myself and four or more others)	95	17%	0%		95	6%
(blank)	184	32%	940	100%	1,124	75%
Grand Total	567	100%	940	100%	1,507	100%

17. With whom do you live?

a. Roommates and/or apartment-mates	319	56%	0%		319	21%
b. My children	11	2%	0%		11	1%
c. Parents or guardians	3	1%	0%		3	0%
d. Spouse/partner/significant other	69	12%	0%		69	5%
e. Other	13	2%	0%		13	1%
(blank)	186	33%	940	100%	1,126	75%
Grand Total	567	100%	940	100%	1,507	100%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
18. How many bedrooms are in your apartment/housing unit?						
1. One	65	11%		0%	65	4%
2. Two	108	19%		0%	108	7%
3. Three	55	10%		0%	55	4%
4. Four	131	23%		0%	131	9%
5. More than four	47	8%		0%	47	3%
6. None - an efficiency/studio	6	1%		0%	6	0%
(blank)	155	27%	940	100%	1,095	73%
Grand Total	567	100%	940	100%	1,507	100%
19. How many bathrooms are in your apartment/housing unit? (A half bath is a bathroom with no shower or tub.)						
1. One	106	19%		0%	106	7%
2. One and a half	16	3%		0%	16	1%
3. Two	148	26%		0%	148	10%
4. Two and a half	28	5%		0%	28	2%
5. Three	47	8%		0%	47	3%
6. More than three	69	12%		0%	69	5%
(blank)	153	27%	940	100%	1,093	73%
Grand Total	567	100%	940	100%	1,507	100%
20. Do you share a bedroom?						
1. No, I have a bedroom to myself	249	44%		0%	249	17%
2. Yes, I share a bedroom with my spouse/partner/significant other/children/parents	67	12%		0%	67	4%
3. Yes, I share a bedroom with a roommate	67	12%		0%	67	4%
(blank)	184	32%	940	100%	1,124	75%
Grand Total	567	100%	940	100%	1,507	100%
21. Why do you choose to share a bedroom?						
a. Lower rent	63	11%		0%	63	4%
b. Wanted to live with friends	12	2%		0%	12	1%
c. Could not find housing with a private bedroom	12	2%		0%	12	1%
d. Other:	2	0%		0%	2	0%
<i>My roommate is my sister. We are used to sharing.</i>	1	0%		0%	1	0%
<i>Temporary</i>	1	0%		0%	1	0%
(blank)	500	88%	940	100%	1,440	96%
Grand Total	567	100%	940	100%	1,507	100%
22. What is your lease term?						
1. Twelve months	287	51%		0%	287	19%
2. Academic year (9 or 10 months)	63	11%		0%	63	4%
3. Six months	4	1%		0%	4	0%
4. Three months		0%		0%		0%
5. Month-to-month since the beginning of my lease	30	5%		0%	30	2%
6. Month-to-month starting at the end of my original lease term	17	3%		0%	17	1%
7. Other	13	2%		0%	13	1%
(blank)	153	27%	940	100%	1,093	73%
Grand Total	567	100%	940	100%	1,507	100%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
23. How do you rent your housing unit?						
1. Furnished	111	20%		0%	111	7%
2. Partially furnished	64	11%		0%	64	4%
3. Unfurnished	238	42%		0%	238	16%
(blank)	154	27%	940	100%	1,094	73%
Grand Total	567	100%	940	100%	1,507	100%

24. What is your living situation during this academic year?						
1. I live on my own or with roommates in a rented unit.	354	62%		0%	354	23%
2. I live with my parent(s)/guardian in their home and I contribute toward my living expenses.	3	1%		0%	3	0%
3. I live with my spouse/partner/significant other and/or child(ren) in a rented unit.	53	9%		0%	53	4%
(blank)	157	28%	940	100%	1,097	73%
Grand Total	567	100%	940	100%	1,507	100%

28. What is your share of monthly housing costs? (*live on their own, with roommates, or live with parents and contribute*) or What is the monthly rental cost for the entire unit? (*live with spouse/partner/children*)

	Rent		Total Other	
	n=	Median	n=	Median
On own or with roommate(s)/apartment-mate(s)	348	\$600	348	\$52
With parent(s)/guardian(s) and contribute	3	\$500	3	\$112

	Rent		Total Other	
	n=	Median	n=	Median
With spouse/partner/child(ren)	53	\$1,445	53	\$185

26. Does your rent include any utilities?						
1. No	205	36%		0%	205	14%
2. Yes	207	37%		0%	207	14%
(blank)	155	27%	940	100%	1,095	73%
Grand Total	567	100%	940	100%	1,507	100%

27. Which utilities are included in your rent?						
a. Electricity	111	20%		0%	111	7%
b. Gas	128	23%		0%	128	8%
c. Heat	121	21%		0%	121	8%
d. Water/sewer	186	33%		0%	186	12%
e. Trash	174	31%		0%	174	12%
(blank)	362	64%	940	100%	1,302	86%
Grand Total	567	100%	940	100%	1,507	100%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
28. What other features or services are included in your rent?						
a. Air conditioning	283	50%		0%	283	19%
b. Dishwasher	264	47%		0%	264	18%
c. Internet	145	26%		0%	145	10%
d. Cable TV	92	16%		0%	92	6%
e. Local telephone	13	2%		0%	13	1%
f. Shuttle services	20	4%		0%	20	1%
g. Parking	300	53%		0%	300	20%
(blank)	196	35%	940	100%	1,136	75%
Grand Total	567	100%	940	100%	1,507	100%
29. Have you ever lived in UC Riverside residence halls or campus apartments and then decided to move off campus?						
1. No	320	56%		0%	320	21%
2. Yes	208	37%		0%	208	14%
(blank)	39	7%	940	100%	979	65%
Grand Total	567	100%	940	100%	1,507	100%
30. What are the reason(s) you decided to move off campus?						
a. Age and condition of housing facilities	48	8%		0%	48	3%
b. Campus housing is too expensive	174	31%		0%	174	12%
c. Campus housing management style	33	6%		0%	33	2%
d. Desire for more independence	74	13%		0%	74	5%
e. Desire for more privacy	88	16%		0%	88	6%
f. Dislike of community bathrooms	54	10%		0%	54	4%
g. Dislike of food service quality	32	6%		0%	32	2%
h. Dislike of meal plan terms and conditions	31	5%		0%	31	2%
i. High noise level in residence halls or apartments	41	7%		0%	41	3%
j. Inadequate laundry facilities	36	6%		0%	36	2%
k. Inadequate number of common kitchens or kitchen amenities	40	7%		0%	40	3%
l. Lack of living space	61	11%		0%	61	4%
m. Lack of temperature control	34	6%		0%	34	2%
n. Rules, regulations, and policies	71	13%		0%	71	5%
o. Slow response to maintenance requests	19	3%		0%	19	1%
p. Size of bedrooms	72	13%		0%	72	5%
q. Space was not available in my preferred on-campus housing	46	8%		0%	46	3%
r. Wanted to have a pet	39	7%		0%	39	3%
s. Wanted to live with my spouse/partner/significant other and/or children	14	2%		0%	14	1%
t. Some other reason:	23	4%		0%	23	2%
Cost	1	0%		0%	1	0%
<i>Did not get offered housing last year due to lack of space</i>	1	0%		0%	1	0%
<i>Did not like the most on-campus living wasn't furnished</i>	1	0%		0%	1	0%
<i>Disruption and inconvenience of fire alarms</i>	1	0%		0%	1	0%
<i>Dorms are the worst and are way way too expensive</i>	1	0%		0%	1	0%
<i>Graduated, I commute to UCR for work</i>	1	0%		0%	1	0%
<i>Had to leave UCR for medical reasons</i>	1	0%		0%	1	0%
<i>Housing staff very unprofessional, do not enforce policies</i>	1	0%		0%	1	0%
<i>I applied but no available room for me.</i>	1	0%		0%	1	0%
<i>Inadequate amenities</i>	1	0%		0%	1	0%
<i>Lack of green outdoor spaces</i>	1	0%		0%	1	0%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
<i>Management</i>	1	0%		0%	1	0%
<i>My rent is 1/4 off campus</i>	1	0%		0%	1	0%
<i>Needed child/relative friendly housing</i>	1	0%		0%	1	0%
<i>No one bedroom apartments available</i>	1	0%		0%	1	0%
<i>Parents moved to Riverside County, so it was cheaper to commute</i>	1	0%		0%	1	0%
<i>Parking on campus for residential is overpriced</i>	1	0%		0%	1	0%
<i>Proximity to businesses</i>	1	0%		0%	1	0%
<i>There was no more room in on-campus housing</i>	1	0%		0%	1	0%
<i>UCR Housing was inadequate and could not find me an apartment</i>	1	0%		0%	1	0%
<i>Was not approved for on campus housing until months later</i>	1	0%		0%	1	0%
<i>Was put on a waitlist</i>	1	0%		0%	1	0%
<i>You cant live in dorms after freshman year</i>	1	0%		0%	1	0%
(blank)	359	63%	940	100%	1,299	86%
Grand Total	567	100%	940	100%	1,507	100%

31. What are the most important factors you considered in your decision of where to live this academic year?

Please rank the top five.

Most important

1. Ability to enter into an academic-year lease	11	2%	42	4%	53	4%
2. Ability to enter into a 12-month lease	6	1%	12	1%	18	1%
3. Ability to meet other students	3	1%	66	7%	69	5%
4. Adequate living space	23	4%	95	10%	118	8%
5. Affordable rent	318	56%	339	36%	657	44%
6. Availability of parking	3	1%	1	0%	4	0%
7. Character of neighborhood	9	2%	14	1%	23	2%
8. Fitness center	2	0%	1	0%	3	0%
9. Have own bath	1	0%	16	2%	17	1%
10. Have own bedroom	50	9%	58	6%	108	7%
11. Inclusion of utilities in rent	4	1%	11	1%	15	1%
12. Internet connection	4	1%	22	2%	26	2%
13. Kitchen in the unit	7	1%	2	0%	9	1%
14. Laundry machines in the unit	5	1%	1	0%	6	0%
15. Location relative to campus	40	7%	149	16%	189	13%
16. Management of the property	3	1%	3	0%	6	0%
17. On-site laundry facility		0%		0%		0%
18. Physical condition of the housing	11	2%	32	3%	43	3%
19. Satisfy parents' wishes	5	1%	13	1%	18	1%
20. Security	22	4%	46	5%	68	5%
21. Theme housing (such as Greek housing, housing by major, etc.)	1	0%	11	1%	12	1%
(blank)	39	7%	6	1%	45	3%
Grand Total	567	100%	940	100%	1,507	100%

Second most important

1. Ability to enter into an academic-year lease	16	3%	55	6%	71	5%
2. Ability to enter into a 12-month lease	5	1%	9	1%	14	1%
3. Ability to meet other students	3	1%	52	6%	55	4%
4. Adequate living space	56	10%	129	14%	185	12%
5. Affordable rent	74	13%	120	13%	194	13%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
6. Availability of parking	38	7%	25	3%	63	4%
7. Character of neighborhood	30	5%	18	2%	48	3%
8. Fitness center	1	0%	11	1%	12	1%
9. Have own bath	34	6%	20	2%	54	4%
10. Have own bedroom	87	15%	74	8%	161	11%
11. Inclusion of utilities in rent	17	3%	58	6%	75	5%
12. Internet connection	12	2%	75	8%	87	6%
13. Kitchen in the unit	17	3%	15	2%	32	2%
14. Laundry machines in the unit	8	1%	6	1%	14	1%
15. Location relative to campus	62	11%	104	11%	166	11%
16. Management of the property	2	0%	2	0%	4	0%
17. On-site laundry facility	7	1%	10	1%	17	1%
18. Physical condition of the housing	21	4%	44	5%	65	4%
19. Satisfy parents' wishes	10	2%	7	1%	17	1%
20. Security	25	4%	95	10%	120	8%
21. Theme housing (such as Greek housing, housing by major, etc.)		0%	2	0%	2	0%
(blank)	42	7%	9	1%	51	3%
Grand Total	567	100%	940	100%	1,507	100%

Third most important

1. Ability to enter into an academic-year lease	15	3%	20	2%	35	2%
2. Ability to enter into a 12-month lease	14	2%	13	1%	27	2%
3. Ability to meet other students	8	1%	48	5%	56	4%
4. Adequate living space	48	8%	93	10%	141	9%
5. Affordable rent	40	7%	75	8%	115	8%
6. Availability of parking	44	8%	36	4%	80	5%
7. Character of neighborhood	17	3%	43	5%	60	4%
8. Fitness center	4	1%	13	1%	17	1%
9. Have own bath	39	7%	31	3%	70	5%
10. Have own bedroom	59	10%	52	6%	111	7%
11. Inclusion of utilities in rent	21	4%	62	7%	83	6%
12. Internet connection	23	4%	94	10%	117	8%
13. Kitchen in the unit	37	7%	27	3%	64	4%
14. Laundry machines in the unit	19	3%	20	2%	39	3%
15. Location relative to campus	59	10%	114	12%	173	11%
16. Management of the property	4	1%	9	1%	13	1%
17. On-site laundry facility	6	1%	17	2%	23	2%
18. Physical condition of the housing	27	5%	59	6%	86	6%
19. Satisfy parents' wishes	1	0%	19	2%	20	1%
20. Security	39	7%	80	9%	119	8%
21. Theme housing (such as Greek housing, housing by major, etc.)		0%	4	0%	4	0%
(blank)	43	8%	11	1%	54	4%
Grand Total	567	100%	940	100%	1,507	100%

Fourth most important

1. Ability to enter into an academic-year lease	6	1%	29	3%	35	2%
2. Ability to enter into a 12-month lease	3	1%	13	1%	16	1%
3. Ability to meet other students	8	1%	41	4%	49	3%
4. Adequate living space	53	9%	89	9%	142	9%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
5. Affordable rent	22	4%	35	4%	57	4%
6. Availability of parking	50	9%	30	3%	80	5%
7. Character of neighborhood	29	5%	47	5%	76	5%
8. Fitness center	4	1%	22	2%	26	2%
9. Have own bath	27	5%	28	3%	55	4%
10. Have own bedroom	49	9%	49	5%	98	7%
11. Inclusion of utilities in rent	25	4%	85	9%	110	7%
12. Internet connection	24	4%	90	10%	114	8%
13. Kitchen in the unit	33	6%	50	5%	83	6%
14. Laundry machines in the unit	23	4%	20	2%	43	3%
15. Location relative to campus	48	8%	90	10%	138	9%
16. Management of the property	10	2%	16	2%	26	2%
17. On-site laundry facility	15	3%	24	3%	39	3%
18. Physical condition of the housing	44	8%	77	8%	121	8%
19. Satisfy parents' wishes	14	2%	16	2%	30	2%
20. Security	36	6%	72	8%	108	7%
21. Theme housing (such as Greek housing, housing by major, etc.)		0%	6	1%	6	0%
(blank)	44	8%	11	1%	55	4%
Grand Total	567	100%	940	100%	1,507	100%

Fifth most important

1. Ability to enter into an academic-year lease	13	2%	27	3%	40	3%
2. Ability to enter into a 12-month lease	7	1%	17	2%	24	2%
3. Ability to meet other students	6	1%	43	5%	49	3%
4. Adequate living space	37	7%	63	7%	100	7%
5. Affordable rent	11	2%	36	4%	47	3%
6. Availability of parking	45	8%	42	4%	87	6%
7. Character of neighborhood	34	6%	41	4%	75	5%
8. Fitness center	4	1%	26	3%	30	2%
9. Have own bath	21	4%	19	2%	40	3%
10. Have own bedroom	27	5%	33	4%	60	4%
11. Inclusion of utilities in rent	28	5%	53	6%	81	5%
12. Internet connection	37	7%	89	9%	126	8%
13. Kitchen in the unit	38	7%	44	5%	82	5%
14. Laundry machines in the unit	29	5%	33	4%	62	4%
15. Location relative to campus	42	7%	64	7%	106	7%
16. Management of the property	18	3%	23	2%	41	3%
17. On-site laundry facility	30	5%	53	6%	83	6%
18. Physical condition of the housing	37	7%	78	8%	115	8%
19. Satisfy parents' wishes	12	2%	32	3%	44	3%
20. Security	41	7%	97	10%	138	9%
21. Theme housing (such as Greek housing, housing by major, etc.)	4	1%	11	1%	15	1%
(blank)	46	8%	16	2%	62	4%
Grand Total	567	100%	940	100%	1,507	100%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%

32. UC Riverside is considering the development of new student apartments for returning and transfer students on campus in an area known as the North District. The new housing under consideration consists of two five- and six-story apartment buildings with a total of approximately 1,500 apartment beds. In addition to housing, the development may include various amenities, including fitness, food service, lounge, study and seminar spaces, and significant courtyard spaces and an extension of the Aberdeen Mall. The new housing may also be supported by up to 875 surface parking spaces. The image below is intended to provide a illustrative visual for the new housing.

Please provide your feedback on the following unit types and proposed rents. Assume that the estimated rents include furnishings, utilities, basic cable TV, and Internet. Rents are based on an academic year lease (with summers free for returning students) and DO NOT include meal plan charges.

- Please select no more than one as "preferred."
- Mark as "acceptable" any unit plan(s) you would live in if your preferred choice were not available.
- Select "would not live there" for any unit(s) that you would find unacceptable.

NOTE: Floor plans are to show concepts only, and are not to scale.

TWO-DOUBLE-BEDROOM APARTMENT

Designed for two students, one in each bedroom, with two bathrooms, a living room, and kitchen

Rent per person: \$11,368 per academic year (or \$947 per month)

1. Preferred	148	26%	429	46%	577	38%
2. Acceptable	179	32%	371	39%	550	36%
3. Would not live there	203	36%	140	15%	343	23%
(blank)	37	7%		0%	37	2%
Grand Total	567	100%	940	100%	1,507	100%

FOUR-SINGLE-BEDROOM APARTMENT

Designed for four students, one in each bedroom, with two bathrooms, a living room, and a kitchen

Rent per person: \$12,493 per academic year (or \$1,041 per month)

1. Preferred	46	8%	156	17%	202	13%
2. Acceptable	143	25%	499	53%	642	43%
3. Would not live there	341	60%	285	30%	626	42%
(blank)	37	7%		0%	37	2%
Grand Total	567	100%	940	100%	1,507	100%

33. How influential would each of the following unit features and housing policies be on your interest in living in campus housing?

Basic cable TV within individual bedrooms

1. Would not live in new housing without it	28	5%	63	7%	91	6%
2. Would have a positive influence on my decision	146	26%	338	36%	484	32%
3. Would have no influence on my decision	322	57%	495	53%	817	54%
4. Would have a negative influence on my decision	19	3%	14	1%	33	2%
5. Would not live in new housing if it was included	4	1%	11	1%	15	1%
(blank)	48	8%	19	2%	67	4%
Grand Total	567	100%	940	100%	1,507	100%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
High-speed wireless Internet						
1. Would not live in new housing without it	282	50%	544	58%	826	55%
2. Would have a positive influence on my decision	213	38%	357	38%	570	38%
3. Would have no influence on my decision	17	3%	15	2%	32	2%
4. Would have a negative influence on my decision	3	1%	8	1%	11	1%
5. Would not live in new housing if it was included	3	1%	3	0%	6	0%
(blank)	49	9%	13	1%	62	4%
Grand Total	567	100%	940	100%	1,507	100%
"Soundproof" walls						
1. Would not live in new housing without it	96	17%	133	14%	229	15%
2. Would have a positive influence on my decision	374	66%	670	71%	1,044	69%
3. Would have no influence on my decision	41	7%	110	12%	151	10%
4. Would have a negative influence on my decision	1	0%	7	1%	8	1%
5. Would not live in new housing if it was included	3	1%	5	1%	8	1%
(blank)	52	9%	15	2%	67	4%
Grand Total	567	100%	940	100%	1,507	100%
Storage space						
1. Would not live in new housing without it	101	18%	157	17%	258	17%
2. Would have a positive influence on my decision	333	59%	581	62%	914	61%
3. Would have no influence on my decision	81	14%	165	18%	246	16%
4. Would have a negative influence on my decision		0%	15	2%	15	1%
5. Would not live in new housing if it was included	4	1%	5	1%	9	1%
(blank)	48	8%	17	2%	65	4%
Grand Total	567	100%	940	100%	1,507	100%
Temperature control in each unit						
1. Would not live in new housing without it	184	32%	338	36%	522	35%
2. Would have a positive influence on my decision	294	52%	503	54%	797	53%
3. Would have no influence on my decision	40	7%	70	7%	110	7%
4. Would have a negative influence on my decision	1	0%	10	1%	11	1%
5. Would not live in new housing if it was included	1	0%	5	1%	6	0%
(blank)	47	8%	14	1%	61	4%
Grand Total	567	100%	940	100%	1,507	100%
Theme housing (LLCs, special interest housing, etc.)						
1. Would not live in new housing without it	8	1%	20	2%	28	2%
2. Would have a positive influence on my decision	71	13%	199	21%	270	18%
3. Would have no influence on my decision	366	65%	637	68%	1,003	67%
4. Would have a negative influence on my decision	49	9%	40	4%	89	6%
5. Would not live in new housing if it was included	27	5%	30	3%	57	4%
(blank)	46	8%	14	1%	60	4%
Grand Total	567	100%	940	100%	1,507	100%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
Utilities included in rent						
1. Would not live in new housing without it	118	21%	323	34%	441	29%
2. Would have a positive influence on my decision	339	60%	538	57%	877	58%
3. Would have no influence on my decision	51	9%	44	5%	95	6%
4. Would have a negative influence on my decision	9	2%	13	1%	22	1%
5. Would not live in new housing if it was included	4	1%	9	1%	13	1%
(blank)	46	8%	13	1%	59	4%
Grand Total	567	100%	940	100%	1,507	100%

34. How influential would each of the following community features be on your interest in living in on campus housing? Assume each of these are in or near housing.

Community kitchen						
1. Would not live in new housing without it	70	12%	147	16%	217	14%
2. Would have a positive influence on my decision	162	29%	428	46%	590	39%
3. Would have no influence on my decision	182	32%	277	29%	459	30%
4. Would have a negative influence on my decision	62	11%	56	6%	118	8%
5. Would not live in new housing if it was included	45	8%	22	2%	67	4%
(blank)	46	8%	10	1%	56	4%
Grand Total	567	100%	940	100%	1,507	100%

Coffee shop or café						
1. Would not live in new housing without it	24	4%	67	7%	91	6%
2. Would have a positive influence on my decision	334	59%	635	68%	969	64%
3. Would have no influence on my decision	157	28%	219	23%	376	25%
4. Would have a negative influence on my decision	4	1%	3	0%	7	0%
5. Would not live in new housing if it was included	2	0%	7	1%	9	1%
(blank)	46	8%	9	1%	55	4%
Grand Total	567	100%	940	100%	1,507	100%

Convenience store						
1. Would not live in new housing without it	32	6%	94	10%	126	8%
2. Would have a positive influence on my decision	379	67%	726	77%	1,105	73%
3. Would have no influence on my decision	104	18%	104	11%	208	14%
4. Would have a negative influence on my decision	4	1%	5	1%	9	1%
5. Would not live in new housing if it was included	2	0%	2	0%	4	0%
(blank)	46	8%	9	1%	55	4%
Grand Total	567	100%	940	100%	1,507	100%

Computer lab						
1. Would not live in new housing without it	30	5%	158	17%	188	12%
2. Would have a positive influence on my decision	298	53%	574	61%	872	58%
3. Would have no influence on my decision	185	33%	190	20%	375	25%
4. Would have a negative influence on my decision	6	1%	3	0%	9	1%
5. Would not live in new housing if it was included	1	0%	5	1%	6	0%
(blank)	47	8%	10	1%	57	4%
Grand Total	567	100%	940	100%	1,507	100%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
Convenient parking						
1. Would not live in new housing without it	241	43%	277	29%	518	34%
2. Would have a positive influence on my decision	221	39%	450	48%	671	45%
3. Would have no influence on my decision	55	10%	192	20%	247	16%
4. Would have a negative influence on my decision	3	1%	5	1%	8	1%
5. Would not live in new housing if it was included	1	0%	5	1%	6	0%
(blank)	46	8%	11	1%	57	4%
Grand Total	567	100%	940	100%	1,507	100%
Fitness center/weight room						
1. Would not live in new housing without it	47	8%	95	10%	142	9%
2. Would have a positive influence on my decision	340	60%	589	63%	929	62%
3. Would have no influence on my decision	127	22%	233	25%	360	24%
4. Would have a negative influence on my decision	4	1%	7	1%	11	1%
5. Would not live in new housing if it was included	3	1%	5	1%	8	1%
(blank)	46	8%	11	1%	57	4%
Grand Total	567	100%	940	100%	1,507	100%
Game room (ping pong, pool, etc.)						
1. Would not live in new housing without it	18	3%	43	5%	61	4%
2. Would have a positive influence on my decision	258	46%	469	50%	727	48%
3. Would have no influence on my decision	230	41%	402	43%	632	42%
4. Would have a negative influence on my decision	11	2%	7	1%	18	1%
5. Would not live in new housing if it was included	4	1%	7	1%	11	1%
(blank)	46	8%	12	1%	58	4%
Grand Total	567	100%	940	100%	1,507	100%
Group study/meeting space						
1. Would not live in new housing without it	38	7%	141	15%	179	12%
2. Would have a positive influence on my decision	313	55%	609	65%	922	61%
3. Would have no influence on my decision	159	28%	172	18%	331	22%
4. Would have a negative influence on my decision	6	1%	3	0%	9	1%
5. Would not live in new housing if it was included	5	1%	4	0%	9	1%
(blank)	46	8%	11	1%	57	4%
Grand Total	567	100%	940	100%	1,507	100%
Main lobby with front desk						
1. Would not live in new housing without it	50	9%	145	15%	195	13%
2. Would have a positive influence on my decision	220	39%	469	50%	689	46%
3. Would have no influence on my decision	237	42%	308	33%	545	36%
4. Would have a negative influence on my decision	8	1%	4	0%	12	1%
5. Would not live in new housing if it was included	5	1%	3	0%	8	1%
(blank)	47	8%	11	1%	58	4%
Grand Total	567	100%	940	100%	1,507	100%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
On-site laundry facilities						
1. Would not live in new housing without it	273	48%	465	49%	738	49%
2. Would have a positive influence on my decision	205	36%	399	42%	604	40%
3. Would have no influence on my decision	30	5%	62	7%	92	6%
4. Would have a negative influence on my decision	6	1%	4	0%	10	1%
5. Would not live in new housing if it was included	6	1%		0%	6	0%
(blank)	47	8%	10	1%	57	4%
Grand Total	567	100%	940	100%	1,507	100%
Quiet study areas						
1. Would not live in new housing without it	77	14%	219	23%	296	20%
2. Would have a positive influence on my decision	314	55%	585	62%	899	60%
3. Would have no influence on my decision	123	22%	120	13%	243	16%
4. Would have a negative influence on my decision	4	1%	3	0%	7	0%
5. Would not live in new housing if it was included	2	0%	1	0%	3	0%
(blank)	47	8%	12	1%	59	4%
Grand Total	567	100%	940	100%	1,507	100%
Social/TV lounge						
1. Would not live in new housing without it	18	3%	78	8%	96	6%
2. Would have a positive influence on my decision	214	38%	484	51%	698	46%
3. Would have no influence on my decision	265	47%	343	36%	608	40%
4. Would have a negative influence on my decision	18	3%	19	2%	37	2%
5. Would not live in new housing if it was included	4	1%	7	1%	11	1%
(blank)	48	8%	9	1%	57	4%
Grand Total	567	100%	940	100%	1,507	100%
Outdoor 'green' space						
1. Would not live in new housing without it	58	10%	109	12%	167	11%
2. Would have a positive influence on my decision	338	60%	558	59%	896	59%
3. Would have no influence on my decision	123	22%	259	28%	382	25%
4. Would have a negative influence on my decision	1	0%	6	1%	7	0%
5. Would not live in new housing if it was included	2	0%		0%	2	0%
(blank)	45	8%	8	1%	53	4%
Grand Total	567	100%	940	100%	1,507	100%
Outdoor grilling area						
1. Would not live in new housing without it	26	5%	34	4%	60	4%
2. Would have a positive influence on my decision	234	41%	360	38%	594	39%
3. Would have no influence on my decision	246	43%	517	55%	763	51%
4. Would have a negative influence on my decision	14	2%	19	2%	33	2%
5. Would not live in new housing if it was included	1	0%	2	0%	3	0%
(blank)	46	8%	8	1%	54	4%
Grand Total	567	100%	940	100%	1,507	100%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
Outdoor recreation area						
1. Would not live in new housing without it	27	5%	55	6%	82	5%
2. Would have a positive influence on my decision	296	52%	554	59%	850	56%
3. Would have no influence on my decision	192	34%	305	32%	497	33%
4. Would have a negative influence on my decision	3	1%	9	1%	12	1%
5. Would not live in new housing if it was included	3	1%	6	1%	9	1%
(blank)	46	8%	11	1%	57	4%
Grand Total	567	100%	940	100%	1,507	100%

35. Please think back to when you were selecting the housing you live in now. If your preferred unit had been available on campus for the current academic year (at the estimated rent from Question 32, and with preferred features from Questions 33 and 34), would you have lived in on-campus housing instead?

1. I definitely would have lived there.	120	21%	402	43%	522	35%
2. I might have lived there (50/50 chance).	196	35%	413	44%	609	40%
3. I probably would not have lived there (less than 50/50 chance).	118	21%	82	9%	200	13%
4. I would not have lived there.	96	17%	43	5%	139	9%
(blank)	37	7%	0%	0%	37	2%
Grand Total	567	100%	940	100%	1,507	100%

36. What parking arrangement would you prefer if you lived in on-campus housing?

1. No parking - I would not bring a car if I lived there (no cost)	64	11%	235	25%	299	20%
2. On-site parking on a surface lot near the new housing for a fee (less expensive)	300	53%	545	58%	845	56%
3. Garage parking near the new housing for a fee (more expensive)	67	12%	113	12%	180	12%
(blank)	136	24%	47	5%	183	12%
Grand Total	567	100%	940	100%	1,507	100%

37. Why would you not have been interested in living in the proposed on-campus housing?

a. I already own a home	22	4%	24	3%	46	3%
b. I am concerned about the level of rules and regulations	102	18%	65	7%	167	11%
c. I would not have wanted to move	43	8%	53	6%	96	6%
d. I live with my parents/guardians	53	9%	20	2%	73	5%
e. I live with my spouse/partner and/or children	54	10%	12	1%	66	4%
f. The housing is too expensive	349	62%	398	42%	747	50%
g. I have a pet	76	13%	38	4%	114	8%
h. Some other reason:	62	11%	43	5%	105	7%
<i>A-I gives me a more social atmosphere to meet people</i>		0%	1	0%	1	0%
<i>As a grad student I don't want to live near my students</i>	1	0%		0%	1	0%
<i>As a TA, I don't want to live with undergraduates.</i>	1	0%		0%	1	0%
<i>Because I have a family and I will not leave my son & husband</i>		0%	1	0%	1	0%
<i>Because I would want my own bathroom.</i>		0%	1	0%	1	0%
<i>Cleanliness</i>	1	0%		0%	1	0%
<i>Concerned about the actions of housing staff</i>	1	0%		0%	1	0%
<i>Cost</i>		0%	1	0%	1	0%
<i>Depends on character of the people who live there</i>		0%	1	0%	1	0%
<i>Depends on distance</i>		0%	1	0%	1	0%
<i>Different gendered friends being my roommate</i>	1	0%		0%	1	0%
<i>Do not want required meal plan.</i>	1	0%		0%	1	0%
<i>Don't want to live near undergrads, themes, party rooms.</i>	1	0%		0%	1	0%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
<i>Extremely overpriced for very low quality living spaces</i>	1	0%		0%	1	0%
<i>Fire Alarm Drills</i>	1	0%		0%	1	0%
<i>First year, far away from home. Can't start on my own yet</i>		0%	1	0%	1	0%
<i>Glen Mor has a dining plan, would be appealing if this did.</i>		0%	1	0%	1	0%
<i>Grocery store is not close by (walking distance)</i>	1	0%		0%	1	0%
<i>Housing is too expensive, middle-class students struggle</i>	1	0%		0%	1	0%
<i>Housing would probably put me on a waitlist yet again.</i>	1	0%		0%	1	0%
<i>I already work as an RA.</i>		0%	1	0%	1	0%
<i>I am a Freshman & wanted to live in a dorm my first year.</i>		0%	1	0%	1	0%
<i>I am an RA</i>		0%	1	0%	1	0%
<i>I am an RA so I currently do not pay rent</i>		0%	1	0%	1	0%
<i>I am in an LLC and am required to live on campus</i>		0%	1	0%	1	0%
<i>I applied but did not get the spot yet, still waiting</i>	1	0%		0%	1	0%
<i>I can save money living at my current home</i>	1	0%		0%	1	0%
<i>I don't (/didn't) want roommates</i>		0%	1	0%	1	0%
<i>I don't want to live in a dorm type place</i>	1	0%		0%	1	0%
<i>i hate the architecture style</i>		0%	1	0%	1	0%
<i>I have already bought some furniture</i>	1	0%		0%	1	0%
<i>I live in the Honors LLC</i>		0%	1	0%	1	0%
<i>I live on campus already</i>		0%	1	0%	1	0%
<i>I pay the same at my apt living alone</i>	1	0%		0%	1	0%
<i>I prefer living alone</i>	1	0%		0%	1	0%
<i>I think a fruit forest should planted allowing trees life</i>		0%	1	0%	1	0%
<i>I want dorm experience my first year</i>		0%	1	0%	1	0%
<i>I want to live on my own not in a shared apartment</i>	1	0%		0%	1	0%
<i>I want to move to OBAN Family Housing in future.</i>	1	0%		0%	1	0%
<i>I want to privacy of living off campus</i>	1	0%		0%	1	0%
<i>I was not looking at apartments at all. I wanted to dorm.</i>		0%	1	0%	1	0%
<i>I will not live in a community that caters to undergraduates</i>	1	0%		0%	1	0%
<i>I would live there if financial aid covered me somewhat.</i>	1	0%		0%	1	0%
<i>I would prefer an unfurnished unit</i>	1	0%		0%	1	0%
<i>I would prefer to live in a one bedroom / studio apartment.</i>	1	0%		0%	1	0%
<i>I wouldnt want to live with more than 1 student in apartment</i>	1	0%		0%	1	0%
<i>I'm not interested in leaving in an area with undergraduates</i>	1	0%		0%	1	0%
<i>I'm saving money.</i>	1	0%		0%	1	0%
<i>It would be between that and Glen Mor.</i>		0%	1	0%	1	0%
<i>It's the same price as Glen Mor.</i>		0%	1	0%	1	0%
<i>It's even further from affordable grocery stores.</i>		0%	1	0%	1	0%
<i>Like living alone</i>	1	0%		0%	1	0%
<i>Live with children/relatives that I support</i>	1	0%		0%	1	0%
<i>Living space too crowded</i>	1	0%		0%	1	0%
<i>Living with friends</i>	1	0%		0%	1	0%
<i>Looking for a different apartment structure/style</i>		0%	1	0%	1	0%
<i>Management not up to par.</i>	1	0%		0%	1	0%
<i>Medical condition</i>	1	0%		0%	1	0%
<i>More privacy</i>	1	0%		0%	1	0%
<i>More private living space</i>	1	0%		0%	1	0%
<i>My housing situation is cheaper and more comfortable.</i>	1	0%		0%	1	0%
<i>My parents handle the finances</i>	1	0%		0%	1	0%

Tabulation of Student Survey Responses	Off Campus		On Campus		Overall	
	#	%	#	%	#	%
<i>My partner works 80 miles from campus.</i>	1	0%		0%	1	0%
<i>Needs Meal Plans</i>	1	0%		0%	1	0%
<i>No free parking</i>		0%	1	0%	1	0%
<i>no privacy. also concerned about security/safety</i>	1	0%		0%	1	0%
<i>No renting options for quarters</i>		0%	1	0%	1	0%
<i>No single bedroom options</i>	1	0%		0%	1	0%
<i>No solo units</i>	1	0%		0%	1	0%
<i>Noise concerns</i>	1	0%		0%	1	0%
<i>Not as clean/well kept</i>	1	0%		0%	1	0%
<i>Not enough social life</i>		0%	1	0%	1	0%
<i>Not too expensive, but it is another expense</i>		0%	1	0%	1	0%
<i>On campus apartments are dirty and gross</i>	1	0%		0%	1	0%
<i>Parking is already overcrowded</i>		0%	1	0%	1	0%
<i>Parking is too expensive</i>	1	0%		0%	1	0%
<i>Parking on campus is ridiculous (and in campus housing)</i>		0%	1	0%	1	0%
<i>Parking permit might be expensive</i>		0%	1	0%	1	0%
<i>Parking should be free</i>	1	0%		0%	1	0%
<i>Plus parking is an additional cost</i>		0%	1	0%	1	0%
<i>Prefer to live alone</i>	1	0%		0%	1	0%
<i>Prefer to live alone than have flatmates.</i>		0%	1	0%	1	0%
<i>Price</i>		0%	1	0%	1	0%
<i>Pricing is way to expensive</i>	1	0%		0%	1	0%
<i>Projected price is still too expensive compared off campus</i>	1	0%		0%	1	0%
<i>Rooms are small in single, would prefer not to share</i>		0%	1	0%	1	0%
<i>Security and state of current student housing</i>	1	0%		0%	1	0%
<i>Shared bathroom</i>	1	0%		0%	1	0%
<i>Soundproof walls</i>		0%	1	0%	1	0%
<i>Spouse has job in Orange County and commute would be long</i>	1	0%		0%	1	0%
<i>Students pay way too much for rent</i>		0%	1	0%	1	0%
<i>The bedroom size is unknown and that is a concern for me</i>		0%	1	0%	1	0%
<i>The expense</i>		0%	1	0%	1	0%
<i>The rooms look too small.</i>	1	0%		0%	1	0%
<i>There are about 5000 rules i don't have to follow here</i>	1	0%		0%	1	0%
<i>Waiting for my son to finish high school before campus livng</i>	1	0%		0%	1	0%
<i>Wanted to live with friends outside for cheaper if possible.</i>		0%	1	0%	1	0%
<i>Why is the 4bd/2ba more expensive than the 2bd/2ba???</i>	1	0%		0%	1	0%
<i>Why is the more cramped unit more expensive?</i>	1	0%		0%	1	0%
<i>Would give my roommates (4 of em) less common space</i>	1	0%		0%	1	0%
<i>Would prefer single bedroom/studio apartment</i>	1	0%		0%	1	0%
<i>You guys already charge almost \$800 for parking.</i>		0%	1	0%	1	0%
(blank)	123	22%	426	45%	549	36%
Grand Total	567	100%	940	100%	1,507	100%

ATTACHMENTS

U C R I V E R S I D E ■ S T U D E N T H O U S I N G M A R K E T S T U D Y

APPENDIX I: LEGAL DISCLAIMER

MGT's analysis of UCR's Campus Apartments North District expansion plans relies on the accuracy of information provided by UCR as well as near-term and long-term assumptions influenced by factors outside of MGT's control and for which may adversely impact UCR's expansion plans. Changes such as UCR's financial health, construction materials, and costs, as well as state, local, and global economic conditions, may impact both the demand for the program, costs and or the project's financial feasibility. Additional risks to the expansion plans include but are not limited to changes to program demand, competitive programs, regulatory changes, as well as general acts of disaster.



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APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or teletype as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the “Insurer’s Fiscal Agent”) for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer’s Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer’s Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer’s Fiscal Agent on behalf of BAM. The Insurer’s Fiscal Agent is the agent of BAM only, and the Insurer’s Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer’s Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



**CALIFORNIA
ENDORSEMENT TO
MUNICIPAL BOND
INSURANCE POLICY
NO.**

This Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 15.2 of Chapter 1 of Part 2 of Division 1 of the California Law.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

Authorized Officer

UCRIVERSIDE UNIVERSITY OF CALIFORNIA



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